

3 March 2025

**DIRECTOR OLIVER O. LEONARDO**  
**MARKETS AND SECURITIES REGULATION DEPARTMENT**  
**SECURITIES AND EXCHANGE COMMISSION**  
**The SEC Headquarters, 7907 Makati Avenue**  
**Salcedo Village, Bel-air, Makati City**

**Subject : Preliminary Information Statement**

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**Dear Director Leonardo,**

Our Company Chelsea Logistics and Infrastructure Holdings Corp. will be holding its Annual Stockholders' Meeting on April 28, 2025 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

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SEC Registration Number

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(Company's Full Name)

[illegible][illegible][illegible][illegible]

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

MA. HENEDINA V. SAN JUAN

(Contact Person)

+63 82 224 5373

(Company Telephone Number)

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Month Day  
(Fiscal Year)

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Definitive  
(Form Type)

04		28	
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Month Day  
(Annual Meeting)

\*Last Monday of April of every year

(Secondary License Type, If Applicable)

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Amended Articles Number/Section

32

Total No. of Stockholders

## Total Amount of Borrowings

15,440,715,715

Domestic

1,424,900,901

Foreign

To be accomplished by SEC Personnel concerned

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## 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 28, 2025** at **11 A.M.**, via Remote Communication [https://us02web.zoom.us/webinar/register/WN\\_LI2Xii2tTh2D25zQAMciUw](https://us02web.zoom.us/webinar/register/WN_LI2Xii2tTh2D25zQAMciUw), 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 2024
4. Approval of the Minutes of the Annual Stockholders' Meeting held on September 20, 2024
5. Ratification and confirmation of all acts and resolutions of the Board and Management executed in the normal course of business covering the period August 5, 2024 until February 15, 2025
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 31, 2025** are entitled to notice of, and to vote at, this meeting.

The Annual Stockholders' Meeting on April 28, 2025 shall be conducted via remote communication.


Stockholders who intend to participate are required to register by sending an email, together with the requirements to [ASM@chelsealogistics.ph](mailto:ASM@chelsealogistics.ph) on or before April 22, 2025, 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, 18<sup>th</sup> Floor, Udenna Tower, Rizal Drive corner 4<sup>th</sup> Avenue, Bonifacio Global City, Taguig City by mail or sent by

email to [ASM@chelsealogistics.ph](mailto:ASM@chelsealogistics.ph). Validation of proxies and registration shall commence on April 1, 2025 until 5 p.m. of April 22, 2025. 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](mailto:ir@chelseashipping.ph)

Taguig City, 3 March 2025.

  
**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 28, 2025  
Time - 11 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 2, 2025

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 28, 2025  
Time - 11 a.m.  
Place - Stella Hizon Reyes Road, Bo. Pampanga, Davao City  
Remote Communication (via Zoom)  
[https://us02web.zoom.us/webinar/register/WN\\_LI2Xii2tTh2D25zQAMciUw](https://us02web.zoom.us/webinar/register/WN_LI2Xii2tTh2D25zQAMciUw)

- b. Approximate date when the Information Statement is first to be sent to stockholders:  
April 2, 2025

**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 January 31, 2025, 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 31, 2025**.

**c. Voting Rights and Trust**

In the matters to be voted upon in the Annual Stockholders' Meeting, stockholders of record as of March 31, 2025 shall be entitled to one vote per share in person or by proxy. If he will vote through 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 January 31, 2025**

Title of Class	Name & Address of Record Owner & Relationship to Issuer	Name of Beneficial Owner & Relationship to Record Owner	Citizenship	No. of Shares	Percentage of Outstanding Shares
Common	Udenna Corporation Stella Hizon Reyes Road, Bo. Pampanga, Davao City <i>Stockholder</i>	Udenna Corporation	Filipino	1,650,384,605	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	528,933,067	23.25%

*\*PCD Nominee Corporation is not a related Company*

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

The 528,933,067 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 January 31, 2025, 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, Udenna 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 January 31, 2025, 0.6670% or 15,174,825 Common Shares are owned by foreign stockholders.

## ii. Security Ownership of Directors and Management as of January 31, 2025

Title of Class	Name of Beneficial Owner	Citizenship	Nature of Beneficial Ownership	No. of Shares	Percentage of Outstanding Shares
<b>Directors</b>					
Common	Dennis A. Uy	Filipino	Direct Indirect	215,501 770,234,496	.01% 33.86%
Common	Cherylyn C. Uy	Filipino	Direct Indirect	1 219,996,268	NIL 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



Title of Class	Name of Beneficial Owner	Citizenship	Nature of Beneficial Ownership	No. of Shares	Percentage of Outstanding Shares
			Indirect	100,000	0.01%
Common	Arthur Kenneth L. Sy	Filipino	Direct	1	NIL
Common	Efren E. Uy	Filipino	Direct	270,001	0.01%
Common	Gilbert F. Santa Maria	Filipino	Direct	1	NIL
<b>Executive Officers</b>					
Common	Darlene A. Binay	Filipino	N/A	NIL	NIL
Common	Reynaldo A. Phala	Filipino	N/A	NIL	NIL
Common	Ma. Henedina V. San Juan	Filipino	Direct	219,000	0.01%
Common	Maria Katherine A. Agbay	Filipino	N/A	NIL	NIL
Common	Leandro E. Abarquez	Filipino	Direct	36,300	NIL
<b>All Directors and Officers as a group</b>				<b>992,809,572</b>	<b>43.64%</b>

As of January 31, 2025, Directors and Executive Officers of the Company owned an aggregate of 992,809,572 shares of the Company, equivalent to 43.64% 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
<b>Directors</b>			
Chairman	Dennis A. Uy	51	Filipino
Director/President & CEO	Chryss Alfonsus V. Damuy	51	Filipino
Director	Cherylyn C. Uy	45	Filipino
Director	Arthur Kenneth L. Sy	57	Filipino
Director	Efren E. Uy	63	Filipino
Director	Eduardo A. Bangayan	72	Filipino
Independent Director	Miguel Rene A. Dominguez	48	Filipino
Independent Director	Jesus S. Guevara II	70	Filipino
Independent Director	Gilbert F. Santa Maria	58	Filipino
<b>Executive Officers</b>			
President & CEO	Chryss Alfonsus V. Damuy	51	Filipino
Chief Financial Officer	Darlene A. Binay	52	Filipino
Deputy CFO/ Treasurer/ Head of Treasury Department	Reynaldo A. Phala	58	Filipino

Office/Position	Name	Age	Citizenship
AVP – Legal & Corporate Affairs / Corporate Secretary	Ma. Henedina V. San Juan	63	Filipino
Compliance Officer	Leandro E. Abarquez	41	Filipino
Chief Audit Executive	Maria Katherine A. Agbay	52	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 2025 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 Darlene A. Binay.

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, 51 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 Chairman and CEO of Udenna Corporation, the ultimate parent company of PPPI and CLIHC. He is also the Chairman 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. and its

subsidiaries, Phoenix Philippines Foundation and of Udenna Foundation. 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, 51 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, Starsy 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**

Cherylyn C. Uy, Filipino, 45 years old, is a Director of CLIHC since February 10, 2017. She also served as the Treasurer of the Company and its subsidiaries until September 2024. She is likewise a Director of Phoenix Petroleum Philippines, Inc. and of PH Resorts Group Holdings, Inc., and the Corporate Treasurer of the Udenna Group of Companies. She is the 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, 57 years old, has been a Director of CLIHC since March 27, 2017. He serves as Co-Chairman of Trans-Asia Shipping Lines, Incorporated, and currently the President and CEO of Sybu Real Estate Corporation and Director of Big Hub Transport & Logistics Corp., Dynamic Cuisine, Inc., Starsy Shoppe, Inc., Star Maritima Port and Allied Services, Inc., Oceanstar Shipping Corporation, and Quality Metal and Shipworks Inc. He holds degrees in the fields of business and engineering namely, Bachelor of Science in Business Administration from the University of San Carlos; Bachelor of Science in Marine Engineering, and Bachelor of Science in Mechanical Engineering from the University of Cebu.

**Efren E. Uy**

**Director**

Efren E. Uy, Filipino, 63 years old, has been a Director of CLIHC since March 27, 2017. Mr. Uy currently serves as the Chairman 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, 73 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, 48 years old, has been an Independent Director of CLIHC since March 27, 2017. He is currently the President and Chief Executive Officer of Alsons Development & Investment Corporation. He previously served as Vice President for Operations at the Alcantara Group's Agribusiness Unit, where he oversaw the operations of key subsidiaries including Sarangani Agricultural Co. Inc. and Alsons Aquaculture Corporation. He was governor of Sarangani province for three (3) consecutive 3-year terms that began in 2004, during which he implemented a variety of agricultural and fisheries support programs aimed at improving the livelihoods of small-scale farmers and fisherfolk. Mr. Dominguez was named an awardee for Governance and Public Service in the Ten Outstanding Young Men (TOYM) 2013 by the TOYM Foundation. He was the first awardee of the Jesse Robredo Leadership Award given the same year. Beyond his roles within the Alcantara Group, Mr. Dominguez contributes to public service, social development, and the broader business community as an Independent Director of Siguil Hydro Power Corporation; Chairman of the Mindanao Committee of the Philippine Business for Social Progress; Board Member of the Philippine Business for Education; President of the General Santos City Chamber of Commerce; Chairman of Eisenhower Fellowships Association of the Philippines; President of Synergeia Foundation, Chairman of the Eagle Ridge Golf and Country Club; and Member of the Philippines-Japan Economic Cooperation Committee, Inc. He holds a Bachelor of Arts in Economics from Boston College and a postgraduate degree from Harvard University's Kennedy School.

**Jesus S. Guevara II****Independent Director**

Jesus S. Guevara II, Filipino, 70 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 served as the Chairman of the Board of Phividec Industrial Authority until August 13, 2024. 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**

<b>Name of Director</b>	<b>Period of Service</b>	<b>Term of Office</b>
Dennis A. Uy	since incorporation to present	9 years
Chryss Alfonsus V. Damuy	since incorporation to present	9 years
Cherylyn C. Uy	since February 10, 2017 to present	8 years
Arthur Kenneth L. Sy	since March 27, 2017 to present	8 years
Efren E. Uy	since March 27, 2017 to present	8 years
Eduardo A. Bangayan	since March 27, 2017 to present	8 years
Miguel Rene A. Dominguez	since March 27, 2017 to present	8 years
Jesus S. Guevara II	since March 27, 2017 to present	8 years
Gilbert F. Santa Maria	Since September 20, 2024 to present	5 months

#### **Directorships in Other Reporting Companies**

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

<b>Name of Director</b>	<b>Name of Reporting Company</b>	<b>Position Held</b>
Dennis A. Uy	Phoenix Petroleum Philippines, Inc.	Chairman and Chief Strategy Officer
	2Go Group, Inc.	Chairman of the Board
	PH Resorts Group Holdings, Inc.	Chairman
	DITO CME Holdings Corp.	Chairman
	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. The written consent / permission issued by the Davao City Water District for Director Bangayan to hold this position is attached hereto as Annex A.

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-1, that except for Director Eduardo A. Bangayan, 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, Jesus S. Guevara II and Gilbert F. Santa Maria, on their qualification as Independent Directors, are attached as Annex B, B-1, and B-2 respectively.

#### Executive Officers

The following Officers are expected to be nominated for re-election or election at the Organizational Meeting of the Board of Directors following the Annual Stockholders' Meeting on April 28, 2025:

##### **Darlene A. Binay**

##### **Chief Financial Officer**

Filipino, 52 years old, is the Chief Financial Officer of CLIHC. 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 PricewaterhouseCoopers member firm. She is a Certified Public Accountant and has a degree in B.S. Accountancy from St. Paul College Quezon City.

##### **Reynaldo A. Phala**

##### **Treasurer / Deputy CFO/ Head of Treasury**

Filipino, 58 years old, is the Treasurer, Deputy CFO, and Head of the Treasury Department of CLIHC and its subsidiaries. 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, 63 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.

##### **Leandro E. Abarquez**

##### **Compliance Officer**

Filipino, 41 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, 52 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**

<b>Name of Executive Officer</b>	<b>Period of Service</b>
Darlene A. Binay	January 4, 2021 to present
Reynaldo A. Phala	April 15, 2020 to present
Ma. Henedina V. San Juan	Since incorporation 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 (Director)
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. Bangayan 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. In its ruling dated August 7, 2023 the Supreme Court remanded the case to the Sandiganbayan. Jesus Guevara filed his Motion for Reconsideration of this ruling of the Supreme Court, and is awaiting the ruling of the Court on the said Motion.

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 transactions with its related parties for the years ended December 31, 2024, 2023 and 2022, and the related outstanding balances as of December 31, 2024 and 2023 is presented below.

Related Party Category	Notes	Amounts of Transactions			Outstanding Balances	
		2024	2023	2022	September 30, 2024	December 31, 2023
<b>Parent —</b>						
Cash advances granted	19.4	( P 11,699,609 ) ( P	82,486 ) ( P	10,936,541 )	P 7,105,760,703	P 7,117,460,312
<b>Associate —</b>						
Sale of Dito	10, 19.4	-	-	-	271,874,967	271,874,967
<b>Related parties under common ownership:</b>						
Chartering of services rendered	19.1	-	9,881,618	109,987,271	64,184,585	64,184,585
Fuel purchases	19.2	183,610,558	31,028,580	787,617,140	( 2,914,752,886 ) (	2,979,533,494
Acquisition of CSC's shares	19.6	-	-	-	( 500,000,000 ) (	500,000,000
Rental expense	19.3	-	1,025,325	1,504,479	( 3,420,866 ) (	3,420,866
Cash advances granted	19.4	-	-	17,291,343	86,032,238	86,032,238
Cash advances obtained	19.4	-	( 25,490,390 )	71,198,734	( 504,000,000 ) (	504,000,000
Right-of-use assets	9, 19.7	( 5,552,180 ) (	12,492,405 ) (	12,492,405 )	-	5,552,180
Lease liabilities	12.4, 19.7	5,118,195	13,382,259	12,708,552	-	( 5,118,195
<b>Stockholders -</b>						
Cash advances granted	19.4	( 53,938,607 )	-	-	125,024,996	178,963,603

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), a related party under common ownership, 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 under the Revenues section of the Consolidated Statements of Profit or Loss. The related outstanding receivable as of September 30, 2024 and December 31, 2023 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 September 30, 2024 and December 31, 2023 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 Php120.6M and Php96.2M as of September 30, 2024 and December 31, 2023, respectively, are included as part of the Inventories account in the Consolidated Statements of Financial Position (see Note 6). The outstanding liability, which is unsecured, and do not bear any interest as the credit terms range from 30 to 90 days, arising from these transactions as of September 30, 2024 and December 31, 2023, 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 a one-year contract of lease covering vehicles with Valueleases, Inc., a related party under common ownership, renewable at the end of the lease term upon mutual agreement of the parties. 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 Note 11).

## **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 September 30, 2024 and December 31, 2023, 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 as of September 30, 2024 and December 31, 2023 are as follows:

	Parent Company	Associate	Related Parties under common Ownership	Stockholders	Total
<b>September 30, 2024</b>					
Balance at beginning of year	P  7,117,460,312	P 271,874,967	P 86,032,238	P 150,885,270	P 7,626,252,787
Advances (Collections)	( 11,699,609 )	-	-	( 25,860,274 )	( 37,559,883 )
Balance at end of period	P 7,105,760,703	P 271,874,967	P 86,032,238	P 125,024,996	P 7,588,692,904
<b>December 31, 2023</b>					
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	4,338,633	-	-	2,661,432	7,000,065
Collections	-	-	( 26,428 )	-	( 26,428 )
Balance at end of year	P 7,117,460,312	P 271,874,967	P 86,032,238	P 150,885,270	P 7,626,252,787

Based on Management's assessment, no impairment loss is recognized in 2024, 2023 and 2022 related to the advances granted to related parties (see Note 25.2).

In addition, the following table presents the outstanding balance of advances to officers and employees of the Company as of September 30, 2024 and December 31, 2023:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Advances to officers and employees	₱ 28,493,470	₱ 28,717,705

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, 2024, Udenna Corporation owns 72.55% of the outstanding shares of the Company.

d. Resignation of Directors

Since the organizational meeting of the Company on September 20, 2024, 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, 2024			
<b>Chryss Alfonsus V. Damuy</b> <b>Cherylyn C. Uy</b> <b>Ignacia S. Braga IV</b> <b>Darlene A. Binay</b>	President & CEO Treasurer Chief Financial Officer (until August 31, 2024) Chief Financial Officer (Starting September 1, 2024)	26.43	2.05	8.24	36.72
All other officers as a group unnamed		12.55	0.52	2.48	15.55

Compensation of Executive Officer and Directors (in ₱ millions)					
Name	Principal Position	Salary	Bonus	Other	Total
		Actual 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

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

- Specification of job title, commencement date of employment, work assignment and possible need for reassignment of work or location as the need may arise.
- Probation of 6 months from commencement of employment. If the job performance is found to be satisfactory, employment shall be converted to regular status.
- Salary & Benefits: specifies that the executive officer shall receive his or her monthly salary and a guaranteed 13<sup>th</sup> 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.
- 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.
- 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.
- 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)

On February 13, 2019, the Board of Directors of the Company approved an ESOP covering all regular employees with at least one year of service from the date of grant. This was subsequently ratified by stockholders holding at least two-thirds of the outstanding capital stock on March 15, 2019. The objective of the ESOP is to recognize the loyalty, dedication and exemplary performance of the employees of the Company, thereby encouraging long-term commitment to the Company.

Under the ESOP, the Company shall initially reserve for 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 five 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 IOD. The Company shall receive cash for the stock options.

In 2022, the Company amended the subscription price of the stock options to P3.99 per share from P6.28 per share and the exercise periods to the first five trading days of September of every year. This change was taken prospectively from date of approval and resulted to an increase in share options expense amounting to P18.8 million in 2022.

As of September 30, 2024 and December 31, 2023, 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 September 30, 2024 and December 31, 2023.

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	:	₱6.05
Amended exercise price	:	₱3.99
Original exercise price at grant date	:	₱6.28
Average fair value at grant date	:	₱3.16
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 data 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	6,570,922	1,314,184	1,273,494	1,273,494	1,273,494	1,273,494
All other Officers of the Company	1,251,102	205,043	205,043	205,043	205,043	205,043

As of December 31, 2024, 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

Isla Lipana & Co. was appointed as the Company's new external auditor at the Annual Stockholders' Meeting held on September 20, 2024 for Calendar / Audit Year 2024. Isla Lipana & Co., which is the Philippine member firm of PricewaterhouseCoopers, has neither shareholding in the Company 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. Representatives of Isla Lipana & Co. 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 previous external auditor Punongbayan & Araullo (P&A).

	2024	2023	2022
Audit Fees	₱10,500,000	₱8,000,000	₱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:

- Provide oversight of Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
- Perform oversight functions over 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 7. Compensation Plans**

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

## **C. ISSUANCE AND EXCHANGE SECURITIES**

### **Item 8. 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 9. 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 10. Financial and Other Information**

The Company's Financial Statements as of and for the year ended December 31, 2024 and Management Report are attached as Annexes D and E.

### **Item 11. Mergers, Consolidations, Acquisitions and Similar Matters**

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

### **Item 12. Acquisition or Disposition of Property**

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

### **Item 13. 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 14. Action with Respect to Reports and Other Proposed Action**

1. Approval of the Minutes of the Annual Stockholders' Meeting held on September 20, 2024
2. Report of the President & CEO for the Year 2024
3. Ratification and Confirmation of all acts and resolutions of the Board and Management executed in the normal course of business covering the period August 5, 2024 until February 15, 2025 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 September 20, 2024 Annual Stockholders' Meeting held via Remote Communication (in Zoom) was as follows:

1. Report of the President & CEO for the Year 2023
2. Approval of the Minutes of the Annual Stockholders' Meeting held on May 9, 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 July 15, 2024.
4. Election of the Members of the Board of Directors
5. 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 September 20, 2024 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 2023 Audited Financial Statements and Annual Report; approval of the Minutes of the May 9, 2023 Annual Stockholders' Meeting; ratification of all acts of the Board of Directors, Board Committees and Management for the period covering February 21, 2023 to July 15, 2024; 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 69.94% of the 1,899,768,615 outstanding capital stock of the Company as of the Record Date of August 30, 2024. Udenna Corporation, the shareholder which holds 70% of the total outstanding

shares, was represented by Alexis Carlo G. Magsumbol.

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

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

All 9 members of the Board of Directors were present at the Meeting. Also present were Chief Financial Officer Darlene A. Binay, Deputy CFO Reynaldo A. Phala, 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 1,650,384,605 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, 2024, 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.

2024	2023	2022
₱766,667.00	₱766,667.00	₱ 1,300,333.28

#### **Item 15. 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 16. 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 17. 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 August 5, 2024 until February 15, 2025 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, 2025.

#### **Item 18. 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 31, 2025 are entitled to attend and participate and vote in absentia during the ASM on April 28, 2025 provided they:

- (i) Register by sending an email, together with the requirements to [ASM@chelsealogistics.ph](mailto:ASM@chelsealogistics.ph) on or before April 22, 2025 (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](mailto:ASM@chelsealogistics.ph). It is requested and encouraged that questions will be limited to the Annual Report, Financial Statements as of 31 December 2024 and the Definitive Information Statement sent to all stockholders of record as of March 31, 2025.
- 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](mailto:ASM@chelsealogistics.ph) on or before 5:00 p.m. on April 22, 2025. 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 18<sup>th</sup> Floor, Udenna Tower, Rizal Drive corner 4<sup>th</sup> Ave., Bonifacio Global City, Taguig City or
- (2) Submission of the votes/ ballots, forms through email to [ASM@chelsealogistics.ph](mailto:ASM@chelsealogistics.ph).

The registration, authentication and validation process shall be open starting April 1, 2025 and will close at 5 p.m. on April 22, 2025. 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.

18<sup>TH</sup> Floor, Udenna Tower, Rizal Drive corner 4<sup>th</sup> 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 2025.**

**CHELSEA LOGISTICS AND  
INFRASTRUCTURE HOLDINGS CORP.**

BY:

A handwritten signature in black ink, appearing to read 'H. San Juan', is positioned above the printed name and title.

**MA. HENEDINA V. SAN JUAN**  
Corporate Secretary



**LOCAL WATER UTILITIES ADMINISTRATION**

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

Tel. No. 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](http://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

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 except for Director Eduardo A. Bangayan, there is no Director or officer of the Corporation connected with any government agency or its instrumentalities.

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 FEB 2 5 2025 day of February 2025 at Taguig City.



**MA. HENEDINA V. SAN JUAN**  
Corporate Secretary

FEB 2 5 2025  
SUBSCRIBED AND SWORN to before me this \_\_\_ day of February 2025, affiant exhibiting to me her Driver's License No. NO6-84-035705 valid until 1 September 2032.

Doc. No. 48;  
Page No. 1;  
Book No. 1;  
Series of 2025.

  
**ATTY. PAUL VINCENT P. SIOCHI**  
Notary Public for Taguig City  
Notarial Commission No. 53 (2024-2025)  
Roll of Attorneys No. 68383  
IBP Lifetime No. 016219; 05/08/17; Makati City  
PTR No. A-8465786; 01/13/2025; Taguig City  
MCLE Compliance No. VII-0014795 valid until 04/14/2025  
BLK 5 Lot 21 Phase 2, Pinagsama Village, Taguig City



### 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:

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
Alsons Development and Investment Corporation	President and Chief Executive Officer	July 2024 – present
Siguil Hydro Power Corporation	Independent Director	June 2024 – present
Mindanao Committee of the Philippine Business for Social Progress	Chairman	January 2017 – present
Philippine Business for Education	Board Member	June 2017 – present
General Santos City Chamber of Commerce	President	January 2024- present
Eisenhower Fellowships Association of the Philippines	Chairman	November 2022-present
Synergeia Foundation	President	June 2024 – present
Eagle Ridge Golf and Country Club	Chairman	October 2024 – present
Philippines-Japan Economic Cooperation Committee, Inc.	Member	June 2024 – present

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

**MAR 03 2025**  
Done, this \_\_\_ day of February 2025 at Taguig City.

**MIGUEL RENE A. DOMINGUEZ**  
Affiant

**MAR 03 2025**  
Subscribed and sworn to before me this \_\_\_ day of February 2025 at Taguig City, affiant personally appeared before me and exhibited to me his Tax Identification No. 921-338-194.

Doc. No. 107;  
Page No. 29;  
Book No. 11;  
Series of 2025.

**ATTY. PAUL VINCENT P. SIOCHI**  
Notary Public for Taguig City  
Notarial Commission No. 53 (2024-2025)  
Roll of Attorneys No. 68323  
IBP Lifetime No. 015219; 05/08/17; Manila City  
PTR No. A-6405786; 01/13/2025; Taguig City  
MCLE Compliance No. VII-0014795 valid until 12/31/2025  
BLK 5 Lot 21 Phase 2, Pinagsama Village, Taguig City



### 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 company / organization:

Company/Organization	Position/Relationship	Period of Service
Lipa Bank, Inc.	Director	2009 to the 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 shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

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

Done, this **FEB 27 2025** day of February 2025 at Taguig City.

  
**JESUS S. GUEVARA II**  
Affiant

Subscribed and sworn to before me this **FEB 27 2025** day of February 2025 at Taguig City, affiant personally appeared before me and exhibited to me his Tax Identification No. 125-805-086.

Doc. No. 78;  
Page No. 17;  
Book No. 11;  
Series of 2025.

**ATTY. PAUL VINCENT P. SIOCHI**  
Notary Public for Taguig City  
Notarial Commission No. 53 (2024-2025)  
Roll of Attorneys No. 68383  
IBP Lifetime No. 016219; 05/08/17; Makati City  
PTR No. A-6465786; 01/13/2025; Taguig City  
MCLE Compliance No. VII-0014795 valid until 04/14/2025  
BLK 5 Lot 21 Phase 2, Pinagsama Village, Taguig City

**CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **GILBERT F. SANTA MARIA**, Filipino, of legal age and a resident of 7 Urdaneta Ave., Bgy Urdaneta, Makati City, after having been duly sworn in accordance with law do hereby declare that:

1. I have been nominated as an Independent Director of CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP. (the "Corporation") for the fiscal year 2024.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/ Relationship	Period of Service
LSM Ventures	Founder / Partner	June 2018- Present
Yale School of Management Alumni Advisory Board	Member	From 2020 -Present


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

Done, this 22 APR 2024 day of April 2024 at Taguig City.

  
**GILBERT F. SANTA MARIA**  
Affiant

Subscribed and sworn to before me this 22 APR 2024 day of April 2024 at Taguig City, affiant personally appeared before me and exhibited to me his \_\_\_\_\_.

Doc. No. 31 ;  
Page No. 7 ;  
Book No. XXXIX ;  
Series of 2024.

  
**ATTY. IRISH S. PRECION**  
Notary Public for Taguig City  
Appointment No. 23 (2023-2024)  
Roll No. 69281/05.31.17 / IBP No. 257478/12.23.23  
PTR No. A-6123618/01.02.24/Taguig City  
MCLE Compliance No. VII-0020815 valid until 04-14-25  
Ground Floor FTI Old Admin. Bldg. FTI Complex, Taguig City  
precionirishs@gmail.com / 09988534549

**ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS  
FOR THE PERIOD COVERING  
August 5, 2024 to February 15, 2025**

5 August 2024	<ul style="list-style-type: none"> <li>• Designation of Cristine Ayles and Annabelle Sanchez as the representatives of the Corporation, authorized to transact with the Bureau of Internal Revenue in connection with Letter of Authority No. eLA202200030085 for the Year 2023 issued by the Bureau to the Corporation, and to sign singly and deliver any and all necessary documents to the Bureau regarding the said Letter of Authority.</li> <li>• Authority for the Corporation to apply for the copyright/registration of the Corporation's 'Captain Chelsea' with the Intellectual Property Office (IPO) of the Philippines; Authority for the Corporation's Corporate Secretary Ma. Henedina V. San Juan to sign, execute and deliver the Transaction Form and any and all other documents necessary for the said application.</li> </ul>
9 September	<ul style="list-style-type: none"> <li>• Authority for the Corporation to give its consent to the assignment made by its Lessor, Udenna Tower Corporation of the latter's rights, title and interests, present and future, in the Renewal of the Contract of Lease dated 12 August 2024 in favor of Philippine Bank of Communications under the Omnibus Loan and Security Agreement dated 2 July 2018, which consent is given with the understanding that said assignment in favor of the Bank does not impose on the Corporation any liability or obligation to perform or fulfill any of the obligations of the Lessor under the Omnibus Loan Agreement; Designation of the President &amp; CEO Chryss Alfonsus V. Damuy as the authorized signatory to sign the documentation for the Corporation's conformity to the assignment.</li> </ul>
16 September	<ul style="list-style-type: none"> <li>• Authority for the Corporation to open and maintain with CTBC Bank (Philippines) Corporation such types of accounts as may be necessary or desirable in the conduct of the business of the Corporation, and to avail of any or all of the Bank's various Cash Management Solutions; Designation of Chryss Alfonsus V. Damuy and Darlene A. Binay as Class A signatories; Reynaldo A. Phala and Ma. Henedina V. San Juan as Class B signatories; and Christopher G. Capiral as Class C signatory, where any Class A or Class B signatory signing with the Class C signatory is sufficient for transactions up to Php 5M; and where any Class A signatory signing with any Class B signatory is sufficient for transactions in any amount.</li> <li>• Designation of Asia United Bank and/or any of its branches, as depository bank of the Corporation; Designation of Chryss Alfonsus V. Damuy and Darlene A. Binay as Class A signatories; Reynaldo A. Phala and Ma. Henedina V. San Juan as Class B signatories; and Christopher G. Capiral as Class C signatory, where any Class A or Class B signatory signing with the Class C signatory is sufficient for transactions up to</li> </ul>

	<p>Php 5M; and where any Class A signatory signing with any Class B signatory is sufficient for transactions in any amount.</p> <ul style="list-style-type: none"> <li>• Authority for the Corporation to open and maintain with China Banking Corporation and/or China Banking Corporation – Trust and Asset Management Group, savings and/or current accounts and to avail of any related services or to enter into trust and/or investment management agency transactions/ arrangements; Designation of Chryss Alfonsus V. Damuy and Darlene A. Binay as Group A signatories; Reynaldo A. Phala and Ma. Henedina V. San Juan as Group B signatories; and Christopher G. Capiral as Group C signatory, where any Group A or Group B signatory signing with the Group C signatory is sufficient for transactions up to Php 5M; and where any Group A signatory signing with any Group B signatory is sufficient for transactions in any amount.</li> <li>• Authority for the Corporation to transact with BDO Unibank, Inc. or any of its branches, its subsidiaries, and affiliates for the obtainment of loan facilities, and availment of banking products and services; Designation of Chryss Alfonsus V. Damuy and Darlene A. Binay as Group A signatories; Reynaldo A. Phala and Ma. Henedina V. San Juan as Group B signatories; and Christopher G. Capiral as Group C signatory, where any Group A or Group B signatory signing with the Group C signatory is sufficient for transactions up to Php 5M; and where any Group A signatory signing with any Group B signatory is sufficient for transactions in any amount.</li> <li>• Authority for the Corporation to open and maintain Deposit Accounts and/or Trust Accounts with Philippine Business Bank, Inc.; Designation of Chryss Alfonsus V. Damuy and Darlene A. Binay as Group A signatories; Reynaldo A. Phala and Ma. Henedina V. San Juan as Group B signatories, and Christopher G. Capiral as Group C signatory, where any one (1) Group A or any one (1) Group B signatory signing jointly with any one (1) Group C signatory may sign for transactions up to P 5.0M; and where any one (1) Group A signatory signing with any one (1) Group B signatory may sign for transactions in any amount.</li> </ul>
20 September	<ul style="list-style-type: none"> <li>• Authority for the Corporation to enter into a Master Rent &amp; Lease Agreement with Unison Computer Systems, Inc. for the latter's computer hardware and software lease services; Designation of Senior IT Manager of the Corporation, Efren M. Bernardino, Jr. as the authorized signatory of the Corporation to sign, execute and deliver the said Master Rent and Lease Agreement.</li> </ul>
21 October	<ul style="list-style-type: none"> <li>• Designation of Senior IT Manager of the Corporation, Efren M. Bernardino, Jr. as the authorized signatory of the Corporation to sign, execute and deliver for the Corporation, any and all contracts, documents, and agreements with Xendit Philippines, Inc. for the Corporation's application for its Payment Gateway Services.</li> </ul>
9 December	<ul style="list-style-type: none"> <li>• Authority for the Corporation to open and maintain Peso and Dollar, FCDU, Savings, Current, Time Deposit Account(s), make deposits, placements and/or investments or trusts and to avail of cash management facilities and other products/services with Unionbank of the Philippines; Designation of Chryss Alfonsus V. Damuy and Darlene</li> </ul>

	<p>A. Binay as Group A signatories; Reynaldo A. Phala and Ma. Henedina V. San Juan as Group B signatories, and Christopher G. Capiral as Group C signatory, where any one (1) Group A or any one (1) Group B signatory signing jointly with any one (1) Group C signatory may sign for transactions up to P 5.0M; and where any one (1) Group A signatory signing with any one (1) Group B signatory may sign for transactions in any amount.</p> <ul style="list-style-type: none"> <li>• Authority for the Corporation to enter into (a) an Assignment Agreement with Worklink Services, Inc., Chelsea Shipping Corp. (CSC), PNX-Chelsea Shipping Corp., Michael Inc. (MI), Trans-Asia Shipping Lines, Incorporated (TASLI), Oceanstar Shipping Corporation (OSC), and China Banking Corporation (Lender), relating to the cession, assignment, transfer and conveyance by the Corporation to the Lender of the 23,439-square-meter parcel of land in Taguig City (TCT No. 164-2019001207) via dacion en pago, settling certain loan obligations of the Corporation and partially satisfying the loan obligations of CSC and TASLI; (b) a Deed of Assignment (Dacion en Pago) with the Lender covering the Subject Property and to sign, execute and deliver any and all certificates, notices, documents and instruments, including special powers of attorney, and to do any and all acts necessary to give effect to the foregoing; (c) an Omnibus Loan and Security Agreement (New OLSA) with the Lender, TASLI, CSC, PNX, MI, OSC, Udenna Corporation, and Spouses Dennis A. Uy and Cherylyn C. Uy under terms and conditions agreed upon with the Lender and other parties; Authority for the Corporation to act as a surety and be jointly and solidarily liable for the loan obligations of CSC and TASLI under the New OLSA, with a total principal amount of up to PHP 2,574,300,000.00; Authority for the Corporation's President &amp; CEO Chryss Alfonsus V. Damuy to sign, execute, and deliver all agreements and related documents; and Authority of Reynaldo A. Phala and Chryss Alfonsus V. Damuy to sign or initial all pages of the agreements.</li> </ul>
2 January 2025	<ul style="list-style-type: none"> <li>• Authority for the Corporation to file its application for issuance of its 2025 Business Permit in Davao City; Designation of Chief Financial Officer Darlene A. Binay as the authorized signatory for the application; Authority for Entia Accounting Office / representatives to work-on and follow up the Corporation's 2025 Business Permit.</li> </ul>
13 January	<ul style="list-style-type: none"> <li>• Authority for the Corporation to file its application for Authority to Print for the production / reproduction of receipts such as, but not limited to Sales Invoice, Service Invoice, Acknowledgment Receipt, Billing Statement, Purchase Order, Debit Memo and Credit Memo and other documents pertaining to said application with the Bureau of Internal Revenue; Authority for New Jet Mark Printing Press / Jeffrey I. Lacang to process and follow-up this application with the Bureau of Internal Revenue.</li> </ul>
27 January	<ul style="list-style-type: none"> <li>• Authority for the Corporation to acquire and purchase motor vehicles through a financing/ lending facility or other credit arrangement from Philippine National Bank and to mortgage the purchased vehicles in favor the Bank as security for the payment of the obligations of the Corporation under the financing / lending facility; Designation of Chief</li> </ul>

	<p>Financial Officer Darlene A. binay as the authorized signatory for this transaction.</p> <ul style="list-style-type: none"> <li>● Authority for the Corporation to sell its 2019 Hyundai Santa Fe 2.2 CRDI GLS A/T; Designation of Chief Financial Officer Darlene A. Binay as the authorized signatory for this transaction.</li> </ul>
3 February	<ul style="list-style-type: none"> <li>● Authority for Annabelle A. Sanchez and Cristine G. Ayles to submit the Corporation's 2024 Computerized Book of Accounts under ACCN No. AC-132-092020-000002 to the Revenue District Office No. 132 of the Bureau of Internal Revenue.</li> </ul>

## MANAGEMENT REPORT

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

Chelsea Logistics and Infrastructure Holdings Corp. and its Subsidiaries' (CLIH or the Group) Discussion and Analysis provides an overview of the Group's financial activities as of and for the period ending September 30, 2024 and 2023. The following discussions should be read in conjunction with the attached Unaudited Consolidated Financial Statements of the Group as of September 30, 2024 and 2023.

Comparable discussion on Material Changes in Results of Operations for the period ending September 30, 2024 and 2023.

Amounts in millions (Php)	September 30,				
	2024	%Rev	2023	%Rev	% Change
<b>Revenues</b>	<b>P 5,992</b>	<b>100%</b>	<b>P 5,346</b>	<b>100%</b>	<b>12%</b>
Cost of sales and services	4,829	81%	4,245	79%	14%
<b>Gross Profit</b>	<b>1,162</b>	<b>19%</b>	<b>1,102</b>	<b>21%</b>	<b>5%</b>
Other operating expenses	666	11%	1,030	19%	(35%)
Provision for expected credit losses	1	0%	30	1%	(97%)
<b>Operating profit</b>	<b>495</b>	<b>8%</b>	<b>43</b>	<b>1%</b>	<b>1063%</b>
Finance cost, net	( 821 )	(14%)	( 973 )	(18%)	(16%)
Other charges (income) - net	25	0%	( 107 )	(2%)	(123%)
<b>Loss before tax</b>	<b>( 301 )</b>	<b>(5%)</b>	<b>( 1,037 )</b>	<b>(19%)</b>	<b>(71%)</b>
Tax expense	39	1%	7	0%	461%
<b>Net loss after tax</b>	<b>( P 340 )</b>	<b>(6%)</b>	<b>( P 1,044 )</b>	<b>(20%)</b>	<b>(67%)</b>
Add Back:					
Tax expense (income)	39	1%	7	0%	461%
Depreciation and amortization	1,168	19%	990	19%	18%
Interest expense	791	13%	926	17%	(15%)
Loss on sale of property and equipment	-	0%	90	2%	(100%)
Impairment loss on investment	-	0%	81	2%	(100%)
Unrealized foreign currency exchange losses	-	0%	28	1%	(100%)
Provision for expected credit losses	1	0%	30	1%	(97%)
Gain on pretermination of lease liability	-	0%	( 6 )	(0%)	(100%)
Reversal of impairment losses on property and equipment	-	0%	( 3 )	(0%)	(100%)
Interest Income	( 1 )	(0%)	( 0 )	(0%)	18%
<b>Adjusted EBITDA</b>	<b>P 1,658</b>	<b>28%</b>	<b>P 1,098</b>	<b>21%</b>	<b>51%</b>

For the 9-month period ending September 30, 2024, the Group's consolidated revenues reached ₱5.992 Billion, marking a 12% increase compared to 2023. This growth was fueled by strong performance across all segments, with Passage revenues rising by 20%, passage-related Sales of Goods increasing by 32%, and the Chartering business growing by 37%. The Group's current performance has exceeded the 2019 pre-pandemic revenues for the same period by 16%.

The consolidated Operating Profit increased 10.6x to ₱495M from ₱43M in 2023, outpacing topline growth. This was attributable to strong topline performance and effective cost containment measures, and partially offset by higher Direct Fixed Costs during this period. Depreciation and Amortization rose by 18% due to vessel revaluation and additional trading vessels during the period. Repairs and Maintenance Costs also increased by 31% because of vessel breakdowns. Additional vessels were chartered to meet the increased demands from customers.



Consolidated Other Operating Expenses decreased by 35% to ₱666M, representing 11% of revenue compared to 19% in 2023. This reduction was primarily due to a significant decrease in Outside Services Costs in 2024.

An additional Provision for Expected Credit Losses (ECL) amounting to ₱1M was recorded for the period. This adjustment for the total allowance for ECL was deemed sufficient to cover any doubtful accounts.

Interest Expenses decreased by 16% to ₱821M compared to last year, with the implementation of the Group's Liability Management Exercise (LME) pursuant to which certain interest-bearing loans were restructured during the year.

Other Income from the sale of scrap materials and from passage-related auxiliary services, such as use of charging station, excess baggage fee, linen rental, upgrade fee, etc., decreased from ₱65M to ₱25M this year.

In 2023, a non-cash asset impairment of ₱81M from a joint venture was recognized, along with a ₱90M loss on the sale of a vessel.

Despite high interest costs for the period, the Net Loss after Tax was significantly reduced by 71% to ₱301M from the ₱1.037B loss in 2023. The Loss per Basic and Diluted Share this period is ₱0.16, an improvement from prior year's ₱0.55 Loss per Share.

The Group's Consolidated Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) for the period amounted to ₱1.658B, a substantial 51% increase from the same period in 2023.

#### Financial Condition

September 30, 2024 and December 31, 2023

Amounts in millions	Unaudited September 2024	Audited December 2023	% Change
Current Assets	11,220	10,946	2%
Non-Current Assets	21,158	22,005	(4%)
<b>Total Assets</b>	<b>32,378</b>	<b>32,951</b>	<b>(2%)</b>
Current Liabilities	14,270	15,057	(5%)
Non-Current Liabilities	14,543	13,990	4%
<b>Total Liabilities</b>	<b>28,814</b>	<b>29,047</b>	<b>(1%)</b>
<b>Total Equity</b>	<b>3,564</b>	<b>3,904</b>	<b>(9%)</b>
<b>Total Liabilities and Equity</b>	<b>32,378</b>	<b>32,951</b>	<b>(2%)</b>

The Group's consolidated Total Assets remained stable at ₱32B for both periods. As the result of the Group's Liability Management Exercise (LME), certain interest-bearing loans and borrowings were reclassified from current to non-current liabilities, leading to a 5% decrease and a 4% increase, respectively, from last year. Total Equity decreased by 9% in 2024 due to additional losses incurred during the period.

This resulted to a decrease in Book Value per Share to ₱1.66 from ₱1.82 in December 2023.

**Comparable discussion on Material Changes in Results of Operations for the period ending December 31, 2023 and 2022, as restated.**



Amounts in millions (Php)	December 31				
	2023	%Rev	2022 as restated	%Rev	% Change
Revenues	P 7,048	100%	P 6,433	100%	10%
Cost of sales and services	5,598	79%	5,642	88%	(1%)
Gross Profit	1,449	21%	791	12%	83%
Other operating expenses	1,398	20%	1,114	17%	25%
Provision for expected credit losses	95	1%	42	1%	128%
Operating loss	( 44 )	(1%)	( 365 )	(6%)	(88%)
Finance cost, net	( 1,258 )	(18%)	( 1,381 )	(21%)	(9%)
Other charges (income) - net	254	4%	( 729 )	(11%)	(135%)
Loss before tax	( 1,047 )	(15%)	( 2,475 )	(38%)	(58%)
Tax expense	96	1%	57	1%	69%
<b>Net loss after tax</b>	<b>( P 1,143 )</b>	<b>(16%)</b>	<b>( P 2,531 )</b>	<b>(39%)</b>	<b>(55%)</b>
Add Back:					
Tax expense (income)	96	1%	57	1%	69%
Depreciation and amortization	1,353	19%	1,256	20%	8%
Interest expense	1,227	17%	1,256	20%	(2%)
Impairment losses on property and equipment	16	0%	624	10%	(97%)
Loss on sale of property and equipment	161	2%	( 3 )	(0%)	(5678%)
Impairment loss on investment	81	1%	233	4%	(65%)
Gain on debt modification	( 242 )	(3%)	( 134 )	(2%)	80%
Unrealized foreign currency exchange losses	( 10 )	(0%)	125	2%	(108%)
Impairment loss on goodwill	-		64	1%	(100%)
Provision for expected credit losses	95	1%	42	1%	128%
Share option benefit expense	8	0%	19	0%	(55%)
Gain on pretermination of lease liability	( 6 )	(0%)	-	0%	100%
Gain on sale of an associate	( 96 )	(1%)	-	0%	100%
Share in net income from associate	-	0%	( 15 )	(0%)	(100%)
Interest Income	( 1 )	(0%)	( 4 )	(0%)	(71%)
<b>Adjusted EBITDA</b>	<b>P 1,541</b>	<b>22%</b>	<b>P 987</b>	<b>15%</b>	<b>56%</b>

The Group had a revenue growth of 10% in 2023, surpassing the pre-pandemic 2019 performance, and posted an all-time high from 2017 Revenue of ₱7.048 Billion. The Passage and Freight segments of the Group continued to make progress in 2023 and delivered increases in revenues by 50% and 3%, respectively. These improvements in revenues were in part driven by the increase in average rates to cover the rising fuel prices in the early part of the year. With COVID-19 restrictions almost entirely relieved in 2023, passengers carried by our three (3) shipping lines increased by 44%, and the number of trips likewise went up by 14% in the current year.

Consolidated Gross Profit increased to ₱1.449 Billion from the prior year for a 21% margin, driven by improvements in revenues and the unparalleled reduction in total direct costs in 2023. Additional vessels were brought back to trading status this year which reduced Fixed Costs' impact on margins.

As a result, the Group posted a considerable reduction in Consolidated Loss from Operations of ₱44 Million in 2023 from a loss of ₱365 Million in 2022, or an 88% decrease, driven by solid topline growth across our major subsidiaries. Group-wide cost containment initiatives helped mitigate other operating costs despite increased business requirements, but the vessel availability issues still pulled down overall growth. Likewise, additional provision of ₱95 Million on Expected Credit Loss this period was provided to uplift the coverage and to closely monitor asset quality.

The Group's Liability Management Exercise (LME) resulted to a reduction of 9% in the consolidated finance costs to ₱1.258 Billion in the current year. Loans restructured in 2023 generated a gain of ₱242 Million on debt modification, 80% higher from 2022.

Also, during the year, the Group recognized a one-off Gain on Sale of Investment in Associate amounting to ₱96 Million and a Gain on Pre-termination of Lease Liability amounting to ₱6 Million. Likewise, foreign currency transactions in the current year gave rise to net unrealized foreign currency exchange gain of ₱10 Million, a turnaround from a loss taken up amounting to ₱125 Million in previous year.

Certain vessels of the Group were impaired this year amounting to ₱16 Million Impairment Losses on Property and Equipment, a 97% reduction from last year which includes loss taken up on MV TransAsia 1 which caught fire in 2022. In addition, the Group disposed two (2) freighter vessels in 2023 and recognized a total Net Loss on Sale of Property and Equipment of ₱161 Million.

In 2023, a non-cash Impairment Loss on Investment in a joint venture was recognized amounting to ₱81 Million, while the Group took up Impairment Loss on Investment Property in 2022 amounting to ₱233 Million which pertained to the cost of construction project of a warehouse terminated last year.

Further, the Group took up Share Option Benefit Expense of ₱8 Million in 2023, a decrease from ₱19 Million booked in 2022.

The Goodwill from the acquisition of Michael, Inc. was determined to be unrecoverable in 2022. An Impairment Loss on Goodwill was taken up amounting to ₱64 Million last year and at NIL in 2023.

The Group's Consolidated Net Loss After Tax amounted to ₱1.143 Billion, reflecting the effect of high finance cost. This was a significant reduction of 55% from prior period's Consolidated Net Loss of ₱2.531 Billion.

The Consolidated Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) posted at ₱1.541 Billion in 2023, a 56% significant increase from ₱987 Million in 2022.

Loss per Basic and Diluted Share this year is ₱0.587, a 56% improvement from last year's ₱1.343 loss per share.

## Financial Condition

December 31, 2023 and 2022

Amounts in millions		2023		2022	% Change
Current Assets	P	10,946	P	10,668	3%
Non-Current Assets		22,005		22,618	(3%)
<b>Total Assets</b>	<b>P</b>	<b>32,951</b>	<b>P</b>	<b>33,286</b>	<b>(1%)</b>
Current Liabilities	P	15,057	P	16,747	(10%)
Non-Current Liabilities		13,990		12,812	9%
<b>Total Liabilities</b>	<b>P</b>	<b>29,047</b>	<b>P</b>	<b>29,558</b>	<b>(2%)</b>
<b>Total Equity</b>	<b>P</b>	<b>3,904</b>	<b>P</b>	<b>3,727</b>	<b>5%</b>
<b>Total Liabilities and Equity</b>	<b>P</b>	<b>32,951</b>	<b>P</b>	<b>33,286</b>	<b>(1%)</b>

The Group's financial condition remained sound. As a result of the Group's LME, certain restructured loans were reclassified from current to non-current interest-bearing loans, hence the 10% decrease in Current Liabilities and 9% increase in the Non-Current Liabilities in 2023. Further, in October 2023, the Group entered into a Subscription and Debt Conversion Agreement with certain private institutional lenders to pay its outstanding loan amounting to ₱233 Million through issuance of 77,791,000 shares of the Company. Additional paid-in capital was recognized amounting to ₱156 Million, increasing total Equity by 5%.

Book value per share posted at ₱1.82, down by 7% from ₱1.95 in 2022.

## Restatements of Results of Operations and Financial Condition

December 31, 2022 and January 1, 2022

In 2023, the Group made specific retrospective adjustments of certain accounts in the 2022 and 2021 Consolidated Financial Statements.

These prior period adjustments were taken due to the following:

- Error related to the omission of the investment in an associate acquired in 2021 and interest-bearing loan that was obtained in 2021 and its related interest expense;
- Reclassification of certain loan previously presented as part of non-current portion to current portion under Interest-bearing Loans and Borrowings; and,

- Error related to the non-recording of advances from related party to settle an outstanding term loan of a subsidiary in 2021.

The affected accounts in the books of an associate, Investment and Interest-bearing loans were identified to be understated in 2021 when the said investment was made and the corresponding loans were incurred, and were due to error related to omission.

The recording of 2021 investment, interest-bearing loans, and advances from related party resulted to the net change in Assets of ₱340 Million and net change in Liabilities of ₱383 Million, respectively, and were reflected in the third Consolidated Statement of Financial Position as of January 1, 2022. Likewise, the corresponding share in Net Income of Associates and Finance Cost during the year were shown in the restated Consolidated Statements of Profit and Loss. This resulted to a net reduction to Net Profit of ₱1.7 Million.

In 2022, the retrospective adjustments for the Investment Account amounted to ₱15 Million due to share in Net Income of Associates for the year and for the Liabilities, ₱47 Million in accrued interest was recorded. The same adjustments impacted Consolidated Statements of Profit and Loss for the year.

These changes resulted to an Adjusted Loss per Share, basic and diluted in 2021 of ₱2.142 from ₱2.143. While in 2022, Loss per Share amounted to ₱1.343 from ₱1.341 Loss per Share.

These restatements have zero net impact on Cash from Operating Activities in the Consolidated Statements of Cash Flows for the years ended December 31, 2022 and 2021.

These retrospective adjustments are less than 1% of the original consolidated Total Assets for both years.

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

Amounts in millions (Php)	December 31				
	2022 as restated	%Rev	2021 as restated	%Rev	% Change
Revenues	P 6,433	100%	P 4,469	100%	44%
Cost of sales and services	5,642	88%	4,904	110%	15%
Gross Profit	791	12%	435	(10%)	(282%)
Other operating expenses	1,114	17%	1,094	24%	2%
Provision for expected credit losses	42	1%	396	9%	(89%)
Operating loss	( 365 )	(6%)	( 1,926 )	(43%)	(81%)
Finance cost, net	( 1,381 )	(21%)	( 1,432 )	(32%)	(4%)
Other charges (income) - net	( 729 )	(11%)	( 611 )	(14%)	19%
Loss before tax	( 2,475 )	(38%)	( 3,969 )	(89%)	(38%)
Tax expense	57	1%	65	(1%)	(187%)
<b>Net loss after tax</b>	<b>( P 2,531 )</b>	<b>(39%)</b>	<b>( P 3,904 )</b>	<b>(87%)</b>	<b>(35%)</b>
Add Back:					
Tax expense (income)	57	1%	65	(1%)	(187%)
Depreciation and amortization	1,256	20%	1,484	33%	(15%)
Interest expense	1,256	20%	1,410	32%	(11%)
Impairment losses on property and equipment	624	10%	71	2%	779%
Loss (Gain) on sale of property and equipment	( 3 )	(0%)	496	11%	(101%)
Impairment loss on investment	233	4%	-	0%	100%
Gain on debt modification	( 134 )	(2%)	-	0%	100%
Unrealized foreign currency exchange losses	125	2%	13	0%	863%
Impairment loss on goodwill	64	1%	10	0%	516%
Gain on sale of an asset held for sale	-	0%	145	(3%)	(100%)
Gain on redemption of preferred shares	-	0%	355	(8%)	(100%)
Provision for expected credit losses	42	1%	396	9%	(89%)
Share option benefit expense	19	0%	6	0%	216%
Gain on pretermination of lease liability	-	0%	313	(7%)	100%
Share in net loss (income) from associate	( 15 )	(0%)	887	20%	(102%)
Interest Income	( 4 )	(0%)	( 1 )	(0%)	503%
<b>Adjusted EBITDA</b>	<b>P 987</b>	<b>15%</b>	<b>P 8</b>	<b>(0%)</b>	<b>(11725%)</b>

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 ₱2,531M in 2022 from ₱3,904M 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 ₱6,433M 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 ₱1,225M, up by more than 3x year on year from ₱293M 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 ₱115M. Freight revenue continued to grow, posting a 24% escalation to ₱3,383M this year. The Chartering and Tugboat segments of the Group, each contributed 30% growth in the topline, and generated ₱718M and ₱424M 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 ₱552M. 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 15% 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 P42M in addition to P396M 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 ₱365M or by 81% from ₱1,926M for the same period last year.

The Group's Finance cost was ₱1,381M, a 4% decrease from prior year of ₱1,432M with the loan restructuring secured by the Group.

Share in Net income of P15M was taken up this year, a reversal from loss of P887M incurred in 2021.

Net Other Income in the period amounted to ₱729M from last year's ₱611M and comprised the following loss (income) items:

In 2022, part of the Group's loans was restructured generating gain of ₱134M on debt modification.

Certain vessels of the Group were impaired during the year amounting to ₱624M which includes loss taken up on MV TransAsia 1 which caught fire in 2022 compared to ₱71M in 2021.

Impairment loss on investment property of the Group amounted to ₱233M pertaining to the cost of construction project of a warehouse terminated during the year.

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 ₱7,460M, in which the Group recognized a Gain on Sale of an Asset Held for Sale amounting to ₱154M.

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

In 2021, CLIHC acquired the Redeemable Preferred Shares from a previous holder for a total consideration of ₱875M and recognized a Gain on Redemption amounting to ₱355M.

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 ₱64M in 2022 and ₱10M in 2021, respectively.

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

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

Unrealized foreign currency exchange losses this year amounted to ₱125M, a significant surge from ₱13M taken up in 2021. Share option benefit recorded this year amounted to ₱19M from ₱6M in prior year.

The Group's overall financial performance during the year translates to a ₱1.343 Loss per Basic and Diluted Share, an improvement from ₱2.142 loss in the same period in 2021.

The Group posted adjusted EBITDA of ₱987M, a reversal from the adjusted negative EBITDA of ₱8M in 2021, substantially due to reduction in Net Losses of the Group year on year.

## Financial Condition

December 31, 2022 versus December 31, 2021, as restated

Amounts in millions		2022		2021	% Change
Current Assets	P	10,668	P	11,038	(3%)
Non-Current Assets		22,618		23,425	(3%)
<b>Total Assets</b>	<b>P</b>	<b>33,286</b>	<b>P</b>	<b>34,463</b>	<b>(3%)</b>
Current Liabilities	P	16,747	P	16,614	1%
Non-Current Liabilities		12,812		12,242	5%
<b>Total Liabilities</b>	<b>P</b>	<b>29,558</b>	<b>P</b>	<b>28,856</b>	<b>2%</b>
<b>Total Equity</b>	<b>P</b>	<b>3,727</b>	<b>P</b>	<b>5,607</b>	<b>(34%)</b>
<b>Total Liabilities and Equity</b>	<b>P</b>	<b>33,286</b>	<b>P</b>	<b>34,463</b>	<b>(3%)</b>

The Group's Financial Condition during both periods is almost the same. However, the total Equity of the Group decreased by 34% to ₱3,727 Million against the ₱5,607 Million last year. This was due to additional losses this year amounting to ₱2,531 Million which were 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 ₱1.95 in 2022 from ₱3.08 in 2021.

#### **Key Performance Indicators and Relevant Ratios**

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

	<b>Sept 2024</b>	<b>Dec 2023</b>	<b>Dec 2022</b>
Current ratio	<b>0.79</b>	0.73	0.64
Debt-to-equity ratio	<b>8.08</b>	7.44	7.93
Book value per share	<b>1.66</b>	1.82	1.95
EBITDA margin	<b>28%</b>	22%	15%
Return on equity	<b>-10%</b>	-29%	-68%
Loss per share	<b>-0.16</b>	-0.59	-1.34

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**

The Company has no material commitments for capital expenditures, the general purpose of the commitment and expected sources of funds.

### **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**

The Company is not aware of any significant elements of income or loss that did not arise from continuing operations.

### **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.

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 chandling, 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.

Chelsea Business Solutions Corp., incorporated on 2 November 2024, is engaged in the business of operating a one-stop shop providing travel products and services for domestic and international travels including transportation arrangements, accommodations and travel packages.

#### **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 8 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.	46%

Services	Description of Services	Contribution to Sales
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.	11%
Passage	This pertains to revenues generated from ferrying passengers from the point of embarkation to the point of disembarkation.	29%
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.	6%
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.	3%

## **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 56 delivery trucks and 6,378 sq.m. of warehousing capacity.

The major competitors in the Freight sector are:

- |  |                                     |
|--|-------------------------------------|
| 1. Philippine Span Asia Carrier Corp.            | 7. 2Go Group, Inc.                  |
| 2. Moreta Shipping Lines, Inc.                   | 8. Lite Shipping Corporatio         |
| 3. IRIS Lines                                    | 9. Gothong Southern Shipping Line   |
| 4. Meridian Shipping and Container Carrier, Inc. | 10. Kho Shipping Lines Incorporated |
| 5. Oceanic Container Lines Inc.                  | 11. Maersk / MCC Transport          |
| 6. Cokaliong Shipping Lines, Inc.                | 12. CMA CGM                         |

### **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 Inc. (Operator of Oceanjet Fast Crafts)

## 2. VS Grand Ferries Corporation (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, 2024, the Company has a total of 2,461 employees, 949 of which are crewmen and are stationed at various ports of operation, while the other 1,512 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 charts 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.

- *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 ₱ 18,709,004.08 and ₱ 14,166,809.18 for 2024 and 2023, 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, 2024.

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 Starlite 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, 2024

\*\*\*\* 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

	Notes	Security	Terms	Interest Rates	Outstanding Balance	
					September 30, 2024	December 31, 2023
China Banking Corporation (CBC)		Real Estate Mortgage (REM), Continuing Suretyship, MT Chelsea Great Princess, MT Chelsea Charlize, MT Chelsea Resolute, MT Chelsea Enterprise, MT Chelsea Excellence, MT Chelsea Ernesto Uno, MT Chelsea Jasaan				
	(b.1)	Assignment of receivables	7 years	5.00%	P 1,926,396,728	P 1,926,396,728
Development Bank of the Philippines (DBP)		MT Chelsea Providence, MT Global Cherylyn, MV Starlite Stella Maris, Corporate/Continuing Suretyship				
	(f.4)		15 years	5.00%	1,815,060,107	1,818,060,107
Landbank of the Philippines (LBP)	(i)	MT Chelsea Intrepid, MT BMI Patricia	8 years	5.00%	1,287,601,185	-
Philippine Business Bank (PBB)	(c.2)	MV Eagle, MV Archer, MV Saturn	8 years	3.00% - 7.00%	811,205,818	823,893,366
CBC	(b.3)	REM	15 years	7.25%	800,000,000	800,000,000
Amalgamated Investment Bancorporation (AIB)	(i)	Unsecured	9 years	6.48%	593,865,108	576,851,371
DBP	(f.3)	Trans - Asia 16, 17 and 18 Corporate/Continuing Suretyship	15 years	5.00%	549,807,588	549,807,588
PBB	(c.4)	MV Salve Regina	8 years	3.00% - 7.00%	458,850,000	467,888,754
DBP	(f.1)	Corporate/Continuing Suretyship				
		MV Pioneer, MV Reliance	15 years	5.00%	450,514,005	450,514,006
PBB	(c.1)	MT Global Dominance				
		MT Chelsea Endurance	8 years	3.00% - 7.00%	435,871,949	442,696,689
Asia United Bank (AUB)	(d.2)	MTug Fortis I, MTug Fortis II MTug Fortis III, MTug Fortis V MTug Fortis VI, MTug Fortis VII MTug Fortis IX, MTug Fortis X				
			6 years	4.00%	425,000,000	425,000,000
DBP	(f.2)	Corporate/Continuing Suretyship				
		MV St. Nicholas of Myra	15 years	5.00%	415,100,000	415,100,000
BDO Unibank, Inc. (BDO)		Assignment of receivables				
		Trans - Asia 1, 8, 9 and 10, CY3				
	(a)	REM, Continuing suretyship	6 years	6.50%	356,276,078	383,548,077
PBB	(c.3)	MV Stella Del Mar	8 years	3.00% - 7.00%	308,449,296	314,848,713
DBP	(f.5)	Corporate/Continuing Suretyship				
		MV St. Camael and MV St. Saniel	15 years	5.00%	300,086,565	300,086,565
Mega International Commercial Bank Co. (MICBC)	(e)	Pledge of shares, Continuing Suretyship	5 years	6.37%	247,500,000	247,500,000
Robinsons Bank Corporation (RBC)	(e)	Pledge of shares, Continuing Suretyship	5 years	6.37%	247,500,000	247,500,000
CTBC Bank (Phils) Inc. (CTBC)	(e)	Pledge of shares, Continuing Suretyship	5 years	6.37%	247,500,000	247,500,000
Pentacapital	(k)	Assignment of receivables	8 years	6.00% to 7.00%	205,042,335	-
Union Bank of the Philippines (UB)	(j)	Continuing Suretyship	9 years	3.00%	198,000,000	198,000,000
First Commercial Bank, Ltd. (FCB)	(e)	Pledge of shares, Continuing Suretyship	5 years	6.37%	165,000,000	165,000,000
CBC	(b.2)	Trans - Asia 2, 3, 5, 12 and 15	10 years	5.75%	162,407,408	161,393,098
Rizal Commercial Banking Corp.	(g)	Starlite Sprint I	7 years	9.50%	104,549,977	105,074,977
PBB	(c.5)	Pledge of shares of stocks	8 years	11.00%	13,274,350	52,788,650
AUB		MTug Fortis IX, MTug Fortis X, Assignment of receivables	7 years	8.02%	17,730,741	23,049,963
AUB	(d.1)	MTug Fortis VI, MTug Fortis VII				
			7 years	8.11%	13,008,556	20,845,468
AUB	(d.1)	MTug Fortis VIII, Assignment of receivables				
		MTug Fortis III and MTug Fortis V, Assignment of receivables	7 years	5.56%	-	7,613,562
	(d.1)				12,555,597,794	11,170,957,683
Net premium (discount) on loans payable					( 167,874,714 )	( 175,743,178 )
					<b>P 12,387,723,080</b>	<b>P 10,995,214,505</b>

## Secured Bank Loans

	Security	Terms	Interest Rates	Outstanding Balance	
				September 30, 2024	December 31, 2023
Primary Institutional Lenders	MV TA21 and Pledge of shares	30 to 180 days	1.00 to 10.00%	P 713,560,799	P 608,109,693
CBC	Trans-asia 2, Trans-Asia 3, Trans-Asia 5, Trans-Asia 12, Trans-Asia 15	60 days	5.75%	500,000,000	500,000,000
PBB	Unsecured	180 days	7.50%	380,000,000	485,000,000
Pentacapital	Assignment of receivables	360 days	7.00%	1,833,162	209,678,517
Landbank of the Philippines	MT Chelsea Intrepid MT BMI Patricia				
	Assignment of receivables				
	Continuing suretyship	90 days	3.00 -6.75%	180,260,600	1,327,834,768
				P 1,775,654,561	P 3,130,622,977

## 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.

In the Decision dated January 29, 2024, the trial court granted MI's prayer for unpaid charter fees of P 15,921,666.27 but also ruled that MI should pay PKI P 27,882,402.16 as actual and consequential damages due to the contaminated CNO cargo; P 2M for exemplary damages, and P 1.6M for attorney's fees and litigation expenses. MI filed its Motion for Reconsideration of the Decision dated January 29, 2024 and on November 6, 2024, the court issued an order reducing the total judgment award to PKI to P 26,345,552.60 (excluding interest) and maintaining the judgment award in favor of MI. Both parties filed their Notice of Appeal and presently awaiting an order from the Court of Appeals for the filing of Appellant's Brief.

*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.

In the Order dated 11 March 2022, the court dismissed the case without prejudice, for failure to submit the authenticated electronic mailing address of the defendants in relation to plaintiff's motion to serve summons via e-mail.

*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 filed its Notice of Appeal.

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.

*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. 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 with the Court of Appeals.

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. 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. On 28 June 2024, Trans-Asia paid the plaintiff Php 1,050,000, and on July 2, 2024, the parties filed with the trial court their Joint Manifestation of Voluntary Satisfaction of Judgment Award with Joint Motion to Declare Case as Closed and Terminated.

*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.

On July 10, 2024, the trial court issued an Order requiring both parties to give an update on the rehabilitation of the Philippine Fire and Marine Insurance Corporation filed with the Insurance Commission. On August 30, 2024, Trans-Asia filed its Compliance With Manifestation to notify the trial court that Trans-Asia's Verified Claim was referred/endorsed by Atty. John A. Apatan, Division Manager (Conservatorship, Receivership and Liquidation Division) of the Insurance Commission to Atty. Marianne P. Lozada-Marquez, the assigned/appointed Liquidator. On November 6, 2024, the trial court issued an Order directing the Liquidator Atty. Marianne P. Lozada-Marquez to inform the court of the status of the case pending before the Insurance Commission.

#### **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 2024 are as follows:

	2024		2023		2022		2021		2020		2019		2018	
Period	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
1Q	1.55	1.29	1.17	1.13	1.61	1.56	3.28	3.17	5.89	1.91	7.20	5.59	9.79	7.00
2Q	1.40	1.23	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	1.48	1.00	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	1.40	1.15	1.50	1.46	1.20	1.15	1.67	1.60	5.39	5.10	7.18	4.73	9.77	4.40

As of January 31, 2025, the market capitalization of the Company, based on the closing price of ₱1.25 per share, was approximately ₱2.77B.

#### Item 2. Holders

The following are the top registered holders of the Company's securities based on the records as of January 31, 2025:

Name of Stockholders	Number of shares held	% to Total
Udenna Corporation	1,650,384,605	72.551
PCD Nominee Corporation (Filipino)	528,933,067	23.225
Metropolitan Bank & Trust Company Trust Banking Group	68,636,000	3.017
PCD Nominee Corporation (Non-Filipino)	15,174,825	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
Aida Bautista Dela Cruz	55,000	0.002
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
Mely Ngo Lim	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
Ruohn 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
Gilbert Gabriel Flores Santa Maria	1	0.000
Arthur Kenneth L. Sy	1	0.000
Cherylyn C. Uy	1	0.000
Efren E. Uy	1	0.000
<b>TOTAL</b>	<b>2,274,768,615</b>	<b>100.000%</b>

### 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, 2024, 2018 - 2023.

### 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.



***2024 AUDITED FINANCIAL STATEMENTS***

September 20, 2024 Annual Stockholders' Meeting

Question 1: The Chelsea Group reduced its losses by 58% in 2023. How does the Group plan to sustain this improvement ?

Response by President & CEO Chryss Alfonsus V. Damuy: To sustain the 58% reduction in losses achieved by the Chelsea Group in 2023, we will continue to closely manage operational costs and improve efficiency across all segments. In addition, we will increase revenues by expanding services which are responsive to market conditions and focus on profitable routes, and also diversify revenue streams. We will continue to invest in technology as automation and digitalization lead to cost savings and better customer experiences. We will explore strategic partnerships for growth and cost-sharing. Finally, we will maintain a stable balance sheet and manage debt levels to ensure liquidity.

Question 2: Can you provide an update on the Group's current financial condition ?

Response by President & CEO Chryss Alfonsus V. Damuy: We are pleased to report that the Group's 2<sup>nd</sup> quarter financial performance generated a Net Income before Tax of Php 78M, marking our first positive quarter since the pandemic. This success was driven by revenue growth, optimized operational efficiency, and cost containment measures despite the high finance cost. As of the first half of 2024, the Company saw an 11% year-on-year revenue increase to Php \$B. Quarter-on-quarter, revenues rose by 24% to Php 2.2B in Q2, driven by higher passenger volume and rates, increased freight volumes, more chartered vessels, enhanced tugboat movements, growth in B2B segment, and a greater number of trading vessels. However, vessel and container availability remained a growth constraint for the shipping group. Fixed costs remained steady quarter-on-quarter, boosting the gross profit to 26% in Q2 from 17% in Q1. Despite a 26% rise in SG&A expenses due to higher business needs, the Group achieved a 15% operating profit margin in Q2, up from 6% in Q1 2024.

Question 3: What is the impact of the Liability Management Exercise on the recovery of Chelsea Logistics ?

Response by Chief Financial Officer Darlene A. Binay: The Chelsea Group's bank debt continues to incur interest until fully settled. The Liability Management Exercise (LME) plays a crucial role in the Company's recovery in that it has allowed the Chelsea Group to restructure its loan thus securing a longer tenor for its loans and also securing special lending rates from its creditors. With this support from creditors, the LME frees up cash for the Company during its recovery period, which has been used to partly finance the drydocking requirements of its fleet and other company operating expenses.

## **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*

**DARLENE A. BINAY**  
*Chief Financial Officer*

Signed this \_\_\_\_th day of March 2025