

BHI HOLDINGS, INC.

22/F, The Pearlbank Centre
146 Valero Street, Salcedo Village, Makati City
Tel. Nos.: 840-2961, 817-2080, 840-1858 * Fax No.: 817-2109, 752-1098

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS


The management of BHI Holdings, Inc. is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2019, 2018, and 2017, in accordance with the prescribed financial reporting framework indicated therein and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.


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

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

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

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


MANUEL N. TANKIANSEE
Chairman of the Board


JUANITA U. TAN
Chief Executive Officer/President


ERWIN R. DIAZ
Chief Financial Officer/Vice-President

SUBSCRIBED AND SWORN to before me this 24 JUN 2020 day of _____, 2020
 affiant(s) exhibiting to me his/her Residence Certificate as follows:

Name	Comm. Tax Certificate No.	Date	Place of Issue
MANUEL N. TANKIANSEE	07556097	01/09/2020	Manila
JUANITA U. TAN	04357431	02/27/2020	Makati
ERWIN R. DIAZ	07556087	01/09/2020	Manila

 Notary Public


 ELISEO S. CALMA, JR.

Notary Public

Until Dec. 31, 2021

ADM Matter No. NP-067 (2020-2021)

Attorney's Roll No. 50183

PTR No. 9521280C, Jan. 21, 2020

IBP No. 095280 - Nov. 20, 2019

MCI.E Comp. No. VI-0012817 until April 14, 2022

20 Kamagoug St., Sapamanal Village
 East Fairview, Quezon City

Doc. No. 325
 Page No. 76
 Book No. 2411
 Series of 2020

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2019**
2. SEC Identification Number: **22264** 3. BIR Tax Identification No.: **000-446-527**
4. Exact name of issuer as specified in its charter [REDACTED]

BHI HOLDINGS, INC.

5. **PHILIPPINES** 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code
Incorporation or Organization

7. **22nd Floor, The Pearlbank Centre, 146 Valero Street**
Salcedo Village, Makati City **1227**
Address of Principal Office Postal Code

8. **02-840-2961**
Issuer's telephone number, including area code

9. N/A

Former Name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding & Amount of Debt Outstanding
Common Class A	350,000 Shares
Common Class B	150,000 Shares

11. Are any or all of these securities listed on the Philippine Stock Exchange.

Yes [] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange

Common Stock Class A and Class B

12. Check whether the issuer:

(a) Has filed all reports required by Section 17 of the SRC and SRC Rule thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports); of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or such shorter period that the registrant was required to file such reports);

Yes [] No []

(b) Has been subject to such, filing requirements for the past 90 days.

Yes [] No []

13. Aggregate market value of the voting stock held by non-affiliates of the registrant.

14. Check whether the issuer has filed all documents and report required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [] No []

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the documents incorporated.

- a. Any annual report to security holders. - N/A
- b. Any proxy or information statement filed pursuant to SRC Rule 20 and 17.1(b); - N/A
- c. Any prospectus filed pursuant to SRC Rule 8.1-1. - N/A

MANAGEMENT REPORT

BUSINESS AND GENERAL INFORMATION

1) Business Development

a) **Form and date of organization**

The Company was incorporated on January 23, 1963. In 1992, majority shares owned by the Group Management Corporation were sold to Metropolitan Management Corporation. In July 1995, Metropolitan Management Corporation sold its majority shareholdings to Westmont Investment Corporation. In May 1997, Westmont Investment Corporation and Metropolitan Management Corporation sold their shareholdings to Bulk Handlers, Inc. which acquired approximately 91% of the Company. Pursuant to the resolution of the Board of Directors of the Corporation approved and adopted on October 19, 1999, the Corporation on October 26, 1999, executed a Deed of Assignment in favor of CICI GENERAL INSURANCE CORPORATION (a newly registered and licensed non-life insurance company) whereby the Corporation's insurance business and related business had been transferred, and assigned and conveyed to the latter. On November 4, 1999, the Securities and Exchange Commission approved the Corporation's application to change its corporate name from Consolidated Insurance Corporation, Inc. to that of **BHI HOLDINGS, INC.** and its primary purpose from that of a non-life insurance company to that of an **investment holding company.**

b) **Any bankruptcy, receivership or similar proceedings**

The Corporation has not been under bankruptcy, receivership or similar proceeding. It has not entered into any merger or consolidations.

c) **Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.**

No material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the course of business took place.

2) Business of Issuer

In view of the change of its primary purpose, the Company is now ready to carry on the business of an investment holding company.

The company is an investment holding company whose target is to acquire equity plus interest in profitable corporations. However, due to the present economic condition, the company has not been very active in investing and is only receiving interest income.

At present, the company has no principal products or services because it has not decided as to what products or services it will introduce to the market.

Percentage of sales or revenues and net income contributed by foreign sales for each of the last three years

Not Applicable

Distribution methods of products or services

Not Applicable

Competition

Not Applicable

Sources and availability of raw materials and names of principal suppliers

Not Applicable

Dependence of the business upon a single customer or a few customer, the loss of any or more of which would have a material adverse effect on the registrant and its subsidiaries taken as a whole/Customer that accounts for, or based on existing orders will account for, twenty percent (20%) or more of the registrant's sales/ Existing major sales contracts.

Not Applicable

Transactions with and/or dependence on related parties.

Not Applicable

Principal terms and expiration dates of all patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements held/The extent to which the registrant's operations depend. Or are expected to depend, on the foregoing and what steps are undertaken to secure these rights.

Not Applicable

Need for government approval of principal products or services

Not Applicable

Effect of existing or probable governmental regulations on the business

Not Applicable

Costs and effects of compliance with environmental laws

Not Applicable

Number of present employees and number of employees it anticipates to have within twelve (12) months.

Not Applicable

Listed companies and investment houses that are part of a conglomerate or group of companies

Not Applicable

Properties

The company has no principal plants, mines and other property of the same nature.

Legal Proceedings

There are no pending major court proceedings that could affect the financial stability of the Company.

Submission of Matters to a Vote of Security Holders

Not Applicable.

CHANGES IN AND DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

There are no changes and/or disagreements with Accountants on matter relating to accounting principles or practices, financial disclosures, auditing scope and procedures during the last two fiscal years.

Disagreement with Accountants on Accounting and Financial Disclosure
None.

MANAGEMENT'S DISCUSSIONS AND ANALYSIS (MD&A) OR PLAN OF OPERATION

1) Plan of Operation

The company is still in the process of finalizing its business plans and has not made any active investment. It intends to actively pursue its business as an investment holding company by acquiring equity plus interest in profitable Corporations.

Uncertainties remain as to whether the country will continue to be affected by regional trends in the coming months. The subsequent effect of such regional trends in the economic environment of the Philippines will continue to affect the business activity of the company in the foreseeable future.

As an investment holdings company, the Company's main thrust is to acquire ownerships in profitable corporations. However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years. Its present source of revenue is limited to the interest income generated from its loans granted to a related party. As such, the Company has only two employees handling mainly administrative functions due to limited transactions of the Company as of December 31, 2019. The Company's management, however, continues to assess possible investment opportunities that it can embark on.

- a) The registrant can satisfy its cash requirements through interest income earned of its due from a related party. There is no need to raise additional funds in the next twelve (12) months
- b) The company has no product research and development because it has not finalized its operation plan.
- c) The company has no expected purchase or sale of plant and equipment.
- d) The company has no expected significant changes in the number of employees.

2) Management's Discussion and Analysis

Full Fiscal Years

2019

The components of the Due from a Related Party account are as follows:

	<u>2019</u>	<u>2018</u>
Principal balance		
Original loan	P 46,000,000	P 46,000,000
Assumed loan	<u>54,000,000</u>	<u>54,000,000</u>
	<u>P 100,000,000</u>	<u>P 100,000,000</u>

Interest receivable on:		
Original loan	117,205	117,205
Assumed loan	<u>137,590</u>	<u>137,590</u>
	<u>254,795</u>	<u>254,795</u>
	<u>P 100,254,795</u>	<u>P100,254,795</u>

(a) Original Loan

As of December 31, 2019 and 2018, the carrying amount of the original loan amounting to P46,000,000, excluding interest receivable, is presented as part of Due from a Related Party account in the statements of financial position.

The original loan initially consisted of deposits made by the Company for the acquisition of equity interest in Aqua Rich, Inc. an entity that has the same stockholders as that of the Company. On December 9, 2000, upon the expiration of the conversion period of the deposits into equity, the deposits were automatically converted into an unsecured, interest-bearing loan. Interest is set at a certain rate per annum.

On September 1, 2015, upon maturity of the loan, the contracting parties both agreed to renew the loan for another two years with maturity date of August 31, 2017 with the same terms and conditions. Upon maturity, the loan was again renewed by both parties for another two years in 2019 and 2017 with the same terms and conditions.

Actual annual interest income earned in 2019., 2018 and 2017 related to this loan amounted P1,380,000, which is presented as part of Actual Interest Income From Loans under the Revenues section of the statements of comprehensive income.

The interest receivable amounting to P117,205 as of December 31, 2019 and 2018 is presented as part of Due from a Related Party account in the statements of financial position.

(b) Assumed Loan

On January 2, 2013, Takeda Holdings, Inc. a third party, assigned to Aqua Rich, Inc. its unsecured, interest-bearing loan payable to the Company which is payable after two years and subject to a certain interest rate per annum. Accordingly, the carrying amount of the assumed loan as of that date was recorded as part of Due from a Related Party account of the statement of financial position.

In 2014, 2016 and 2018, upon maturity of the loan, the contracting parties both agreed to renew the loan with the same terms and conditions as the original loan.

The carrying amount of the assumed loan, excluding interest receivable, amounted to P54,000,000 as of December 31, 2019 and 2018 and is presented as Due from a Related Party in the statements of financial position.

Actual annual interest income earned in 2019, 2018 and 2017 related to the assumed loans amounted to P1,620,000, and is presented as Interest Income From Loans under the Revenues section in the statements of comprehensive income.

The interest receivable amounting to P137,590 in 2019 and 2018 is presented as part of Due from a Related Party account in the statements of financial position.

Management believes that the loans and the related interest receivable are fully collectible; hence, no allowance for impairment is required as of December 31, 2019 and 2018.

REVENUES

INTEREST INCOME/OTHER INCOME

The actual interest income based on the terms of the loan agreements amounted to P3,000,000 for 2019, 2018 and 2017.

Other income from Banco de Oro & Land Bank of the Philippines savings account amounted to P813

OPERATING EXPENSES

2019

Operating expenses for 2019 amounted to P 3,087,320 which is P 59,379 over compared to 2018. Expenses for 2019 were as follows:

Salaries & Wages	P	1,164,000
Professional fees		1,193,000
Rent Expense		300,000
Membership fees		250,000
Utilities		81,600
Office supplies		43,502
Taxes and licenses		31,257
Directors' fee		22,000
Miscellaneous		1,961
Total	P	<u>3,087,320</u>

2018

Operating expenses for 2018 amounted to P 3,146,699 which is P 27,550 over compared to 2017. Expenses for 2018 were as follows:

Salaries & wages	P	1,164,000
Professional fees		1,196,268
Rent Expense		300,000
Membership fees		256,000
Utilities		81,600
Office supplies		44,886
Taxes and licenses		31,257
Directors fee		22,000
Miscellaneous		50,688
Total	P	<u><u>3,146,699</u></u>

2017

Operating expenses for 2017 amounted to P 3,119,149 which is P 1,709 over compared to 2016. Expenses for 2017 were as follows:

Salaries & wages	P	1,164,000
Professional Fees		1,219,000
Rent Expense		300,000
Membership fees		258,000
Utilities		81,600
Office supplies		36,233
Taxes and licenses		31,257
Directors fee		22,000
Miscellaneous		7,059
Total	P	<u><u>3,119,149</u></u>

Material Events and uncertainties that would Impact Future Operations

The following statements relative to the material event/s and uncertainties known to management that would address the past and would have an impact on future operations are presented for information of all stockholders of the Corporation:

- There were no majority-owned subsidiaries top five key performance indicators during the reporting period.
- There were no events that would trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation during the reporting period.
- There were no 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.

- There were no causes of material changes.
- We are not aware of any known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity. Should we become aware of such events, we will include a disclosure discussing such events in subsequent quarterly reports.

Financial Statements

The **audited financial statements** of BHI consisting of Statements of Financial Position as of December 31, 2019, 2018 and 2017 and Statements of Comprehensive Income, Changes in Equity and Cash Flows for the three years then ended, together with Notes to Financial Statements, are attached to this report. Likewise, the **Interim Financial Statements** are attached to this report.

MATERIAL CHANGES ON THE LINE-BY-LINE ITEMS OF THE COMPANY'S CONSOLIDATED BALANCE SHEET

The following table shows the Company's cash flows on a consolidated basis of and for the years ended December 31, 2019 and 2018.

Cash Flows From Operating Activities		
Income before tax	(P 86,508)	(P 146,130)
Adjustment for:		
Interest income from loans - net	(3,000,000)	(3,000,000)
Interest income from cash in bank	(813)	(569)
Operating profit before working capital changes	(3,087,321)	(3,146,699)
Increase in other asset	(97,920)	(99,392)
Increase in due to a related party		
Increase in accrued expenses and other payables	388,644	395,899
Cash used in operations	(2,796,597)	(2,850,192)
Interest received	3,000,813	3,000,569
Cash paid for income taxes	(60,162)	(60,114)
Net Increase (Decrease) In Cash	144,054	90,263
Cash Flows From A Financing Activities		
Repayment of Due to a Stockholder	-	100,000
Cash At Beginning of Year	318,524	318,524
Cash At End of Year	P 452,841	P 308,787

As of December 31, 2019, cash increased by 46.65%, from P308,787 in 2018 to P452,841 for the period ended December 31, 2019. For the period under review,

interest received increased to P3,000,813 from P3,000,569 for the year 2018. The cash paid for income taxes increased, from P60,114 last year to P60,162 this year. Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

(a) Assumed Loan

On January 2, 2013, Takeda Holdings, Inc. a third party assigned to Aqua Rich, Inc. its unsecured, interest-bearing loan payable to the Company which is payable after two years and subject to a certain interest rate per annum. Accordingly, the carrying amount of the assumed loan as of that date was recorded as part of Due from a Related Party account of the statement of financial position.

In 2014, 2016 and 2018, upon maturity of the loan, the contracting parties both agreed to renew the loan with the same terms and conditions as the original loan.

The carrying amount of the assumed loan, excluding interest receivable, amounted to P54,000,000 as of December 31, 2019 and 2018 and is presented as Due from a Related Party in the statements of financial position.

Actual annual interest income earned in 2019, 2018 and 2017 related to the assumed loans amounted to P1,620,000, and is presented as Interest Income From Loans under the Revenues section in the statements of comprehensive income.

The interest receivable amounting to P137,590 in 2019 and 2018 is presented as part of Due from a Related Party account in the statements of financial position.

Management believes that the loans and the related interest receivable are fully collectible; hence, no allowance for impairment is required as of December 31, 2019 and 2018.

(a) Original Loan

The original loan initially consisted of deposits made by the Company for the acquisition of equity interest in Aqua Rich, Inc. an entity that has the same stockholders as that of the Company. On December 9, 2000, upon the expiration of the conversion period of the deposits into equity, the deposits were automatically converted into an unsecured, interest-bearing loan. Interest is set at a certain rate per annum.

On September 1, 2015, upon maturity of the loan, the contracting parties both agreed to renew the loan for another two years with maturity date of August 31, 2017 with the same terms and conditions. Upon maturity, the loan agreement was again renewed by both parties for another two years in 2019 and 2017 with the same terms and conditions.

Actual annual interest income earned in 2019., 2018 and 2017 related to this loan amounted P1,380,000, which is presented as part of Interest Income From Loans under the Revenues section of the statements of comprehensive income.

The interest receivable amounting to P117,205 as of December 31, 2019 and 2018 is presented as part of Due from a Related Party account in the statements of financial position.

Deferred tax assets. The Company is subject to MCIT, which is computed at 2% of gross income, net of allowable deductions, as defined under the tax regulations, or RCIT, whichever is higher. The Company's MCIT amounted to P60,000 in 2019, 2018 and 2017. In 2019 the Company incurred NOLCO, amounting to P87,320 and P102,056, respectively, which can be claimed as deductions against taxable income within three years. The company did not recognized deferred tax assets arising from MCIT and NOLCO as of December 31, 2019, 2018 and 2017 since management believes that the Company will not have sufficient RCIT due against which the MCIT can be applied.

Accrued expenses and other payables. Increased to P4,180,523 from P3,791,879 in 2018 by 10.25%, the lease contract is for one year renewable upon mutual agreement of both parties.

Result of Operations

Year Ended December 31, 2019 compared to Year Ended December 31, 2018

Revenue. For the year ended December 31, 2019, the Company achieved revenue of P3,000,813, increased by 0.008% over the P3,000,569 in 2018. This was due to higher interest income from cash in bank.

Operating Expenses. Total expenses decreased by 1.89% from P3,146,699 in 2018 to P3,087,320 this year due to decrease in and other operating expenses.

Financial Costs. No financial cost for this year.

Tax Expenses. Increase by 0.08% from P60,114 for the twelve months ended December 31, 2018, to P60,162 for the period ended December 31, 2019.

Net Income. The net loss of the Company amounted to P206,244 for 2018 and P146,670 for 2019.

Earning Per Share. Is computed by dividing net income by the weighted average number of outstanding shares after giving retroactive effect to any stock split and stock dividend declared during the year. Diluted earnings (loss) per share were not determined since the Company does not have dilutive potential common shares as of December 31, 2019 and 2018.

MATERIAL ITEMS UNDER OPERATING EXPENSES

2019

Operating expenses for 2019 amounted to P 3,087,320 which is P 59,379 lower compared to 2018. Expenses for 2019 were as follows:

Salaries & Wages	P	1,164,000
Professional fees		1,093,000
Rent Expense		300,000
Membership fees		250,000
Utilities		81,600
Office supplies		43,502
Taxes and licenses		31,257
Directors' fee		22,000
Miscellaneous		1,961
Total	P	<u><u>3,087,320</u></u>

2018

Operating expenses for 2018 amounted to P 3,146,699 which is P 27,550 over compared to 2017. Expenses for 2018 were as follows:

Salaries & wages	P	1,164,000
Professional fess		1,196,268
Rent Expense		300,000
Membership		256,000
Utilities		81,600
Office supplies		44,886
Taxes and licenses		31,257
Directors fee		22,000
Miscellaneous		50,688
Total	P	<u><u>3,146,699</u></u>

2017

Operating expenses for 2017 amounted to P 3,119,149 which is P 1,709 over compared to 2016. Expenses for 2017 were as follows:

Salaries & wages	P	1,164,000
Professional Fees		1,219,000
Rent Expense		300,000
Membership fees		258,000
Utilities		81,600
Office supplies		36,233
Taxes and licenses		31,257
Directors fee		22,000
Miscellaneous		7,059
Total	P	<u><u>3,119,149</u></u>

OPERATIONAL AND FINANCIAL INFORMATION

Market for Issuer's Common Equity and Related Stockholder Matters

MARKET INFORMATION

The principal market for the Company's Common Equity is the Philippine Stock Exchange as of December 31, 2019.

HOLDERS

<u>Class</u>	<u>No. of Stockholders</u>
Common A	327
Common B	1

MARKET INFORMATION FOR SECURITIES OTHER THAN COMMON EQUITY

The principal market of the common equity of the issuer is the Philippine Stock Exchange. From the table below, no trading took place that would indicate the high & low sales prices of the common equity of the registrant from 2017 to 2019.

<u>2019</u>	<u>1st Quarter Date Price</u>	<u>2nd Quarter Date Price</u>	<u>3rd Quarter Date Price</u>	<u>4th Quarter Date Price</u>
HIGH	1260	1481	1718	1300
LOW	1253	1251	1251	1250
<u>2018</u>	<u>1st Quarter Date Price</u>	<u>2nd Quarter Date Price</u>	<u>3rd Quarter Date Price</u>	<u>4th Quarter Date Price</u>
HIGH	1147	1198	1011	1490
LOW	1001	1001	1006	1150
<u>2017</u>	<u>1st Quarter Date Price</u>	<u>2nd Quarter Date Price</u>	<u>3rd Quarter Date Price</u>	<u>4th Quarter Date Price</u>
HIGH	1147	1198	1011	1490
LOW	1001	1001	1006	1150

Last transaction date was December 13, 2019 and the closing price was at P1,275 per share.

OTHER SECURITIES

None

TOP TWENTY STOCKHOLDER
As of December 31, 2019

<u>RANK</u>	<u>STOCKHOLDER</u>	<u>NO. OF SHARE</u>	<u>PERCENTAGE</u>
1	BULK HANDLERS, INC.	299,424	85.55%
2	PCD NOMINEE CORPORATION	10,747	4.49%
3	TAN, MIKO PAOLO	8,631	2.47%
4	TAN, TRUMAN A.	5,000	1.43%
5	CALIGAGAN, JACKELYN P.	2,883	0.82%
6	RITA LEGARDA, INC.	588	0.17%
7	MALANOG, ALMA TERESA R.	400	0.11%
8	REYNO III, ALFONSO VICTORIO G.	350	0.10%
9	REYNO, CHRISTOPHER G.	350	0.10%
10	REYNO JR, ALFONSO R.	350	0.10%
11	REYNO, YOLANDA G.	350	0.10%
12	REYNO, PATRICK G.	350	0.10%
13	ROBLES, EXEQUIEL D.	314	0.09%
14	SANTOS, VICENTE R.	314	0.09%
15	TAN, MARIZA SANTOS	314	0.09%
16	ASIS, LUIS R.	313	0.09%
17	ANDRES, ROLLAND	309	0.09%
18	ANDRES, ANDREA R.	309	0.09%
19	JOSEPH, EXALTACION R.	309	0.09%
20	JOSEPH, ALEXANDER	309	0.09%

DIVIDENDS

- a. No cash dividends were declared for the most two recent fiscal years.
- b. The company has no active operation, thus no payment of dividends was made

RECENT SALE OF UNREGISTERED SECURITIES.

None.

DESCRIPTION OF REGISTRANT'S SECURITY.

Common Stock

The company has two classes of authorized capital stock of 1,000,000 shares at P100 par.

Class A
Authorized - 700,000 Shares

Issued and Outstanding - 350,000 Shares	P 35,000,000.00
Class B	
Authorized - 300,000 Shares	
Issued and Outstanding - 150,000 Shares	P 15,000,000.00

	P 50,000,000.00
	=====

Class A and Class B shares enjoy the same rights and privileges except that Class A shares shall be issued solely to Philippine nationals while Class B shares may be issued to either Philippine or foreign nationals.

The second paragraph of the SEVENTH Article of the Articles of Incorporation of the issuer provides that:

“That no transfer of stock or interest which shall reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as may be required by law shall be allowed or permitted to be recorded in the proper books of the corporation and this restriction shall be indicated in all stock certificates of the Corporation.”

DEBT SECURITIES/STOCK OPTIONS/SECURITIES SUBJECT TO REDEMPTION OR CALL

None

CORPORATE GOVERNANCE

“Please refer to attached ACGR”

EXTERNAL AUDIT FEES

- (a) The aggregate fees billed for each of last two (2) fiscal years for professional services rendered by the external auditor for the Year 2019 & 2018 were P105,000.00 & P105,000.00 respectively. The Board approves the services rendered.
- (b) There is no other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the registrant’s financial statements.
- (c) There are no tax fees.
- (d) There are no all other fees.
- (e) The Audit committee pre-approves and recommends to the Board of Directors all audit services rendered by external auditors as well as the engagement fees to be paid. The Audit Committee actively engages in dialogue with external auditor to ensure that audit services rendered shall not impair the independence of the external auditor. The Audit Committee is composed of three directors and chaired by one of the directors. They are Mr. Edison Javier, chairman, Ms. Juanita U. Tan and Mr. Erwin R. Diaz, as members.

CONTROL AND COMPENSATION INFORMATION

Directors, Executive Officers, Promoters and Control Persons

A. DIRECTORS

Manuel N. Tankiansee
Juanita U. Tan
Erwin R. Diaz
Jemie U. Tan
Marilou U. Pua
Jalane Christie U. Tan
Julie C. Dela Cruz
Miguel Ocampo Tan
Emma Keng Ocampo-Tan

B. INDEPENDENT DIRECTORS

The following are Company's independent Directors

Edison S. Javier
Felisa P. Escudero

C. EXECUTIVE OFFICERS

Manuel N. Tankiansee	- Chairman of the Board
Juanita U. Tan	- Chief Executive Officer/President
Erwin R. Diaz	- Chief Financial Officer/Vice-President
Atty. Helen De Leon-Manzano	- Corporate Secretary

RESUME OF DIRECTORS / EXECUTIVE OFFICERS

MANUEL N. TANKIANSEE	- Chairman of the Board / Director
Term of Office	- One (1) Year
Years in Office	- December 2000 – Present
Address	- 22nd Floor, The Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City
Age	- 72
Citizenship	- Filipino
Positions/Directorship Held	- Chairman of the Board: BHI Holdings, Inc.; Farmix Fertilizers Corporation; Aquarich, Inc.; Pearlbank Securities, Inc.
JUANITA U. TAN	- President / Director
Term of Office	- One (1) Year
Years in Office	- December 2000 – Present
Address	- 22nd Floor, The Pearlbank Centre,

Age - 68
 Citizenship - Filipino
 Positions/Directorship Held - President and Director of BHI Holdings, Inc.,
 Farmix Fertilizers Corporation;
 Director: Pearlbank Securities, Inc.

ERWIN R. DIAZ

Term of Office - **Vice President / Director**
 Years in Office - One (1) Year
 Address - December 2015 – Present
 22nd Floor, The Pearlbank Centre,
 146 Valero Street, Salcedo Village, Makati City
 Age - 42
 Citizenship - Filipino
 Positions/Directorship Held - President: Poro Integrated Port Services, Inc.
 Accountant of Premiere Success Dev't Corp.

JEMIE U. TAN

Term of Office - **Director**
 Years in Office - One (1) Year
 Address - December 2000 – Present
 22nd Floor, The Pearlbank Centre,
 146 Valero Street, Salcedo Village, Makati City
 Age - 42
 Citizenship - Filipino
 Positions/Directorship Held - Director: BHI Holdings, Inc.; Bulk Handlers, Inc.

MIGUEL OCAMPO-TAN

Term of Office - **Director**
 Years in Office - One (1) Year
 Address - December 2000 – Present
 22nd Floor, The Pearlbank Centre,
 146 Valero Street, Salcedo Village, Makati City
 Age - 64
 Citizenship - Filipino
 Positions/Directorship Held - Director: BHI Holdings, Inc.; Antel Platinum
 Realty, Inc. Director and President of Micaland
 Development Corporation. Vice-President:
 Filway Development Corporation, Principal
 Architect of Herbert Go-Miguel Ocampo-Tan
 and Associates and MOS Architects.

EMMA KENG OCAMPO-TAN

Term of Office - **Director**
 One (1) Year

Years in Office - December 2000 – Present
 Address - 22nd Floor, The Pearlbank Centre,
 146 Valero Street, Salcedo Village, Makati City
 Age - 63
 Citizenship - Filipino
 Positions/Directorship Held - Director: BHI Holdings, Inc.; Filway Development Corporation; H.B. Realty; Development Corporation.
 Treasurer: Micaland Development Corporation.

EDISON S. JAVIER

Term of Office - **Director**
 One (1) Year
 Years in Office - December 2015 – Present
 Address - U20 Bayabas St., Westman Village, San Isidro
 Paranaque City
 Age - 50
 Citizenship - Filipino
 Positions/Directorship Held - Director: BHI Holdings, Inc.; Managing Director: Wordcomm International; Chairman and Chief Exec: Teredja Media Philippines, Inc.; Chairman: Calchem Inc., Chairman and President: Eiggno Philippines Inc.; Trustee: Yujo Firipin Foundation; Anchor: DZRH (666 khz); Columnist: Market Monitor

MARILOU U. PUA

Term of Office - **Director**
 One (1) Year
 Years in Office - December 2000 – Present
 Address - 22nd Floor, The Pearlbank Centre,
 146 Valero Street, Salcedo Village, Makati City
 Age - 49
 Citizenship - Filipino
 Positions/Directorship Held - Director: BHI Holdings, Inc.;
 Treasurer: Farmix Fertilizers Corporation.

JALANE CHRISTIE U. TAN

Term of Office - **Director**
 One (1) Year
 Years in Office - April 2004 – Present
 Address - 22nd Floor, The Pearlbank Centre,
 146 Valero Street, Salcedo Village, Makati City
 Age - 39
 Citizenship - Filipino
 Positions/Directorship Held - Director: BHI Holdings, Inc.;

JULIE C. DELA CRUZ

Term of Office - **Director**
 One (1) Year

Years in Office - January 18, 2008 – Present
 Address - 22nd Floor, The Pearlbank Centre,
 146 Valero Street, Salcedo Village, Makati City
 Age - 54
 Citizenship - Filipino
 Positions/Directorship Held - Director: Claymore Holdings, Inc.

FELISA P. ESCUDERO - **Director**
 Term of Office - One (1) Year
 Years in Office - December 18, 2008 – Present
 Address - 22nd Floor, The Pearlbank Centre,
 146 Valero Street, Salcedo Village, Makati City
 Age - 55
 Citizenship - Filipino
 Positions/Directorship Held - Director: Quality Grains and Feeds Corporation

HELEN C. DE LEON-MANZANO - **Corporate Secretary**
 Term of Office - One (1) Year
 Years in Office - December 2000 – Present
 Address - 22nd Floor, The Pearlbank Centre,
 146 Valero Street, Salcedo Village, Makati City
 Age - 62
 Citizenship - Filipino
 Positions/Directorship Held - Corporate Secretary: BHI Holdings, Inc.,
 Dunlop Slazenger Holdings, Inc.;
 Dunlop Slazenger International, Inc.;
 Poro Point Industrial Corporation, JUT Holdings, Inc.
 Topigs Philippines Inc. Superior Baggers Stevedoring
 Inc., and Magnum International Securities, Inc.
 Senior Partner: Saulog and De Leon Law Office.

3) Significant Employees

Not Applicable

3) Family Relationship

- a. Juanita U. Tan - Wife of Director Manuel N. Tankiansee
- b. Jemie U. Tan - Daughter of Director Manuel N. Tankiansee and Juanita U. Tan
- c. Jalane Christie U Tan - Daughter of Director Manuel N. Tankiansee and Juanita U. Tan
- d. Marilou U. Pua - Niece of Director Juanita U. Tan

e. Emma Keng Ocampo-Tan - Wife of Director Miguel Ocampo-Tan

4) Involvement in Certain Legal Proceedings

The company is not aware of any event that occurred during the past five (5) years that are material to an evaluation of the ability or integrity of any director or person nominated to become a director, executive officer, promoter or control of the company.

Executive Compensation

SUMMARY COMPENSATION TABLE

**Estimated Annual Compensation
For the fiscal year 2020**

EXECUTIVE OFFICERS

Name	Position	Salary (P)	Bonus (P)	Other Annual Compensation
Manuel N. Tankiansee	Chairman of the Board	Not Receiving	Not Receiving	Not Receiving
Juanita U. Tan	Chief Executive Officer/ President	Not Receiving	Not Receiving	Not Receiving
Erwin R. Diaz	Chief Financial Officer/ Vice-President	Not Receiving	Not Receiving	Not Receiving
Atty. Helen De Leon Manzano	Corporate Secretary	Not Receiving	Not Receiving	Not Receiving
Other Officers and Directors		Not Receiving	Not Receiving	Not Receiving
Total			-	-

**Annual Compensation
For the fiscal year 2019**

EXECUTIVE OFFICERS

Name	Position	Salary (P)	Bonus (P)	Other Annual Compensation
Manuel N. Tankiansee	Chairman of the Board	Not Receiving	Not Receiving	Not Receiving
Juanita U. Tan	Chief Executive Officer/ President	Not Receiving	Not Receiving	Not Receiving
Erwin R. Diaz	Chief Financial Officer/ Vice-President	Not Receiving	Not Receiving	Not Receiving

Atty. Helen De Leon Manzano Corporate Secretary
Other Officers and Directors

Not Receiving Not Receiving Not Receiving
Not Receiving Not Receiving Not Receiving

- -

**Annual Compensation
For the fiscal year 2018**

EXECUTIVE OFFICERS

Name	Position	Salary (P)	Bonus (P)	Other Annual Compensation
Manuel N. Tankiansee	Chairman of the Board	Not Receiving	Not Receiving	Not Receiving
Juanita U. Tan	Chief Executive Officer/ President	Not Receiving	Not Receiving	Not Receiving
Erwin R. Diaz	Chief Financial Officer/ Vice-President	Not Receiving	Not Receiving	Not Receiving
Atty. Helen De Leon Manzano Other Officers and Directors	Corporate Secretary	Not Receiving	Not Receiving	Not Receiving
		-	-	-

Employment Contracts and Termination of Employment and Change in Control Assignments.

None.

Warrants and Options Outstanding: Repricing

Not Applicable.

Security Ownership of Certain Record and Beneficial Owners and Management .

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS.

Title of Class	Name and Address of Record/Beneficial Owners	Citizenship	Amount and Nature of Record/Beneficial Owners	Percent of Class
COMMON A	Bulk Handlers, Inc. 22/F, The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City	F	R-299,424	85.55%
COMMON B	Bulk Handlers, Inc. 22/F, The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City	F	R-150,000	100.00%

Bulk Handlers, Inc. owns the majority of the shares of BHI HOLDINGS, INC. BULK HANDLERS INC. is controlled by the Tan Family. It is represented in the Board by Manuel N. Tankiansee, Juanita U. Tan, Jemie U. Tan and Jalane Christine U. Tan. Jemie U. Tan exercises voting power over the shares owned by Bulk Handlers, Inc. Manuel N. Tankiansee and Juanita U. Tan are husband and wife, Jemie U. Tan and Jalane U. Tan are their children. Ms. Jemie U. Tan exercises the voting power over the share owned by Bulk Handlers, inc.

SECURITY OWNERSHIP OF MANAGEMENT
As of December 31, 2019

DIRECTORS

Title of Class	Name And Address of Beneficial Owner	Amount of Ownership as Director	Citizenship	Percent of Class
Common A	Manuel N. Tankiansee 22/F, The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City	R-100	F	0.00%
Common A	Juanita U. Tan 22/F, The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City	R-5,800	F	0.02%
Common A	Erwin R. Diaz 22/F, The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City	R-6,000	F	0.02%
Common A	Marilou U. Pua 22/F, The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City	R-6,100	F	0.02%
Common A	Jalane Christie U. Tan 22/F, The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City	R-18,000	F	0.05%
Common A	Jemie U. Tan 22/F, The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City	R-100	F	0.00%
Common A	Miguel Ocampo-Tan 22/F, The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City	R-100	F	0.00%
Common A	Emma Keng Ocampo- Tan 22/F, The Pearlbank Centre, 146 Valero St., Salcedo	R-100	F	0.00%

	Village, Makati City			
Common A	Edison S. Javier 34 Ramona Tirona St., Phase 1 BF Homes, Paranaque City	R-100	F	0.00%
Common A	Julie C. dela Cruz 22/F, The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City	R-6000	F	0.02%
Common A	Feliza P. Escudero 22/F, The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City	R-6000	F	0.02%

EXECUTIVE OFFICERS

Title of Class	Name And Adress of Beneficial Owner	Amount of Ownership as Director	Citizenship	Percent of Class
Common A	Manuel N. Tankiansee (Chairman of the Board) 22/F, The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City	R-100	F	0.00%
Common A	Juanita U. Tan (Chief Executive Officer/President) 22/F, The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City	R-5,800	F	0.02%
Common A	Erwin R. Diaz (Chief Financial Officer/Vice-President) 22/F, The Pearlbank Centre, 146 Valero St., St., Salcedo Village, Makati City	R-6,100	F	0.02%
Common A	Atty. Helen De Leon-Manzano (Corporate Secretary) 22/F, The Pearlbank Centre, 146 Valero St., St., Salcedo Village, Makati City		F	

All security ownership of management are direct / record ownership. Other officers of the issuer do not own shares of the company.

VOTING TRUST HOLDERS OF 5% OR MORE

There are no persons who hold more than five percent (5%) of a class under a voting trust or similar agreement.

CHANGES IN CONTROL

There are no arrangements that may result in change in control of the registrant, nor has there been any change in control since beginning of its fiscal year.

Certain Relationships and Related Transactions

JUANITA U. TAN and MANUEL TANKIANSEE are husband and wife; JEMIE U. TAN and JALANE CHRISTIE U. TAN their daughters; MARILOU U. PUA is the niece of JUANITA U. TAN; EMMA KENG OCAMPO-TAN and MIGUEL OCAMPO-TAN are also husband and wife.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

During the last six (6) months period by this report, the Company filed reports on SEC Form 17-C on the following items:

<u>Date of Report</u>	<u>Item Reported</u>	<u>Matters Reported</u>
December 18, 2019	Election of Directors & Officers	The following were elected as directors: 1) Manuel N. Tankiansee 2) Juanita U. Tan 3) Erwin R. Diaz 4) Jemie U. Tan 5) Marilou U. Pua 6) Jalane Christie U. Tan 7) Julie C. Dela Cruz 8) Miguel Ocampo Tan 9) Emma Keng Ocampo-Tan 10) Edison S. Javier * 11) Felisa P. Escudero *

*Independent Directors

Elected Officers are the following:

Chairman of the Board	- Mr. Manuel N. Tankiansee
President	- Ms. Juanita U. Tan
Vice-President & Treasurer	- Mr. Erwin R. Diaz
Corporate Secretary	- Atty. Helen C. De Leon Manzano

Upon the written request of a stockholder, the Company undertakes to furnish said stockholder a copy of the Company's annual report on SEC 17-A free of charge. Such request should be directed to the BHI Holdings, Inc's. management, 22/F Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on ___th day of April, 2020.

By:


JUANITA U. TAN

Chief Executive Officer/President


ERWIN R. DIAZ

Chief Financial Officer/Vice-President


HELEN DE LEON-MANZANO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 24 JUN 2020 day of _____, 2020 affiant(s) exhibiting to me his/their Residence Certificate as follows:

Name	Comm. Tax Certificate No.	Date	Place of Issue
JUANITA U. TAN	04357431	02/27/2020	Makati
ERWIN R. DIAZ	07556087	01/09/2020	Manila
HELEN DE LEON-MANZANO	EC5668666	10/12/15	Manila

Notary Public


ELISEO S. CALMA, JR.
Notary Public

Until Dec. 31, 2021

ADM Matter No. NP-067 (2020-2021)

Attorney's Roll No. 50183

PTR No. 9521286C, Jan. 21, 2020

IBP No. 095280 - Nov. 20, 2019

MCLE Comp. No. VI-0012817 until April 14, 2022

20 Kamagong St., Sanamanai Village
East Fairview, Quezon City

Doc. No. 376
Page No. 77
Book No. X411
Series of 2020

BHI HOLDINGS, INC.

22/F, The Pearlbank Centre
146 Valero Street, Salcedo Village, Makati City
Tel. Nos.: 840-2961, 817-2080, 840-1858 * Fax No.: 817-2109, 752-1098

TABLE OF CONTENTS

Supplementary Schedules Required by the Securities and Exchange Commission as of December 31, 2019 and for the Year Then Ended

Schedule	Particulars
A	Marketable Securities (Current Marketable Equity Securities and Other Short Term Investments)
B	Amounts Receivable from Related Parties and Others
C	Non-Current Marketable Equity Securities, Other Long-Term Investments in Stocks and Other Investment
D	Indebtedness of Unconsolidated Subsidiaries And Affiliates
E	Property, Plant and Equipment
F	Accumulated Depreciation
G	Other Assets
H	Long-Term Debt
I	Indebtedness to Affiliates and Related Parties
J	Guaranties of Security of Other Issuers
K	Capital Stock

BHI HOLDINGS, INC.

22/F, The Pearlbank Centre

146 Valero Street, Salcedo Village, Makati City

Tel. Nos.: 840-2961, 817-2080, 840-1858 * Fax No.: 817-2109, 752-1098

Schedule : A

Description : Marketable Securities (Current Marketable Equity Securities and Other Short Term Investments)

Period Ended : December 31, 2019

Particulars	Amount
NOT APPLICABLE	

BHI HOLDINGS, INC.

22/F, The Pearlbank Centre

146 Valero Street, Salcedo Village, Makati City

Tel. Nos.: 840-2961, 817-2080, 840-1858 * Fax No.: 817-2109, 752-1098

Schedule : B
Description : Amounts Receivable from Related Parties & Others
Period Ended : December 31, 2019

Particulars	Amount
Aqua Rich, Inc.	100,254,795.00 P
Balance as of 12/31/19	P 100,254,795.00

BHI HOLDINGS, INC.

22/F, The Pearlbank Centre

146 Valero Street, Salcedo Village, Makati City

Tel. Nos.: 840-2961, 817-2080, 840-1858 * Fax No.: 817-2109, 752-1098

Schedule : C
Description : Non-Current Marketable Equity Securities, Other
Long-Term Investments in Stocks and Other
Investments
Period Ended : December 31, 2019

Particulars	Amount
NOT APPLICABLE	

BHI HOLDINGS, INC.

22/F, The Pearlbank Centre

146 Valero Street, Salcedo Village, Makati City

Tel. Nos.: 840-2961, 817-2080, 840-1858 * Fax No.: 817-2109, 752-1098

Schedule : D
Description : Indebtedness of Unconsolidated Subsidiaries and Affiliates.
Period Ended : December 31, 2019

Particulars	Amount
NOT APPLICABLE	

BHI HOLDINGS, INC.

22/F, The Pearlbank Centre

146 Valero Street, Salcedo Village, Makati City

Tel. Nos.: 840-2961, 817-2080, 840-1858 * Fax No.: 817-2109, 752-1098

Schedule : E
Description : Property, Plant and Equipment
Period Ended : December 31, 2019

Particulars	Amount
NOT APPLICABLE	

BHI HOLDINGS, INC.

22/F, The Pearlbank Centre

146 Valero Street, Salcedo Village, Makati City

Tel. Nos.: 840-2961, 817-2080, 840-1858 * Fax No.: 817-2109, 752-1098

Schedule : F
Description : Accumulated Depreciation
Period Ended : December 31, 2019

Particulars	Amount
NOT APPLICABLE	

BHI HOLDINGS, INC.

22/F, The Pearlbank Centre

146 Valero Street, Salcedo Village, Makati City

Tel. Nos.: 840-2961, 817-2080, 840-1858 * Fax No.: 817-2109, 752-1098

Schedule : G
Description : Other Assets
Period Ended : December 31, 2019

Particulars	Amount
Input Vat – 2019	P 2,619,707.00
Balance as of 12/31/19	P 2,619,707.00

BHI HOLDINGS, INC.

22/F, The Pearlbank Centre

146 Valero Street, Salcedo Village, Makati City

Tel. Nos.: 840-2961, 817-2080, 840-1858 * Fax No.: 817-2109, 752-1098

Schedule : H
Description : Long-Term Debt
Period Ended : December 31, 2019

Particulars	Amount
NOT APPLICABLE	

BHI HOLDINGS, INC.

22/F, The Pearlbank Centre

146 Valero Street, Salcedo Village, Makati City

Tel. Nos.: 840-2961, 817-2080, 840-1858 * Fax No.: 817-2109, 752-1098

Schedule : I
Description : Indebtedness to affiliates & Related Parties
Period Ended : December 31, 2019

Particulars	Amount
NOT APPLICABLE	

BHI HOLDINGS, INC.

22/F, The Pearlbank Centre

146 Valero Street, Salcedo Village, Makati City

Tel. Nos.: 840-2961, 817-2080, 840-1858 * Fax No.: 817-2109, 752-1098

Schedule : J
Description : Guaranties of Security of Other Issuers
Period Ended : December 31, 2019

Particulars	Amount
NOT APPLICABLE	

BHI HOLDINGS, INC.

22/F, The Pearlbank Centre

146 Valero Street, Salcedo Village, Makati City

Tel. Nos.: 840-2961, 817-2080, 840-1858 * Fax No.: 817-2109, 752-1098

Schedule : K
Description : Capital Stock
Period Ended : December 31, 2019

Particulars		Amount
Capital Stock @ P100 par		
Class A		
Authorized	700,000 shares	
Issued & Outstanding	350,000 shares	P 35,000,000.00
Class B		
Authorized	300,000 shares	
Issued & Outstanding	150,000 shares	15,000,000.00
Balance as of 12/31/19		P 50,000,000.00



P&A
Grant Thornton

An instinct for growth™

Punongbayan & Araullo

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

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors and Stockholders

BHI Holdings, Inc.

(A Subsidiary of Bulk Handlers, Inc.)

22nd Floor, The Pearl Bank Centre

146 Valero Street, Salcedo Village

Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BHI Holdings, Inc. (the Company), which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2019 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Certified Public Accountants

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

Offices in Cavite, Cebu, Davao
BOA/PRC Cert of Reg. No. 0002
SEC Accreditation No. 0002-FR-5

grantthornton.com.ph

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Valuation of Due from a Related Party

Description of the Matter

The valuation of due from a related party is considered to be a matter of significance as it requires the application of judgment and use of subjective assumptions by management. Under the guidelines of PFRS 9, *Financial Instruments*, the Company assesses its Expected Credit Loss on a forward-looking basis associated with its financial assets carried at amortized cost. The Company considers a broader range of information in assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

As of December 31, 2019, the Company has loans receivable, shown as due from a related party, amounting to P100.0 million, which represents 97% of the Company's total assets. The Company's management exercises significant judgment and use subjective estimates in determining when and how much to recognize impairment loss on loans receivable. These judgments and estimates, which are detailed in the Company's significant accounting policies, judgments and estimates in Notes 2 and 3 to the financial statements, include the approach applied by the Company in assessing the impairment of assets. Based on management's assessment, no allowance for impairment is required to be recognized in the financial statements as the amount of adjustments were identified by management to be immaterial to the Company. The disclosures of the Company on Due from a related party and the related credit risk are included in Notes 4 and 12 to the financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to the valuation of due from a related party, which was considered to be a significant risk, included obtaining and understanding of the Company's policy on impairment of loans receivable and assessing the borrower's capacity to pay through examination of payment history and the borrower's latest available financial information. We have also considered the adequacy of the Company's disclosure in relation to due from a related party account.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement) and SEC Form 17-A for the year ended December 31, 2019, but does not include the financial statements and our auditors' report thereon. The Definitive Information Statement and SEC Form 17-A for the year ended December 31, 2019 are expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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



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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2019 required by the Bureau of Internal Revenue as disclosed in Note 17 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS; neither is it required by the Revised Securities Regulation Code Rule 68 of the Philippine Securities and Exchange Commission. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditors' report is John Endel S. Mata.

PUNONGBAYAN & ARAULLO



By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN: 257-622-627
PTR No. 8116549, January 2, 2020, Makati City
SEC Group A Accreditation
Partner – No. 121347-SEC (until Dec. 31, 2023)
Firm – No. 0002-FR-5 (until Mar. 26, 2021)
BIR AN 08-002551-040-2019 (until Dec. 15, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

March 25, 2020

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018
(Amounts in Philippine Pesos)

	Notes	2019	2018
<u>ASSETS</u>			
CURRENT ASSETS			
Cash	2	P 452,841	P 308,787
Due from a related party	4	46,254,795	46,254,795
Input value-added tax	17	<u>2,619,707</u>	<u>2,521,787</u>
Total Current Assets		49,327,343	49,085,369
NON-CURRENT ASSET			
Due from a related party	4	<u>54,000,000</u>	<u>54,000,000</u>
TOTAL ASSETS		<u>P 103,327,343</u>	<u>P 103,085,369</u>
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Accrued expenses and other payables	5	P 4,180,523	P 3,791,879
Due to a stockholder	4	867,116	867,116
Income tax payable		<u>15,123</u>	<u>15,123</u>
Total Liabilities		<u>5,062,762</u>	<u>4,674,118</u>
EQUITY			
Capital stock	8	50,000,000	50,000,000
Additional paid-in capital	2	7,520,755	7,520,755
Retained earnings		<u>40,743,826</u>	<u>40,890,496</u>
Total Equity		<u>98,264,581</u>	<u>98,411,251</u>
TOTAL LIABILITIES AND EQUITY		<u>P 103,327,343</u>	<u>P 103,085,369</u>

See Notes to Financial Statements.

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, AND 2017
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
REVENUES				
Interest income from loans	4	P 3,000,000	P 3,000,000	P 3,000,000
Interest income from cash in bank		<u>812</u>	<u>569</u>	<u>1,004</u>
		<u>3,000,812</u>	<u>3,000,569</u>	<u>3,001,004</u>
OPERATING EXPENSES				
Salaries and employee benefits	4	1,164,000	1,164,000	1,164,000
Rent	4, 11	300,000	300,000	300,000
Other operating expenses	6	<u>1,623,320</u>	<u>1,682,699</u>	<u>1,655,149</u>
		<u>3,087,320</u>	<u>3,146,699</u>	<u>3,119,149</u>
LOSS BEFORE TAX		(86,508)	(146,130)	(118,145)
TAX EXPENSE	7	<u>60,162</u>	<u>60,114</u>	<u>60,201</u>
NET LOSS		(146,670)	(206,244)	(178,346)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS		(<u>P 146,670</u>)	(<u>P 206,244</u>)	(<u>P 178,346</u>)
Basic and Diluted Loss Per Share	9	(<u>P 0.29</u>)	(<u>P 0.41</u>)	(<u>P 0.36</u>)

See Notes to Financial Statements.

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, AND 2017
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
CAPITAL STOCK	8	<u>P 50,000,000</u>	<u>P 50,000,000</u>	<u>P 50,000,000</u>
ADDITIONAL PAID-IN CAPITAL	2	<u>7,520,755</u>	<u>7,520,755</u>	<u>7,520,755</u>
RETAINED EARNINGS				
Balance at beginning of year		40,890,496	41,096,740	41,275,086
Total comprehensive loss during the year		<u>(146,670)</u>	<u>(206,244)</u>	<u>(178,346)</u>
Balance at end of year		<u>40,743,826</u>	<u>40,890,496</u>	<u>41,096,740</u>
TOTAL EQUITY		<u>P 98,264,581</u>	<u>P 98,411,251</u>	<u>P 98,617,495</u>

See Notes to Financial Statements.

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, AND 2017
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(P 86,508)	(P 146,130)	(P 118,145)
Adjustments for:				
Interest income from loans	4	(3,000,000)	(3,000,000)	(3,000,000)
Interest income from cash in bank	2	(813)	(569)	(1,004)
Operating loss before working capital changes		(3,087,321)	(3,146,699)	(3,119,149)
Increase in input value-added tax		(97,920)	(99,392)	(202,961)
Increase in accrued expenses and other payables		388,644	395,899	416,176
Cash used in operations		(2,796,597)	(2,850,192)	(2,905,934)
Interest received		3,000,813	3,000,569	3,001,004
Cash paid for income taxes		(60,162)	(60,114)	(60,160)
 Net Cash from Operating Activities		 144,054	 90,263	 34,910
CASH FLOWS FROM A FINANCING ACTIVITY				
Repayment of due to a stockholder	4	-	(100,000)	-
 NET INCREASE (DECREASE) IN CASH		 144,054	 (9,737)	 34,910
 CASH AT BEGINNING OF YEAR		 308,787	 318,524	 283,614
 CASH AT END OF YEAR		 P 452,841	 P 308,787	 P 318,524

See Notes to Financial Statements.

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019, 2018 AND 2017
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION AND STATUS OF OPERATIONS

1.1 Corporate Information

BHI Holdings, Inc. (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on January 24, 1963 to engage primarily in the insurance business. On November 4, 1999, the SEC approved the change in the Company's corporate name from Consolidated Insurance Company, Inc. to BHI Holdings, Inc. and, concurrently, the change in its primary purpose from that of a non-life insurance company to an investment holding company.

The Company's shares of stock are listed for trading at the Philippine Stock Exchange (PSE). Bulk Handlers, Inc. (the Parent Company), a domestic corporation, owns 89.88% of the Company's capital stock. The Parent Company is currently engaged in the business of warehouse leasing and terminal operations.

To date, the Company's operations are limited to maintaining and generating interest income on loans granted to a related party (see Note 1.2). Accordingly, no business segment information is presented in its financial statements.

The registered office address of the Company and the Parent Company, which is also their principal place of business, is located at 22nd Floor, The Pearl Bank Centre, 146 Valero Street, Salcedo Village, Makati City.

The financial statements of the Company as of and for the year ended December 31, 2019 (including the comparative financial statements as of December 31, 2018 and for the years ended December 31, 2018 and 2017) were authorized for issue by the Company's Board of Directors (BOD) on March 25, 2020.

1.2 Status of Operations

As an investment holding company, the Company's main thrust is to acquire ownerships in profitable corporations. However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years. As indicated in Note 1.1, its present source of revenue is limited to interest income generated from its loans granted to a related party (see Note 4). As such, the Company has only two employees handling mainly administrative functions due to limited transactions of the Company as of December 31, 2019 (see Note 2.9). The Company's management, however, continues to assess possible investment opportunities that it can embark on.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. The policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 *Basis of Preparation of Financial Statements*

(a) *Statement of Compliance with Philippine Financial Reporting Standards*

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board, and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) *Presentation of Financial Statements*

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income and expense and other comprehensive income in a single statement of comprehensive income.

The Company presents a third statement of financial position as of the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(c) *Functional and Presentation Currency*

The financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts, except when otherwise indicated.

Items included in the financial statements are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 Adoption of New and Amended PFRS

(a) Effective in 2019 that are Relevant to the Company

The Company adopted for the first time the following PFRS, amendments, interpretations and annual improvement to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2019:

PAS 19 (Amendments)	:	Employee Benefits – Plan Amendment, Curtailment or Settlement
PFRS 9 (Amendments)	:	Financial Instruments – Prepayment Features with Negative Compensation
PFRS 16	:	Leases
International Financial Reporting Interpretations Committee (IFRIC) 23	:	Uncertainty Over Income Tax Treatments
Annual Improvements to PFRS (2015-2017 Cycle)	:	
PAS 12 (Amendments)	:	Income Taxes – Tax Consequences of Dividends

Discussed below and in the succeeding page are the relevant information about these standards.

- (i) PAS 19 (Amendments), *Employee Benefits - Plan Amendment, Curtailment or Settlement*. The amendments clarify that past service cost and gain or loss on settlement is calculated by measuring the net defined benefit liability or asset using updated actuarial assumptions and comparing the benefits offered and plan assets before and after the plan amendment, curtailment or settlement but ignoring the effect of the asset ceiling that may arise when the defined benefit plan is in a surplus position. Further, the amendments now require that if an entity remeasures its net defined benefit liability or asset after a plan amendment, curtailment or settlement, it should also use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after the change to the plan. The application of these amendments had no significant impact on the Company's financial statements
- (ii) PFRS 9 (Amendments), *Financial Instruments – Prepayment Features with Negative Compensation*. The amendments clarify that prepayment features with negative compensation attached to financial assets may still qualify under the “solely payments of principal and interests” (SPPI) test. As such, the financial assets containing prepayment features with negative compensation may still be classified at amortized cost or at fair value through other comprehensive income (FVOCI). The application of these amendments had no significant impact on the Company’s financial statements.
- (iii) PFRS 16, *Leases*. The new standard replaced PAS 17, *Leases*, and its related interpretation IFRIC 4, *Determining Whether an Arrangement Contains a Lease*, Standard Interpretations Committee (SIC) 15, *Operating Leases – Incentives* and SIC 27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. For lessees, it requires an entity to account for leases “on-balance sheet” by recognizing a “right-of-use” asset and lease liability arising from contract that is, or contains, a lease.

For lessors, the definitions of the type of lease (i.e., finance and operating leases) and the supporting indicators of a finance lease are substantially the same with the provisions under PAS 17. In addition, basic accounting mechanics are also similar but with some different or more explicit guidance related to variable payments, sub-leases, lease modifications, the treatment of initial direct costs and lessor disclosures.

The Company has adopted PFRS 16 using the modified retrospective approach as allowed under the transitional provisions of the standard. Accordingly, comparative information were not restated. The adoption of the standard does not have a material impact on the financial statements of the Company as its sole lease agreement, where the Company is a lessee, has a remaining lease term of 12 months from transition date (i.e., January 1, 2019). The Company has applied the optional exemption to not recognize right-of-use assets but to account for the lease expense on a straight-line bases over the remaining lease term.

Nevertheless, the accounting policies of the Company as a lessee were updated to fully conform with PFRS 16, which are disclosed in Note 2.10.

- (iv) IFRIC 23, *Uncertainty Over Income Tax Treatments*. This interpretation provides clarification on the determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments. The core principle of the interpretation requires the Company to consider the probability of the tax treatment being accepted by the taxation authority. When it is probable that the tax treatment will be accepted, the determination of the taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates shall be on the basis of the accepted tax treatment. Otherwise, the Company has to use the most likely amount or the expected value, depending on the surrounding circumstances, in determining the tax accounts identified immediately above. The interpretation had no significant impact on the Company's financial statements.
- (v) Annual Improvements to PFRS 2015-2017 Cycle. Among the improvements, only PFRS 12 (Amendments), *Income Tax – Tax Consequences of Dividends* is identified by management to be relevant to the Company but had no significant impact on the Company's financial statements. The amendments clarify that an entity should recognize the income tax consequence of dividend payments in profit or loss, other comprehensive income or equity according to where the entity originally recognized the transactions that generated the distributable profits.

(b) *Effective in 2019 that are not Relevant to the Company*

The following amendments to existing standards, and improvements are mandatorily effective for annual periods beginning on or after January 1, 2019 but are not relevant to the Company's financial statements:

PAS 28 (Amendments)	:	Investment in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures
---------------------	---	--

Annual Improvements to PFRS (2015-2017 Cycle)	
PAS 23 (Amendments)	: Borrowing Costs – Eligibility for Capitalization
PFRS 3 and PFRS 11 (Amendments)	: Business Combination and Joint Arrangements – Remeasurement of Previously Held Interests in Joint Operation

(c) *Effective Subsequent to 2019 but not Adopted Early*

There are amendment and revisions to existing standards effective for annual periods subsequent to 2019, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Company's financial statements:

- (i) PAS 1 (Amendments), *Presentation of Financial Statements*, and PAS 8 (Amendments), *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material* (effective from January 1, 2020). The amendments provide a clearer definition of 'material' in PAS 1 by including the concept of 'obscuring' material information with immaterial information as part of the new definition, and clarifying the assessment threshold (i.e., misstatement of information is material if it could reasonably be expected to influence decisions made by primary users, which consider the characteristic of those users as well as the entity's own circumstances). The definition of material in PAS 8 has been accordingly replaced by reference to the new definition in PAS 1. In addition, amendment has also been made in other Standards that contain definition of material or refer to the term 'material' to ensure consistency.
- (ii) Revised Conceptual Framework for Financial Reporting (effective from January 1, 2020). The revised conceptual framework will be used in standard-setting decisions with immediate effect. Key changes include (a) increasing the prominence of stewardship in the objective of financial reporting, (b) reinstating prudence as a component of neutrality, (c) defining a reporting entity, which may be a legal entity, or a portion of an entity, (d) revising the definitions of an asset and a liability, (e) removing the probability threshold for recognition and adding guidance on derecognition, (f) adding guidance on different measurement basis, and, (g) stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. The Company has initially assessed that its accounting policies are still appropriate under the revised framework.

2.3 *Financial Assets*

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments.

(a) *Classification and Measurement of Financial Assets*

The classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Currently, all of the Company's financial assets are classified and measured at amortized cost.

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Company's business model whose objective is to hold financial assets in order to collect contractual cash flows ("hold to collect"); and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI on the principal amount outstanding.

Except for due from a related party that do not contain a significant financing component and are measured at the transaction price in accordance with PFRS 15, *Revenue from Contracts with Customers*, all financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less any impairment in value.

The Company's financial assets at amortized cost are presented in the statement of financial position as Cash and Due from a Related Party.

Financial assets measured at amortized cost are included in current assets, except for those with maturities greater than 12 months after the end of reporting period, which are classified as non-current assets.

Financial assets measured at amortized cost are included in current assets, except for those with maturities greater than 12 months after end of reporting period, which are classified as non-current assets.

For purposes of cash flows reporting and presentation, cash generally pertain to cash on hand and demand deposits which are unrestricted as to withdrawal and readily available for use in the Company's operations.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets at amortized cost, if any, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). The interest earned is recognized in the statement of comprehensive income as part of Interest Income.

(b) *Impairment of Financial Assets*

At the end of the reporting period, the Company assesses its ECL on a forward-looking basis associated with its financial assets carried at amortized cost. The Company considers a broader range of information in assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

The Company applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all trade and other receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Company uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix.

The Company also assesses impairment of receivables on a collective basis as they possess shared credit risk characteristics, and have been grouped based on the days past due.

The key elements used in the calculation of ECL are as follows:

- *Probability of default* – It is an estimate of likelihood of a counterparty defaulting at its financial obligation over a given time horizon, either over the next 12 months or the remaining lifetime of the obligation.
- *Loss given default* – It is an estimate of loss arising in case where a default occurs at a given time. It is based on the difference between the contractual cash flows of a financial instrument due from a counterparty and those that the Company would expect to receive, including the realization of any collateral or effect of any credit enhancement.
- *Exposure at default* – It represents the gross carrying amount of the financial instruments subject to the impairment calculation.

The Company recognizes an impairment loss in profit or loss for all financial instruments subjected to impairment assessment with a corresponding adjustment to their carrying amount through a loss allowance account and does not reduce the carrying amount of the financial asset in the statement of financial position.

(c) *Derecognition of Financial Assets*

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2.4 Other Asset

Other current asset pertains to other resources controlled by the Company as a result of past events. This is recognized in the financial statements when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Company beyond one year after the end of the reporting period or in the normal operating cycle of the business, if longer, are classified as non-current assets.

2.5 Financial Liabilities

Financial liabilities, which include accrued expenses and other payables (excluding tax-related liabilities) and due to a Stockholder, are recognized when the Company becomes a party to the contractual terms of the instrument. These are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for those with maturities beyond one year, less settlement payments.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

2.6 Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

2.7 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.8 Revenue and Expense Recognition

Revenue is recognized only when (or as) the Company satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time. Interest income is recognized as the interest accrues taking into account the effective yield on the asset.

Expenses are recognized in profit or loss upon utilization of goods and services or at the date they are incurred.

2.9 Employee Benefits

The Company has not established a formal retirement plan yet. It is also not covered by the provisions of Republic Act (R.A.) No. 7641, *The Retirement Pay Law*, since it employs not more than ten employees (see also Note 1.2). However, the Company provides to its employees the following benefits:

(a) Post-employment Defined Contribution Plan

A defined contribution plan is a post-employment plan under which the Company pays fixed contributions to an independent entity (i.e. Social Security System). The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities or assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

(b) *Compensated Absences*

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. They are included in Accrued Expenses and Other Payables in the statement of financial position at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

2.10 Leases – Company as Lessee

(a) *Accounting for Leases in Accordance with PFRS 16 (2019)*

For any new contracts entered into on or after January 1, 2019, the Company considers whether a contract is, or contains, a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Company has elected to apply the recognition exemption for short-term leases. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) *Accounting for Leases in Accordance with PAS 17 (2018 and 2017)*

Leases which do not transfer to the Company substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are recognized as expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as repairs and maintenance and insurance, are expensed as incurred.

The Company determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.11 Impairment of Non-financial Assets

At each reporting date, non-financial assets are reviewed to determine whether there is any indication that the assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (estimated selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2.12 Income Taxes

Tax expense recognized in the profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or current tax liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or current tax liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method on temporary differences at the end of each reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same entity and the same taxation authority.

2.13 Related Party Transactions and Relationships

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Transactions amounting to 10% or more of the total assets based on the latest audited financial statements that were entered into with related parties are considered material under SEC Memorandum Circular No. 10, Series of 2009, *Rules on Material Related Party Transactions for Publicly-listed Companies*.

All individual material related party transactions shall be approved by at least two-thirds vote of the board of directors, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors voting to approve the material related party is not secured, the material related party transaction may be ratified by the vote of the stockholder's representing at least two-thirds of the outstanding capital stock. For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 10% of the Company's total assets based on the latest audited financial statements, the same board of approval would be required for the transaction(s) that meets and exceed the materiality threshold covering the same related party.

2.14 Equity

Capital stock represents the nominal value of shares that have been issued.

Additional paid-in capital pertains to premiums received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Retained earnings represent all current and prior period results of operations as reported in the profit or loss section of the statement of comprehensive income.

2.15 Loss Per Share

Basic loss per common share is determined by dividing net loss by the weighted average number of common shares subscribed and issued during the period, after retroactive adjustment for any stock dividend, stock split or reverse stock split declared during the current period.

Diluted loss per share is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares. Currently, the Company does not have potentially dilutive shares outstanding; hence, the diluted loss per share is equal to the basic loss per share.

2.16 Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements (see Note 10).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

(a) Determination of ECL on Due From a Related Party

The Company uses a provision matrix to calculate ECL for due from a related party. The provision rates are based on days past due. The provision matrix is based on the Company's historical observed default rates. The Company's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions).

(b) Distinction Between Operating and Finance Leases (2018 and 2017)

The Company has entered into a lease agreement as a lessee. Critical judgment was exercised by management to distinguish the lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the property covered by the agreement. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Based on management's judgment, such lease was determined to be an operating lease.

(c) *Recognition of Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.7 and relevant disclosures of commitments and contingencies are presented in Note 11.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) *Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of debtors defaulting and the resulting losses).

(b) *Determination of Realizable Amount of Deferred Tax Assets*

The Company reviews its deferred tax assets, which arise from minimum corporate income tax (MCIT) and net operating loss carry over (NOLCO), at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

No deferred tax assets were recognized since the Company's management believes that it may not be able to generate sufficient taxable income within the periods in which the related benefits can be applied (see Note 7).

(c) *Impairment of Non-financial Assets*

The Company's policy on estimating the impairment of non-financial assets is discussed in Note 2.11. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Based on management's assessment, there are no impairment losses required to be recognized on the Company's non-financial assets as of December 31, 2019 and 2018.

4. RELATED PARTY TRANSACTIONS

The Company's related parties include its Parent Company, stockholders, other related parties through common ownership, key management personnel and others as described in Note 2.13. A summary of the Company's related party transactions is presented below and in the succeeding pages.

	Note	Amounts of Transactions			Outstanding Balance	
		2019	2018	2017	2019	2018
Stockholder:						
Accommodation of expenses	4.3(a)	P -	(P 100,000)	P -	P 867,116	P 867,116
Consultancy fees	4.3(b)	804,000	804,000	804,000	-	-
Related party under common ownership and with interlocking directors and officers:						
Original loan receivable	4.1 (a)	-	-	-	46,000,000	46,000,000
Interest on original loan – actual	4.1 (a)	1,380,000	1,380,000	1,380,000	117,205	117,205
Assumed portion of loan receivable	4.1 (b)	-	-	-	54,000,000	54,000,000
Interest on assumed loan – actual	4.1 (b)	1,620,000	1,620,000	1,620,000	137,590	137,590
Rental and utilities	4.2	381,600	381,600	381,600	3,506,682	3,527,682
Key management personnel –						
Salaries and employee benefits	4.4	1,164,000	1,164,000	1,164,000	-	-

Details of the foregoing transactions and balances follows.

4.1 Due from a Related Party

The components of Due from a Related Party account as of December 31, 2019 and 2018 are as follows:

Principal balance:	
Original loan	P 46,000,000
Assumed loan	<u>54,000,000</u>
	<u>100,000,000</u>
Interest receivable on:	
Original loan	P 117,205
Assumed loan	<u>137,590</u>
	<u>254,795</u>
	<u>P 100,254,795</u>

The balance of Due from a Related Party is presented in the statements of financial position as follows:

	<u>2019</u>	<u>2018</u>
Current	P 46,254,795	P 46,254,795
Non-current	<u>54,000,000</u>	<u>54,000,000</u>
	<u>P 100,254,795</u>	<u>P 100,254,795</u>

The movements in interest receivable, which are presented as part of the Due from a Related Party account, are as follows:

	<u>2019</u>	<u>2018</u>
Balance at beginning of year	P 254,795	P 254,795
Accruals during the year	3,000,000	3,000,000
Collections during the year	(<u>3,000,000</u>)	(<u>3,000,000</u>)
Balance at end of year	<u>P 254,795</u>	<u>P 254,795</u>

(a) *Original Loan*

As of December 31, 2019 and 2018, the carrying amount of the original loan amounting to P46,000,000, excluding interest receivable, is presented as part of the Due from a Related Party account in the statements of financial position.

The original loan initially consisted of deposits made by the Company for the acquisition of equity interest in Aqua Rich, Inc. (Aqua Rich), an entity that has the same stockholders as that of the Company. On December 9, 2000, upon the expiration of the conversion period of the deposits into equity, the deposits were automatically converted into an unsecured, interest-bearing loan. Interest is set at a certain rate per annum.

On September 1, 2013, upon maturity of the loan, the contracting parties both agreed to renew the loan for another two years with maturity date of August 31, 2015 with the same terms and conditions. Upon maturity, the loan agreement was again renewed by both parties for another two years in 2019, 2017 and 2015 with the same terms and conditions.

Actual annual interest income earned in 2019, 2018 and 2017 related to this loan amounted P1,380,000, which is presented as part of Interest Income From Loans under the Revenues section of the statements of comprehensive income.

The interest receivable amounting to P117,205 as of December 31, 2019 and 2018 is presented as part of Due from a Related Party account in the statements of financial position.

(b) *Assumed Loan*

On January 2, 2013, Takeda Holdings, Inc., a third party, assigned to Aqua Rich its unsecured, interest-bearing loan payable to the Company which is payable after two years and subject to a certain interest rate per annum. Accordingly, the carrying amount of the assumed loan as of that date was recorded as part of the Due from a Related Party account of the statements of financial position.

In 2014, 2016 and 2018, upon maturity of the loan, the contracting parties both agreed to renew the loan with the same terms and conditions as the original loan.

The carrying amount of the assumed loan, excluding interest receivable, amounted to P54,000,000 as of December 31, 2019 and 2018 and is presented as part of Due from a Related Party in the statements of financial position.

Actual annual interest income earned in 2019, 2018 and 2017 related to the assumed loans amounted to P1,620,000, and is presented as part of Interest Income From Loans under the Revenues section in the statements of comprehensive income.

The interest receivable amounting to P137,590 as of December 31, 2019 and 2018 is presented as part of Due from a Related Party account in the statements of financial position.

The Company's loans and related interest receivable, which are subject to credit risk exposure (see Note 12.1), have been reviewed for impairment. Based on such review, management determines that the related losses are immaterial to the financial statements.

4.2 Rental and Utilities Expenses

The Company currently leases its office premises from a related party under common ownership (see Note 11.1). The lease agreement is renewable every year upon mutual consent of the parties. Annual rental of P300,000 and utilities expenses of P81,600 incurred from this transaction in each of the three years presented are shown as Rent and as part of Other Operating Expenses account, respectively, under the Operating Expenses section of the statements of comprehensive income (see Note 6). Outstanding balance, which is unsecured, noninterest-bearing and payable in cash to the related party, is shown as part of Accrued rental and utilities under Accrued Expenses and Other Payables account in the statements of financial position (see Note 5).

4.3 Transaction with Stockholder

(a) Accommodation of expenses

Certain expenses were paid by a stockholder on behalf of the Company in previous years, while there were no similar transactions occurred in 2019, 2018 and 2017. The outstanding liability to the stockholder, which is noninterest-bearing and payable in cash upon demand, amounted to P867,116 as of December 31, 2019 and 2018 and is presented as Due to a Stockholder in the statements of financial position.

(b) Consultancy fees

One of the stockholders, who previously served as part of the key management personnel, entered into a consultancy agreement to assist the Company in improving its business. Total amount paid to the stockholder is presented as part of Professional fees under Other Operating Expenses in the statements of comprehensive income (see Note 6). There was no outstanding balance related to this transaction as of end of both years.

4.4 Key Management Personnel Compensation

The compensation and benefits provided to key management personnel, which consist of short-term employee benefits, amounted to P1,164,000 in 2019, 2018, and 2017. These are presented as Salaries and employee benefits under the Operating Expenses section of the statements of comprehensive income. The Company does not provide any other form of benefits to its key management personnel. There was no outstanding balance related to this transaction as of end of both years.

5. ACCRUED EXPENSES AND OTHER PAYABLES

This account includes the following:

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Accrued rental and utilities	4.2	P 3,916,326	P 3,527,682
Accrued professional fees		117,600	117,600
Accrued taxes and licenses		12,704	12,704
Other payables		<u>133,893</u>	<u>133,893</u>
		<u>P 4,180,523</u>	<u>P 3,791,879</u>

6. OTHER OPERATING EXPENSES

Details of other operating expenses are as follows:

	<u>Notes</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Professional fees	4.3(b)	P 1,093,000	P 1,096,268	P 1,119,000
PSE membership fees		250,000	256,000	258,000
Trainings and seminars		100,000	100,000	100,000
Utilities	4.2	81,600	81,600	81,600
Postage and messengerial expense		32,477	32,511	-
Taxes and licenses	17(f)	31,257	31,257	31,257
Directors' fee		22,000	22,000	22,000
Office supplies		11,025	12,375	36,233
Miscellaneous		<u>1,961</u>	<u>50,688</u>	<u>7,059</u>
		<u>P 1,623,320</u>	<u>P 1,682,699</u>	<u>P 1,655,149</u>

7. TAXES

The components of tax expense reported in profit or loss are as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
MCIT at 2%	P 60,000	P 60,000	P 60,000
Final tax at 20%	<u>162</u>	<u>114</u>	<u>201</u>
	<u>P 60,162</u>	<u>P 60,114</u>	<u>P 60,201</u>

The reconciliation of tax on pretax loss computed at the applicable statutory rates to tax expense reported in profit or loss is presented below.

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax on pretax loss at 30%	(P 25,952)	(P 43,839)	(P 35,444)
Adjustment for income subjected to lower tax rate	(82)	(57)	(100)
Tax effects of:			
Unrecognized deferred tax assets arising from:			
MCIT	60,000	60,000	60,000
NOLCO	26,196	30,617	35,745
Non-deductible expense	<u>-</u>	<u>13,393</u>	<u>-</u>
	<u>P 60,162</u>	<u>P 60,114</u>	<u>P 60,201</u>

The Company is subject to MCIT, which is computed at 2% of gross income, net of allowable deductions, as defined under the tax regulations, or RCIT, whichever is higher. The Company recognized MCIT amounting to P60,000 in 2019, 2018 and 2017.

As discussed in Note 3.2(b), the Company did not recognize deferred tax assets arising from MCIT and NOLCO as of December 31, 2019 and 2018 since management believes that the Company will not have sufficient taxable income within the periods against which the NOLCO and MCIT can be applied.

The details of NOLCO which can be claimed as deduction from future taxable income up to three years from the year the NOLCO was incurred are shown below.

<u>Year</u>	<u>Original Amount</u>	<u>Expired Amount</u>	<u>Remaining Balance</u>	<u>Valid Until</u>
2019	P 87,320	P -	P 87,320	2022
2018	102,056	-	102,056	2021
2017	119,149	-	119,149	2020
2016	<u>117,440</u>	<u>(117,440)</u>	<u>-</u>	
	<u>P 425,965</u>	<u>(P 117,440)</u>	<u>P 308,525</u>	

The details of the Company's MCIT with their corresponding availment periods are as follows:

<u>Year</u>	<u>Original Amount</u>	<u>Expired Amount</u>	<u>Remaining Balance</u>	<u>Valid Until</u>
2019	P 60,000	P -	P 60,000	2022
2018	60,000	-	60,000	2021
2017	60,000	-	60,000	2020
2016	<u>60,000</u>	<u>(60,000)</u>	<u>-</u>	
	<u>P 240,000</u>	<u>(P 60,000)</u>	<u>P 180,000</u>	

In 2019, 2018 and 2017 the Company opted to claim itemized deductions in computing for its income tax due.

8. CAPITAL STOCK

8.1 Capital Stock

Capital stock as of December 31, 2019 and 2018 consists of:

Common Class A – P100 par value		
Authorized – 700,000 shares		
Issued and outstanding – 350,000 shares	P	35,000,000
Common Class B – P100 par value		
Authorized – 300,000 shares		
Issued and outstanding – 150,000 shares		<u>15,000,000</u>
	P	<u>50,000,000</u>

Class A and Class B shares enjoy the same rights and privileges, except that Class A shares shall be issued solely to Philippine nationals, while Class B shares may be issued to either Philippine or foreign nationals.

8.2 Track Record of Registration of Securities

The Company's shares of stock were initially listed for trading with the PSE on April 2, 1973. As of December 31, 2019 and 2018, there are 499,987 listed shares which are held by 336 holders. Such listed shares closed at P1,275 per share and P1,251 per share as of December 31, 2019 and 2018, respectively.

The Company has no other securities being offered for trading in any stock exchange. It has not listed any other securities since its first listing of its securities.

9. LOSS PER SHARE

Basic and diluted loss per share for the years ended December 31, 2019, 2018 and 2017 are computed as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net loss	P 146,670	P 206,244	P 178,346
Weighted average number of outstanding common shares	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Basic and diluted loss per share	<u>P 0.29</u>	<u>P 0.41</u>	<u>P 0.36</u>

The Company has no potentially dilutive common shares as of December 31, 2019, 2018 and 2017; accordingly, its basic and diluted loss per share are equal.

10. EVENTS AFTER THE END OF THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Company and other Philippine businesses have been significantly exposed to the risks brought about by the outbreak of the new coronavirus disease, COVID-19. As the Company is a holding entity that currently has no ownerships in corporations or holdings of other investments, and remains no significant business and other economic activities as of the date of issuance of the Company's financial statements, management believes that the downside risks caused by the COVID-19 to the Company's financial condition and status operations are not significant.

11. COMMITMENTS AND CONTINGENCIES

11.1 Operating Lease Commitments – Company as Lessee

On December 31, 2009, the Company entered into a lease agreement with a related party under common ownership covering certain office space for a period of one year starting January 1, 2010. Upon expiration of the lease period, the Company and the lessor shall amicably decide and agree to extend the lease under such terms and conditions as may be mutually agreed upon by the parties (see Note 4.2). The most recent lease renewal covered the period January 1, 2019 to December 31, 2019. As of December 31, 2018 (PAS 17), the Company has no future minimum lease payments. Rent expense charged to profit or loss in 2019, 2018 and 2017 all amounted to P300,000 and presented as Rent under Operating Expenses section of the statements of comprehensive income.

11.2 Others

There are other commitments and contingent liabilities that may arise in the normal course of the Company's operations that are not reflected in the accompanying financial statements. Management is of the opinion that losses, if any, from these items will not have a material effect on the Company's financial statements.

12. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to certain financial risks which result from its operating and other cash flow activities. The Company's risk management is coordinated with the Parent Company, in close cooperation with the BOD, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The relevant financial risks to which the Company is exposed to are described below and in the succeeding pages.

12.1 Credit Risk

Credit risk is the risk that counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example, by granting loans and receivables to a related party and a third party.

The maximum credit risk exposure of the financial assets is the carrying amount of the financial assets as shown in the statements of financial position or in the detailed analysis provided in the notes to the financial statements, as summarized below.

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Cash		P 452,841	P 308,787
Due from a related party	4	<u>100,254,795</u>	<u>100,254,795</u>
		<u>P 100,707,636</u>	<u>P 100,563,582</u>

None of the Company's financial assets are secured by collateral or other credit enhancements except for cash as described below.

(i) *Cash*

The credit risk for cash is considered negligible since the counterparty is a reputable bank with high quality external credit ratings. Cash in bank which are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of P500,000 for every depositor per banking institution, as provided for under R.A. No. 9576, *Amendment to Charter of PDIC*, are still subjected to credit risk.

(ii) *Due from a Related Party*

The Company applies simplified approach in measuring ECL, which uses a lifetime expected loss allowance for due from a related party.

To measure the ECL, the due from a related party has been assessed based on shared credit risk characteristics and the days past due (age buckets).

The expected loss rates are based on provision matrix as determined by the management. The loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the related party to settle the receivables. The Company has identified inflation to be the most relevant factor, however, such did not result in any impact as the historical loss rates based on expected changes in this factor are zero. In addition, the Company has not observed defaults on payment based on the historical credit performance of the related party.

Based on management's assessment, none of the financial assets is exposed to any significant credit risk.

12.2 Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial instruments.

The Company's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and, (c) to be able to access funding when needed at the least possible cost. Operations of the Company are financed internally; however, in cases where there is substantial expenditures that is beyond the Company's capacity to finance, the Parent Company can provide the necessary funding requirement.

As of December 31, 2019 and 2018, the Company's financial liabilities which pertain to accrued expenses and other payables (excluding tax-related liabilities) and amounts due to a stockholder, totaling P5,034,935 and P4,646,291, respectively, have contractual maturities of within 12 months. The fair value of financial liabilities is not individually determined as the carrying amount is a reasonable approximation of fair value.

13. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

13.1 *Carrying Amounts and Fair Values of Financial Assets and Financial Liabilities*

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the statements of financial position are shown below.

	2019		2018	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
<i>Financial Assets</i>				
At amortized cost:				
Cash	P 452,841	P 452,841	P 308,787	P 308,787
Due from a related party	<u>100,254,795</u>	<u>100,254,795</u>	<u>100,254,795</u>	<u>100,254,795</u>
	<u>P 100,707,636</u>	<u>P 100,707,636</u>	<u>P 100,563,582</u>	<u>P 100,563,582</u>
<i>Financial Liabilities</i>				
At amortized cost:				
Accrued expenses other payables	P 4,167,819	P 4,167,819	P 3,779,175	P 3,779,175
Due to a stockholder	<u>867,116</u>	<u>867,116</u>	<u>867,116</u>	<u>867,116</u>
	<u>P 5,034,935</u>	<u>P 5,034,935</u>	<u>P 4,646,291</u>	<u>P 4,646,291</u>

See Note 2.3 and 2.5 for a description of the accounting policies for each category of financial instruments. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 12.

13.2 *Offsetting of Financial Assets and Financial Liabilities*

The Company has not set-off financial instruments in 2019 and 2018 and does not have relevant offsetting arrangements. Currently, financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders or upon instruction by the parent company.

14. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objective is to ensure the Company's ability to continue as a going concern and provide an adequate return to its stockholders by entering only into profitable business undertakings. As indicated in Note 1, the Company's management, in the midst of certain unfavorable economic factors, continues to assess possible investment opportunities that it may undertake in the near future.

The Company monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position. Capital for the reporting periods is summarized below.

	<u>2019</u>	<u>2018</u>
Total liabilities	P 5,062,762	P 4,674,118
Total equity	<u>98,264,581</u>	<u>98,411,251</u>
Debt-to-equity ratio	<u>0.05 : 1.00</u>	<u>0.05 : 1.00</u>

15. FAIR VALUE MEASUREMENT AND DISCLOSURES

15.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or financial liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

15.2 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below summarizes the fair value hierarchy of the Company's financial assets and financial liabilities which are not measured at fair value in the statements of financial position but for which fair value is disclosed.

	Notes	Level 1	Level 2	Level 3	Total
2019					
Financial assets:					
Cash		P 452,841	P -	P -	P 452,841
Due from a related party	4.1	-	-	100,254,795	100,254,795
		P 451,841	P -	P 100,254,795	P 100,707,636
Financial liabilities:					
Accrued expenses and other payables	5	P -	P -	P 4,167,819	P 4,167,819
Due to a stockholder	4.3	-	-	867,116	867,116
		P -	P -	P 5,034,935	P 5,034,935
2018					
Financial assets:					
Cash		P 308,787	P -	P -	P 308,787
Due from a related party	4.1	-	-	100,254,795	100,254,795
		P 308,787	P -	P 100,254,795	P 100,563,582
Financial liabilities:					
Accrued expenses and other payables	5	P -	P -	P 3,779,175	P 3,779,175
Due to a stockholder	4.3	-	-	867,116	867,116
		P -	P -	P 4,646,291	P 4,646,291

For financial assets with fair values included in Level 1, management considers that the carrying amounts of these financial instruments approximate their fair values due to their short-term duration.

The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability based on the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data. As of December 31, 2019 and 2018, there were no transfer of financial assets and financial liabilities within said levels.

16. OTHER INFORMATION REQUIRED BY THE SECURITIES AND EXCHANGE COMMISSION

R.A. No. 11232, *An Act Providing for the Revised Corporation Code of the Philippines* (the Revised Corporation Code) took effect on March 8, 2019. The new provisions of the Revised Corporation Code or any amendments thereof have no significant impact to the Company's financial statements.

17. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

Presented below and in the succeeding page is the supplementary information, which is required by the BIR under its existing revenue regulations (RR) to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR No. 15-2010 are as follows:

(a) *Output Value-added Tax (VAT)*

The Company does not have output VAT in 2019.

(b) *Input VAT*

The movements in input VAT in 2019 are summarized below.

Balance at beginning of year	P	2,521,787
Services lodged under other accounts		<u>97,920</u>
Balance at end of year	P	<u>2,619,707</u>

(c) *Taxes on Importation*

The Company did not have any importations in 2019.

(d) *Excise Tax*

The Company does not have excise tax in 2019 since it did not have any transactions, which are subject to excise tax during the year.

(e) *Documentary Stamp Tax*

Documentary stamp taxes (DST) on the loan agreements are paid by the counterparty. Also, as per agreement, the lessor shoulders the DST in the case of the lease contract.

(f) *Taxes and Licenses*

Details of taxes and licenses in 2019 are shown below (see Note 6).

Municipal license and permits	P	23,182
SEC filing fees		7,575
Annual VAT registration		<u>500</u>
	P	<u>31,257</u>

(g) *Withholding Taxes*

Details of total withholding taxes paid and accrued for the year ended December 31, 2019 are shown below.

Compensation and benefits	P	116,400
Expanded		<u>55,200</u>
	P	<u>171,600</u>

The Company has no income payments subject to final withholding tax in 2019.

(h) *Deficiency Tax Assessment and Tax Cases*

As of December 31, 2019, the Company does not have any final deficiency tax assessments from the BIR nor does it have tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable years.

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
List of Supplementary Information
December 31, 2019

A. Statement of Management’s Responsibility for the Financial Statements

**B. Independent Auditors’ Report on the SEC Supplementary Schedules
Filed Separately from the Basic Financial Statements**

C. Schedule of Financial Indicators for December 31, 2019 and 2018

D. List of Supplementary Information

Supplementary Schedules to Financial Statements (Form 17-A, Item 7)

<u>Schedule</u>	<u>Content</u>	<u>Page No.</u>
Schedules Required under Annex 68-J of the Revised Securities Regulation Code Rule 68		
A	Financial Assets Financial Assets at Amortized Cost Financial Assets at Fair Value Through Profit or Loss Financial Assets at Fair Value Through Other Comprehensive Income	1
B	Amounts Receivable from/Payable to Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	2
C	Amounts Receivable from/ Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements	3
D	Long-term Debt	4
E	Indebtedness to Related Parties (Long-term Loans from Related Companies)	5
F	Guarantees of Securities of Other Issuers	6
G	Capital Stock	7
Other Required Information		
	Map Showing the Relationship Between the Company and its Related Entities	8



P&A Grant Thornton

An instinct for growth™

Report of Independent Auditors on Components of Financial Soundness Indicators

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

**The Board of Directors and Stockholders
BHI Holdings, Inc.**
(A Subsidiary of Bulk Handlers, Inc.)
22nd Floor, The Pearl Bank Centre
146 Valero Street, Salcedo Village
Makati City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of BHI Holdings, Inc., (the Company), for the year ended December 31, 2019 and 2018, on which we have rendered our report dated March 25, 2020. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Philippine Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2019 and 2018 and for each of the two years in the period ended December 31, 2019 and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN: 257-622-627
PTR No. 8116549, January 2, 2020, Makati City
SEC Group A Accreditation
Partner – No. 121347-SEC (until Dec. 31, 2023)
Firm – No. 0002-FR-5 (until Mar. 26, 2021)
BIR AN 08-002551-040-2019 (until Dec. 15, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

March 25, 2020

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

Offices in Cavite, Cebu, Davao
BOA/PRC Cert of Reg. No. 0002
SEC Accreditation No. 0002-FR-5

grantthornton.com.ph

BHI HOLDINGS, INC.**ANNEX 68-E - SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**

December 31, 2019 and 2018

Ratio	Formula	Current Year	Prior Year
Current ratio	Current assets / Current liabilities	9.743	10.502
Acid test ratio	Quick assets / Current liabilities (Quick assets include current assets less other current assets)	9.226	9.962
Solvency ratio	Total liabilities / Total assets	0.049	0.049
Debt-to-equity ratio	Total liabilities / Total stockholders' equity	0.052	0.047
Asset-to-equity ratio	Total assets / Total stockholders' equity	1.052	1.047
Interest rate coverage ratio	EBIT / Total interest	0.000	0.000
Return on equity	Net profit (loss) / Average total equity	-0.001	-0.002
Return on assets	Net profit (loss) / Average total assets	-0.001	-0.002
Net profit margin	Net profit (loss) / Total revenues	-0.049	-0.069



P&A
Grant Thornton

An instinct for growth™

**Report of Independent Auditors
to Accompany Supplementary
Information Required by the
Securities and Exchange
Commission Filed Separately from
the Basic Financial Statements**

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and Stockholders
BHI Holdings, Inc.
(A Subsidiary of Bulk Handlers, Inc.)
22nd Floor, The Pearl Bank Centre
146 Valero Street, Salcedo Village
Makati City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of BHI Holdings, Inc. for the year ended December 31, 2019, on which we have rendered our report dated March 25, 2020. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN: 257-622-627
PTR No. 8116549, January 2, 2020, Makati City
SEC Group A Accreditation
Partner – No. 121347-SEC (until Dec. 31, 2023)
Firm – No. 0002-FR-5 (until Mar. 26, 2021)
BIR AN 08-002551-040-2019 (until Dec. 15, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

March 25, 2020

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
SEC Released Revised SRC Rule 68
Annex 68-E
Schedule A
Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
--	---	-----------------------------------	---	-----------------------------

Financial Assets at Amortized Cost

Cash		P 452,841	P 452,841	P 812
------	--	-----------	-----------	-------

Financial Assets at Fair Value Through Profit or Loss

		P -	P -	P -
--	--	-----	-----	-----

Financial Assets at Fair Value Through Other Comprehensive Income

		P -	P -	P -
--	--	-----	-----	-----

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
 SEC Released Revised SRC Rule 68
 Annex 68-E
Schedule B

Amounts Receivable from/Payable to Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)

Name and Designation of debtor	Balance at beginning of period	Additions	Deductions		Ending Balance		Balance at end of period
			Amounts collected	Amounts written off	Current	Non-current	
<i>Loans Receivable</i>							
Aqua Rich, Inc.	P 100,000,000	P -	P -	P -	P 46,000,000	P 54,000,000	P 100,000,000
<i>Accounts Payable</i>							
Juanita U. Tan	P 867,116	P -	P -	P -	P 867,116	P -	P 867,116

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
 SEC Released Revised SRC Rule 68
 Annex 68-E
Schedule C

Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

Deductions

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
--------------------------------	--------------------------------	-----------	-------------------	---------------------	---------	-------------	--------------------------

NOTHING TO REPORT

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
SEC Released Revised SRC Rule 68
Annex 68-E
Schedule D
Long Term Debt

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
---------------------------------------	--------------------------------	---	--

NOTHING TO REPORT

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)

SEC Released Revised SRC Rule 68

Annex 68-E

Schedule E

Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period
-----------------------	--------------------------------	--------------------------

NOTHING TO REPORT

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)

SEC Released Revised SRC Rule 68

Annex 68-E

Schedule F

Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
--	---	---	---	---------------------

NOTHING TO REPORT

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
 SEC Released Revised SRC Rule 68
 Annex 68-E
Schedule G
Capital Stock

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common Shares						
Class A Shares	700,000	350,000	-	299,424	484	50,092
Class B Shares	<u>300,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
Common Shares	<u>1,000,000</u>	<u>500,000</u>	<u>-</u>	<u>449,424</u>	<u>484</u>	<u>50,092</u>

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)

**MAP SHOWING THE RELATIONSHIP BETWEEN THE COMPANY
AND ITS RELATED ENTITIES**



Contextual Information

Company Details	
Name of Organization	BHI HOLDINGS, INC.
Location of Headquarters	146 Valero Street, Salcedo Village, Makati City
Location of Operations	146 Valero Street, Salcedo Village, Makati City
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	No subsidiaries included in this report
Business Model, including Primary Activities, Brands, Products, and Services	Holding Company
Reporting Period	January 1, 2019 to December 31, 2019
Highest Ranking Person responsible for this report	Juanita U. Tan - President

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.¹⁴

¹⁴ See [GRI 102-46](#) (2016) for more guidance.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	P3,000,000.00	PhP
Direct economic value distributed:		
a. Operating costs	P1,923,320.00	PhP
b. Employee wages and benefits	P1,164,000.00	PhP
c. Payments to suppliers, other operating costs	P0.00	PhP
d. Dividends given to stockholders and interest payments to loan providers	P0.00	PhP
e. Taxes given to government	P60,000.00	PhP
f. Investments to community (e.g. donations, CSR)	P0.00	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the Community.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the Community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the Community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Climate-related risks and opportunities¹⁵

Governance	Strategy	Risk Management	Metrics and Targets
<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
Recommended Disclosures			
<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

¹⁵ Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

¹⁶ For this disclosure, impact refers to the impact of climate-related issues on the company.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	one hundred (100)	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the Community.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the Community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the Community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	None	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	None	%
Percentage of directors and management that have received anti-corruption training	None	%

Percentage of employees that have received anti-corruption training	None	%
---	------	---

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the Community.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the Community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the Community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	None	#
Number of incidents in which employees were dismissed or disciplined for corruption	None	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
--	---	----------------------------

<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	None	GJ
Energy consumption (gasoline)	None	GJ
Energy consumption (LPG)	None	GJ
Energy consumption (diesel)	None	GJ
Energy consumption (electricity)	700	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	None	GJ
Energy reduction (LPG)	None	GJ
Energy reduction (diesel)	None	GJ
Energy reduction (electricity)	None	kWh
Energy reduction (gasoline)	None	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach

<i>Primary business operations</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
------------------------------------	-------------------------------------	---

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	None	Cubic meters
Water consumption	None	Cubic meters
Water recycled and reused	None	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume	None	
<ul style="list-style-type: none"> renewable 	None	kg/liters

• non-renewable	None	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	None	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	
Habitats protected or restored	None	ha
IUCN ¹⁷ Red List species and national conservation list species with habitats in areas affected by operations	None	

What is the impact and where does it occur? What is the	Which stakeholders are affected?	Management Approach
--	---	----------------------------

organization's involvement in the impact?		
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	None	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	None	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	None	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Air pollutants

Disclosure	Quantity	Units
NO _x	None	kg
SO _x	None	kg
Persistent organic pollutants (POPs)	None	kg
Volatile organic compounds (VOCs)	None	kg
Hazardous air pollutants (HAPs)	None	kg
Particulate matter (PM)	None	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	None	kg
Reusable	None	kg
Recyclable	None	kg
Composted	None	kg
Incinerated	None	kg
Residuals/Landfilled	None	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	None	kg
Total weight of hazardous waste transported	None	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	None	Cubic meters
Percent of wastewater recycled	None	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
--	---	----------------------------

<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	None	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None	#
No. of cases resolved through dispute resolution mechanism	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Primary business operations.</i>	<i>Employees and the community.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ¹⁸	2	
a. Number of female employees	1	#
b. Number of male employees	1	#
Attrition rate ¹⁹	None	rate
Ratio of lowest paid employee against minimum wage	None	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	No	None	None
PhilHealth	No	None	None
Pag-ibig	No	None	None
Parental leaves	No	None	None
Vacation leaves	No	None	None
Sick leaves	No	None	None
Medical benefits (aside from PhilHealth))	No	None	None
Housing assistance (aside from Pag-ibig)	No	None	None
Retirement fund (aside from SSS)	No	None	None
Further education support	No	None	None
Company stock options	No	None	None
Telecommuting	No	None	None
Flexible-working Hours	No	None	None
(Others)	No	None	None

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Primary business operations.	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>

¹⁸ Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

¹⁹ Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

What are the Risk/s Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	4	hours
b. Male employees	4	hours
Average training hours provided to employees		
a. Female employees	4	hours/employee
b. Male employees	4	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Primary business operations.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Labor-Management Relations

Disclosure	Quantity	Units
------------	----------	-------

% of employees covered with Collective Bargaining Agreements	None	%
Number of consultations conducted with employees concerning employee-related policies	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Primary business operations.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	1	50%
% of male workers in the workforce	1	50%
Number of employees from indigenous communities and/or vulnerable sector*	None	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Primary business operations.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>

What are the Risk/s Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	None	Man-hours
No. of work-related injuries	None	#
No. of work-related fatalities	None	#
No. of work related ill-health	None	#
No. of safety drills	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Primary business operations.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	None	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	None	
Child labor	None	
Human Rights	None	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Primary business operations.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Yes	
Forced labor	Yes	
Child labor	Yes	
Human rights	Yes	
Bribery and corruption	Yes	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Primary business operations.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Relationship with Community

Significant Impacts on Local Communities

<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other*

diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____

Certificates	Quantity	Units
FPIC process is still undergoing	None	#
CP secured	None	#
What are the Risk/s Identified?	Management Approach	
Primary business operations.	The Company has been inactive in pursuing investment activities for a number of years now.	
What are the Opportunity/ies Identified?	Management Approach	
Primary business operations.	The Company has been inactive in pursuing investment activities for a number of years now.	

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	None	None

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Primary business operations.	As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.
What are the Risk/s Identified?	Management Approach
Primary business operations.	The Company has been inactive in pursuing investment activities for a number of years now.
What are the Opportunity/ies Identified?	Management Approach
Primary business operations.	The Company has been inactive in pursuing investment activities for a number of years now.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	None	#
No. of complaints addressed	None	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Primary business operations.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	None	#
No. of complaints addressed	None	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
--	----------------------------

<i>Primary business operations.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	None	#
No. of complaints addressed	None	#
No. of customers, users and account holders whose information is used for secondary purposes	None	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Primary business operations.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
--	----------------------------

<i>Primary business operations.</i>	<i>As an investment holding company, The Company's main thrust is to acquire ownership in profitable corporations, However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years now. Its present source of income was limited to interest income generated from its loans granted to a related party.</i>
What are the Risk/s Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Primary business operations.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
<i>The Company has been inactive in pursuing investment activities for a number of years now.</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now</i>
<i>The Company has been inactive in pursuing investment activities for a number of years now</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now</i>
<i>The Company has been inactive in pursuing investment activities for a number of years now</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now</i>	<i>The Company has been inactive in pursuing investment activities for a number of years now</i>

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclose.*