BHI HOLDINGS, INC.

22/F. The Pearlbank Centre
146 Valero Street, Salcedo Village, Makati City
Tel. Nos.: 813-1406; 817-2080; 840-1858 * Fax No.: 817-2109; 752-1098

November 14, 2013

THE PHILIPPINE STOCK EXCHANGE, INC.
Phil. Stock Exchange Centre, Exchange Road
Ortigas Centre, Pasig City

Attention: **JANET A. ENCARNACION**
Head, Disclosure Department

Gentlemen:

We are submitting to you the report pertaining to the Definitive Information Statement for Annual Stockholders' Meeting on December 20, 2013 of **BHI Holdings, Inc.** as per attached.

For your information.

Very truly yours,

ROSALIE A. ESTEIBAR
Vice President

BHI HOLDINGS, INC.
(Formerly: Consolidated Insurance Company, Incorporated)

22nd Floor, The Pearlbank Centre
146 Valero Street, Salcedo Village
Makati City

(Company's Address)

817-2083

(Telephone Number)

January 1 to December 31 of each year

(Fiscal Year Ending)
(Month and Day)

Letter to Listing and Disclosure Group
Attn. Ms. Janet A. Encarnacion-Head Disclosure Department
(Re: Definitive Information Statement)

(Form Type)

Amendment Designation (If Applicable)

November 14, 2013

(Period Ended Date)

(Secondary License Type and File Number)

November 14, 2013

DISCLOSURE DEPARTMENT
Listing and Disclosure Group
PHILIPPINE STOCK EXCHANGE
4/F Phil. Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City

Attention : Ms. Janet A. Encarnacion
Head Disclosure Department

SUBJECT : Annual Regular Stockholders' Meeting of BHI Holdings, Inc.

Gentlemen:

In connection with the scheduled annual regular stockholders' meeting of abovenamed corporation on December 20, 2013, we forward to you copies of the Notice of Meeting, Definitive Information Statement, Minutes of last year's Annual Regular Stockholders Meeting, and Audited Financial Statements as of December 31, 2012.

Very truly yours

BHI HOLDINGS, INC.

By:

HELEN C. DE LEON-MANZANO
Corporate Secretary

BHI HOLDINGS, INC.

DEFINITIVE
INFORMATION STATEMENT
For the Year 2013 Annual Stockholders' Meeting

22nd Floor, The Pearlbank Centre
146 Valero Street, Salcedo Village
Makati City

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

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [ ] Preliminary Information Statement
   [x] Definitive Information Statement

2. Name of Registrant as specified in its charter BHI HOLDINGS, INC.
   (Formerly Consolidated Insurance Co., Inc.)

3. PHILIPPINES
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number 22264

5. BIR Tax Identification Code 000-446-527

6. 22nd Floor, The Pearlbank Centre
   146 Valero Street, Salcedo Village, Makati City — 1227
   Address of principal office — Postal Code

7. Registrant's telephone number, including area code 840-29-61

8. December 20, 2013; 9:00 a.m.; 22nd Floor, The Pearlbank Centre
   146 Valero Street, Salcedo Village, Makati City
   Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders **November 28, 2013**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class		Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common	**Class A**	**349,987**
	Class B	**150,000**

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

    Yes X No ______

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

Common	**Class A**	**349,987**
	Class B	**150,000**

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GENERAL INFORMATION

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

Date, Time and Place of Meeting of Security Holders

a.	Date	:	December 20, 2013
	Time	:	9:00 a.m.
	Place	:	22nd Floor, The Pearlbank Centre 146 Valero St., Salcedo Village, Makati Ciy
b.	Corporate mailing address of the principal office of the registrant	:	22^{nd} Floor, The Pearlbank Centre 146 Valero St., Salcedo Village Makati City

The approximate date on which the Definitive Information Statement shall first be sent or given to security holders would be on November 28, 2013.

Dissenters' Right of Appraisal

Under the Corporation Code of the Philippines, any stockholders shall have the right to dissent and demand payment of the fair value of his share in the following instances.

a. Any amendment to the articles of incorporation which has the effect of changing or restricting the rights of any stockholders or class of shares or authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the terms of corporate existence;

b. Sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets.

c. Merger or consolidation; and

d. Investment of corporate funds in another corporation or business or for purposes other that of the primary purpose for which the corporation was organized.

No corporate action is being proposed or submitted in the meeting that may call for the exercise of a stockholder's right of appraisal.

SOLICITATION INFORMATION

As clearly stated above, the Corporation is not soliciting or asking for a proxy and shareholders are requested not to send the Corporation a proxy.

Interest of Certain Persons in Matters to be Acted Upon

Other that the election of directors and the approval of the annual report of management on operations for 2012, there is no substantial interest, by security holdings, or otherwise, of the Corporation, any director or officer thereof, nominee for election as director, participant in the solicitation, or associate of any of the foregoing person, in any matter to be acted upon at the Annual Stockholder's Meeting. No director has informed the Corporation in writing that he intends to oppose any action to be taken by the Corporation at the meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

(a) Number of Share Outstanding:

Class A	349,987
Class B	150,000
TOTAL	499,987

Each security holder shall be entitled to as many number of votes as the number of votes as the number of shares held.

(b) Record Date : Only stockholders of record at the close of business hours on November 20, 2013 ("Record Date") shall be entitled to notice and to vote at the Annual Stockholders' Meeting.

Cumulative Voting Rights

Article VII, Section 5 of the By-Laws of the registrant provides that:

"Section 5. Vote - Voting upon all questions at all meetings of stockholders shall be by shares of stock and not per capita, and when electing the members of the Board of Directors, the system of cumulative voting must be adopted, as the term is used in corporate parlance."

Further, Section 24 of the Corporation Code of the Philippines allows cumulative voting in the election of directors and thus provides:

"Sec 24. Election of Directors or Trustees - xxx In stock corporations, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing, at the time fixed in the by-laws, in his own name on the stock books of the corporation, or where the by-laws are silent, at the time of the election; and said stockholder many vote such number of shares for as may person as there are directors to be elected or he may cumulate said shares equal, or he may distribute them on the same principle among as many candidates as shall fit: Provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected. xxx"

Security Ownership of Certain Beneficial Owners and Management

There is only one person/stockholder who is known to the corporation to be the beneficial owner of more that 5% of any class of its common equity as of November 5, 2012, namely:

Title of Class	**Name & address of record owner & relationship with issuer**	**Name of Beneficial owner & relation with record owner**	**Citizenship**	No. of Shares	**Percentage**
Common	BULK HANDLERS, INC. Suite 1004 Tytana Plaza, Plaza Lorenzo Ruiz St., Binondo Manila	BULK HANDLERS, INC.	Filipino	449,424	89.89%

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 Christie 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 Christie 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 November 4, 2013

Title of Class	**Name of Beneficial Owner**	**Amount & Nature of Beneficial Ownership ***	**Percent of Class**	**Citizenship**
COMMON A	MANUEL N. TANKIANSEE Chairman	P 100	0.0003%	Filipino
COMMON A	JUANITA U. TAN President/Director	5,800	0.0166%	Filipino
COMMON A	ROSALIE A. ESTEIBAR Vice-President	6,000	0.0171%	Filipino
COMMON A	MIGUEL OCAMPO TAN Director	100	0.0003%	Filipino
COMMON A	EMMA KENG OCAMPO-TAN Director	100	0.0003%	Filipino
COMMON A	JEMIE U. TAN Director	100	0.0003%	Filipino
COMMON A	MARILOU U. PUA Director	6,100	0.0174%	Filipino
COMMON A	RUDIN A. GONZALES, JR. Director	100	0.0003%	Filipino
COMMON A	JALANE CHRISTIE U. TAN Director	18,000	0.0514%	Filipino
COMMON A	JULIE C. DELA CRUZ Director	6,000	0.0171%	Filipino
COMMON A	FELISA ESCUDERO Director	6000	0.0171%	Filipino
COMMON A	HELEN C. DE LEON-MANZANO Corporate Secretary	-0-	-0-	Filipino
TOTAL		**48,400**	**0.1383%**	

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

Change in Control

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

Voting Trust Holders of Five Percent (5%) or More

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

Directors and Executive Officers of the Registrant as of Nov. 4, 2013:

Position	Name	Age	Citizenship
Members of the Board:			
Director	Manuel N. Tankiansee	66	Filipino
Director	Juanita U. Tan	62	Filipino
Director	Jemie U. Tan	36	Filipino
Director	Miguel Ocampo-Tan	58	Filipino
Director	Emma keng Ocampo-Tan	57	Filipino
Director	Marilou U. Pua	43	Filipino
Independent Director	Rudin A. Gonzales, Jr.	65	Filipino
Independent Director	Felisa P. Escudero	49	Filipino
Director	Jalane Christie U. Tan	33	Filipino
Director	Julie C. Dela Cruz	48	Filipino

- Mr. Rudin A. Gonzales, Jr. And Ms. Felisa P. Escudero are the duly elected independent directors.

Executive Officers:

Chairman of the Board	Manuel N. Tankiansee	66	Filipino
President	Juanita Tan	62	Filipino
Vice President	Rosalie A. Esteibar	30	Filipino
Corporate Secretary	Helen C. de Leon Manzano	56	Filipino

Brief Bio-data of Directors and Officers:

MANUEL N. TANKIANSEE - Chairman of the Board/Director
Term of Office : One (1) year
Years in Office : December 2000 to present
Address : 22nd Floor, The Pearlbank Centre, 146 Valero Street Salcedo Village, Makati City
Age : 66
Citizenship : Filipino
Business Experience for the last five years : 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 to present
Address : 22nd Floor, The Pearlbank Centre, 146 Valero Street Salcedo Village, Makati City
Age : 62
Citizenship : Filipino
Business Experience for the last five years : President and Director of BHI Holdings, Inc., Farmix Fertilizers Corporation; Director: Pearlbank Securities Inc.

ROSALIE A. ESTEIBAR- Vice President
Term of Office : One (1) year

Years in Office	:	October 2012 to present
Address	:	22nd Floor, The Pearlbank Centre, 146 Valero Street Salcedo Village, Makati City
Age	:	30
Citizenship	:	Filipino
Business Experience for the last five years	:	Accounts Executive of Radha Exports PTE Ltd; Accountant of Ines & Villacarlos Law Offices and Accountant of Aqua Rich, Inc.

JEMIE U. TAN	-	Director
Term of Office	:	One (1) year
Years in Office	:	December 2000 to present
Address	:	22nd Floor, The Pearlbank Centre, 146 Valero Street Salcedo Village, Makati City
Aged	:	36
Citizenship	:	Filipino
Business Experience for the last five years	:	Director: BHI Holdings, Inc., Bulk Handlers, Inc.

MIGUEL OCAMPO-TAN	-	Director
Term of Office	:	One (1) year
Years in Office	:	December 2000 to present
Age	:	58
Citizenship	:	Filipino
Business Experience for the last five years	:	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	-	Director
Term of Office	:	One (1) year
Years in Office	:	December 2000 to present
Address	:	22nd Floor, The Pearlbank Centre, 146 Valero Street Salcedo Village, Makati City
Age	:	59
Citizenship	:	Filipino
Business Experience for the last five years	:	Director: BHI Holdings, Inc.; Filway Development Corporation; H.B. Realty and Development Corporation. Treasurer of Micaland Development Corporation.

MARILOU U. PUA	-	Director
Term of Office	:	One (1) year
Years in Office	:	December 2000 to present
Address	:	22nd Floor, The Pearlbank Centre, 146 Valero Street Salcedo Village, Makati City
Age	:	43
Citizenship	:	Filipino
Business Experience for the last five years	:	Director: BHI Holdings, Inc., Treasurer: Farmix Fertilizers Corporation

RUDIN A. GONZALES, JR.	-	Independent Director
Term of Office	:	One (1) year

Years in Office	:	August 2001 to present
Address	:	No. 34 Ramona Tirona Street, Phase I BF Homes, Paranaque City
Age	:	65
Citizenship	:	Filipino
Business Experience for the last five years	:	Director: BHI Holdings, Inc.; CEO and Chairman of Eagle Steel Trade Resources, Inc. Vice-President: National Steel Trade Resources, Inc. Vice-President : National Steel Corporation; General Manager: Algon Exclusive Farms & Resort.

JALANE CHRISTIE U. TAN - Director

Term of Office	:	One (1) year
Years in Office	:	March 2004 to present
Address	:	22nd Floor, The Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City
Age	:	33
Citizenship	:	Filipino
Business Experience for the last five years	:	Director: BHI Holdings, Inc.

JULIE C. DELA CRUZ : - Director

Term of Office	:	One (1) year
Years in Office	:	January 18, 2008 to present
Address	:	22nd Floor, The Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City
Age	:	48
Citizenship	:	Filipino
Business Experience for the last five years	:	Director: Claymore Holdings, Inc.

FELISA P. ESCUDERO - Independent Director

Term of Office	:	One (1) year
Years in Office	:	December 18, 2008 to present
Address	:	22nd Floor, The Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City
Age	:	48
Citizenship	:	Filipino
Business Experience for the last five years	:	Director: Quality Grains and Feeds Corp.

HELEN C. DE LEON-MANZANO - Corporate Secretary

Term of Office	:	One (1) year
Years in Office	:	December 2000 to present
Address	:	22nd Floor, The Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City
Age	:	56
Citizenship	:	Filipino
Business Experience for the last five years	:	Corporate Secretary : BHI Holdings, Inc.; JC Food Corporation, Triune Triune Food Manufacturing Corp., Poro Point Industrial Corporation, JUT Holdings Inc., Topigs Philippines Inc., Superior Baggers Stevedoring Services Inc., and Magnum International Securities, Inc. and Senior Partner: Saulog and De Leon Law Offices.

The following will be nominated as directors during the stockholders' meeting:

1. Manuel Tankiansee
2. Juanita U. Tan
3. Rosalie A. Esteibar
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. Rudin A. Gonzales (Independent Director)
11. Felisa P. Escudero (Independent Director)

***** Mr. Gonzales has possessed all the qualifications of an independent director since his initial election in 2001. Ms. Felisa P. Escudero, likewise, possesses all the qualifications of an independent director.

The following rules relative to the nomination and election of independent directors were observed, namely:

1. In the election of independent directors, the Nomination Committee shall have at least three (3) members, one of whom is an independent director. It shall promulgate the guidelines or criteria to govern the conduct of the nomination.

2. The nomination of independent director/s shall be conducted by the Committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders, together with the acceptance and conformity by the would-be nominees.

3. After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under SRC Rule 38.

4. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the actual Annual Stockholders' Meeting.

In compliance with SRC Rule 38, these nomination rules and procedure were unanimously approved as part of the Corporation's Amended By-Laws by the Board during its regular meeting held on December 22, 2005 and by the stockholders during the Annual Stockholders' Meeting also on December 22, 2005. The Securities and Exchange Commission approved the amendment of the Corporation's By-Laws on Februaty 8, 2006.

The Nomination Committee was composed of Mr. Rudin Gonzales (Independent Director) as Chairman and Mr. Manuel Palaje, Ms. Mary Jean Beira as Members. The Nomination Committee endorsed to the Board their Final List of candidates for independent directors. The nominees were the following stockholders: Mr. Rudin A. Gonzales and Ms. Felisa P. Escudero. Mr. Gonzales was nominated by Mr. Manuel Palaje. Felisa P. Escudero was nominated by Mr. Mary Jean Beira. These stockholders who made the nominations are not related to any of the nominees.

Registrant is not aware of any events that occurred during the past five (5) years that are material to an evaluation of the ability and integrity of any director, person nominated to become a director, executive officers, promoters or control person of the registrant.

Other Significant Officers/Employees of the Registrant

At present, the Company has no other significant officers or employees.

Certain Relationships and Related Transactions

These has been no material transactions during the past two (2) years, nor are there any material transactions presently proposed, to which the Corporation was or is to be a party in which any director, executive officer of the Corporation or security holder of more than five (5%) percent of the voting securities, any relative or spouse of any such director or executive officer or owner of more than five (5%) percent of the voting securities, had or is to have a direct or indirect material interest.

In addition to the above information, Director Juanita U. Tan is the wife of Chairman of the Board, Manuel N. Tankiansee. Directors Jemie U. Tan and Jalane Christie U. Tan are daughters of Directors Manuel Tankiansee and Juanita U. Tan. Director Marilou U. Pua is the niece of Juanita U. Tan. Directors Miguel Ocampo Tan and Emma Keng Ocampo Tan are husband and wife.

There are no other family relationships up to the 4^{th} civil degree, either by consanguinity or affinity, among the Directors, executive officers or persons nominated other than those already disclosed in this report.

Involvement in Certain Legal Proceedings

During the past five (5) years up to November 4, 2013 there are no legal proceedings against the directors and executive officers of BHI Holdings, Inc. within the categories described in SRC Rule 12, Part IV, paragraph (A) (4)

- The Corporation is not aware of any bankruptcy proceedings filed by or against any business of which a director, executive officer, or control person of the Corporation is a party or of which any of their property is subject.

- The Corporation is not aware of any pending criminal proceedings, domestic or foreign, or of any conviction by final judgment in a criminal proceedings, domestic or foreign, involving any of its directors, executive officers, or control person.

- The Corporation is not aware of any other judgment or decree not subsequently reversed, superseded or vacated, by any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of a director, executive officer, or control person in any type of business, securities, commodities or banking activities.

- The Corporation is not aware of any findings by a domestic or foreign court of competent jurisdiction (in a civil action), he Commission or comparable foreign body, or domestic or foreign exchange or electronic marketplace or self regulatory organization, that any of its directos, executive officers, of control persons have violated a securities or commodities law.

Compensation of Director and Officers

Informations as to the aggregate compensation paid or accrued during the last two (2) years and to be paid in the ensuing year to the Company's Executive Officers and Directors are presented below:

Estimated Annual Compensation
For the Fiscal year 2013

Executive Officers:

Name of Principal Officers	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	P67,000/mos. Beginning Jan. 1, 2013	Not receiving	Not receiving
Rosalie A. Esteibar	Chief Financial Officer/Vice-President	Not receiving	Not receiving	Not receiving
Atty. Helen C. De Leon-Manzano	Corporate Secretary	Not receiving	Not receiving	Not receiving
	TOTAL	**P804,000**		

Note: Per current corporate structure, there is only one (1) most highly compensated officer, the CEO.

Directors:

Name	Salary(P)	Bonus (P)	Other Annual Compensation
Manuel N. Tankiansee	Not receiving	Not receiving	-
Juanita U. Tan	P67,000/mos. Beginning Jan. 1, 2013	Not receiving	-
Rosalie A. Esteibar	Not receiving	Not receiving	-
Atty. Helen C. De Leon-Manzano	Not receiving	Not receiving	-
Jemie U. Tan	Not receiving	Not receiving	-
Miguel Ocampo Tan	Not receiving	Not receiving	-
Emma Keng Ocampo Tan	Not receiving	Not receiving	-
Rudin A. Gonzales, Jr.	Not receiving	Not receiving	-
Marilou U. Pua	Not receiving	Not receiving	-
Julie C. Dela Cruz	Not receiving	Not receiving	-
Felisa P. Escudero	Not receiving	Not receiving	-
Jalane Christie U. Tan	52,000/mos. Beginning Jan. 1, 2013	Not receiving	-

Annual Compensation for the Fiscal Year 2012

Name of Principal Officers	Position	Salary (P)	Bonus (P)	Other Annual Compensation
Manuel N. Tankiansee	Chairman of the Board	P52,000/mos. Beginning Jan. 1, 2012	Not receiving	Not receiving
Juanita U. Tan	Chief Executive Officer/President	P52,000/mos. Beginning Jan. 1, 2012	Not receiving	Not receiving
Romulo A. Sigua	Chief Financial Officer/Vice President	P15,000/mos. January 2012	Not receiving	Not receiving
Atty. Helen C. De Leon-Manzano	Corporate Secretary	Not receiving	Not receiving	Not receiving
	TOTAL	**P1,428,000.00**		

Note: Per current corporate structure, there are only three (3) most highly compensated officers, this includes already the CEO.

Directors:

Name	Salary(P)	Bonus (P)	Other Annual Compensation
Manuel N. Tankiansee	P52,000/mos. Beginning Jan. 1, 2012	Not receiving	-
Juanita U. Tan	P52,000/mos. Beginning Jan. 1, 2012	Not receiving	-
Romulo A. Sigua	P15,000/mos. Jan. 1 2012	Not receiving	-
Atty. Helen C. De Leon-Manzano	Not receiving	Not receiving	-
Jemie U. Tan	Not receiving	Not receiving	-
Miguel Ocampo Tan	Not receiving	Not receiving	-
Emma Keng Ocampo Tan	Not receiving	Not receiving	-
Rudin A. Gonzales, Jr.	Not receiving	Not receiving	-
Marilou U. Pua	Not receiving	Not receiving	-
Julie C. Dela Cruz	Not receiving	Not receiving	-
Felisa P. escudero	Not receiving	Not receiving	-
Jalane Christie U. Tan	Not receiving	Not receiving	-

Annual Compensation for the Fiscal Year 2011

Executive Officers:

Name	Position	Salary (P)	Bonus (P)	Other Annual Compensation
Manuel N. Tankiansee	Chairman of the Board	52,000/mos. Beginning Jan. 1, 2011	Not receiving	Not receiving
Juanita U. Tan	Chief Executive Officer/President	52,000/mos. Beginning Jan. 1, 2011	Not receiving	Not receiving
Romulo A. Sigua	Chief Financial Officer/Vice President	15,000/mos. January 2011	Not receiving	Not receiving
Atty. Helen C. De Leon-Manzano	Corporate Secretary	Not receiving	Not receiving	Not receiving
	TOTAL	**P1,428,000.00**		

Directors:

Name	Salary(P)	Bonus (P)	Other Annual Compensation
Manuel N. Tankiansee	P52,000/mos. Beginning Jan. 1, 2011	Not receiving	-
Juanita U. Tan	P52,000/mos. Beginning Jan. 1, 2011	Not receiving	-
Romulo A. Sigua	P15,000/mos.January 2011	Not receiving	-
Atty. Helen D. De Leon-Manzano	Not receiving	Not receiving	-
Jemie U. Tan	Not receiving	Not receiving	-
Miguel Ocampo Tan	Not receiving	Not receiving	-
Emma Keng Ocampo Tan	Not receiving	Not receiving	-
Rudin A. Gonzales, Jr.	Not receiving	Not receiving	-

Marilou U. Pua	Not receiving	Not receiving	-
Brigido J. Dulay, Jr.	Not receiving	Not receiving	-
Nemesio Ang	Not receiving	Not receiving	-
Jalane Christie U. Tan	Not receiving	Not receiving	-

The Corporation has no standard arrangement with regard to the remuneration of its existing directors and officers aside from the compensation received as herein disclosed and stated. There is no bonus, profit sharing and pension/retirement plan or grant of any option, warrant or right to purchase any securities of the registrant or any other similar arrangements in favor of the directors and executive officers. There are also no outstanding warrants or options held by any of the directors and officers.

Compensation Plan

No action shall be taken with respect to any plan pursuant to which cash or non-cash compensation maybe paid or distributed. Likewise, no action shall be taken with regard to any bonus, profit sharing, pension/retirement plan granting of extension of any option, warrant or right to purchase any securities.

Independent Public Accountant

The Stockholders appointed Punongbayan & Araullo (P & A) as the Independent Public Accountant for the year 2012. Mr. Christopher M. Ferareza is the engagement partner of Punongbayan & Araullo assigned to lead the audit of the Corporation's financial statement.

The audit services of P&A for the fiscal year ended December 31, 2012 included the examination of the consolidated financial statements of the Company, assistance in the preparation of the final annual income tax return and other services related to filing of reports with the Securities and Exchange Commission and the Philippine Stock Exchange.

P&A is expected to be represented in the forthcoming Annual Stockholders' Meeting with an opportunity to make statements, if they so desires, and will be available to respond to appropriate questions. The re-appointment of P&A complies with the requirement of the SEC under SRC Rules 68(3)(b)(iv) regarding the rotation of external auditors or engagement partners.

The re-appointment of Punongbayan & Araullo as Independent Public Accountant for the year 2012 will be submitted to the stockholders for their confirmation and approval. Duly authorized representatives of the firm will be present at the Annual Meeting of Stockholders to respond to appropriate questions.

The corporation's Audit Committee is composed of the following directors:

1. Rudin A. Gonzales - Chairman (Independent Director)
2. Juanita U. Tan - Member
3. Rosalie A. Esteibar - Member

OTHER MATTERS

Amendments of Charter, By-Laws & Other Documents

No action relating to amendment of Charter, By-Laws and other documents will be undertaken during the meeting.

Action with Respect to Reports

The following reports shall be submitted for approval at the Annual Stockholders' Meeting of the Registrant on December 20, 2013.

1. Minutes of the last Annual Stockholders' Meeting held on December 18, 2012 (copy of which is hereto attached);

2. Annual report to stockholders and audited financial statements as of and for the year ended December 31, 2012;

3. Confirmation/ratification of all acts and proceedings of the Board of Directors of the Corporation done and taken during the preceding year. The only significant items taken up by the Board were as follows:

   - Authorization for the issuance of the 2012 audited financial statements;
   - Fixing of the date of 2013 Annual Stockholders' Meeting; and
   - Appointment of the external auditors for the ensuing year.

4. Election of the Members of the Board

Voting Procedures

Article VII, Section 5 of the By-Laws of the registrant provides that:

"Section 5. Vote - Voting upon all questions of all meeting of the stockholders shall be by shares of stock and not per Capita, and when electing the members of the Board of Directors, the system of cumulative voting must be adopted, as the item is used in corporate parlance."

In respect to matters to be acted upon by the stockholders, stockholders representing at least a majority of the outstanding capital stock must have voted in favor of the proposed action. Abstentions are not counted as votes cast on any matter which they relate. In the election of directors, the holders of Common Stock are entitled to one vote per share, but in connection with the cumulative voting feature applicable to the election of directors, each stockholders is entitled to as many votes as shall equal the number of shares held by such person at the close of business hour on the record date, multiplied by the number of directors to be elected. A stockholder may cast all of such votes for a single nominee or may apportion such votes among any two or more nominees. A stockholder may withhold votes from any or all nominees by notation to that effect on the accompanying form of proxy. Except to the extent that a stockholder withholds votes from any or all nominees, the persons named in the accompanying form of proxy, in their sole discretion, will vote such proxy for, and, if necessary, exercise cumulative voting rights to secure the election of them nominees listed below as directors of the Company.

Except in cases where voting by ballot is requested, voting and counting shall be by viva voce. If by ballot, each ballot shall be signed by the stockholder voting or in his name by his proxy if there be such proxy, and shall state the number or shares voted for him. The counting shall be supervised by the Corporate Secretary, external auditors and the transfer agent.

Statement That Proxies Are Not solicited

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

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on November 14, 2013.

BHI HOLDINGS, INC.
(Formerly Consolidated Insurance Co., Inc.)

By:

HELEN C. DE LEON-MANZANO
Corporate Secretary
Signature and Title

SEC Number 22264
File Number _______

BHI HOLDINGS, INC.
(Formerly: Consolidated Insurance Company, Incorporated)

22nd Floor, The Pearlbank Centre
146 Valero Street, Salcedo Village, Makati City

(Company's Address)

817-2083

(Telephone Number)

January 1 to December 31 of each year

(Fiscal Year Ending)
(Month and Day)

Notice of Regular Annual Stockholders Meeting

(Form Type)

Amendment Designation (If Applicable)

November 4, 2013

(Period Ended Date)

(Secondary License Type and File Number)

NOTICE OF REGULAR ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the regular annual meeting of the stockholders of BHI Holdings, Inc will be held at the 22nd Floor, The Pearlbank Centre, No. 146 Valero Street, Salcedo Village, Makati City on December 20, 2013 Friday, at 9:00 a.m.

Only the stockholders of record as of end of business day of November 20, 2013 shall be entitled to notice and to vote at the said meeting .

The agenda for the 2013 Annual Stockholders' Meeting shall be as Follows:

1. Call to Order;
2. Proof of Notice;
3. Certification by the Corporate Secretary on the sending of notices and existence of Quorum;
4. Reading and Approval of the Minutes of the Annual Stockholders' Meeting held last December 18, 2012;
5. Report of the Chairman;
6. Consideration and approval of Financial Statements for the preceding year;
7. Appointment of Punongbayan and Araullo as external auditors;
8. Election of Directors;
9. Other Matters;
10. Adjournment.

HELEN C. DE LEON-MANZANO
Corporate Secretary

MINUTES OF THE REGULAR ANNUAL STOCKHOLDERS MEETING OF BHI HOLDINGS, INC.

Held on Monday December 18, 2012, 8:30 a.m. at 22nd Floor
The Pearlbank Centre, 146 Valero Street
Salcedo Village, Makati City

CALL TO ORDER

The Chairman, MR. MANUEL TANKIANSEE called the Annual Stockholders' Meeting to order and presided over the same. The Corporate Secretary, ATTY. HELEN C. DE LEON-MANZANO, recorded the minutes thereof.

CERTIFICATION BY THE CORPORATE SECRETARY ON THE SENDING OF THE NOTICES AND THE EXISTENCE OF THE QUORUM

The Corporate Secretary certified that notices have been given to all stockholders pursuant to the requirements of the by-laws and that there were present during the meeting, in person or in proxy, stockholders representing more than two thirds (2/3) of the issued and outstanding shares, and that the meeting was therefore competent to transact the business for which it was called.

READING AND APPROVAL OF THE MINUTES OF THE ANNUAL REGULAR STOCKHOLDERS' MEETING HELD ON December 18, 2012

Upon the motion duly made and seconded, the reading of the minutes of the Annual Regular Stockholders' Meeting held on December 19, 2011 was dispensed with and the same was unanimously approved.

PRESIDENT'S REPORT ON OPERATION AND APPROVAL OF ANNUAL REPORT

Upon motion duly made seconded, the Chairman rendered her report on the financial statements for the year ended December 31, 2011, and the Chairman submitted the Annual Report of the Corporation for the year 2011 for stockholders' approval and the same was unanimously approved as reflected in the following resolution:

> "RESOLVED, That the Annual Report of the Board of Directors of the Corporation for the calendar year ended December 31, 2011, together with financial statements of the Corporation, inclusive of the Balance Sheet, the Statement of Income and Retained Earnings and the Statement of Changes in Financial Position, as of December 31, 2011, as audited by the Corporation's independent auditors, Messrs. Punongbayan and Araullo, and their certification and the supplementary notes be as they are hereby, noted and approved."

RATIFICATION OF ACTIONS TAKEN BY THE BOARD OF DIRECTORS AND OFFICERS SINCE THE LAST ANNUAL STOCKHOLDERS' MEETING

Upon motion duly made and seconded, the stockholders unanimously approved the following resolution:

"RESOLVED, That all resolutions, contracts and other corporate acts made or taken by the Board of Directors and /or the officers of the Corporation as set forth in the minutes of the meetings of the Board of Directors from December 19, 2011 to December 18, 2012, and all proceedings performed or taken pursuant thereto, be as they are hereby approved, ratified and confirmed."

ELECTION OF NEW DIRECTORS

Upon motion duly made and seconded, the nominations for new directors was opened. Since there were eleven (11) directors to be elected and only eleven (11) candidates have been nominated, the Secretary of the Meeting was hereby ordered to cast all votes in favor of all those nominated.

Thus the following are elected as members of the Board of Directors:

1. MR. MANUEL TANKIANSEE
2. MS. JUANITA U. TAN
3. MS. ROSALIE A. ESTEIBAR
4. MS. JEMIE U. TAN
5. MS. JALANE CHRISTIE U. TAN
6. MR. MIGUEL OCAMPO-TAN
7. MS. EMMA KENG OCAMPO-TAN
8. MS. MARILOU U. PUA
9. MR. RUDIN A. GONZALES, JR.
10. MS. JULIE C. DELA CRUZ
11. MS. FELISA P. ESCUDERO

The Chairman congratulated the newly elected directors, and informed them that an organizational meeting of the newly elected directors shall be held immediately after the meeting.

APPOINTMENT OF PUNONGBAYAN AND ARAULLO AS EXTERNAL AUDITORS

> "RESOLVED, as it is hereby resolved, that the Corporation appoints the auditing firm PUNONGBAYAN AND ARAULLO, as external auditor of the Corporation."

ADJOURNMENT

Thereafter, it was moved and seconded that the meeting be adjourned. As there were no other matters to be taken and, in the absence of any objections, the Chairman declared the meeting adjourned.

HELEN C. DE LEON-MANZANO
Secretary of the Meeting

ATTEST:

MANUEL TANKIANSEE
Chairman of the Meeting

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **FELISA P. ESCUDERO**, Filipino, of legal age and a resident of 22nd Floor, The Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of BHI Holdings Inc.

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

Company/Organization	Position/Relationship	Period of Services
Quality Grains and Feeds Corp.	Director	October 16, 2002 to present
-	-	-
-	-	-
-	-	-
-	-	-

3. I possess all the qualifications and none of the disqualifications to serve as an independent Director of BHI Holdings Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.

4. I shall faithfully and diligently comply with my duties and responsibilities as independent directors under the Securities Regulation Code.

5. I shall inform the corporate secretary of BHI Holdings Inc. of any changes in the abovementioned information within five days from site occurrence.

Done, this 3 0 OCT 2013 at MANILA.

FELISA P. ESCUDERO
Affiant

SUBSCRIBED AND SWORN to before me this 3 0 OCT 2013 at MANILA, affiant personally appeared before me and exhibited to me his/her Community Tax Certificate No. 06147160 issued at Manila City on January 11, 2013 .

Doc. No. DOC. NO. 416;
Page No. PAGE NO. 91;
Book No. BOOK NO. 777;
Doc. No. SERIES OF 20 13
Series of _______;

ATTY. DEL[illegible] R. [illegible]ILI, JR.
NOTARY PUBLIC
UNTIL DECEMBER 31, 2013
PTR NO. 0785334 / 2012-2013 MLA.
IBP NO. 873692 / 2013 MLA.
ROLL NO. 24675 / TIN - 144-519-066
MCLE III - 0013521
Com. No. [illegible]

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **RUDIN A. GONZALES, JR.**, Filipino, of legal age and a resident of No. 34 Ramona Tirona Street, Phase I BF Homes, Paranaque City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of BHI Holdings Inc.

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

Company/Organization	Position/Relationship	Period of Services
BHI Holdings. Inc	Director	August 2001 to present
Eagle Steel Trade Resources, Inc.	CEO and Chairman	September 1997 to present
National Steel Trade Resources, Inc.	Vice-President	July 1996 to July 1997
National Steel Corporation	Vice-President	July 1996 to July 1997
Algon Exclusive Farms & Resort	President	March 1993 to Present
One Algon Place Foundation	Chairman	September 2004 to present

3. I possess all the qualifications and none of the disqualifications to serve as an independent Director of BHI Holdings Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.

4. I shall faithfully and diligently comply with my duties and responsibilities as independent directors under the Securities Regulation Code.

5. I shall inform the corporate secretary of BHI Holdings Inc. of any changes in the abovementioned information within five days from site occurrence.

Done, this 30 OCT 201 day of ____ at MANILA.

RUDIN A. GONZALES, JR.
Affiant

30 OCT 2013

SUBSCRIBED AND SWORN to before me this __ day of ________ at MANILA, affiant personally appeared before me and exhibited to me his/her Community Tax Certificate No. 19507275 issued at Manila City on March 15, 2013 .

Doc. No. DOC. NO. 415
Page No. PAGE NO. 17
Book No. BOOK NO. 277
Doc. No. SERIES OF 2013
Series of ______;

ATTY. DELFIN B. ACCAD(?)ILI, JR.
NOTARY PUBLIC
UNTIL DECEMBER 31, 2013
PTR NO. 0215334 / 2012-2013 MLA.
IBP NO. 873692 / 2013 MLA.
ROLL NO. 24655 / TIN - 144-519-066
MCLE III - 0013521

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 for the years ended December 31, 2012 and 2011, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in circumstances.

The Board of Directors or Trustees reviews and approves the financial statements and submit the same to the stockholders or members.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has examined the financial statements of the company in accordance with Philippine Standards on Auditing and in its report to the stockholders or members has expressed its opinion on the fairness of presentation upon completion of such examination.

MANUEL N. TANKIANSEE
Chairman of the Board

JUANITA U. TAN
Chief Executive Officer/President

ROSALIE A. ESTEIBAR
Chief Financial Officer/Vice-President

APR 12 2013

SUBCRIBED AND SWORN to before me this _________ day of ______, 2013 affiant(s) exhibiting to me his/her Residence Certificate as follows:

Name	/ Comm. Tax Certificate No. /	Date /	Place of Issue
MANUEL N. TANKIANSEE	08932738	01/14/13	Manila
JUANITA U. TAN	00052883	01/12/13	Makati
ROSALIE A. ESTEIBAR	19507274	03/15/13	Manila

Notary Public

ATTY DELFIN R. AGCAOILI, JR.
NOTARY PUBLIC
UNTIL DECEMBER 31, 2013
PTR NO. 0285834 / 2012-2013 MLA.
IBP NO. 873692 / 2013 MLA.
ROLL NO. 24655 / TIN -144-519-066
MCLE III - 0013521
Com. No. 2013 - 023

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Book No. II
Series of 2013

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

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.

The accompanying financial statement have been prepared assuming that the Company will continue as a going concern. As an investment holdings company, the Company's target is to acquire ownerships in shares of stock of profitable corporations. However, due to the present economic conditions, the Company has not been very active in any investing activity and is only receiving interest income from loans granted to a related party and a third party. These factors, among others, raised substantial doubt about the Company's ability to continue as a going concern. The Company's management, however, continues to assess possible investment opportunities that it may undertake in the future. The financial statements do not include any adjustments on the recoverability and classifications of the assets or the amounts and classification of the liabilities arising from these uncertainties.

a) The registrant can satisfy its cash requirements through interest income earned of its due from a related party and third 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

<u>Full Fiscal Years</u>

<u>2012</u>

The company has not started its operation. Due related parties accounts which is consist of deposits made in 1999 by the company for the acquisition of interest were converted to loans with an annual interest of 3% which will become due within six (6) months from the expiration date of December 9, 2000. The Company's loan agreement with Bulk Handlers was terminated on June 30, 2003. However, as of July 01, 2003 the Company entered into a new loan agreement to a third party , Takeda Holdings, Inc. with an annual interest rate of 3%.

On January 1, 2005, the Company adopted the new accounting standards particularly PAS 32 and 39, Financial Instruments: Disclosure and Presentation and Recognition and Measurement, which became effective on that date. Prior to 2005, the Company measured these receivables at the amounts provided to the debtors.

The Company's adoption of the new accounting standard result in the measurement of loans and receivables at amortized cost using the effective interest rate method. The discount rates used for due from related party and loan receivables of 7.710% and 12%, respectively, were determined by reference to the market interest rates at the time of the recognition of receivables.

In September 2009, the loan was renewed for another two years. The resulting day one loss as of that date amounting to P 1,870,206 was presented as Finance Costs in the 2009 statement of comprehensive income. The loan will mature in August 2011, hence, the entire balance as of December 31, 2010 is presented under current assets while the outstanding balance as of December 31, 2009 is presented under non-current assets in the statement of financial position.

In 2011, before the maturity of the loan, the contracting parties both agreed to renew the loan for another two years with the same terms and conditions as of the old loan. Accordingly, the renewal of the loan resulted in a day one loss of P 6,996,811 which is presented as Finance Costs in the 2011 statement of comprehensive income.

As the loan mature on August 31, 2013, the entire balance as of December 31, 2011 is presented under Non-current assets section in the statements of financial position.

The Company recognized additional interest income amounting to P3,432,398, in 2012, P1,739,305 in 2011 and P927,215 in 2010 in excess of the P1,380,000 actual annual interest income received in 2012, 2011, and 2010.

Takeda Holdings, Inc.	P	54,000,000
Discount On Loan Receivable		1,886,076
	P	52,113,924
Aqua Rich, Inc	P	46,000,000
Discount On Due From Related Party		2,464,285
	P	43,535,715
Total	P	95,649,639

REVENUES

INTEREST INCOME/OTHER INCOME

The Company's effective interest income in excess of actual rates recognized on loan receivable and due to related party, as a result of transitioning to PFRS amounting to P5,219,524 P4,016,132 and P3,396,759 in 2012, 2011, and 2010, respectively, were considered nontaxable income. The actual interest income based on the terms of the loan agreements amounted to P3,000,000 for 2012, 2011 and 2010.

Other income from Banco de Oro & Land Bank of the Philippines savings account amounted to P1,434

OPERATING EXPENSES

2012

Operating expenses for 2012 amounted to P5,380,543 which is P4,516,537 under compared to 2011. Expenses for 2012 were as follows:

Rent Expense	P	300,000
Salaries & Wages		1,938,000
Membership fees		250,000
Professional fees		223,500
Utilities		81,600
Taxes and Licenses		24,490
Directors' fee		22,000
Office supplies		34,547
Finance Cost		2,492,532
Miscellaneous		13,874
Total	P	5,380,543

2011

Operating expenses for 2011 amounted to P 9,897,080 which is P2,440,606 over compared to 2010. Expenses for 2011 were as follows:

Rent Expense	P	300,000
Salaries & Wages		1,968,000
Membership fees		250,000
Professional fees		205,000
Utilities		81,600
Taxes and Licenses		19,440
Directors' fee		22,000
Office supplies		34,533
Finance Cost		6,996,811
Miscellaneous		19,696
Total	P	9,897,080

2010

Operating expenses for 2010 amounted to P 7,456,474 which is P2,693,986 over compared to 2009. Expenses for 2010 were as follows:

Rent Expense	P	300,000
Salaries & Wages		1,968,000
Membership fees		250,000
Professional fees		205,000
Utilities		81,600
Taxes and Licenses		31,582
Directors' fee		22,000
Office supplies		14,247
Finance Cost		4,553,654
Miscellaneous		30,391
Total	P	7,456,474

Key Performance Indicators (KPI's)

The Company's and its majority owned subsidiaries' top five (5) key performance indicators are shown below.

	December 31, 2012	December 31, 2011	Difference %
Revenues	P8,220,958	P7,017,633	P1,203,325
Earnings per share	P5.56	(P5.88)	P11.44
Return on Equity	.02972	(.03140)	.06112
Debt ratio	.03125	.02786	.00339
Market Valuation	2.30	2.33	(.03)

Revenues increase in 2012 by P 1,203,325 due to the effect of remeasurement of loan and interest income from bank.

Earnings per share are calculated by dividing the net income over the shares outstanding.

Return on equity is computed by dividing net income over average stockholders equity.

Debt ratio measures the share of company's liabilities to total assets.

Market valuation is computed by dividing market value per share over book value per share.

Key Performance Indicators (KPI's)

The Company's and its majority owned subsidiaries' top five (5) key performance indicators are shown below.

	September 30, 2013	September 30, 2012	Difference %
Revenues	(P326,183)	P1,903,292	(P2,229,475)
Earnings per share	(P5.0)	(P.55)	(P4.45)
Return on Equity	(.02668)	(.00301)	(.02367)
Debt ratio	.03394	.03006	.00388
Market Valuation	2.30	2.35	(.05)

Revenues decrease in 2013 by P2,229,475 due to the effect of remeasurement of loan and interest income from bank.

Earnings per share is calculated by dividing the net income over the shares outstanding.

Return on equity is computed by dividing net income over average stockholders equity.

Debt ratio measures the share of company's liabilities to total assets.

Market valuation is computed by dividing market value per share over book value per share.

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.

Interim Periods

Cash
Increased of 36.78% from P528,863 for the year ended December 31, 2012 to P723,388 for the period ended September 30, 2013.This was due mainly to low level of net cash used in operating activities.

Loans Receivable
Increase by 3.24% from P52,113,924 to P53,800,416 due to loans receivable pertains to the loan granted to Takeda Holdings, Inc., a third party.

Accrued expenses and other payables
Amounted to P3,247,773 for the period ended September 30, 2012 compared to P3,062,329 for the year ended December 31, 2012 increased by 6.06%.

Revenues
The Company's effective interest income amounted to (P325,200) and P1,902,437 and P4,645,458 in 3rd quarter of 2013, 2012 and 2011. Of this amount (P2,571,002) (P349,618) and P2,401,622 respectively, pertains to interest income in excess of actual rates recognized on loan receivable and due from related party, as a result of transitioning to PFRS. The actual interest income based on the terms of the loan agreements totaled to P2,243,836, P2,252,055 and P2,243,836 for 3rd quarter of 2013, 2012 and 2011.
On September 30, 2013 the Company achieved revenue of (P325,200) decrease compare to P1,902,437 in 3rd quarter 2012. This was primarily due to the interest income in excess of actual rates recognized on loan receivable and due from related party, as a result of PFRS application, was considered non taxable income.

Other Income from Banco de Oro and Land Bank of the Philippines savings account amounted to P983

Cost and Expenses

The Company's operating expenses as of the 3rd quarter of 2013 amounted to P2,173,339 or a decrease of .30% compared to the 3rd quarter of the year 2012 and a increase of .37% compared to 3rd quarter of 2011 due to increased in office supplies and other operating expenses.

Financial Statements

The audited financial statements of BHI consisting of Statements of Financial Position as of December 31, 2012, 2011 and 2010 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, 2012 and 2011.

	2012	2011
Cash Flows From Operating Activities		
Income before tax	P 2,840,415	P (2,879,447)
Adjustment for:		
Interest income from cash in bank	(1,434)	(1,501)
Finance costs (income)	(2,726,992)	2,980,679
Operating loss before working capital changes	111,989	99,731
Increase in input value-added tax	(87,150)	(85,012)
Increase (decrease) in accrued expenses and other payables	421,910	158,870
Cash generated from (used) in operations	446,749	173,589
Interest received	1,434	1,501
Cash paid for income taxes	(60,541)	(60,300)
Net Increase (Decrease) In Cash	387,642	114,790
Cash At Beginning of Year	139,854	25,064
Cash At End of Year	P 527,496	P 139,854

As of December 31, 2012, cash increased by 277.18%, from P139,854 in 2011 to P527,496 for the period ended December 31, 2012. This was due mainly to higher level of net cash generated in operating activities amounting to P446,749 compared to the last year's net cash generated in operating activities amounting P173,589 For the period under review, interest received decreased to P1,434 from P1,501 for the year 2011. The cash paid for income taxes increased, from P60,300 last year to P60,541 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 the income statement.

Loan Receivable. In 2003, the Company granted loan to Takeda Holdings, Inc. a third party, amounting to P54,000,000 collectible in lump-sum cash in June 2008 and bears interest of 3% per annum. The Company, measured this loan at amortized cost using the effective interest method at the prevailing interest rate applicable to similar transaction on the date of grant.

In July 2008, the parties agreed to renew the loan agreement extending the loan for another two years up to June 2010 subject to the same interest rate per annum and also collectible in lump-sum cash at maturity. A few days before the maturity of the loan in June 2010, the parties agreed to renew the loan again for another two years up to June 2012. Upon renewal of the loan, it was again remeasured resulting in a day one loss (i.e. the excess of the face value over the fair value of the loan or discount) of P4,553,654 which is presented as Finance Costs in the 2010 statement of comprehensive income.

On July 1, 2012, the parties agreed to renew the loan for another two years, maturing on June 30, 2014 with the same terms and conditions. Such agreement was only formalized on October 12, 2012. At the date of the renewal of the loan, the Company remeasured the loan and recognized a day one loss of P2,492,532 and is shown as Finance Costs in the 2012 statement of comprehensive income. The amortization of the discount amounted to P1,787,126 in 2012, P2,276,827 in 2011, and P2,469,544 in 2010 and is presented as part of the Effect of remeasurement of loan under the Revenues section of the statements of comprehensive income.

Due from a related party. This loan initially consisted of deposit made by the Company for the acquisition of equity interest in 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.

The initial term of the loan is five years up to 2006 with an annual interest of 3% per annum. The loan was remeasured by reference to the market interest rate at the time of the inception of the loan.

In 2011, before the maturity of the loan, the contracting parties both agreed to renew the loan for another two years with maturity date of August 31, 2013 with the same terms and conditions. Upon renewal of the loan, it was again remeasured resulting in a day one loss of P6,996,811 which is presented as Finance Costs in the 2011 statement of comprehensive income.

On top of the P1,380,000 actual annual interest income received in 2012, 2011 and 2010, the Company also recognized additional interest income amounting to P3,432,398, P1,739,305 and P927,215, respectively, representing the amortization of the discount. The Company has no uncollected interest as at December 31, 2012, 2011 and 2010. As at December 31, 2012, there are no discussions yet between the Company and the related party as to the renewal of the loan after maturity in August 2013. Nevertheles, management believes that the loan is fully collectible at the time of maturity; hence, no allowance for impairment is required as at December 31, 2012 and 2011.

Deferred tax assets. The Company is subject to MCIT, which is computed at 2% of gross income as defined under the tax regulations or RCIT, whichever is higher. In 2012, 2011 and 2010, the Company's MCIT amounted to P60,000 which is higher than RCIT of P33,597 in 2012, P29,919 in 2011 and P29,154 in 2010. The Company did not recognize any deferred tax asset arising from MCIT as at December 31, 2012, 2011, 2010 since management believes that the Company will not have sufficient RCIT due against which MCIT can be applied. The MCIT can be claimed as deduction against regular corporate income tax within three years from the date it was incurred. The MCIT amounting to P27,685 for 2009 can no longer be used as deduction from the Company's future RCIT since it has expired in 2012. The excess MCIT of P30,081 in 2011 can be applied against the regular income tax due up to 2014. The computed MCIT of P30,846 for 2010 and P27,685 for 2009 can be applied against the RCIT due up to 2013 and 2012, respectively.

Accrued expenses and other payables. Increased to P1,560,197 from P1,138,287 in 2011 by 37.06%, the lease contract has been renewed annually for a term of one year.

Result of Operations

Year Ended December 31, 2012 compared to Year Ended December 31, 2011

Revenue. For the year ended December 31, 2012, the Company achieved revenue of P8,220,958 increased by 17.15% over the P7,017,633 in 2011. This was primarily due to the additional interest income in excess of actual rates recognized on loan receivable and due from a related party, as a result of PFRS application, was considered non-taxable income.

Operating Expenses. Total expenses decreased by .42% from P2,900,269 in 2011 to P2,888,011 this year due to decrease in salaries and employees benefits.

Financial Costs. Decrease by 64.38% from P6,996,811 in 2011 to P2,492,532 in 2012.

Tax Expenses. Decrease by .022% from P60,300 for the twelve months ended December 31, 2011, to P60,287 for the period ended December 31, 2012.

Net Income. Net income of the Company were P2,780,128 for 2012 and net loss of P2,939,747 for 2011.

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, 2012 and 2011.

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, 2011 and 2010.

	2011	**2010**
Cash Flows From Operating Activities		
Income before tax	P (2,879,447)	P (1,057,960)

Adjustment for:		
Interest income	(7,017,633)	(6,398,514)
Finance costs	6,996,811	4,553,654
Operating loss before working capital changes	(2,900,269)	(2,902,820)
Increase in input value-added tax	(85,012)	(84,225)
Increase (decrease) in accrued expenses and other payables	158,870	(24,891)
Cash used in operations	(2,826,411)	(3,011,936)
Interest received	3,001,501	3,001,755
Cash paid for income taxes	(60,300)	(60,351)
Net Increase (Decrease) In Cash	114,790	70,532
Cash At Beginning of Year	25,064	95,596
Cash At End of Year	P 139,854	P 25,064

As of December 31, 2011, cash increased by 457.99%, from P25,064 in 2010 to P139,854 for the period ended December 31, 2011. This was due mainly to lower level of net cash used in operating activities amounting to P2,826,411 compared to the last year's net cash used in operating activities amounting P3,011,936. For the period under review, interest received decreased to P3,001,501 from P3,001,755 for the year 2010. The cash paid for income taxes decreased, from P60,351 last year to P60,300 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 the income statement.

Loan Receivable. Increased to P52,819,330 from P52,542,503 in 2010 due to the loan receivable pertains to the loan granted to Takeda Holdings, Inc., a third party. The term of the loan agreement is for two years up to 2012 with 3% interest rate due and payable annually. Under PFRS, the loan was remeasured by reference to the market interest rate at the time of the inception of the loan.

Due from a related party. Decreased from P45,360,823 to P40,103,317 in 2011. This account initially consisted of deposit made by the Company for the acquisition of equity interest in an entity that has the same stockholders as that of the Company. Upon the expiration of the conversion period of the deposits into equity, the deposits were automatically converted to loans.

Accrued expenses and other payables. Amounted to P2,625,460 in 2011 compared to P2,466,680 in 2010 increased by 6.44%, the lease contract stipulated an annual escalation rate of 10%.

Result of Operations

Year Ended December 31, 2011 compared to Year Ended December 31, 2010

Revenue. For the year ended December 31, 2011, the Company achieved revenue of P7,017,633, increased by 9.68% over the P6,398,514 in 2010. This was primarily due to the additional interest income in excess of actual rates recognized on loan receivable and due from a related party, as a result of PFRS application, was considered non-taxable income.

Operating Expenses. Total expenses decreased by .088% from P2,902,820 in 2010 to P2,900,269 this year due to decreased in other operating expenses

Financial Costs. Increase by 53.65% from P4,553,654 in 2010 to P6,996,811 in 2011.

Tax Expenses. Decrease by .085% from P60,351 for the twelve months ended December 31, 2010, to P60,300 for the period ended December 31, 2011.

Net Income. The net loss of the Company were P2,939,747 and P1,118,311 for 2011 and 2010 respectively.

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. The EPS decreased by 162.50% from P2.24 negative in 2010 to P5.88 negative in 2011, the Company has no dilutive potential common shares, hence no disclosure of diluted earnings per share is made in the financial statements.

MATERIAL ITEMS UNDER OPERATING EXPENSES

Operating expenses for 2012 amounted to P5,380,543 which is P 4,516,537 under compared to 2011. Expenses for 2012 were as follows:

Rent Expense	P	300,000
Salaries & Wages		1,938,000
Membership fees		250,000
Professional fees		223,500
Utilities		81,600
Taxes and Licenses		24,490
Directors' fee		22,000
Office supplies		34,547
Finance Cost		2,492,532
Miscellaneous		13,874
Total	P	5,380,543

Significant Employees

Not Applicable

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

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.

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 September 30, 2013.

HOLDERS

Class	No. of Stockholders
Common A	336
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, the trading price indicate the high & low sales prices of the common equity of the registrant from 2011 to 3rd Quarter of 2013.

2013	**1st Quarter Date Price**	**2nd Quarter Date Price**	**3rd Quarter Date Price**

HIGH	630	645	550	
LOW	420	600	550	

2012	**1st Quarter Date Price**	**2nd Quarter Date Price**	**3rd Quarter Date Price**	**4th Quarter Date Price**
HIGH	280	630	430	430
LOW	280	420	422	430

2011	**1st Quarter Date Price**	**2nd Quarter Date Price**	**3rd Quarter Date Price**	**4th Quarter Date Price**
HIGH	280	270	405	900
LOW	280	260	270	270

Last transaction date was September 26, 2013 and the closing price was at P550 per share.

OTHER SECURITIES

None

TOP TWENTY STOCKHOLDERS
As of October 28, 2013

CLASS A

RANK	STOCKHOLDER	NO. OF SHARE	PERCENTAGE
1	BULK HANDLERS, INC.	299,424	85.55%
2	PCD NOMINEE CORPORATION	10,777	3.08%
3	TAN, MIKO PAOLO	8,631	2.47%
4	TRINIDAD, MARILOU I.	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 JR., ALFONSO R.	350	0.10%
10	REYNO, CHRISTOPHER G.	350	0.10%
11	REYNO, PATRICK G.	350	0.10%
12	REYNO, YOLANDA 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	SANTOS, FELIZARDO	309	0.09%
18	JOSEPH, EXALTACION R.	309	0.09%
19	MANAHAN, TEDDY	309	0.09%
20	SANTOS, DOMINGA	309	0.09%

CLASS B

RANK	STOCKHOLDER	NO. OF SHARE	PERCENTAGE
1	BULK HANDLERS, INC.	150,000	100.00%

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

c. Dividends may be declared from the surplus net profit of the company at such time or times, and in such percentage as the Board of Directors may deem proper. No dividend shall be declared that will impair the capital of the company. Stock dividends shall be declared in accordance with law.

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

Corporate Governance

Discussion on Compliance with Leading Practices on Corporate Governance

a. The evaluation system to monitor compliance with the Board of Directors is still evolving consistent with the nature of the Manual as a work in progress. However, at this time, the Corporation has adopted the Institute of Corporate Directors' on-line submission format for self evaluation in determining and measuring compliance with the Manual by the Corporation, its Board, the individual directors and high-ranking officers. This self evaluation has been disclosed and submitted by the Corporation to the ICD.

b. The Corporation has adopted a Manual on Corporate Governance (the Manual). It is to be noted in this regard, that the Corporation is highly regulated by several government agencies. The Corporation has not materially deviated from the Manual, and no persons have been found to have breached or violated the Manual. It has not, likewise, been found or charged to have violated any rule, regulation or law of the land.

c. The Corporation has adopted measures to ensure compliance with international best practices on good corporate governance such as its compliance with international accounting standards and continuous review of the Manual for possible improvements.

d. Pursuant to its Corporate Governance Manual, the Board established the Audit Committee to look into the laws and company policies and procedures and review of financial statements. In line with its Corporate Governance Manual, all financial reports are checked by the Audit Committee against compliance with internal financial management and pertinent accounting standards.

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 2012 & 2011 were P85,000.00 & P90,000.00 respectively.

(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) There are audit committee's approval of policies and procedures for the above services. The terms of engagement and scope of services of the external auditor is reviewed and approved by the Audit Committee. The Audit Committee is composed of three directors and chaired by one of the directors. They are Mr. Rudin A. Gonzales, chairman, Ms. Juanita U. Tan and Mr. Rosalie A. Esteibar, as members.

EXHIBITS AND SCHEDULES

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:

Date of Report	Item Reported	Matters Reported
December 18, 2012	Election of Directors & Officers	The following were elected as directors:

1) Manuel N. Tankiansee
2) Juanita U. Tan
3) Rosalie A. Esteibar
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) Rudin Gonzales *
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. Rosalie A. Esteibar
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 THE PEARLBANK CENTRE, 146 VALERO STREET, SALCEDO VILLAGE, MAKATI CITY.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING ADDRESS:

MS. ROSALIE A. ESTEIBAR
Vice President
BHI Holdings, Inc.
22nd Floor, The Pearlbank Centre
146 Valero Street, 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, 2013.

By:

JUANITA U. TAN
Chief Executive Officer/President

ROSALIE A. ESTEIBAR
Chief Financial Officer/Vice-President

HELEN DE LEON-MANZANO
Corporate Secretary

APR 12 2013

SUBSCRIBED AND SWORN to before me this _____ day of __________, 2013 affiant(s) exhibiting to me his/their Residence Certificate as follows:

Name	Comm. Tax Certificate No.	Date	Place of Issue
JUANITA U. TAN	00054918	01/15/13	Makati
ROSALIE A. ESTEIBAR	19507274	03/15/13	Manila
HELEN DE LEON-MANZANO	EB1537685	12/10/10	Manila

Notary Public

ATTY. DELFIN R. SACAPILI, JR.
NOTARY PUBLIC
UNTIL DECEMBER 31, 2013
PTR NO. 0285334 / 2012-2013 MLA.
IBP NO. 873692 / 2013 MLA
ROLL NO. 24656 / TIN 144-519-066
MCLE III - 0013521
Com. No. 2013 - 023

Doc. No.____
Page No.____
Book No.____
Series of 2013

Punongbayan & Araullo
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Report of Independent Auditors

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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 Financial Statements

We have audited the accompanying financial statements of BHI Holdings, Inc., which comprise the statements of financial position as at December 31, 2012, 2011 and 2010, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and, plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BHI Holdings, Inc. as at December 31, 2012, 2011 and 2010, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which provides relevant information on the status of operations of the Company. As discussed therein, the Company has not been active in pursuing investment activities for a number of years now because of certain economic factors. Its present source of revenue is limited to the interest income generated from its loans granted to certain entities. The Company's management, however, continues to assess possible investment opportunities that it may undertake in the near future.

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, 2012 required by the Bureau of Internal Revenue as disclosed in Note 14 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 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: Christopher M. Ferareza
Partner

CPA Reg. No. 0097462
TIN 184-595-975
PTR No. 3671441, January 2, 2013, Makati City
SEC Group A Accreditation
Partner - No. 1185-A (until Jan. 18, 2015)
Firm - No. 0002-FR-3 (until Jan. 18, 2015)
BIR AN 08-002511-34-2011 (until Sept. 21, 2014)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2015)

April 3, 2013

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012, 2011 AND 2010
(Amounts in Philippine Pesos)

	Notes	2012	2011	2010
A S S E T S				
CURRENT ASSETS				
Cash		P 527,496	P 139,854	P 25,064
Loan receivable	4	-	52,819,330	-
Due from a related party	5	43,535,715	-	45,360,823
Input value-added tax	14	1,811,409	1,724,259	1,639,247
Total Current Assets		45,874,620	54,683,443	47,025,134
NON-CURRENT ASSETS				
Loan receivable	4	52,113,924	-	50,542,503
Due from a related party	5	-	40,103,317	-
Total Non-current Assets		52,113,924	40,103,317	50,542,503
TOTAL ASSETS		P 97,988,544	P 94,786,760	P 97,567,637
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Accrued expenses and other payables	6	P 1,560,197	P 1,138,287	P 979,417
Income tax payable		14,959	15,213	15,213
Due to a stockholder	5	1,487,173	1,487,173	1,487,173
Total Liabilities		3,062,329	2,640,673	2,481,803
EQUITY				
Capital stock	9	50,000,000	50,000,000	50,000,000
Additional paid-in capital		7,520,755	7,520,755	7,520,755
Retained earnings		37,405,460	34,625,332	37,565,079
Total Equity		94,926,215	92,146,087	95,085,834
TOTAL LIABILITIES AND EQUITY		P 97,988,544	P 94,786,760	P 97,567,637

See Notes to Financial Statements.

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010
(Amounts in Philippine Pesos)

	Notes	2012	2011	2010
REVENUES				
Interest income from loans:				
Effect of remeasurement of loan	4, 5	**P 5,219,524**	P 4,016,132	P 3,396,759
Actual interest income	4, 5	**3,000,000**	3,000,000	3,000,000
Interest income from cash in bank		**1,434**	1,501	1,755
		8,220,958	7,017,633	6,398,514
OPERATING EXPENSES				
Salaries and employee benefits	5	**1,938,000**	1,968,000	1,968,000
Rent	11	**300,000**	300,000	300,000
Other operating expenses	7	**650,011**	632,269	634,820
		2,888,011	2,900,269	2,902,820
OPERATING PROFIT		**5,332,947**	4,117,364	3,495,694
FINANCE COSTS	4, 5	**2,492,532**	6,996,811	4,553,654
PROFIT (LOSS) BEFORE TAX		**2,840,415**	(2,879,447)	(1,057,960)
TAX EXPENSE	8	**60,287**	60,300	60,351
NET PROFIT (LOSS)		**2,780,128**	(2,939,747)	(1,118,311)
OTHER COMPREHENSIVE INCOME (LOSS)		**-**	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)		**P 2,780,128**	(P 2,939,747)	(P 1,118,311)
Basic and Diluted Earnings (Loss) Per Share	10	**P 5.56**	(P 5.88)	(P 2.24)

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, 2012, 2011 AND 2010

(Amounts in Philippine Pesos)

	Note	**2012**	2011	2010
CAPITAL STOCK	9	**P 50,000,000**	P 50,000,000	P 50,000,000
ADDITIONAL PAID-IN CAPITAL		**7,520,755**	7,520,755	7,520,755
RETAINED EARNINGS				
Balance at beginning of year		**34,625,332**	37,565,079	38,683,390
Net profit (loss) during the year		**2,780,128**	(2,939,747)	(1,118,311)
Balance at end of year		**37,405,460**	34,625,332	37,565,079
TOTAL EQUITY		**P 94,926,215**	P 92,146,087	P 95,085,834

See Notes to Financial Statements.

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010
(Amounts in Philippine Pesos)

	Notes	2012	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		P 2,840,415	(P 2,879,447)	(P 1,057,960)
Adjustments for:				
Interest income from cash in bank		(1,434)	(1,501)	(1,755)
Finance costs (income)	4, 5	(2,726,992)	2,980,679	1,156,895
Operating profit before working capital changes		111,989	99,731	97,180
Increase in input value-added tax		(87,150)	(85,012)	(84,225)
Increase (decrease) in accrued expenses and other payables		421,910	158,870	(24,891)
Cash generated from (used in) operations		446,749	173,589	(11,936)
Interest received		1,434	1,501	1,755
Cash paid for income taxes		(60,541)	(60,300)	(60,351)
NET INCREASE (DECREASE) IN CASH		387,642	114,790	(70,532)
CASH AT BEGINNING OF YEAR		139,854	25,064	95,596
CASH AT END OF YEAR		P 527,496	P 139,854	P 25,064

See Notes to Financial Statements.

BHI HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
(A Subsidiary of Bulk Handlers, Inc.)
DECEMBER 31, 2012, 2011 AND 2010
(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; i.e. 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). As at December 31, 2012 and 2011, Bulk Handlers, Inc. (the parent company), a domestic corporation, owns 89.88% and 92.36%, respectively, of the Company's capital stock.

To date, the Company's operations are limited to maintaining and generating interest income on loans granted to certain entities (see Note 1.2). Accordingly, no business segment information is presented in its financial statements. The parent company is currently engaged in the business of warehouse leasing and terminal operations.

The registered office of the Company, which is also its principal place of business, is located at 22nd Floor, The Pearl Bank Centre, 146 Valero Street, Salcedo Village, Makati City. The parent company's registered office, which is also its principal place of business, is located at 146 Valero Street, Salcedo Village, Makati City.

The financial statements of the Company for the year ended December 31, 2012 (including the comparatives for the years ended December 31, 2011 and 2010) were authorized for issue by the Company's Board of Directors (BOD) on April 3, 2013.

1.2 Status of Operation

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 not been active in pursuing investment activities for a number of years now. Its present source of revenue is limited to the interest income generated from its loans granted to a related party and a third party (see Notes 4 and 5). As such, the Company has only three employees handling mainly administrative functions due to limited transactions of the Company as of December 31, 2012 (see Note 2.8). The Company's management, however, continues to assess possible investment opportunities that it may undertake in the near future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. 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, from the pronouncements issued by the International Accounting Standards Board (IASB).

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 in a single statement of comprehensive income.

Two comparative periods are presented for the statement of financial position when the Company applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements, or reclassifies items in the financial statements.

In 2012, the Company presented two comparative periods for the statements of financial position due to reclassifications made to certain statement of financial position accounts in 2011 and 2010 to conform with the 2012 financial statements presentation (see Note 6). These adjustments have no impact on the beginning balance of retained earnings.

Also in 2012, the Company early adopted PAS 1 (Amendment*), Presentation of Financial Statements - Clarification of the Requirements for Comparative Information*, which is mandatorily effective for annual periods beginning on or after January 1, 2013. Accordingly, comparative note disclosures to the 2010 statement of financial position were no longer presented [see Note 2.2 (c)].

(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 2012 that is Relevant to the Company

In 2012, the Company adopted PFRS 7 (Amendment), *Financial Instruments: Disclosures – Transfers of Financial Assets,* which is relevant to the Company and effective for financial statements for the annual period beginning on or after July 1, 2011. The amendment requires additional disclosures that will allow users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities; and, to evaluate the nature of, and risk associated with any continuing involvement of the reporting entity in financial assets that are derecognized in their entirety. The Company did not transfer any financial asset involving this type of arrangement; hence, the amendment did not result in any significant change in the Company's disclosures in its financial statements.

(b) Effective in 2012 that are not Relevant to the Company

The following amendments to PFRS became effective for the annual periods beginning on or after July 1, 2011 or January 1, 2012, but are not relevant to the Company's financial statements:

PFRS 1 (Amendment)	:	First-time Adoption of PFRS – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
PAS 12 (Amendment)	:	Income Taxes – Deferred Tax: Recovery of Underlying Assets

(c) Effective Subsequent to 2012 and Adopted Early

The Company opted to early adopt PAS 1 (Amendment), *Presentation of Financial Statements – Clarification of the Requirements for Comparative Information* (effective from January 1, 2013). The amendment clarifies the requirements for presenting comparative information for the following:

- Requirements for the opening statement of financial position

  If an entity 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 (i.e., opening statement of financial position), it shall present such third statement of financial position.

  Other than disclosure of certain specified information in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

- Requirements for additional comparative information beyond minimum requirements

  If an entity presented comparative information in the financial statements beyond the minimum comparative information requirements, the additional financial statements information should be presented in accordance with PFRS including disclosure of comparative information in the related notes for that additional information. Presenting additional comparative information voluntarily would not trigger a requirement to provide a complete set of financial statements. Accordingly, the Company shall present financial statements for two comparative periods only as a result of its early adoption of PAS 1 (Amended).

(d) Effective Subsequent to 2012 but not Adopted Early

There are new PFRS, amendments and annual improvements to existing standards that are effective for periods subsequent to 2012. Management has initially determined the following pronouncements, which the Company will apply in accordance with their transitional provisions, to be relevant to its financial statements:

(i) PAS 1 (Amendment), *Financial Statements Presentation – Presentation of Items of Other Comprehensive Income* (effective from July 1, 2012). The amendment requires an entity to group items presented in other comprehensive income into those that, in accordance with other PFRS: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. The Company's management expects that this will not affect their financial statements since the Company does not have any transaction requiring recognition of other comprehensive income.

(ii) PFRS 7 (Amendment), *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities* (effective from January 1, 2013). The amendment requires qualitative and quantitative disclosures relating to gross and net amounts of recognized financial instruments that are set-off in accordance with PAS 32, *Financial Instruments: Presentation*. The amendment also requires disclosure of information about recognized financial instruments which are subject to enforceable master netting arrangements or similar agreements, even if they are not set-off in the statement of financial position, including those which do not meet some or all of the offsetting criteria under PAS 32 and amounts related to a financial collateral. These disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with recognized financial assets and financial liabilities on the entity's financial position. The Company has initially assessed that the adoption of the amendment will not have a significant impact on its financial statements.

(iii) PFRS 13, *Fair Value Measurement* (effective from January 1, 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across PFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. Management is in the process of reviewing its valuation methodologies for conformity with the new requirements and has yet to assess the impact of the new standard on the Company's financial statements.

(iv) PAS 32 (Amendment), *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (effective from January 1, 2014). The amendment provides guidance to address inconsistencies in applying the criteria for offsetting financial assets and financial liabilities. It clarifies that a right of set-off is required to be legally enforceable, in the normal course of business; in the event of default; and in the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendment also clarifies the principle behind net settlement and provided characteristics of a gross settlement system that would satisfy the criterion for net settlement. The Company does not expect this amendment to have a significant impact on its financial statements.

(v) PFRS 9, *Financial Instruments: Classification and Measurement* (effective from January 1, 2015). This is the first part of a new standard on financial instruments that will replace PAS 39, *Financial Instruments: Recognition and Measurement*, in its entirety. This chapter covers the classification and measurement of financial assets and financial liabilities and it deals with two measurement categories for financial assets: amortized cost and fair value. All equity instruments will be measured at fair value while debt instruments will be measured at amortized cost only if the entity is holding it to collect contractual cash flows which represent payment of principal and interest. The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangement, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

To date, other chapters of PFRS 9 dealing with impairment methodology and hedge accounting are still being completed.

Further, in November 2011, the IASB tentatively decided to consider making limited modifications to International Financial Reporting Standards (IFRS) 9's financial asset classification model to address certain application issues.

The Company does not expect to implement and adopt PFRS 9 until its effective date. In addition, management is currently assessing the impact of PFRS 9 on the Company's financial statements and it plans to conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption in 2015 to assess the impact of all changes.

(vi) 2009-2011 Annual Improvements to PFRS. Annual improvements to PFRS (2009-2011 Cycle) made minor amendments to a number of PFRS, which are effective for annual period beginning on or after January 1, 2013. Among those improvements, only PAS 32 (Amendment), *Financial Instruments – Presentation – Tax Effect of Distributions to Holders of Equity Instruments,* is relevant to the Company but management does not expect a material impact on the Company's financial statements. The amendment clarifies that the consequences of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with PAS 12. Accordingly, income tax relating to distributions to holders of an equity instrument is recognized in profit or loss while income tax related to the transaction costs of an equity transaction is recognized in equity.

2.3 Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. Financial assets other than those designated and effective as hedging instruments are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and transaction costs related to it are recognized in profit or loss.

Currently, all of the Company's financial assets are categorized as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less any impairment losses. Any change in their value is recognized in profit or loss. Impairment loss is provided when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated cash flows, discounted at the effective interest rate.

The Company's financial assets categorized as loans and receivables are presented as Cash, Loan Receivable and Due from a Related Party in the statement of financial position. Cash includes cash on hand and in bank that are unrestricted and readily available for use in the operations of the Company. Cash in bank generally earns interest based on daily bank deposit rates.

All income and expenses relating to financial assets that are recognized in profit or loss are presented as part of Revenues or Finance Costs in the statement of comprehensive income.

Non-compounding interest and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

The 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.

2.4 Financial Liabilities

Financial liabilities of the Company, which include accrued expenses and other payables 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 for 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.

2.5 Offsetting Financial Instruments

Financial assets and liabilities are offset and the resulting net amount 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.

2.6 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.

2.7 Revenue and Expense Recognition

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the Company; and the costs incurred or to be incurred can be measured reliably.

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 or services or at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis.

2.8 Employee Benefits

The Company has not established a formal retirement plan nor is covered by the provisions of Republic Act (RA) No. 7641, *The Retirement Pay Law*, since it employs not more than ten employees (see also Note 1.2).

2.9 Leases

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 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 and the arrangement conveys a right to use the asset.

2.10 Income Taxes

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

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 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 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 the 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 deferred income tax asset 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.

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.

Deferred tax assets and 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.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the profit or loss. Only changes in deferred tax assets or liabilities that relate to items recognized in other comprehensive income or directly in equity are 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.

2.11 Related Party Relationships and Transactions

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.

2.12 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.

2.13 Earnings (Loss) Per Share

Basic earnings (loss) per common share is determined by dividing net profit (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 earnings (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 earnings per share is equal to the basic earnings per share.

2.14 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.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Company's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect the 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 vary 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) Accounting for Renewal of Loan Receivable and Due from a Related Party

When the Company undergoes renewal of its existing loan agreements with related and third parties, the management opts to treat such accounting transaction as an extinguishment of the loans receivable.

The Company chose to adopt extinguishment accounting having considered its appropriateness in the borrowers' point of view and regardless of how substantial is the difference between the present value of the cash flows under the new terms against the present value of the cash flows under the existing liability.

The Company, as the lender, accounted for the renewal of the loan receivable and due from a related party during 2012 and 2011 as extinguishments of the financial assets (see Notes 4 and 5).

(b) *Distinction between Operating and Finance Leases*

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 finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreement. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. As at December 31, 2012 and 2011, management has determined that the lease agreement is an operating lease.

(c) *Recognition of Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Related policies are presented in Note 2.6 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 financial year:

(a) *Impairment of Loan Receivable and Due from a Related Party*

The Company performs impairment review of its financial assets, i.e., loan receivable and amount due from a related party, where certain impairment indicators exist. The Company's policy on estimating the impairment on financial assets is discussed in Note 2.3. The Company evaluates these accounts based on available facts and circumstances including, but not limited to, the length of the of Company's relationships with the counterparties, average age of accounts, collection experience and historical loss experience.

Based on management assessment, no impairment loss on these financial assets is required to be recognized in the financial statements in 2012, 2011 and 2010 (see Notes 4 and 5).

(b) *Determining Realizable Amount of Deferred Tax Asset*

The Company reviews its deferred tax asset, which arises only from minimum corporate income tax (MCIT), 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 asset was 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 benefit can be applied (see Note 8).

4. LOAN RECEIVABLE

The details of this account are shown below.

	2012	2011
Loan receivable	**P 54,000,000**	P 54,000,000
Unamortized discount on loan receivable	**(1,886,076)**	(1,180,670)
	P 52,113,924	P 52,819,330

This account is presented in the statement of financial position as follows:

	2012	2011
Current	**P -**	P 52,819,330
Non-current	**52,113,924**	-
	P 52,113,924	P 52,819,330

In 2003, the Company granted an unsecured loan to Takeda Holdings, Inc. (THI), a third party, amounting to P54,000,000 collectible in lump-sum cash in June 2008 and bears interest of 3% per annum. The Company measured this loan at amortized cost using the effective interest method at the prevailing interest rate applicable to similar transaction on the date of grant.

In July 2008, the parties agreed to renew the loan agreement extending the loan for another two years up to June 2010 subject to the same interest rate per annum and also collectible in lump-sum cash at maturity. A few days before the maturity of the loan in June 2010, the parties agreed to renew the loan again for another two years up to June 2012. Upon renewal of the loan, it was again remeasured resulting in a day one loss (i.e. the excess of the face value over the fair value of the loan or discount) of P4,553,654 which is presented as Finance Costs in the 2010 statement of comprehensive income.

On July 1, 2012, the parties agreed to renew the loan for another two years, maturing on June 30, 2014 with the same terms and conditions. Such agreement was only formalized on October 12, 2012. At the date of the renewal of the loan, the Company remeasured the loan and recognized a day one loss of P2,492,532 and is shown as Finance Costs in the 2012 statement of comprehensive income. The amortization of the discount amounted to P1,787,126 in 2012, P2,276,827 in 2011 and P2,469,544 in 2010 and is presented as part of the Effect of remeasurement of loan under the Revenues section of the statements of comprehensive income.

Interest income representing the agreed rate of 3% per annum amounting to P1,620,000 in all the years presented is shown as part of Actual Interest Income under Revenues in the statements of comprehensive income. The Company has no uncollected interest as at December 31, 2012, 2011 and 2010.

Management also believes that the loan is fully collectible at the time of maturity; hence, no allowance for impairment is required as at December 31, 2012 and 2011.

5. RELATED PARTY TRANSACTIONS

The Company's related parties include its parent company, stockholders, other related entities through common ownership and key management personnel as described below. A summary of the Company's related party transactions are as follows:

		Amounts of Transactions			Outstanding Balance	
	Note	**2012**	2011	2010	**2012**	2011
Related parties under common ownership and with interlocking directors and officers:						
Loans receivables, net of unamortized discount	5.1	**P -**	P -	P -	**P 43,535,715**	P 40,103,317
Interests on loans – actual	5.1	**1,380,000**	1,380,000	1,380,000	**-**	-
Lease of office space	5.2	**300,000**	300,000	300,000	**300,000**	300,000
Stockholder –						
Accommodation of expenses	5.3	**-**	-	-	**1,487,173**	1,487,173
Key management personnel –						
Salaries and other benefits	5.4	**1,938,000**	1,968,000	1,968,000	**-**	-

5.1 Due from a Related Party

The details of this account as at December 31, 2012 and 2011 are shown below.

	2012	2011
Loan receivable	**P 46,000,000**	P 46,000,000
Unamortized discount on loan receivable	**(2,464,285)**	(5,896,683)
	P 43,535,715	P 40,103,317

This account is presented in the statements of financial position as follows:

	2012	2011
Current	**P 43,535,715**	P -
Non-current	**-**	40,103,317
	P 43,535,715	P 40,103,317

This loan initially consisted of deposits made by the Company for the acquisition of equity interest in 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.

The initial term of the loan is five years up to 2006 with an interest rate of 3% per annum. The loan was remeasured by reference to the market interest rate at the time of the inception of the loan.

In 2011, before the maturity of the loan, the contracting parties both agreed to renew the loan for another two years with maturity date of August 31, 2013 with the same terms and conditions. Upon renewal of the loan, it was again remeasured resulting in a day one loss of P6,996,811 which is presented as Finance Costs in the 2011 statement of comprehensive income.

On top of the P1,380,000 actual annual interest income received in 2012, 2011 and 2010, the Company also recognized additional interest income amounting to P3,432,398, P1,739,305 and P927,215, respectively, representing the amortization of the discount. The Company has no uncollected interest as at December 31, 2012, 2011 and 2010. As at December 31, 2012, there are no discussions yet between the Company and the related party as to the renewal of the loan after maturity in August 2013. Nevertheless, management believes that the loan is fully collectible at the time of maturity; hence, no allowance for impairment is required as at December 31, 2012 and 2011.

5.2 Rental Expense

The Company currently leases its office premises with a related party under common ownership (see Note 11.1).

5.3 Due to a Stockholder

Certain expenses were paid by a stockholder on behalf of the Company in prior years; there were no similar transactions during the years presented. The outstanding liability to the stockholder, which is payable in cash upon demand, amounted to P1,487,173 as at December 31, 2012 and 2011.

5.4 Key Management Personnel Compensation

The compensation and benefits provided to key management personnel, which generally consist of short-term employee benefits, amounted to P1,938,000 in 2012 and P1,968,000 in 2011 and 2010. These are presented as Salaries and Employee Benefits under the Operating Expenses in the statements of comprehensive income. The Company does not provide any other form of benefits to its key management personnel (see Note 2.8)

6. ACCRUED EXPENSES AND OTHER PAYABLES

This account includes the following:

	2012	2011 (As Restated)
Accrued rent	**P 1,102,035**	P 699,435
Accrued taxes and licenses	**325,342**	325,342
Accrued audit fees	**115,920**	95,200
Other payables	**16,900**	18,310
	P 1,560,197	P 1,138,287

Management considers the carrying amounts recognized in the statements of financial position to be reasonable approximation of fair values due to the short duration of the accounts.

The Company reclassified the Income Tax Payable as of December 31, 2011 and 2010 and presented it as a separate line item in the statements of financial position in order to conform with the financial statement presentation in 2012.

7. OTHER OPERATING EXPENSES

The details of this account are as follows:

	Note	**2012**	2011	2010
Membership fees		**P 250,000**	P 250,000	P 250,000
Professional fees		**223,500**	205,000	205,000
Utilities		**81,600**	81,600	81,600
Office supplies		**34,547**	34,533	14,247
Taxes and licenses	14.1(f)	**24,490**	19,440	31,582
Directors' fee		**22,000**	22,000	22,000
Miscellaneous		**13,874**	19,696	30,391
		P 650,011	P 632,269	P 634,820

8. TAXES

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

	2012	2011	2010
Regular corporate income tax (RCIT) at 30%	**P 33,597**	P 29,919	P 29,154
Excess MCIT at 2%	**26,403**	30,081	30,846
Final tax at 20%	**287**	300	351
	P 60,287	P 60,300	P 60,351

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

	2012	2011	2010
Tax on pretax profit (loss) at 30%	**P 852,125**	(P 863,834)	(P 317,388)
Adjustment for income subjected to lower tax rates	**(143)**	(150)	(175)
Tax effects of:			
Nontaxable interest income	**(1,565,857)**	(1,204,840)	(1,019,028)
Nondeductible finance costs	**747,759**	2,099,043	1,366,096
Unrecognized deferred tax asset on excess MCIT	**26,403**	30,081	30,846
Tax expense	**P 60,287**	P 60,300	P 60,351

The Company is subject to MCIT, which is computed at 2% of gross income as defined under the tax regulations, or RCIT, whichever is higher. In 2012, 2011 and 2010, the Company's MCIT amounted to P60,000 which is higher than RCIT of P33,597 in 2012, P29,919 in 2011 and P29,154 in 2010.

As discussed in Note 3.2(b), the Company did not recognize deferred tax asset arising from MCIT as at December 31, 2012, 2011 and 2010 since management believes that the Company will not have sufficient RCIT due against which the MCIT can be applied.

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

Year	Original Amount	Expired Amount	Remaining Balance	Valid Until
2012	P 26,403	P -	P 26,403	2015
2011	30,081	-	30,081	2014
2010	30,846	-	30,846	2013
2009	27,685	27,685	-	2012
	P 115,015	P 27,686	P 87,330	

In 2012, 2011, and 2010 the Company opted to claim itemized deductions in computing for its income tax due.

9. CAPITAL STOCK

9.1 Capital Stock

Capital stock as at December 31, 2012, 2011 and 2010 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	15,000,000
	P 50,000,000

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.

9.2 Track Record of Registration of Securities

The Company's shares of stock were listed for trading with the PSE on April 2, 1973. As at December 31, 2012, there are 338 holders of the listed shares equivalent to 99.99% of the Company's total outstanding shares. Such listed shares closed at P334 per share as at December 31, 2012.

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

10. EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share for the years ended December 31, 2012, 2011 and 2010 are computed as follows:

	2012	2011	2010
Net profit (loss)	**P 2,780,128**	(P 2,939,747)	P 1,118,311
Weighted average number of outstanding common shares	**500,000**	500,000	500,000
Basic and diluted earnings (loss) per share	**P 5.56**	(P 5.88)	(P 2.24)

The Company has no potentially dilutive common shares as at December 31, 2012, 2011 and 2010; accordingly, its basic and diluted earnings per share are equal.

11. COMMITMENTS AND CONTINGENCIES

11.1 Operating Lease Commitments – Company as Lessee

On December 31, 2009, the Company entered into 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 5.2). The most recent lease renewal was effective January 1, 2012 to December 31, 2012, hence, as at December 31, 2012, the Company has no future minimum lease payments. Rent expense charged to profit or loss amounted to P300,000 and presented as Rental in 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 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 most significant financial risks to which the Company is exposed to are described below.

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.

Generally, 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.

	Notes	**2012**	2011
Cash		**P 527,496**	P 139,854
Loan receivable	4	**52,113,924**	52,819,330
Due from a related party	5	**43,535,715**	40,103,317
		P 96,177,135	P 93,062,501

None of the Company's financial assets are secured by collateral or other credit enhancements.

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 up to a maximum coverage of P500,000 for every depositor per banking institution, as provided for under RA No. 9576, *Amendment to Charter of PDIC*, are still subjected to credit risk.

With respect to loans granted to related and third parties, the Company's exposure to credit risk arises from default of the counterparties, with a maximum exposure equal to the carrying amount of the financial assets.

The Company considers that all of the above financial assets are not impaired as at the end of the reporting periods under review and are of good credit quality. Also, there are no unimpaired financial assets that are past due as at December 31, 2012 and 2011.

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 at December 31, 2012 and 2011, the Company's financial liabilities amounting to P3,030,470 and P2,607,060, respectively, have a maximum contractual maturities of 12 months. The fair value of financial liabilities is not individually determined as the carrying amount is a reasonable approximation of fair value.

13. 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 on the face of the statements of financial position. Capital for the reporting periods under review is summarized below.

	2012	2011
Total liabilities	**P 3,062,329**	P 2,640,673
Total equity	**94,926,215**	92,146,087
Debt-to-equity ratio	**0.03 : 1.00**	0.03 : 1.00

14. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below is the supplementary information which is required by the Bureau of Internal Revenue (BIR) under its existing revenue regulations to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

14.1 Requirements under Revenue Regulations (RR) 15-2010

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR 15-2010 issued on November 25, 2010 are as follows:

(a) Output Value-added Tax (VAT)

The Company does not have output VAT in 2012 since it does not have any transactions which are subject to output VAT during the year.

(b) Input VAT

The movements in Input VAT in 2012 are summarized below.

Balance at beginning of year	P	1,724,259
Services lodged under other accounts		87,150
Balance at end of year	**P**	**1,811,409**

(c) Taxes on Importation

The Company did not have any importations during the year.

(d) Excise Tax

The Company does not have excise tax in 2012 since it did not have any transactions which are subject to excise tax during the year.

(e) Documentary Stamp Tax

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

(f) Taxes and Licenses

The details of taxes and licenses are shown below (see Note 7).

Municipal license and permits	P	18,940
SEC filing fees		5,050
Annual VAT registration		500
	P	**24,490**

(g) *Withholding Taxes*

The details of total withholding taxes paid and accrued for the year ended December 31, 2012 are shown below.

Compensation and benefits	P	193,800
Expanded		24,000
	P	**217,800**

The Company has no income payments subject to final withholding tax in 2012.

(h) *Deficiency Tax Assessment and Tax Cases*

As at December 31, 2012, the Company does not have any deficiency tax assessments with the BIR or tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable years.

14.2 Requirements under RR 19-2011

RR 19-2011 requires schedules of taxable revenues and other non-operating income, cost of services, itemized deductions and other significant tax information to be disclosed in the notes to financial statements.

The amounts of taxable revenues and income, and deductible costs and expenses presented below are based on relevant tax regulations issued by the BIR, hence, may not be the same as the amounts reflected in the 2012 statement of comprehensive income.

(a) *Taxable Revenues*

The Company's taxable revenues subject to regular tax rate for the year ended December 31, 2012 pertains to actual interest income from loans amounting to P3,000,000.

(b) *Deductible Cost of Services*

The Company does not have any deductible cost of services for the year ended December 31, 2012.

(c) *Taxable Non-operating and Other Income*

The Company does not have any taxable non-operating and other income for the year ended December 31, 2012.

(d) Itemized Deductions

The amounts of itemized deductions for the year ended December 31, 2012 are as follows:

Salaries and allowances	P	1,938,000
Rental		300,000
Membership fee		250,000
Professional fees		223,500
Communication, light and water		81,600
Office supplies		34,547
Taxes and licenses		24,490
Director's fee		22,000
Miscellaneous		13,874
	P	**2,888,011**

COVER SHEET

22264

S.E.C. Registration Number

BHI HOLDINGS INC

(formerly ConsOlidated InsUrance CompAny Inc)

(Company's Full Name)

22nD Floor The PeaRlbank Ctr 146 Valero St SalcEdo Vill Mkt

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

Rosalie A. Esteibar

Contact Person

840-2961

Company Telephone Number

Calendar Year		FORM TYPE	Annual Meeting	
Month	*Day*		*Month*	*Day*
12	31	17-Q	05	4F

N/A

Secondary License Type, If Applicable

MRD

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

336

Total No. of Stockholders

Total Amount of Borrowings

Domestic	Foreign
N/A	N/A

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **SEPTEMBER 30, 2013**

2. Commission Identification Number **22264** 3. BIR Tax Identification No. **000-446-527**

4. Exact name of registrant as specified in its charter

BHI HOLDINGS, INC.

5. **PHILIPPINES**
Province, Country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

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

8. **(2) 840-29-61**
Registrant'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 Code, or Section 4 and 8 of the RSA.

Title of Each Class	Number of Shares of Common Stock Outstanding and 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 class/es of securities listed therein:

Philippine Stock Exchange **Common Stock Class A and Class B**

12. Indicate by check mark whether the registrant.

(a) Has filed reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 the registrant was required to file such reports)

Yes [x] No [ ]

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

Yes [x] No [ ]

PART 1 - FINANCIAL INFORMATIONS

Item 1. Financial Statements

Please see attachments consisting the following:

Annex A - Statements of Financial Position
Annex B - Statements of Comprehensive Income and Retained Earnings
Annex C - Statements of Cash Flows as of September 30, 2013
Annex D - Statements of Changes in Equity

The interim financial statements have been prepared in accordance with the accounting principles generally accepted in the Philippines.

a) The same accounting policies and methods of computation are followed in the interim financial statements as compared with 2012 financial statements.

b) There is no actual operation. The source of other income is only from the interest income earned from a related company and a third party.

c) We are not aware of any unusual items that affect assets, liabilities, equity, net income and cash flows because of their nature, size or incident. Should we be aware of such items, we will include a disclosure in next quarter's report discussing such items.

d) There are no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.
NOT APPLICABLE

e) There were no issuance, repurchases, repayments of debt and equity securities
NOT APPLICABLE

f) There were no dividends paid separately for ordinary shares and other shares.
NOT APPLICABLE

g) Segment revenue and segment result for business segments or geographical segments, whichever is the issuer's primary basis of segment reporting.
NOT APPLICABLE

h) There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
NOT APPLICABLE

i) There were no changes in the composition of the issuer during the interim period, including the business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring, and discontinuing operations.
NOT APPLICABLE

j) There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date.
NOT APPLICABLE

k) There were no material contingencies and any other events or transactions that are material to an understanding of the current interim period.
NOT APPLICABLE

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

a. 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.

b. There are no material commitments for capital expenditures. Should we become aware of such commitments, we will include a disclosure discussing such commitments in subsequent quarterly reports.

c. The Company is still in the process of finalizing its business plans and has not made an active investment. Hence, there are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/ income from continuing operations.

d. The Company's effective interest income in excess of actual rates recognized on loan receivable and due to related party, as result of transitioning to Philippine Financial Reporting Standards (PFRS).

e. The causes for material changes of loans and receivable due to adoption of new accounting standards particularly PAS 32 and 39, Financial Instruments: Disclosure and Presentation and Recognition and Measurement, which became effective on January 1, 2005.

f. We are not aware of any seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Should we become aware of such aspects, we will include a disclosure discussing such aspects in Item 2 of subsequent quarterly reports.

g. There are no material changes in General & Administrative expenses. Should we become aware of such transaction, we will include a disclosure discussing such transaction in subsequent quarterly reports.

The Income Statement of BHI Holdings, Inc. as of September 30, 2013 showed a net income (loss) of (P2,499,522) using the effective interest rate on loans granted as required by PFRS. However, based on the terms of loan agreements, it would show a net income/(loss) of P71,480

REVENUES

- The Company effective interest income amounted to (P326,183) as of 3rd quarter of 2013. Of this amount P2,571,002 pertains to interest income in excess of actual rates recognized on loan receivable and due from related party, as a result of transitioning to PFRS. The actual interest income based on the terms of the loan agreements totaled to P2,243,836 and P2,252,055 both for 3rd quarter of 2013 and 2012.

- Other Income from Banco de Oro & Land Bank of the Philippines savings account amounted to P983

COST AND EXPENSES

- The Company's operating expenses as of the 3rd quarter of 2013 amounted to P2,173,339 or a decrease of .31% compared to the 3rd quarter of the year 2012. Material expenses came from office supplies, rental, salaries and wages, light and water, legal & audit fees and from membership fee.

OPERATIONAL ASPECT

- 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 succeeding periods. 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. Related effects will be reported in the financial statements as they became known and estimated.

PART II - OTHER INFORMATION

Effective February 16, 2002, our stock transfer agent shall be the Rizal Commercial Banking Corporation Stock Transfer Agency.

SIGNATURES

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

Registrant : **BHI HOLDINGS, INC.**

JUANITA U. TAN	**ROSALIE A. ESTEIBAR**
Principal Operating Officer/President	Principal Financial Officer
Date : 11-04-13	Date: 11-04-13

PART III - FINANCIAL INFORMATION

1) The Company is still in the process of finalizing its business plan of operation.

   a) The registrant can satisfy its cash requirements through interest income earned of its due from a related party and third party. There is no need to raise additional funds in the next nine (9) 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) b) For the year 2012 - The registrant satisfy its cash requirement through interest income earned of its due from related parties. There is no need to raised additional funds in the next twelve (12) months.

   For the year 2013 - The registrant satisfy its cash requirement through interest income earned of its due from related party and other party. There is no need to raised additional funds in the next three (3) months.

   For the year 2012 - The company has no product research and development because it has not finalized its operation plan.

   For the year 2013 - The company has no product research and development because it has not finalized its operation plan.

   For the year 2012 - The company has no expected purchase or sale of plant and equipment.

   For the year 2013 - The company has no expected purchase or sale of plant and equipment.

   For the year 2012 - The company has no expected significant changes in the number of employees.

   For the year 2013 - The company has no expected significant changes in the number of employees.

Key Performance Indicators (KPI's)

The Company's and its majority owned subsidiaries' top five (5) key performance indicators are shown below.

	December 31, 2012	December 31, 2011	Difference %
Revenues	P8,220,958	P7,017,633	P1,203,325
Earnings per share	5.56	(P5.88)	P11.44
Return on Equity	.02972	(.03140)	.06112
Debt ratio	.03125	.02786	.00339
Market Valuation	2.30	2.33	(.03)

Revenues decrease in 2012 by P 1,203,325 due to the effect of remeasurement of loan and interest income from bank.

Earnings per share is calculated by dividing the net income over the shares outstanding.

Return on equity is computed by dividing net income over average stockholders equity.

Debt ratio measures the share of company's liabilities to total assets.

Market valuation is computed by dividing market value per share over book value per share.

Key Performance Indicators (KPI's)

The Company's and its majority owned subsidiaries' top five (5) key performance indicators are shown below.

	September 30, 2013	September 30, 2012	Difference %
Revenues	(P326,183)	P1,903,292	(P2,229,475)
Earnings per share	(P5.0)	(P.55)	(P4.45)
Return on Equity	(.02668)	(.00301)	(.02367)
Debt ratio	.03394	.03006	.00388
Market Valuation	2.30	2.35	(.05)

Revenues decrease in 2013 by P2,229,475 due to the effect of remeasurement of loan and interest income from bank.

Earnings per share is calculated by dividing the net income over the shares outstanding.

Return on equity is computed by dividing net income over average stockholders equity.
Debt ratio measures the share of company's liabilities to total assets.

Market valuation is computed by dividing market value per share over book value per share.

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 September 30, 2013.

HOLDERS

Class	No. of Stockholders
Common A	336
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, the trading price indicate the high & low sales prices of the common equity of the registrant from 2011 to 3rd Quarter of 2013.

2013	**1st Quarter Date Price**	**2nd Quarter Date Price**	**3rd Quarter Date Price**
HIGH	630	630	550
LOW	420	420	550

2012	**1st Quarter Date Price**	**2nd Quarter Date Price**	**3rd Quarter Date Price**	**4th Quarter Date Price**
HIGH	280	630	430	430
LOW	280	420	422	430

2011	**1st Quarter Date Price**	**2nd Quarter Date Price**	**3rd Quarter Date Price**	**4th Quarter Date Price**
HIGH	280	270	405	900
LOW	280	260	270	270

Last transaction date was September 26, 2013 and the closing price was at P550 per share.

OTHER SECURITIES

None

(formerly Consolidated Insurance Company, Inc.)
EXPLANATORY PAGE IN LIEU OF THE
SCHEDULE OF AGING OF ACCOUNTS RECEIVABLE
QUARTERLY REPORT ENDING SEPTEMBER 30, 2013

The Company opted to attach this explanatory page in the absence of accounts classified under Trade Receivable and the inapplicability of its Non-Trade Receivable.

The Company's adoption of the new accounting standard result in the measurement of loans and receivables at amortized cost using the effective interest rate method. The discount rates used for due from related party and loan receivables of 7.710% and 12%, respectively, were determined by reference to the market interest rates at the time of the recognition of receivables.

As of September 30, 2013, the amortized cost of loan receivable and due from related parties are as follows:

DUE FROM RELATED PARTY

This consists of deposits made in 1999 by the Company for the acquisition of interest in the following company:

Aqua Rich, Inc	P	46,000,000
Discount on Due From Related Party		6,721,779
	P	39,278,221

DUE FROM OTHER PARTY

Takeda Holdings, Inc.	P	54,000,000
Discount on Loan Receivable		199,584
	P	53,800,416
Total	P	93,078,637

The Company converted these deposits to loans with an annual interest rate of 3%, as provided in the respective memoranda of agreement.

A) **<u>MANAGEMENT ASSESSMENT OF THE FINANCIAL RISK EXPOSURES OF THE COMPANY:</u>**

RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated with the parent company, in close cooperation with the BDO, 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 financial risks to which the Company is exposed to are describe below:

1. Interest Rate Risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. At September 30, 2013, exposures to changes in market interest rates refer to Company's cash in bank, which are subject to variable interest rates. The balance of cash in bank, however is not material.

2. Credit Risk

Generally, the maximum credit risk exposure of the financial assets is the carrying amount of the financial assets. To mitigate the risk, the Company's policy is to deal only with creditworthy counterparties. The Company has granted an unsecured loan to a third party amounting to P54,000,000 which has a net carrying value of P53,800,416 as of September 30, 2013. As such, the carrying value represents the Company's maximum credit risk exposure. Accordingly, credit risk, as assessed by management, is low. As to cash, the Company's bank accounts are maintained in highly reputable bank.

3. 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. Funding for expenditures are advanced by a stockholder of the Company.

As of September 30, 2013 and 2012, the Company's current financial liabilities amounting to P3,247,773 and P2,847,423 respectively.

B) MANAGEMENT DISCUSSIONS REGARDING ITS FINANCIAL INSTRUMENTS:

Financial Assets

Financial assets include cash and other financial instruments. Financial assets, other than hedging instruments, are classified into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated at every reporting date at which date a choice of classification or accounting treatment is available, subject to compliance with specific provisions of applicable accounting standards.

All financial assets are recognized on their trade date. All financial assets that are not classified as at fair value through profit or loss are initially recognized at fair value, plus transaction costs.

The Company's financial assets include Cash, Loans receivable and Due from a related party which are classified as loans and receivables in the balance sheets.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment losses. Any change in their value is recognized in profit or loss. Impairment loss is provided when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated cash flows.

Financial Liabilities

Financial liabilities include accrued expenses and other payables and due to a related party which are recognized when the Company becomes a party to the contractual agreements of the instrument. They are recognized initially at their nominal value and subsequently measured at amortized cost less settlement payments.

Financial liabilities are derecognized from the balance sheet only when the obligations are extinguished either through discharge, cancellation or expiration.

MANAGEMENT'S DISCUSSION AND STATUS OF OPERATIONS

The company presently derives revenue mainly from interest on loan and advances to a related party, which is considered its main business segment. Accordingly, no business segment information is presented in its financial statements.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. These financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial assets. The measurement bases are more fully described in the accounting policies.

The company as an investment holding company, the Company's target is to acquire ownerships in shares of profitable corporations. However, due to the present economic condition, the Company has not been very active in any investing activity and is only receiving interest income from loans granted to a related party and a third party. These factors, among others, raised substantial doubt about the Company's ability to continue as a going concern. The Company's management, however, continues to assess possible investment opportunities that it may undertake in the future. The financial statements do not include any adjustments on the recoverability and classifications of the assets or the amounts and classification of the liabilities arising from these uncertainties.

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.

Accounts that changed compared to quarter ending September 30, 2012 financial statement are as follows:

As of September 30, 2012, cash increased from P355,569 in 2012 to P723,388 for the period ended September 30, 2013. This was due mainly to low level of net cash used in operating activities amounting to P194,524 in 2013. For the period under review, interest received decreased to P2,243,836 from P2,252,910 for the 3rd quarter 2012.

Loan Receivable. Increased by 7.61%, from P49,994,425 to P53,800,416 due to loan receivable pertains to the loan granted to Takeda Holdings, Inc., a third party. The term of the loan agreement is for two years up to June 2014, with 3% interest rate due and payable annually. Under PFRS, the loan is remeasured by reference to the market interest rate at the time of the inception of the loan.

Due from a related party. This account initially consisted of deposit made by the Company for the acquisition of equity interest in an entity that has common stockholders as the Company. Upon the expiration of the conversion period of the deposit into equity, the deposits were automatically converted into an unsecured loan.

Accrued expenses and other payables. Amounted to P3,247,773 period ended September 30, 2013 compared to P2,847,423 in 2012 increased by 6.06%, the lease contract is from January 1, 2013 to December 31, 2013.

Result of Operations

Revenue. On September 30, 2013, the Company achieved revenue of (P326,183) decreased compare to P1,903,292 in 3rd quarter 2012. This was primarily due to the interest income in excess of actual rates recognized on loan receivable and due from a related party, as a result of PFRS application, was considered non-taxable income.

Operating Expenses. Total expenses decreased from P2,180,014 in 3rd quarter 2012 to P2,173,339 this quarter due to decreased in salaries and wages and other operating expenses.

BHI HOLDINGS, INC.

(formerly Consolidated Insurance Corporation, Incorporated)

COMPARATIVE STATEMENTS OF FINANCIAL POSITION

ANNEX 'A'

	30-Sep 2013	Audited 31-Dec 2012	INCREASE / (DECREASE) PESOS	PERCENT
ASSETS				
CURRENT ASSETS:				
CASH	723,388	528,863	194,525	36.78%
INPUT VAT -ADDED TAXES	1,873,809	1,811,409	62,400	3.44%
DUE FROM A RELATED PARTY	39,278,221	43,535,715	(4,257,494)	-9.78%
LOANS RECEIVABLE	53,800,416	52,113,924	1,686,492	3.24%
TOTAL ASSETS	**95,675,834**	**97,989,911**	**(2,314,077)**	**-2.36%**

	30-Sep 2013	Audited 31-Dec 2012	INCREASE / (DECREASE) PESOS	PERCENT
LIABILITIES & STOCKHOLDER'S EQUITY				
LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	1,745,477	1,560,197	185,280	11.88%
DUE TO A RELATED PARTY	1,487,173	1,487,173	-	0.00%
INCOME TAX PAYABLE	15,123	14,959	164	1.10%
TOTAL LIABILITIES	**3,247,773**	**3,062,329**	**185,444**	**6.06%**
STOCKHOLDER'S EQUITY :				
AUTHORIZED CAPITAL STOCK				
CLASS A OF 700,000 SHARES @ P100.00 PAR				
ISSUED & OUTSTANDING - 350,000 SHARES	35,000,000	35,000,000	-	0.00%
CLASS A OF 300,000 SHARES @ P100.00 PAR				
ISSUED & OUTSTANDING - 150,000 SHARES	15,000,000	15,000,000	-	0.00%
CONTRIBUTED SURPLUS	7,520,755	7,520,755	-	0.00%
RETAINED EARNINGS	34,907,305	37,406,827	(2,499,522)	-6.68%
TOTAL STOCKHOLDER'S EQUITY	**92,428,060**	**94,927,582**	**(2,499,522)**	**-2.63%**
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**95,675,834**	**97,989,911**	**(2,314,078)**	**-2.36%**

BHI HOLDINGS, INC.

(formerly Consolidated Insurance Corporation, Incorporated)

STATEMENTS OF COMPREHENSIVE INCOME AND RETAINED EARNINGS

FOR NINE MONTHS ENDING SEPTEMBER 30, 2012

ANNEX 'B'

	Nine-Months Period Ending		Three-Months Period Ending	
	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12
OTHER INCOME				
EFFECTIVE INTEREST INCOME IN EXCESS OF ACTUAL RATE	(2,571,002)	(349,618)	(5,515,373)	1,373,174
INTEREST-FUNDS HELD BY LOANS	2,243,836	2,252,055	756,164	756,164
BANK DEPOSITS	983	855	357	222
TIME DEPOSITS/SSD/COMMERCIAL PAPERS	-	-	-	-
GOVERNMENT SECURITIES	-	-	-	-
OTHER SOURCES/TAX CREDITS/EARNED DISCOUNTS	-	-	-	-
DIVIDEND INCOME	-	-	-	-
GAIN/(LOSS) ON FOREIGN EXCHANGE	-	-	-	-
MISCELLANEOUS	-	-	-	-
	(326,183)	1,903,292	(4,758,852)	2,129,560
INTEREST INCOME	(326,183)	1,903,292	(4,758,852)	2,129,560
GENERAL AND ADMINISTRATIVE EXPENSES	2,173,339	2,180,014	638,349	648,010
INCOME/(LOSS) BEFORE INCOME TAX	(2,499,522)	(276,722)	(5,397,201)	1,481,550
PROVISION FOR INCOME TAX	-	-	-	-
NET INCOME/(LOSS)	(2,499,522)	(276,722)	(5,397,201)	1,481,550
RETAINED EARNINGS AT BEGINNING OF YEAR	37,406,827	34,625,332	37,406,827	34,625,332
AS PREVIOUS REPORTED EFFECT OF TRANSITION TO PFRS				
AS RESTATED	37,406,827	34,625,332	37,406,827	34,625,332
RETAINED EARNINGS AT END OF THE YEAR	34,907,305	34,348,610	32,009,626	36,106,882
TOTAL NUMBER OF SHARES OUTSTANDING	500,000	500,000	500,000	500,000
EARNINGS PER SHARE	(5.00)	(0.55)	(10.79)	2.96

Note: 1) No dividends was declared applicable to common stock.

2) Earnings Per Share was computed by dividing net income/(loss) by the weighted average number of common shares subscribed and issued during the year outstanding.

BHI HOLDINGS, INC.

(formerly Consolidated Insurance Corporation, Incorporated)

STATEMENTS OF CASH FLOWS

FOR NINE MONTHS ENDING SEPTEMBER 30, 2013

ANNEX 'C'

	Nine-Months Period Ending		Three-Months Period Ending	
	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12
CASH FLOWS FROM OPERATING ACTIVITIES				
NET INCOME / (LOSS)	P (2,499,522)	P (276,723)	P (5,397,200)	P 1,481,550
Adjustment to reconcile net income / (loss) to net	2,571,002	349,618	5,515,373	(1,373,174)
Cash Provided by (used in) Operating Activities:				
Adjustment for Interest Income				
Depreciation and Amortization				
Reserve for Fluctuation of Investement in Shares of Stock				
Provision for Deferred Income Tax				
Loss on Disposal of Insurance Business				
(Increase)/Decrease in:				
Accrued Interest Receivable				
Other Assets	(62,400)	(63,930)	(10,800)	(10,800)
Increase/(Decrease) in:				
Accounts Payable and Accrued Expenses	185,444	206,750	(179,803)	115,773
Advances from Stockholders				
Net Cash Provided by / (Used In) Operating Activities	**P 194,524**	**P 215,715**	**(72,430)**	**P 213,349**
Cash Flow from Investing Activities				
Acquisition of Investments in:				
Governement Securities				
Shares of Stocks				
Property and Equipment				
Proceeds from:				
Retirement of Investment in Government Papers				
Retirement of Investment in Commercial Papers				
Decrease/(Increase) In Other Assets				
Net Cash Provided by / (Used In) Investing Activities	-	-	-	-
Additional Paid-In Capital During the Year	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	**P 194,524**	**P 215,715**	**(72,430)**	**P 213,349**
Cash and Cash Equivalents at Beginning of the Year	**528,863**	**139,854**	**528,863**	**139,854**
Cash and Cash Equivalents at End of the Year	**P 723,388**	**P 355,569**	**P 456,433**	**P 353,203**

BHI HOLDINGS, INC.

(formerly Consolidated Insurance Corporation, Incorporated)

STATEMENTS OF CHANGES IN EQUITY

FOR NINE MONTHS ENDING SEPTEMBER 30, 2013

ANNEX 'D'

	Nine-Months Period Ending		Three-Months Period Ending	
	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12
CAPITAL STOCK - P100 par value				
Class A				
Authorized - 700,000 shares				
Issued - 350,000 shares	35,000,000	35,000,000		
Class B				
Authorized - 300,000 shares				
Issued - 150,000 shares	15,000,000	15,000,000		
Balance	50,000,000	50,000,000		
ADDITIONAL PAID-IN CAPITAL	7,520,755	7,520,755		
RETAINED EARNINGS				
Balance at beginning of the year	37,406,827	34,625,332	37,406,827	34,625,332
As previous reported Effect of Transition to PFRS				
As restated	37,406,827	34,625,332	37,406,827	34,625,332
Net income (loss)	(2,499,522)	(276,723)	(5,397,200)	1,481,550
Balance at end of the year	34,907,305	34,348,609	32,009,627	36,106,882
TOTAL EQUITY	**92,428,060**	**91,869,364**	**32,009,627**	**36,106,882**