

BHI HOLDINGS, INC.

DEFINITIVE INFORMATION STATEMENT For the Year 2024 Annual Stockholders' Meeting

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

Statement that proxies are not solicited:

**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-ISA
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

- Preliminary Information Statement
 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. 15th 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 (632) 8840-29-61

8. December 18, 2024; 8:00 a.m.; 15th 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, 2024

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
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Common	349,987
Class A	
Class B	150,000

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

Yes No

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

Common	349,987
Class A	
Class B	150,000

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A. GENERAL INFORMATION

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Item 1. Date, Time and Place of Meeting of Security Holders

- a. Date : December 18, 2024 (**Face to face**)
 Time : 8:00 a.m.
 Place : 15th Floor, The Pearlbank Centre
 : 146 Valero St., Salcedo Village, Makati City

- b. Corporate mailing address : 22nd Floor, The Pearlbank Centre
 of the principal office of the : 146 Valero St., Salcedo Village
 registrant : Makati City

The approximate date on which the Definitive Information Statement will first be sent or given to security holders is November 28, 2024.

Item 2. Dissenters' Right of Appraisal

Under Section 80 of the Revised Corporation Code of the Philippines, any stockholder 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 that 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 corporate property and assets.

- c. Merger or consolidation; and

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

Under Section 81 of the Revised Corporation Code of the Philippines, any stockholder who shall have voted against the proposed corporate action may exercise his appraisal right by making a written demand on the corporation for the payment of the fair value of his shares within thirty (30) days after the date on which the vote was taken. The failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as the day before the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporate and the third by the two (2) thus chosen. The findings of the majority of the appraiser shall be final and their award shall be paid by the corporation within thirty (30) days after such award is made. No payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment. Upon payment by the corporation of the agreed or awarded price, the stockholder should transfer his shares to the corporation.

The dissenter's right of appraisal under Section 80 of the Revised Corporation Code of the Philippines is not applicable in any of the matters to be submitted to the stockholders' meeting. The agenda for the annual stockholders' meeting does not include any matters that would give rise to the stockholders' appraisal rights under Section 80 of the Revised Corporation Code.

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.

Item 3. Interest of Certain Persons in Matters to be Acted Upon

Other than the election of directors and the approval of the annual report of management on operations for 2024, there is no substantial interest, by security holdings, or otherwise, of the Corporation, any director or officer thereof, nominee for election as a 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.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a)	Number of Shares Outstanding as of November 04, 2024:
	Class A 349,987
	Class B 150,000
	TOTAL <u>499,987</u>

Each security holder shall be entitled to as many votes as the number of shares held. Foreigners own only .01% equity in the Company.

- (b) Record Date: Only stockholders of record at the close of business hours on November 18, 2024 ("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 votes such number of shares for as may person as there are directors to be elected or he may cumulate said shares equally, 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 than 5% of any class of its common equity as of November 04, 2024, namely:

Title of Class	Name & address of record owner & relationship with issuer	Name of Beneficial owner & relationship with record owner	Citizenship	No. of Shares	Percentage
Common	BULK HANDLERS, INC. 146 Valero Street, Salcedo Village, Makati City	BULK HANDLERS, INC.	Filipino	438,624	87.72%

Bulk Handlers Inc. owns the majority of the shares of BHI HOLDINGS, INC. BULK HANDLERS INC, which is controlled by the Tan Family. It is represented on 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 04, 2024

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership *	Percent of Class	Citizenship
COMMON A	MANUEL N. TANKIANSEE Chairman	P 100	0.0002%	Filipino
COMMON A	JUANITA U. TAN President/Director	5,800	0.0116%	Filipino
COMMON A	MARIVIC U. ISLA Chief Financial Officer	300	0.0006%	Filipino
COMMON A	MIGUEL OCAMPO TAN Director	100	0.0002%	Filipino
COMMON A	EMMA KENG OCAMPO-TAN Director	100	0.0002%	Filipino
COMMON A	JEMIE U. TAN Director	85,000	0.1700%	Filipino
COMMON A	MARILOU U. PUA Director	6,100	0.0122%	Filipino
COMMON A	MARTIN A. AUSTRIA Director	100	0.0002%	Filipino
COMMON A	JALANE CHRISTIE U. TAN Director	18,000	0.0360%	Filipino
COMMON A	JULIE C. DELA CRUZ Director/Vice-President	6,000	0.0120%	Filipino
COMMON A	FELISA ESCUDERO Director	6,000	0.0120%	Filipino
COMMON A	AGRIPINA M. SERRANO	6,000	0.0120%	Filipino
	HELEN C. DE LEON- MANZANO Corporate Secretary	-0-	-0-	Filipino
TOTAL		133,600	0.2672%	

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

Change in Control

There is no arrangement that may result in a 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.

Item 5. Directors and Executive Officers of the Registrant as of Nov. 04, 2024:

<u>Position</u>	<u>Name</u>	<u>Age</u>	<u>Citizenship</u>
<u>Members of the Board:</u>			
Director	Manuel N. Tankiansee	77	Filipino
Director	Juanita U. Tan	73	Filipino
Director	Jemie U. Tan	47	Filipino
Director	Miguel Ocampo-Tan	69	Filipino
Director	Emma Keng Ocampo-Tan	68	Filipino
Director	Marilou U. Pua	54	Filipino
Independent Director	Martin A. Austria	41	Filipino
Independent Director	Felisa P. Escudero	60	Filipino
Director	Jalane Christie U. Tan	44	Filipino
Director	Julie C. Dela Cruz	59	Filipino
Director	Agripina M. Serrano	51	Filipino

- Mr. Martin A. Austria and Ms. Felisa P. Escudero are duly elected independent directors. However, Ms. Escudero will no longer be running for re-election. Instead, Mr. Rony D. Mayabason will be nominated independent director during the annual general stockholders' meeting on December 18, 2024.

Executive Officers:

Chairman of the Board	Manuel N. Tankiansee	77	Filipino
President	Juanita U. Tan	73	Filipino
Vice President	Julie C. Dela Cruz	59	Filipino
Chief Financial Officer	Marivic U. Isla	41	Filipino
Corporate Secretary	Helen C. De Leon Manzano	67	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	:	22 nd Floor, The Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City
Age	:	77
Citizenship	:	Filipino
Business Experience for the last five years	:	Chairman of the Board: BHI Holdings, Inc.; Pearlbank Securities, Inc.

JUANITA U. TAN	-	President/Director
Term of Office	:	One (1) year
Years in Office	:	December 2000 to present
Address	:	22 nd Floor, The Pearlbank Centre, 146 Valero Street Salcedo Village, Makati City
Age	:	73
Citizenship	:	Filipino
Business Experience for the last five years	:	President and Director of BHI Holdings, Inc., Chairman of the Board of Claymore Holdings, Inc.
 JEMIE U. TAN	-	 Director
Term of Office	:	One (1) year
Years in Office	:	December 2000 to present
Address	:	22 nd Floor, The Pearlbank Centre, 146 Valero Street Salcedo Village, Makati City
Age	:	47
Citizenship	:	Filipino
Business Experience for the last five years	:	Director: BHI Holdings, Inc., Bulk Handlers, Inc., and Chairman of the Board of Premiere Success Dev't. Corp.
 MIGUEL OCAMPO-TAN	-	 Director
Term of Office	:	One (1) year
Years in Office	:	December 2000 to present
Age	:	69
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	:	22 nd Floor, The Pearlbank Centre, 146 Valero Street Salcedo Village, Makati City
Age	:	68
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	:	22 nd Floor, The Pearlbank Centre, 146 Valero Street Salcedo Village, Makati City
Age	:	54
Citizenship	:	Filipino
Business Experience for the last five years	:	Director: BHI Holdings, Inc., Treasurer: Farmix Fertilizers Corporation, Grain Traders Consumers, Inc., Chairman of Clark Quay Holdings, Inc., CFO Pearl City Development Corp.

JALANE CHRISTIE U. TAN	-	Director
Term of Office	:	One (1) year
Years in Office	:	March 2004 to present
Address	:	22 nd Floor, The Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City
Age	:	44
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	:	22 nd Floor, The Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City
Age	:	59
Citizenship	:	Filipino
Business Experience for the last five years	:	Director: Claymore Holdings, Inc., BHI Holdings, Inc.
AGRIPINA M. SERRANO	-	Director
Term of Office	:	One (1) year
Years in Office	:	December 2020 to present
Address	:	22 nd Floor, The Pearlbank Centre, 146 Valero Street Salcedo Village, Makati City
Age	:	51
Citizenship	:	Filipino
Business Experience for the last five years	:	Human Resource Manager, Calveston International, Inc.
FELISA P. ESCUDERO	-	Independent Director
Term of Office	:	One (1) year
Years in Office	:	December 18, 2008 to present
Address	:	22 nd Floor, The Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City
Age	:	60
Citizenship	:	Filipino
Business Experience for the last five years	:	Independent Director of BHI Holdings, Inc.
MARIVIC ISLA	-	Chief Financial Officer
Term of Office	:	One (1) year
Years in Office	:	December 17, 2021 to present
Address	:	22 nd Floor, The Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City
Age	:	41
Citizenship	:	Filipino
Business Experience for the last five years	:	Director: Hi-Yield Seed Corporation; Corporate Secretary: Apex Stevedoring & Arrastre Services & Bulk Handlers, Inc.
HELEN C. DE LEON-MANZANO	-	Corporate Secretary
Term of Office	:	One (1) year
Years in Office	:	December 2000 to present
Address	:	Unit 1704 & 1705 88 Corporate Center, 141 Valero Street, Salcedo Village, Makati City
Age	:	67
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 Norsvin Philippines Inc.,
Superior Baggers Stevedoring Services Inc., The Ritz Towers
Condominium Association, Inc., Philippine Hotel Owners
Association, Inc. and Senior Partner: Saulog and De Leon Law
Offices.

MARTIN A. AUSTRIA - Independent Director
Term of Office : One (1) Year
Years in Office : December 22, 2022 to present
Address : 22nd Floor Valero Street, Salcedo Village
Makati City
Age : 41
Citizenship : Filipino
Business Experience : General Manager of Austria Land Surveying

Ms. Felisa P. Escudero will no longer run for re-election as Director. Mr. Rony D. Mayabason will be nominated as Independent Director on December 18, 2024.

RONY D. MAYABASON - Independent Director
Term of Office : To be nominated and elected on December 18, 2024
Years in Office :
Address : 22nd Floor Valero Street, Salcedo Village
Makati City
Age : 56
Citizenship : Filipino
Business Experience : Freelance contractor

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

1. Manuel Tankiansee
2. Juanita U. Tan
3. Jemie U. Tan
4. Marilou U. Pua
5. Jalane Christie U. Tan
6. Julie C. Dela Cruz
7. Miguel Ocampo Tan
8. Emma Keng Ocampo Tan
9. Agripina M. Serrano
10. Martin A. Austria (**Independent Director**) *
11. Rony D. Mayabason (**Independent Director**)**

* Mr. Martin A. Austria was elected independent director since December 22, 2022

** Mr. Rony D. Mayabason will be nominated as 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 February 8, 2006.

The Nomination Committee was composed of Mr. Martin A. Austria (Independent Director) as Chairman, Ms. Juanita U. Tan, and Ms. Crisencia Joaquin as Members. The Nomination Committee endorsed to the Board their Final List of candidates for independent directors. The nominees were the following stockholders: Mr. Martin A. Austria and Mr. Rony D. Mayabason. Mr. Rony D. Mayabason was nominated by Ms. Juanita U. Tan. Mr. Martin A. Austria was nominated by Ms. Crisencia Joaquin. These stockholders who made the nominations are not related to any of the nominees.

No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holder because of a disagreement with the registrant on any matter relating to the registrant's operation policies or practices.

Registrant is not aware of any events that occurred during the past five (5) years up to the latest date that are material to an evaluation of the ability and integrity of any director, any nominee for election as director, executive officer, underwriter or control person of the registrant relative to any bankruptcy petition, conviction by final judgment, being subject to any Order, Judgment or Decree or any violation of a Securities or Commodities Law.

Other Significant Officers/Employees of the Registrant

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

Certain Relationships and Related Party Transactions

Related parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which includes affiliates. Related parties may be individuals or corporate entities.

It is the policy of the registrant that if ever transactions are entered into with related parties, these transactions will always be made at normal commercial prices and terms and will always be reviewed by the audit committee and properly disclosed in the accompanying financial statements.

There have 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 a 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 the 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 4th civil degree, either by consanguinity or affinity, among the Directors, executive officers, or persons nominated other than those already disclosed in this report.

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

Parties are considered to be related if one party can 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, 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 to the legal form. (See note 4 of the Audited Financial Statement of BHI Holdings, Inc. as of December 31, 2023).

Involvement in Certain Legal Proceedings

During the past five (5) years up to November 4, 2024, there have been **no material pending legal proceedings to which the registrant or any of its subsidiaries or affiliates is a party nor** 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 to which a director, executive officer, or control person of the Corporation is a party or to 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 criminal proceedings, domestic or foreign, involving any of its directors, executive officers, or control persons.
- 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), the Commission or comparable foreign body, or domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any of its directors, executive officers, or control persons have violated a securities or commodities law.

Item 6. Compensation of Directors and Officers

Information as to the aggregate compensation paid or accrued during the last three (3) years and to be paid in the ensuing year to the Company's Executive Officers and Directors is presented below:

**Estimated Annual Compensation
For the Fiscal year 2024**

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	Not receiving	Not receiving	Not receiving
Julie C. Dela Cruz	Vice-President	Not receiving	Not receiving	Not receiving
Marivic U. Isla**	Chief Financial Officer	Not receiving	Not receiving	Not receiving
Atty. Helen C. De Leon-Manzano*	Corporate Secretary	Not receiving	Not receiving	Not receiving
	TOTAL	P		

* Atty. Helen C. De Leon-Manzano never personally received any salary, bonus, or per diem from the subject corporation. The corporate secretarial services she is rendering to the corporation are part of the legal services that Saulog and De Leon Law Offices extend to the corporation for which the law office is paid a monthly retainer of Php 5,600.00 (inclusive of VAT).

** Ms. Marivic U. Isla does not receive compensation from the subject corporation. She is an employee of the parent company, Bulk Handlers, Inc. where she receives compensation.

Directors:

Name	Salary(P)	Bonus (P)	Other Annual Compensation
Manuel N. Tankiansee	Not receiving	Not receiving	P2,000/ASM
Juanita U. Tan	Not receiving	Not receiving	P2,000/ASM
Julie C. dela Cruz	Not receiving	Not receiving	P2,000/ASM
Jemie U. Tan	Not receiving	Not receiving	P2,000/ASM
Miguel Ocampo Tan	Not receiving	Not receiving	P2,000/ASM
Emma Keng Ocampo Tan	Not receiving	Not receiving	P2,000/ASM
Martin A. Austria	Not receiving	Not receiving	P2,000/ASM
Marilou U. Pua	Not receiving	Not receiving	P2,000/ASM
Julie C. Dela Cruz	Not receiving	Not receiving	P2,000/ASM
Felisa Escudero	Not receiving	Not receiving	P2,000/ASM
Jalane Christie U. Tan	Not receiving	Not receiving	P2,000/ASM
TOTAL	0		P22,000.00

Director, Jalane Christie U. Tan, and stockholder, Miko Paolo U. Tan, are the recipients of the salaries and wages disclosed in the Audited Financial Statements. Both render important administrative functions to the corporation. Director, Jalane Christie U. Tan is responsible for the overall operation of the Corporation. She monitors the monthly income and expenses of the Corporation. She also oversees the preparation and filing of the monthly report to the PSE and the quarterly report to the SEC and PSE.

**Estimated Annual Compensation
For the Fiscal year 2023**

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	Not receiving	Not receiving	Not receiving
Julie C. Dela Cruz	Vice-President	Not receiving	Not receiving	Not receiving
Marivic U. Isla**	Chief Financial Officer	Not receiving	Not receiving	Not receiving
Atty. Helen C. De Leon-Manzano*	Corporate Secretary	Not receiving	Not receiving	Not receiving
	TOTAL	P		

* Atty. Helen C. De Leon-Manzano never personally received any salary,- bonus, or per diem from the subject corporation. The corporate secretarial services she is rendering to the corporation are part of the legal services that Saulog and De Leon Law Offices extend to the corporation for which the law office is paid a monthly retainer of Php 5,600.00 (inclusive of VAT).

** Ms. Marivic U. Isla does not receive compensation from the subject corporation. She is an employee of the parent company, Bulk Handlers, Inc. where she receives compensation.

Directors:

Name	Salary(P)	Bonus (P)	Other Annual Compensation
Manuel N. Tankiansee	Not receiving	Not receiving	P2,000/ASM
Juanita U. Tan	Not receiving	Not receiving	P2,000/ASM
Julie C. dela Cruz	Not receiving	Not receiving	P2,000/ASM
Jemie U. Tan	Not receiving	Not receiving	P2,000/ASM
Miguel Ocampo Tan	Not receiving	Not receiving	P2,000/ASM
Emma Keng Ocampo Tan	Not receiving	Not receiving	P2,000/ASM
Martin A. Austria	Not receiving	Not receiving	P2,000/ASM
Marilou U. Pua	Not receiving	Not receiving	P2,000/ASM
Julie C. Dela Cruz	Not receiving	Not receiving	P2,000/ASM
Felisa P. Escudero	Not receiving	Not receiving	P2,000/ASM
Jalane Christie U. Tan	Not receiving	Not receiving	P2,000/ASM
TOTAL	0		P22,000.00

**Estimated Annual Compensation
For the Fiscal year 2022**

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	Not receiving	Not receiving	Not receiving
Julie C. Dela Cruz	Vice-President	Not receiving	Not receiving	Not receiving
Marivic U. Isla**	Chief Financial Officer	Not receiving	Not receiving	Not receiving
Atty. Helen C. De Leon-Manzano*	Corporate Secretary	Not receiving	Not receiving	Not receiving
	TOTAL	P		

* Atty. Helen C. De Leon-Manzano never personally received any salary, bonus, or per diem from the subject corporation. The corporate secretarial services she is rendering to the corporation are part of the legal services that Saulog and De Leon Law Offices extend to the corporation for which the law office is paid a monthly retainer of Php 5,600.00 (inclusive of VAT).

** Ms. Marivic U. Isla does not receive compensation from the subject corporation. She is an employee of the parent company, Bulk Handlers, Inc. where she receives compensation.

Directors:

Name	Salary(P)	Bonus (P)	Other Annual Compensation
Manuel N. Tankiansee	Not receiving	Not receiving	P2,000/ASM
Juanita U. Tan	Not receiving	Not receiving	P2,000/ASM
Agripina M. Serrano	Not receiving	Not receiving	P2,000/ASM
Jemie U. Tan	Not receiving	Not receiving	P2,000/ASM
Miguel Ocampo Tan	Not receiving	Not receiving	P2,000/ASM

Emma Keng Ocampo Tan	Not receiving	Not receiving	P2,000/ASM
Paolo Redemptus Capino	Not receiving	Not receiving	P2,000/ASM
Marilou U. Pua	Not receiving	Not receiving	P2,000/ASM
Julie C. Dela Cruz	Not receiving	Not receiving	P2,000/ASM
Felisa P. Escudero	Not receiving	Not receiving	P2,000/ASM
Jalane Christie U. Tan	Not receiving	Not receiving	P2,000/ASM
TOTAL	0		P22,000.00

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.

Item 7. Independent Public Accountant

The independent auditors or in the case of an audit firm, the signing partners of the aforementioned regulated entities shall be rotated after every five (5) years of engagement. A two-year cooling-off period shall be observed in the re-engagement of the signing partner or individual auditor.

Punongbayan & Araullo (P & A) have been the Independent Public Accountants of the Corporation since early 2000. However, the signing partners had been rotated every five (5) years of engagement.

The Stockholders appointed Punongbayan & Araullo (P & A) as the Independent Public Accountants for the year 2024. Mr. Niccolo Ian N. Unera 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, 2023, 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 the 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 desire, 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 reappointment of Punongbayan & Araullo as Independent Public Accountants for the year **2025** 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 Board of Directors recommends Punongbayan & Araullo as the Principal Accountant and Mr. Niccolo Ian N. Unera as the partner-in-charge for the ensuing year.

There are no disagreements on any matter of accounting principles or practices, FS disclosures, etc., between Punongbayan & Araullo and the Corporation.

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

1. Felisa P. Escudero
(to be replaced by Rony D. Mayabason) - Chairman (Independent Director)
2. Juanita U. Tan - Member
3. Julie C. dela Cruz - Member

Item 8. Compensation Plan

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

C. OTHER MATTERS

Amendments of Charter, By-Laws & Other Documents

No action relating to amendment of the Charter, Amended 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 18, 2024.

1. Minutes of the last Annual Stockholders' Meeting held on December 21, 2023 (copy of which is hereto attached **and uploaded to the company's website: bhi-holdings.com**);
2. Annual report to stockholders and audited financial statements as of and for the year ended December 31, 2023;
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 2023 audited financial statements;
 - Fixing the date of the 2024 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 meetings 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 to 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 stockholder is entitled to as many votes as shall equal the number of shares held by such person at the close of the 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 the 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 of shares voted for him. The counting shall be supervised by the Corporate Secretary, external auditors, and the transfer agent. The Chairman of the Board and the Audit Committee shall be responsible for the validation of the votes.

Compliance with Section 49 of the Revised Corporation Code (RCC)

Hereunder is a summary of what transpired (including stockholders resolutions passed and adopted) during the annual stockholders' meeting of the corporation held on December 21, 2023:

The Chairman of the Board of Directors called the meeting to order. The Secretary of the meeting certified that a quorum existed for the transaction of business for the corporation. The following is the record of the number of shares present via proxy or remote communication as certified by the Stock Transfer Service, Inc., to wit:

	No. of Shares	Percentage
Proxies (tabulated by Corporate Secretary)	453,877	90.78%
Attendance	9,787	1.96%
Total Proxies and Attendance	463,664	92.74%
Total Issued & Outstanding Shares:	499,987	

The stockholders approved the minutes of the annual stockholders' meeting held on **December 22, 2022**. The Chairman rendered his report on the Financial Statement for the year ended December 31, 2022, and submitted the annual report of the corporation for the said year for stockholders' approval. Upon motion duly made and seconded, the stockholders approved and adopted the following resolution:

"RESOLVED, That the Annual Report of the Board of Directors of the Corporation for the calendar year ended December 31, 2022, 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, 2022, 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."

The stockholders ratified the actions taken by the board of directors and officers of the corporation since the last stockholders' meeting with the passing of 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 22, 2022, to December 21, 2023, and all proceedings performed or taken pursuant thereto, be as they are hereby approved, ratified and confirmed."

Likewise, the stockholders appointed the auditing firm PUNONGBAYAN AND ARAULLO as external auditors of the corporation for the year 2023 with the adoption of the following resolution.:

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

During the meeting, the following were elected directors for the current year to serve of such for a period of one (1) year and until their successors have been duly elected and qualified, namely:

1. MR. MANUEL TANKIANSEE
2. MS. JUANITA U. TAN
3. MS. AGRIPINA M. SERRANO
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. MARTIN A. AUTRIA – independent director
10. MS. JULIE C. DELA CRUZ
11. MS. FELISA ESCUDERO – independent director

Description of Voting and Voting Tabulation Procedure used in the 2023 annual meeting

The stockholders of record voted by proxy or in absentia through the link provided by the corporation for the 2023 annual stockholders' meeting. Having access to the submitted proxies and ballots received via mail and email, the Board of Canvassers prepared the official tabulation of votes. Hereunder is the summary of the tabulation of votes:

2023 ASM Agenda Items	For	Against	Abstain
Approval of Minutes of Stockholders held on December 21, 2023	463,664	_____	_____
Approval of the Annual Report and Audited Financial Statement for the Year Ended December 31, 2022	463,664	_____	_____
Ratification of the Acts taken by the Board of Directors and Officers since the last stockholders' Meeting	463,664	_____	_____
Appointment of PUNONGBAYAN AND ARAULLO as external auditor of the Corporation for the year 2023	463,664	_____	_____
Election of Directors:			
MR. MANUEL TANKIANSEE	463,664	_____	_____
MS. JUANITA U. TAN	463,664	_____	_____
MS. AGRIPINA M. SERRANO	463,544	_____	120
MS. JEMIE U. TAN	463,604	60	_____
MS. JALANE CHRISTIE U. TAN	463,844	_____	_____
MR. MIGUEL OCAMPO-TAN	462,804	_____	860
MS. EMMA KENG OCAMPO-TAN	463,164	_____	500
MS. MARILOU U. PUA	463,544	120	_____
MR. MARTIN A. AUSTRIA (independent director)	463,024	640	_____
MS. JULIE C. DELA CRUZ	463,664	_____	_____
MS. FELISA ESCUDERO (independent director)	463,424	_____	240

Description of the opportunity given to stockholders to ask questions

The Chairman of the meeting encouraged the stockholders to ask questions after the rendition of the President's report and the approval of the annual report and the audited financial statements for the year ended December 31, 2022. Only one (1) stockholder asked a question and this question revolved around the plans of the company for the ensuing year in light of the pandemic. The Chairman explained that in view of the continuing uncertainties brought about by the pandemic to the economy, the company could still not pursue investments.

List of Directors, Officers, Stockholders, and Other Related Attendees who attended the 2023 Annual Stockholder Meeting

Attendance of Record of the 2023 Annual Stockholders' Meeting

The following directors and officers were present via remote communication:

- | | | | |
|-----|--------------------------------|---|-------------------------------------|
| 1. | MR. MANUEL TANKIANSEE | - | Chairman |
| 2. | MS. JUANITA U. TAN | - | President |
| 3. | MS. AGRIPINA M. SERRANO | - | elected Director during the meeting |
| 4. | MS. JEMIE U. TAN | - | Director |
| 5. | MS. JALANE CHRISTIE U. TAN | - | Director |
| 6. | MR. MIGUEL OCAMPO-TAN | - | Director |
| 7. | MS. EMMA KENG OCAMPO-TAN | - | Director |
| 8. | MS. MARILOU U. PUA | - | Director |
| 9. | MS. JULIE C. DELA CRUZ | - | Director |
| 10. | MR. MARTIN A. AUSTRIA | - | Independent Director |
| 11. | MS. FELISA ESCUDERO | - | Independent Director |
| 12. | ATTY. HELEN C. DE LEON-MANZANO | - | Corporate Secretary |

Other Attendees:

1. Stock Transfer Service, Inc. (represented by Mr. Michael Capoy, Assistant manager);
2. Punong Bayan and Araullo (represented by Mr. Niccolo Ian Unera);and
3. Other stockholders present

2024 Attendance Report of Directors in Board and Stockholders Meetings:

Name of Directors	1/26/2024	4/5/2024	7/19/2024	10/10/2024	11/8/2024	12/18/2024
Manuel Tankiansee	✓	✓	x	✓	✓	
Juanita U. Tan	✓	✓	✓	✓	✓	
Jemie U. Tan	✓	✓	✓	x	✓	
Jalane Christie U. Tan	x	x	✓	✓	x	
Julie C. Dela Cruz	✓	✓	✓	✓	✓	
Miguel Ocampo Tan	✓	✓	✓	✓	✓	
Emma Keng-Ocampo Tan	✓	✓	✓	✓	✓	
Marilou Pua	✓	✓	✓	✓	✓	
Agripina M. Serrano	✓	✓	✓	✓	✓	
Martin A. Austria	✓	✓	✓	✓	✓	
Felisa Escudero	✓	✓	✓	✓	✓	

✓ - present
X - absent

There are no appraisal and performance reports for the board, nor are there criteria and procedures for assessment.

Directors did not engage in self-dealing and/or related party transactions.

The company has no dividend policy. No dividend payments were made as the Corporation did not have surplus retained earnings.

Statement That Proxies Are Not Solicited:

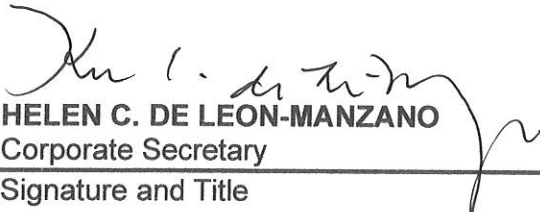
**WE ARE NOT ASKING YOU FOR A PROXY AND WE ARE
NOT ASKING YOU TO SEND US A PROXY**

SIGNATURE

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 was signed in the City of Makati on November 12, 2024.

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

By:


HELEN C. DE LEON-MANZANO
Corporate Secretary

Signature and Title

NOTICE OF ANNUAL REGULAR STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the annual regular meeting of the stockholders of BHI Holdings, Inc. will be held at the 15th Floor, The Pearlbank Centre, No. 146 Valero St., Salcedo Village, Makati City on December 18, 2024, Wednesday, at 8:00 a.m.

Only the stockholders of record as of the end of business day of November 18, 2024, shall be entitled to notice and to vote at the said meeting.

The Agenda for the 2024 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 21, 2023;
5. Report of the Chairman;
6. Consideration and approval of Financial Statements for the preceding year;
7. Confirmation of all Acts of the Board of Directors, Management, and all Committees;
8. Appointment of Punongbayan and Araullo as external auditors;
9. Election of Directors;
10. Other Matters; and
11. Adjournment.

For purposes of the meeting, only stockholders of record as of November 18, 2024, are entitled to vote in the said meeting.

The electronic copies of the Information Statement and Management Report and SEC 17A and other pertinent documents may be accessed through any of the following options:

1. Go to the BHI Holdings website via this link: www.bhi-holdings.com; or
2. Go to the PSE EDGE portal via <https://edge.pse.com.ph>

We are not soliciting your proxy. However, you may attend the meeting by submitting a duly accomplished proxy substantially in the form attached hereto which must be submitted to the Office of the Corporate Secretary via e-mail to bhiholdings@thegreenmail.net. The proxies shall be validated on December 12, 2024, from 2:00 to 4:00 p.m.

For your convenience in registering your attendance, please have some available form of identification (ID), such as company ID, government IDs, passport, or driver's license. Registration will start at 7:00 a.m.


HELEN C. DE LEON-MANZANO
Corporate Secretary

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

Held on December 21, 2023, at 8:00 a.m.

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 22, 2022

Upon the motion duly made and seconded, the reading of the minutes of the Annual Regular Stockholders' Meeting held on December 22, 2022, 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 his report on the financial statements for the year ended December 31, 2022, and the Chairman submitted the Annual Report

of the Corporation for the year 2022 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, 2022, 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, 2022, 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 22, 2022, to December 21, 2023, and all procedures 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 were 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. AGRIPINA M. SERRANO
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. MARTIN A. AUSTRIA – Independent Director

10. MS. JULIE C. DELA CRUZ
11. MS. FELISA ESCUDERO – Independent Director

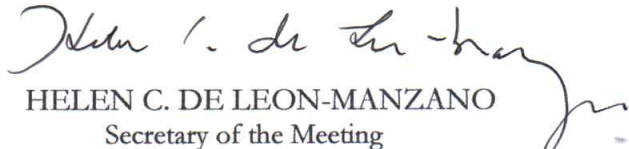
The Chairman congratulated the newly elected directors and informed them that an organizational meeting of the newly elected directors shall be held immediately after the meeting.

APPOINTMENT OF
PUNONGBAYAN AND
ARAUULLO AS EXTERNAL
AUDITORS

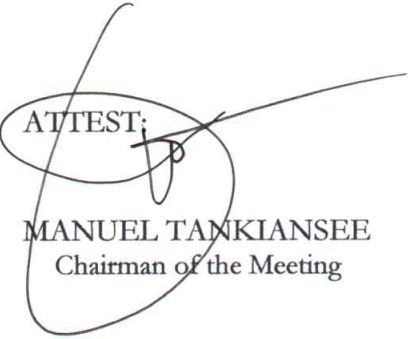
“RESOLVED, as it is hereby resolved, that the Corporation appoints the auditing firm PUNONGBAYAN AND ARAULLO, as external auditor of the Corporation.”

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

PROXY

The undersigned hereby appoints:

(a) The Chairman of the Board of Directors of BHI HOLDINGS, INC.

(b) _____

To act for me and on my/our behalf at BHI HOLDINGS, INC., Annual Stockholders' Meeting to be held on December 18, 2024 (and as may be rescheduled and/or adjourned) and to vote for me/us indicated below or, if no such indication is given, as may our proxy thinks fit:

	RESOLUTIONS	FOR	AGAINST	ABSTAIN
1	Approval/ratification of the Minutes of the Annual Stockholders' Meeting held on December 21, 2023			
2	Approval of the Management Report for the Year Ended December 31, 2023			
3	Ratification of all Acts of the Board of Directors and Officers during the preceding year			
4	Appointment of Punongbayan & Araullo (P & A) as the Independent Public Accountants			
5	Election of Directors 2024 – 2025 1.Manuel N. Tankiansee 2.Juanita U. Tan 3. Julie C. Dela Cruz 4. Jemie U. Tan 5. Miguel Ocampo Tan 6. Emma Keng- Ocampo Tan 7. Jalane U. Tan 8. Marilou Pua 9. Agripina M. Serrano			
6	Re-election of Martin Austria (Independent Director)			
7	Election of Rony D. Mayabason (Independent Director)			

This proxy is intended only for this meeting and revokes any and all proxies that may have previously been executed in favor of a person or persons other than those named above. This proxy shall remain in full force and effect until specifically revoked through a notice in writing lodged with the Corporate Secretary of the Corporation before the scheduled time of the meeting, in accordance with the Corporation's By-Laws and the provisions of the Revised Corporation Code.

(Signature above printed name, including title when signing for a corporation)

Date: _____

No. of Share held: _____

REPUBLIC OF THE PHILLIPPINES)
_____) S.S.

SECRETARY'S CERTIFICATE

I, _____, of legal age, Filipino, and with office address at _____, after having been duly sworn to in accordance with the law, hereby depose and state that:

1. I am the Corporate Secretary of _____ (the "Corporation") a corporation organized and existing under and by virtue of the laws of the Philippines, with office address at _____;
2. In a meeting of the Board of Directors of the Corporation held at its office on _____ the following resolution was approved:

"RESOLVED, That the Board of Directors of the Corporation hereby authorize, as it is hereby authorizes the following officers of the Corporation, to designate the proxy or otherwise act as proxy of the Corporation, authorized to vote the shares of the Corporation during the 2024 Annual Stockholders' Meeting of BHI HOLDINGS, INC., and any of the following is likewise authorized to sign, execute and deliver, any proxy from and such other documents, forms, instruments, or papers as may be required in order to represent the shares of the Corporation at the said Annual Stockholders' Meeting:

Name	Specimen Signature
_____	_____
_____	_____

This proxy is intended only for this meeting and revokes any and all proxies that may have previously been executed in favor of a person or persons other than those named above. This proxy shall remain in full force and effect until specifically revoked through a notice in writing lodged with the Corporate Secretary of the Corporation before the scheduled time of the meeting, in accordance with the Corporation's By-Laws and the provisions of the Revised Corporation Code.

IN WITNESS WHEREOF, I affix my signature this ____ day of _____ at _____.

Corporate Secretary

SUBSCRIBED AND SWORN to before me this ____ day of _____, affiant exhibited to me his/her competent evidence of identity _____

Doc No. _____;
Page No. _____;
Book No. _____;
Series of 2024.

CERTIFICATION OF REGULAR DIRECTOR

I, **MANUEL N. TANKIANSEE**, of legal age, Filipino, married, and with office address at 15th Floor Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City, after having been duly sworn to in accordance with the law do hereby declare that:

1. I am a regular director of BHI Holdings Inc.;
2. I possess all the qualifications and none of the disqualifications to serve as a regular director of BHI Holdings Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations;
3. I shall faithfully and diligently comply with my duties and responsibilities as a regular director under the Securities Regulation Code;
4. I am not connected with any government agencies or its instrumentalities;
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 13 NOV 2024 day of QUEZON CITY at _____.


MANUEL N. TANKIANSEE
Affiant

13 NOV 2024

SUBSCRIBED AND SWORN to before me this ___ day of QUEZON CITY, affiant personally appeared before me and exhibited to me his Tax Identification Number 126-197-981-000.

Doc. No. 412 ;
Page No. 85 ;
Book No. KL11 ;
Series of 2024.


ATTY. FELIZARDO M. IBARRA
Notary Public for Quezon City Until Dec. 31, 2024
Roll No. 80835
PTR No. 5452394D, 01/02/2024, Q.C.
IBP No. 254794, December 28, 2022
MCLE Comp. No. VIII-0000973 / until April 14, 2025
ADM Matter No. NP-223 / (2023-2024)
Lot 27 Block VI, No. 1160 Quirino Highway
Brgy. Kaligayahan, Quezon City

CERTIFICATION OF REGULAR DIRECTOR

I, **JUANITA U. TAN**, of legal age, Filipino, married, and with office address at 15th Floor Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City, after having been duly sworn to in accordance with the law do hereby declare that:

1. I am a regular director of BHI Holdings Inc.;
2. I possess all the qualifications and none of the disqualifications to serve as a regular director of BHI Holdings Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations;
3. I shall faithfully and diligently comply with my duties and responsibilities as regular director under the Securities Regulation Code;
4. I am not connected with any government agencies or its instrumentalities;
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 13 NOV 2024 day of QUEZON CITY.

Juanita U. Tan
JUANITA U. TAN
 Affiant
13 NOV 2024 QUEZON CITY

SUBSCRIBED AND SWORN to before me this ___ day of _____ at _____, affiant personally appeared before me and exhibited to me her Tax Identification Number 126-197-593-000.

Doc. No. 488 ;
 Page No. 82 ;
 Book No. YLU ;
 Series of 2024.

Felizardo M. Ibarra
ATTY. FELIZARDO M. IBARRA
 Notary Public for Quezon City Until Dec. 31, 2024
 Roll No. 80835
 PTR No. 5452394D, 01/02/2024, Q.C.
 IBP No. 254794, December 28, 2022
 MCLE Comp. No. VIII-0000973 / until April 14, 2025
 ADM Matter No. NP-223 / (2023-2024)
 Lot 27 Block VI, No. 1160 Quirino Highway
 Brgy. Kaligayahan, Quezon City

CERTIFICATION OF REGULAR DIRECTOR

I, **JULIE C. DELA CRUZ**, of legal age, Filipino, married, and with office address at 15th Floor Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City, after having been duly sworn to in accordance with the law do hereby declare that:

1. I am a regular director of BHI Holdings Inc.;
2. I possess all the qualifications and none of the disqualifications to serve as a regular director of BHI Holdings Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations;
3. I shall faithfully and diligently comply with my duties and responsibilities as regular director under the Securities Regulation Code;
4. I am not connected with any government agencies or its instrumentalities;
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 _____ day of 13 NOV 2024 at QUEZON CITY.


JULIE C. DELA CRUZ
Affiant

13 NOV 2024

SUBSCRIBED AND SWORN to before me this _____ day of QUEZON CITY at _____, affiant personally appeared before me and exhibited to me her Tax Identification Number 126-197-656-000.

Doc. No. 414 ;
Page No. 24 ;
Book No. CV ;
Series of 2024.


ATTY. FELIZARDO M. IBARRA
Notary Public for Quezon City Until Dec. 31, 2024
Roll No. 80835
PTR No. 5452394D, 01/02/2024, Q.C.
IBP No. 254794, December 28, 2022
MCLE Comp. No. VIII-0000973 / until April 14, 2025
ADM Matter No. NP-223 / (2023-2024)
Lot 27 Block VI, No. 1160 Quirino Highway
Brgy. Kaligayahan, Quezon City

CERTIFICATION OF REGULAR DIRECTOR

I, **JEMIE U. TAN**, of legal age, Filipino, single, and with office address at 15th Floor Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City, after having been duly sworn to in accordance with the law do hereby declare that:

1. I am a regular director of BHI Holdings Inc.;
2. I possess all the qualifications and none of the disqualifications to serve as a regular director of BHI Holdings Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations;
3. I shall faithfully and diligently comply with my duties and responsibilities as a regular director under the Securities Regulation Code;
4. I am not connected with any government agencies or its instrumentalities;
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 03 day of NOV 2024 at QUEZON CITY.

Jemie Tan
JEMIE U. TAN
Affiant

SUBSCRIBED AND SWORN to before me this 03 day of NOV 2024 at QUEZON CITY,
affiant personally appeared before me and exhibited to me her Tax Identification Number 200-074-698-000.

Doc. No. 409 ;
Page No. 68 ;
Book No. PLU ;
Series of 2024.

Felizardo M. Ibarra
ATTY. FELIZARDO M. IBARRA
Notary Public for Quezon City Until Dec. 31, 2024
Roll No. 80835
PTR No. 5452394D, 01/02/2024, Q.C.
IBP No. 254794, December 28, 2022
MCLE Comp. No. VIII-0000973 / until April 14, 2025
ADM Matter No. NP-223 / (2023-2024)
Lot 27 Block VI, No. 1160 Quirino Highway
Brgy. Kaligayahan, Quezon City

CERTIFICATION OF REGULAR DIRECTOR

I, **JALANE CHRISTIE U. TAN**, of legal age, Filipino, married, and with office address at 15th Floor Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City, after having been duly sworn to in accordance with the law do hereby declare that:

1. I am a regular director of BHI Holdings Inc.;
2. I possess all the qualifications and none of the disqualifications to serve as a regular director of BHI Holdings Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations;
3. I shall faithfully and diligently comply with my duties and responsibilities as a regular director under the Securities Regulation Code;
4. I am not connected with any government agencies or its instrumentalities;
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 _____ day of 13 NOV 2024 at QUEZON CITY.


JALANE CHRISTIE U. TAN


Affiant

13 NOV 2024

QUEZON CITY

SUBSCRIBED AND SWORN to before me this ___ day of _____ at _____, affiant personally appeared before me and exhibited to me her Tax Identification Number 209-168-571-000.

Doc. No. 410 ;
Page No. 83 ;
Book No. CU ;
Series of 2024.


ATTY. FEILARDO M. IBARRA
Notary Public for Quezon City Until Dec. 31, 2024
Roll No. 80835
PTR No. 5452394D, 01/02/2024, Q.C.
IBP No. 254794, December 28, 2022
MCLE Comp. No. VIII-0000973 / until April 14, 2025
ADM Matter No. NP-223 / (2023-2024)
Lot 27 Block VI, No. 1160 Quirino Highway
Brgy. Kaligayahan, Quezon City

CERTIFICATION OF REGULAR DIRECTOR

I, **MARILOU PUA**, of legal age, Filipino, married, and with office address at 15th Floor Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City, after having been duly sworn to in accordance with the law do hereby declare that:

1. I am a regular director of BHI Holdings Inc.;
2. I possess all the qualifications and none of the disqualifications to serve as a regular director of BHI Holdings Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations;
3. I shall faithfully and diligently comply with my duties and responsibilities as a regular director under the Securities Regulation Code;
4. I am not connected with any government agencies or its instrumentalities;
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 13 NOV 2024 day of QUEZON CITY at _____.

MariLou Pua
MARILOU PUA
Affiant

QUEZON CITY

SUBSCRIBED AND SWORN to before me this 13 NOV 2024 day of _____ at, affiant personally appeared before me and exhibited to me her Tax Identification Number 122-823-153-000.



ATTY. FELIZARDO M. IBARRA
Notary Public for Quezon City Until Dec. 31, 2024
Roll No. 80835

PTR No. 5452394D, 01/02/2024, Q.C.
IBP No. 254794, December 28, 2022
MCLE Comp. No. VIII-0000973 / until April 14, 2025
ADM Matter No. NP-223 / (2023-2024)
Lot 27 Block VI, No. 1160 Quirino Highway
Brgy. Kaligayahan, Quezon City

Doc. No. 411 ;
Page No. 85 ;
Book No. KU ;
Series of 2024.

CERTIFICATION OF REGULAR DIRECTOR

I, **MIGUEL OCAMPO TAN**, of legal age, Filipino, married, and with postal address at No. 16 Astra St., Bel-Air, Makati City, after having been duly sworn to in accordance with the law do hereby declare that:

1. I am a regular director of BHI Holdings Inc.
2. I possess all the qualifications and none of the disqualifications to serve as a regular director of BHI Holdings Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
3. I shall faithfully and diligently comply with my duties and responsibilities as a regular director under the Securities Regulation Code.
4. I am not connected with any government agencies or its instrumentalities.
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 13 NOV 2024 day of QUEZON CITY.


MIGUEL OCAMPO TAN
Affiant

13 NOV 2024 QUEZON CITY

SUBSCRIBED AND SWORN to before me this ___ day of _____, affiant personally appeared before me and exhibited to me his Tax Identification Number 141-989-186-000.


ATTY. FELIZARDO M. IBARRA
Notary Public for Quezon City Until Dec. 31, 2024
Roll No. 80835

PTR No. 5452394D, 01/02/2024, Q.C.
IBP No. 254794, December 28, 2022
MCLE Comp. No. VIII-000973 / until April 14, 2025
ADM Matter No. NP-223 / (2023-2024)
Lot 27 Block VI, No. 1160 Quirino Highway
Brgy. Kaligayahan, Quezon City

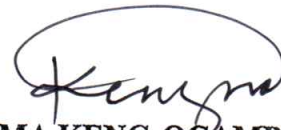
Doc. No. 412 ;
Page No. 84 ;
Book No. 221 ;
Series of 2024.

CERTIFICATION OF REGULAR DIRECTOR

I, **EMMA KENG-OCAMPO TAN**, of legal age, Filipino, married, and with postal address at No. 16 Astra St., Bel-Air, Makati City, after having been duly sworn to in accordance with the law do hereby declare that:

1. I am a regular director of BHI Holdings Inc.;
2. I possess all the qualifications and none of the disqualifications to serve as a regular director of BHI Holdings Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations;
3. I shall faithfully and diligently comply with my duties and responsibilities as a regular director under the Securities Regulation Code;
4. I am not connected with any government agencies or its instrumentalities;
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 _____ day of 13 NOV 2024 at QUEZON CITY.




EMMA KENG-OCAMPO TAN
Affiant

13 NOV 2024

SUBSCRIBED AND SWORN to before me this ___ day of QUEZON CITY,
affiant personally appeared before me and exhibited to me her Tax Identification Number 141-898-195-000.

Doc. No. 413 ;
Page No. 01 ;
Book No. KU1 ;
Series of 2024.



ATTY. FELIZARDO M. IBARRA
Notary Public for Quezon City Until Dec. 31, 2024
Roll No. 80835
PTR No. 5452394D, 01/02/2024, Q.C.
IBP No. 254794, December 28, 2022
MCLE Comp. No. VIII-0000973 / until April 14, 2025
ADM Matter No. NP-223 / (2023-2024)
Lot 27 Block VI, No. 1160 Quirino Highway
Brgy. Kaligayahan, Quezon City

CERTIFICATION OF REGULAR DIRECTOR

I, **AGRIPINA M. SERRANO**, of legal age, Filipino, single, and with office address at 15th Floor Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City, after having been duly sworn to in accordance with the law do hereby declare that:

1. I am a regular director of BHI Holdings Inc. ;
2. I possess all the qualifications and none of the disqualifications to serve as a regular director of BHI Holdings Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations;
3. I shall faithfully and diligently comply with my duties and responsibilities as a regular director under the Securities Regulation Code;
4. I am not connected with any government agencies or its instrumentalities;
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 _____ day of 13 NOV 2024 at QUEZON CITY.

Agripina M. Serrano
AGRIPINA M. SERRANO
Affiant

SUBSCRIBED AND SWORN to before me this 13 NOV 2024 day of QUEZON CITY, affiant personally appeared before me and exhibited to me her Tax Identification Number 176-398-879-000.

Felizardo M. Ibarra
ATTY. FELIZARDO M. IBARRA
Notary Public for Quezon City Until Dec. 31, 2024
Roll No. 80835
PTR No. 5452394D, 01/02/2024, Q.C.
IBP No. 254794, December 28, 2022
MCLE Comp. No. VIII-0000973 / until April 14, 2025
ADM Matter No. NP-223 / (2023-2024)
Lot 27 Block VI, No. 1160 Quirino Highway
Brgy. Kaligayahan, Quezon City


Doc. No. 415 ;
Page No. 84 ;
Book No. 411 ;
Series of 2024.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RONY D. MAYABASON**, of legal age, Filipino, married, and with postal address at 15th Floor Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City, after having been duly sworn to in accordance with the law do hereby declare that:

1. I am an independent director of BHI Holdings Inc.;
2. 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;
3. I shall faithfully and diligently comply with my duties and responsibilities as independent directors under the Securities Regulation Code;
4. I am not connected with any government agencies or its instrumentalities;
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 13 NOV 2024 day of QUEZON CITY at _____.


RONY D. MAYABASON
Affiant

13 NOV 2024

SUBSCRIBED AND SWORN to before me this ___ day of QUEZON CITY, affiant personally appeared before me and exhibited to me his Tax Identification Number 188-777-554-000.

Doc. No. 418 ;
Page No. 1 ;
Book No. YLU ;
Series of 2024;


ATTY. FELIZARDO M. IBARRA
Notary Public for Quezon City Until Dec. 31, 2024
Roll No. 80835
PTR No. 5452394D, 01/02/2024, Q.C.
IBP No. 254794, December 28, 2022
MCLE Comp. No. VIII-0060973 / until April 14, 2025
ADM Matter No. NP-223 / (2023-2024)
Lot 27 Block VI, No. 1160 Quirino Highway
Brgy. Kaligayahan, Quezon City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MARTIN AUSTRIA**, of legal age, Filipino, married, and with postal address at 15th Floor Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City, after having been duly sworn to in accordance with the law do hereby declare that:

1. I am an independent director of BHI Holdings Inc.;
2. 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;
3. I shall faithfully and diligently comply with my duties and responsibilities as independent directors under the Securities Regulation Code;
4. I am not connected with any government agencies or its instrumentalities;
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 13 NOV 2024 day of QUEZON CITY at _____.


MARTIN AUSTRIA
Affiant

13 NOV 2024

QUEZON CITY

SUBSCRIBED AND SWORN to before me this ___ day of _____, affiant personally appeared before me and exhibited to me his Tax Identification Number 248-944-863-000.


ATTY. FELIZARDO M. IBARRA
Notary Public for Quezon City Until Dec. 31, 2024
Roll No. 80835
PTR No. 5452394D, 01/02/2024, Q.C.
IBP No. 254794, December 28, 2022
MCLE Comp. No. VIII-0000973 / until April 14, 2025
ADM Matter No. NP-223 / (2023-2024)
Lot 27 Block VI, No. 1160 Quirino Highway
Brgy. Kaligayahan, Quezon City

Doc. No. 46 ;
Page No. 1 ;
Book No. 244 ;
Series of 2024;

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **FELISA P. ESCUDERO**, Filipino, of legal age and a resident of 15th 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 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.
3. I shall faithfully and diligently comply with my duties and responsibilities as independent directors under the Securities Regulation Code.
4. I am not connected with any government agencies or its instrumentalities.
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 04 NOV 2024 day of _____ at QUEZON CITY.


FELISA P. ESCUDERO

Affiant

SUBSCRIBED AND SWORN to before me this 04 NOV 2024 at QUEZON CITY affiant personally appeared before me and exhibited to me his/her Tax Identification Number 167-017-993.



ATTY. FELIZARDO M. IBARRA
Notary Public for Quezon City Until Dec. 31, 2024
Roll No. 80835
PTR No. 5452394D, 01/02/2024, Q.C.
IBP No. 254794, December 23, 2022
MCLE Comp. No. VIII-0000973 / until April 14, 2025
ADM Matter No. NP-223 / (2023-2024)
Lot 27 Block VI, No. 1160 Quirino Highway
Brgy. Kaligayahan, Quezon City

Doc. No. 579 ;
Page No. 87 ;
Book No. 211 ;
Doc. No. 27 ;
Series of _____ ;

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 customers, 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

As an investment holding company, the Company's main thrust is to acquire ownerships in profitable corporations. However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years.

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.

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

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.

BHI HOLDINGS, INC.
(A subsidiary of Bulk Handlers, Inc.)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>	<u>Difference</u>	
REVENUES				
Interest income from loans	P 3,000,000	P 3,000,000		
Interest income from cash in banks	<u>151</u>	<u>116</u>		
	<u>3,000,151</u>	<u>3,000,116</u>	35	0.001%

OPERATING EXPENSES				
Salaries and employee benefits	1,164,000	1,164,000		
Rent	360,000	360,000		
Other operating expenses	<u>1,091,395</u>	<u>1,117,191</u>		
	<u>2,615,395</u>	<u>2,641,191</u>	-25,796	-0.986%
PROFIT BEFORE TAX	384,756	358,925		
TAX EXPENSE	<u>76,280</u>	<u>23</u>	76,257	99.97%
NET PROFIT	308,476	358,902		
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>		
TOTAL COMPREHENSIVE INCOME	<u>P 308,476</u>	<u>P 358,902</u>		

Result of Operations

Year Ended December 31, 2023 compared to Year Ended December 31, 2022

Revenue. For the year ended December 31, 2023, the Company achieved revenue of P3,000,151 increased by 0.001% over the P3,000,116 in 2022. This was primarily due to increase in interest income from loan.

Operating Expenses. Total expenses decreased by 0.986% from P2,641,191 in 2022 to P2,615,395 this year due to increase in other operating expenses.

Financial Costs. There was no financial cost recognized for the year 2023 and 2022.

Tax Expenses. Increase by 99.97% from P23 for the twelve months ended December 31, 2022 to P76,280 for the period ended December 31, 2023.

Net Income. Net income of the Company were P358,902 for 2022 and net income of P308,476 for 2023.

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, 2023 and 2022.

BHI HOLDINGS, INC.
(A subsidiary of Bulk Handlers, Inc.)
STATEMENT OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>	<u>Difference</u>
<u>ASSETS</u>			

CURRENT ASSETS

Cash	P	264,130	P	325,495	-61,365	18.85%
Prepayments and other current assets		<u>3,151,519</u>		<u>3,084,389</u>	67,130	2.18%
Total Current Assets		3,415,649		3,409,884		
NON-CURRENT ASSET						
Due from a related party		<u>100,000,000</u>		<u>100,000,000</u>	0	0.00%
TOTAL ASSETS	P	<u>103,415,649</u>	P	<u>103,409,884</u>	5,765	0.01%

LIABILITIES AND EQUITY**CURRENT LIABILITIES**

Accrued expense and other payables		3,647,394		3,950,105	302,711	-7.66%
Due to a stockholder		<u>867,116</u>		<u>867,116</u>		
Total Liabilities		<u>4,514,510.00</u>		<u>4,817,221.00</u>		
EQUITY						
Capital stock		50,000,000		50,000,000		
Additional paid-in capital		7,520,755		7,520,755		
Retained earnings		<u>41,380,384</u>		<u>41,071,908</u>		
Total Equity		98,901,139		98,592,663		
TOTAL LIABILITIES AND EQUITY	P	<u>103,415,649</u>	P	<u>103,409,884</u>		

Cash

Decrease of 18.85% from P325,495 for the year ended December 31, 2023 to P264,130 for the year ended December 31, 2023. This was due mainly to low level of net cash provided in operating activities.

Accrued expenses and other payables

Amounted to P3,950,105 for the year ended December 31, 2023 compared to P3,647,394 for the year ended December 31, 2023 decreased by 7.66%.

Key Performance Indicators (KPI's)

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>Difference %</u>	
Revenues	P 3,000,151	P 3,000,116	P35	0.0001%
Earnings per share	P 0.617	P 0.718	(P0.101)	(16.3%)
Return on Equity	0.003	0.004	(0.001)	(16.7%)
Debt ratio	0.042	0.047	(0.005)	(06.7%)
Market Valuation	3.44	3.36	0.08	2.30%

Revenues increase in 2023 by P35 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 stockholder's 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.

INTERIM UNAUDITED FINANCIAL STATEMENTS

Comparative Balance Sheet as of December 31, 2023 compared to Quarterly ended September 30, 2024.

BHI HOLDINGS, INC.
COMPARATIVE BALANCE SHEET
AS OF DECEMBER 31, 2023 AND SEPTEMBER 30, 2024

	Nine-Months 30-Sep <u>2024</u>	31-Dec <u>2023</u>
<u>A S S E T S</u>		
CURRENT ASSETS		
CASH	P 299,512	P 264,130
INPUT VALUE-ADDED TAX	3,247,163	3,143,648
PREPAID TAX CREDIT	-	7,871
TOTAL CURRENT ASSETS	<u>P 3,546,675</u>	<u>P 3,415,649</u>
NON-CURRENT ASSETS		
LOANS RECEIVABLE	<u>100,000,000</u>	<u>100,000,000</u>
TOTAL CURRENT ASSETS	<u>P 100,000,000</u>	<u>P 100,000,000</u>
TOTAL ASSETS	<u>P 103,546,675</u>	<u>P 103,415,649</u>
<u>LIABILITIES & STOCKHOLDERS' EQUITY</u>		
LIABILITIES:		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	P 3,527,654	P 3,647,394
Accrued Expense Payable	3,518,050	3,637,790
Withholding Tax Payable-Compensation	8,200	8,200
Withholding Tax Payable-Expanded	<u>1,404</u>	<u>1,404</u>
DUE TO A RELATED PARTY	867,116	867,116
Due to a Related Party	<u>867,116</u>	<u>867,116</u>
TOTAL LIABILITIES	<u>P 4,394,770</u>	<u>P 4,514,510</u>
STOCKHOLDERS'S EQUITY:		
AUTHORIZED CAPITAL STOCK @ P100.00 PAR VALUE	P 50,000,000	P 50,000,000
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
ADD'L. PAID-IN CAPITAL / CONTRIBUTED SURPLUS	7,520,755	7,520,755
BALANCE AT BEGINNING OF THE YEAR	<u>41,380,384</u>	<u>41,071,908</u>
AS RESTATED	41,380,384	41,071,908
NET INCOME / (LOSS)	<u>250,766</u>	<u>308,476</u>
BALANCE AT END OF THE YEAR	<u>41,631,150</u>	<u>41,380,384</u>
RETAINED EARNINGS	<u>41,631,150</u>	<u>41,380,384</u>
TOTAL STOCKHOLDERS'S EQUITY	<u>P 99,151,905</u>	<u>P 98,901,139</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>P 103,546,675</u>	<u>P 103,415,649</u>

Quarterly Ended September 30, 2024 compared to Quarterly Ended September 30, 2023.

BHI HOLDINGS, INC.
COMPARATIVE INCOME STATEMENT
AS OF 3RD QUARTER OF 2024 AND 2023

	Nine-Months 30-Sep <u>2024</u>		Nine-Months 30-Sep <u>2023</u>	
REVENUES				
INTEREST INCOME		P 2,247,272		P 2,243,836
1st Quarter	<i>P 993,173.14</i>		<i>P 986,301.37</i>	
2nd Quarter	<i>500,000.00</i>		<i>501,369.86</i>	
3rd Quarter	<i>754,098.36</i>		<i>756,164.38</i>	
		<u>82</u>		<u>85</u>
OTHER INCOME - (Interest Income from bank)				
TOTAL INCOME		P 2,247,354		P 2,243,921
OPERATING EXPENSES				
Rent Expense		P 270,000		P 270,000
Salaries and Wages-Taxable		873,000		873,000
Other Operating Expenses		811,890		719,682
<i>Food Allowance</i>	<i>120</i>		<i>420</i>	
<i>Legal & Audit Fees</i>	<i>P 111,125</i>		<i>P 45,000</i>	
<i>Other Professional Fees</i>	<i>228,000</i>		<i>207,000</i>	
<i>Transportation Expense</i>	<i>982</i>		<i>767</i>	
<i>Light, Water & Utilities</i>	<i>151,200</i>		<i>151,200</i>	
<i>Taxes, Permits & Licenses</i>	<i>28,775</i>		<i>24,923</i>	
<i>Membership Fee</i>	<i>250,000</i>		<i>250,000</i>	
<i>Trainings & Seminars</i>	<i>-</i>			
<i>Miscellaneous Expense</i>	<i>35,687</i>		<i>40,372</i>	
OPERATING EXPENSES		P 1,954,890		P 1,862,682
OPERATING PROFIT		P 292,464		P 381,239
FINANCE COSTS		P -		P -
NET INCOME BEFORE INCOME TAX		P 292,464		P 381,239
TAX EXPENSE	25%	P 41,698	25%	P 44,668
TOTAL INCOME BEFORE INCOME TAX		P 250,766		P 336,571
<i>Earnings Per Share (weighted ave. no. of outstanding common shares)</i>		P 0.50		P 0.67

Key Performance Indicators (KPI's)

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

	<u>September 30, 2024</u>	<u>September 30, 2023</u>	<u>Difference %</u>	
Revenues	P2,247,354	P2,243,921	P3,433	0.002%
Earnings per share	P0.502	P0.673	(P0.172)	(34.50%)
Return on Equity	0.0025	0.0034	(0.0009)	(0.20%)
Debt ratio	0.0424	0.0425	(0.0001)	(0.22%)
Market Valuation	3.44	3.44	0.00	0.00%

Revenues increase in 2024 by P3,433 due to the effect of remeasurement of loan and interest income from the 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 stockholder's 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.

Interim Periods

BHI HOLDINGS, INC.
COMPARATIVE INCOME STATEMENT
AS OF DECEMBER 1, 2023 AND SEPTEMBER 30, 2024

	Nine-Months 30-Sep <u>2024</u>		31-Dec <u>2023</u>	
REVENUES				
INTEREST INCOME	P	2,247,272	P	3,000,000
OTHER INCOME - (Interest Income from bank)		82		151
TOTAL INCOME	P	<u>2,247,354</u>	P	<u>3,000,151</u>
OPERATING EXPENSES				
Rent Expense	P	270,000	P	360,000
Salaries and Wages-Taxable		873,000		1,164,000
Other Operating Expenses		811,890		1,091,395
Food Allowance		120		-
Legal & Audit Fees	P	111,125	P	186,500
Other Professional Fees		228,000		276,000
Transportation Expense		982		-
Light, Water & Utilities		151,200		201,600
Taxes, Permits & Licenses		28,775		32,498
Membership Fee		250,000		250,000
Trainings & Seminars		-		80,357
Miscellaneous Expense		35,687		64,440
OPERATING EXPENSES	P	<u>1,954,890</u>	P	<u>2,615,395</u>
OPERATING PROFIT	P	<u>292,464</u>	P	<u>384,756</u>
FINANCE COSTS	P	-	P	-
NET INCOME BEFORE INCOME TAX	P	<u>292,464</u>	P	<u>384,756</u>
TAX EXPENSE	25% P	41,698	25% P	76,280
TOTAL INCOME BEFORE INCOME TAX	P	<u>250,766</u>	P	<u>308,476</u>
<i>Earnings Per Share (weighted ave. no. of outstanding common shares)</i>	P	<u>0.50</u>	P	<u>0.62</u>

Cash

Increase of 13.40% from P264,130 for the year ended December 31, 2023 to P299,512 for the period ended September 30, 2024. This was due mainly to high level of net cash provided in operating activities.

Loans Receivable

Amounted to P54,000,000. Loans receivable pertains to the loan granted to Takeda Holdings, Inc., a third party.

Accrued expenses and other payables

Amounted to P3,527,654 for the period ended September 30, 2024 compared to

P3,647,394 for the year ended December 31, 2023 decreased by 3.28.%.

Revenues

The Company's effective interest income amounted to P2,247,272 for 3rd quarter of 2024 and P2,243,836 for 3rd quarter of 2023 and 2022. The actual interest income based on the terms of the loan agreements totaled to P2,247,272 for 3rd quarter of 2024 and P2,243,836 for 3rd quarter of 2023 and 2022. On September 30, 2024 the Company achieved revenue of P2,247,272.

Other Income from Banco de Oro and Land Bank of the Philippines savings account amounted to P82.

Cost and Expenses

The Company's operating expenses as of the 3rd quarter of 2024 amounted to P1,954,890 or an increase of 4.95% compared to the 3rd quarter of the 2023 and an increase of 1.47% compared to the 3rd quarter of the year 2022 due to an increased in other operating expenses.

Financial Statements

The audited financial statements of BHI consisting of Statements of Financial Position as of December 31, 2023, 2022 and 2021 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.

Full Fiscal Years

2023

As an investment holding company, the Company's main thrust is to acquire ownerships in profitable corporations. However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years.

The company has not started its operation. The company's present source of revenue is limited to interest income generated from its loan granted to a related party.

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 to be able to access funding when needed at the least possible cost.

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.

Original Loan - As of December 31, 2023 and 2022, the carrying amount of the original loan amounting to P46,000,000, is presented as part of Due from a Related Party account in the statements of financial position.

The original loan initially consisted of deposits made by the Company for the acquisition of equity interest in Aqua Rich, Inc. (Aqua Rich), an entity that has the same stockholders as that of the Company. On December 9, 2000, upon the expiration of the conversion period of the deposits into equity, the deposits were automatically converted into an unsecured, interest-bearing loan. Interest is set at a certain rate per annum. The said loan is renewed for a term of two years and one year from maturity in 2022 and 2021, respectively.

Actual annual interest income earned in 2023, 2022 and 2021 related to this loan amounted to P1,380,000 which is presented as part of interest income from Loans under the Revenues section of the statements of comprehensive income.

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

The carrying amount of the assumed loan amounted to P 54,000,000 as of December 31, 2023 and 2022 and is presented as Due from a Related Party in the statement of financial position.

Actual annual interest income earned in 2023, 2022 and 2021 related to the assumed loan amounted to P1,620,00, which is presented as part of Interest Income from loans under the Revenues section in the statements of comprehensive income. There were no outstanding interest receivable as of December 31, 2023 and 2022.

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

2022

As an investment holding company, the Company's main thrust is to acquire ownerships in profitable corporations. However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years.

The company has not started its operation. The company's present source of revenue is limited to interest income generated from its loan granted to a related party.

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 to be able to access funding when needed at the least possible cost.

2021

As an investment holding company, the Company's main thrust is to acquire ownerships in profitable corporations. However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years.

The company has not started its operation. The company's present source of revenue is limited to interest income generated from its loan granted to a related party.

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 to be able to access funding when needed at the least possible cost.

The COVID-19 pandemic started to become widespread in the Philippines in early March 2020 and its impact has been continuing until the date of the approval of this year financial statements. The measures taken by the government to contain the virus have affected economic conditions and the Company's business operations. While the unfavorable situation is currently expected to be temporary, management has assessed that such does not have significant impact to the Company since the Company has minimal and inactive operations.

REVENUES

INTEREST INCOME/OTHER INCOME

The actual interest income based on the terms of the loan agreements amounted to P 3,000,000 for 2023, 2022 and 2021.

Other income from Banco de Oro & Land Bank of the Philippines savings account amounted to P151.

OPERATING EXPENSES**2023**

Operating expenses for 2023 amounted to P 2,615,395 which is P25,796 lower compared to 2022. Expenses for 2023 were as follows:

Salaries & Wages	P	1,164,000
Professional Fees		462,500
Rent Expense		360,000
Membership Fees		250,000
Utilities		201,600
Trainings & Seminars		80,357
Taxes & Licenses		32,498
Director's Fee		22,000
Miscellaneous		42,440
	P	<u>2,615,395</u>

2022

Operating expenses for 2022 amounted to P2,641,191 which is P50,006 over compared to 2021. Expenses for 2022 were as follows:

Salaries & Wages	P	1,164,000
Professional Fees		450,750
Rent Expense		360,000
Membership Fees		250,000
Utilities		201,600
Taxes & Licenses		32,498
Director's Fee		22,000
Miscellaneous		160,343
	P	<u>2,641,191</u>

2021

Operating expenses for 2021 amounted to P 2,591,185 which is P913,643 lower compared to 2020. Expenses for 2021 were as follows:

Salaries & Wages	P	1,164,000
Professional Fees		808,750
Rent Expense		180,000
Membership Fees		250,000
Utilities		31,200
Taxes & Licenses		40,598
Director's Fee		22,000
Miscellaneous		94,637
	P	<u>2,591,185</u>

2020

Operating expenses for 2020 amounted to P 3,504,828 which is P417,508 over compared to 2019. Expenses for 2020 were as follows:

Salaries & Wages	P	1,164,000
Professional Fees		1,295,607
Rent Expense		300,000
Membership Fees		250,000
Utilities		81,600
Office Supplies		4,788
Taxes & Licenses		32,398
Director's Fee		22,000
Miscellaneous		354,435
	P	<u>3,504,828</u>

Key Performance Indicators (KPI's)

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>Difference %</u>
Revenues	P 3,000,151	P 3,000,116	P35
Earnings per share	P 0.617	P 0.718	(P0.101)
Return on Equity	0.003	0.004	(0.001)
Debt ratio	0.042	0.047	(0.005)
Market Valuation	3.44	3.36	0.08

Revenues increase in 2023 by P35 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 stockholder's 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.

INTERIM UNAUDITED FINANCIAL STATEMENTS

Comparative Balance Sheet as of December 31, 2023 compared to Quarterly ended September 30, 2024.

BHI HOLDINGS, INC.
COMPARATIVE BALANCE SHEET
AS OF DECEMBER 31, 2023 AND SEPTEMBER 30, 2024

		Nine-Months 30-Sep 2024		31-Dec 2023
<u>A S S E T S</u>				
CURRENT ASSETS				
CASH	P	299,512		P 264,130
INPUT VALUE-ADDED TAX		3,247,163		3,143,648
PREPAID TAX CREDIT		-		7,871
TOTAL CURRENT ASSETS	P	<u>3,546,675</u>		P <u>3,415,649</u>
NON-CURRENT ASSETS				
LOANS RECEIVABLE		<u>100,000,000</u>		<u>100,000,000</u>
TOTAL CURRENT ASSETS	P	<u>100,000,000</u>		P <u>100,000,000</u>
TOTAL ASSETS	P	<u>103,546,675</u>		P <u>103,415,649</u>
<u>LIABILITIES & STOCKHOLDERS' EQUITY</u>				
LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUED EXPENSES				
Accrued Expense Payable	3,518,050	P 3,527,654		P 3,647,394
Withholding Tax Payable-Compensation	8,200		3,637,790	8,200
Withholding Tax Payable-Expanded	<u>1,404</u>		<u>1,404</u>	
DUE TO A RELATED PARTY		867,116		867,116
<i>Due to a Related Party</i>	<i>867,116</i>		<i>867,116</i>	
TOTAL LIABILITIES	P	<u>4,394,770</u>		P <u>4,514,510</u>
STOCKHOLDERS'S EQUITY:				
AUTHORIZED CAPITAL STOCK @ P100.00 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	
ADDT'L. PAID-IN CAPITAL / CONTRIBUTED SURPLUS				
		7,520,755		7,520,755
BALANCE AT BEGINNING OF THE YEAR	<u>41,380,384</u>		<u>41,071,908</u>	
AS RESTATED	41,380,384		41,071,908	
NET INCOME / (LOSS)	<u>250,766</u>		<u>308,476</u>	
BALANCE AT END OF THE YEAR	<u>41,631,150</u>		<u>41,380,384</u>	
RETAINED EARNINGS		41,631,150		41,380,384
TOTAL STOCKHOLDERS'S EQUITY	P	<u>99,151,905</u>		P <u>98,901,139</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	P	<u>103,546,675</u>		P <u>103,415,649</u>

Quarterly Ended September 30, 2024 compared to Quarterly Ended September 30, 2023.

BHI HOLDINGS, INC.
COMPARATIVE INCOME STATEMENT
AS OF 3RD QUARTER OF 2024 AND 2023

	Nine-Months 30-Sep <u>2024</u>	Nine-Months 30-Sep <u>2023</u>
REVENUES		
INTEREST INCOME	P 2,247,272	P 2,243,836
1st Quarter	<i>P 993,173.14</i>	<i>P 986,301.37</i>
2nd Quarter	<i>500,000.00</i>	<i>501,369.86</i>
3rd Quarter	<i>754,098.36</i>	<i>756,164.38</i>
	<hr/>	<hr/>
OTHER INCOME - (Interest Income from bank)	82	85
TOTAL INCOME	P 2,247,354	P 2,243,921
	<hr/> <hr/>	<hr/> <hr/>
OPERATING EXPENSES		
Rent Expense	P 270,000	P 270,000
Salaries and Wages-Taxable	873,000	873,000
Other Operating Expenses	811,890	719,682
<i>Food Allowance</i>	<i>120</i>	<i>420</i>
<i>Legal & Audit Fees</i>	<i>P 111,125</i>	<i>P 45,000</i>
<i>Other Professional Fees</i>	<i>226,000</i>	<i>207,000</i>
<i>Transportation Expense</i>	<i>982</i>	<i>767</i>
<i>Light, Water & Utilities</i>	<i>151,200</i>	<i>151,200</i>
<i>Taxes, Permits & Licenses</i>	<i>26,775</i>	<i>24,923</i>
<i>Membership Fee</i>	<i>250,000</i>	<i>250,000</i>
<i>Trainings & Seminars</i>	<i>-</i>	<i>-</i>
<i>Miscellaneous Expense</i>	<i>35,687</i>	<i>40,372</i>
	<hr/>	<hr/>
OPERATING EXPENSES	P 1,954,890	P 1,862,682
	<hr/>	<hr/>
OPERATING PROFIT	P 292,464	P 381,239
	<hr/>	<hr/>
FINANCE COSTS	P -	P -
	<hr/>	<hr/>
NET INCOME BEFORE INCOME TAX	P 292,464	P 381,239
	<hr/>	<hr/>
TAX EXPENSE	25% P 41,698	25% P 44,668
	<hr/>	<hr/>
TOTAL INCOME BEFORE INCOME TAX	P 250,766	P 336,571
	<hr/> <hr/>	<hr/> <hr/>
<i>Earnings Per Share (weighted ave. no. of outstanding common shares)</i>	P 0.50	P 0.67

Key Performance Indicators (KPI's)

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

	<u>September 30, 2024</u>	<u>September 30, 2023</u>	<u>Difference %</u>
Revenues	P2,247,354	P2,243,921	P3,433
Earnings per share	P0.502	P0.673	(P0.172)
Return on Equity	0.0025	0.0034	(0.0009)
Debt ratio	0.0424	0.0425	(0.0001)
Market Valuation	3.44	3.44	0.00

Revenues increase in 2024 by P3,433 due to the effect of remeasurement of loan and interest income from the 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 stockholder's 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 any known trends, events or uncertainties (material impact on liquidity).
- 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.
- There were no any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures since the company still not operated.
- There were no any known trends, events or uncertainties (material impact on sales).
- There were no any significant elements of income and loss that did not arise from the registrant's continuing operations.
- There were no causes of material changes.
- There were no seasonal aspects that has Material Effect on the Financial Statements.
- 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

BHI HOLDINGS, INC.
COMPARATIVE BALANCE SHEET
AS OF DECEMBER 31, 2023 AND SEPTEMBER 30, 2024

		Nine-Months 30-Sep <u>2024</u>		31-Dec <u>2023</u>
<u>A S S E T S</u>				
CURRENT ASSETS				
CASH	P	299,512		P 264,130
INPUT VALUE-ADDED TAX		3,247,163		3,143,648
PREPAID TAX CREDIT		-		7,871
TOTAL CURRENT ASSETS	P	<u>3,546,675</u>		<u>P 3,415,649</u>
NON-CURRENT ASSETS				
LOANS RECEIVABLE		<u>100,000,000</u>		<u>100,000,000</u>
TOTAL CURRENT ASSETS	P	<u>100,000,000</u>		<u>P 100,000,000</u>
TOTAL ASSETS	P	<u>103,546,675</u>		<u>P 103,415,649</u>
<u>LIABILITIES & STOCKHOLDERS' EQUITY</u>				
LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUED EXPENSES				
Accrued Expense Payable	3,518,050	P 3,527,654	3,637,790	P 3,647,394
Withholding Tax Payable-Compensation	8,200		8,200	
Withholding Tax Payable-Expanded	<u>1,404</u>		<u>1,404</u>	
DUE TO A RELATED PARTY		867,116		867,116
<i>Due to a Related Party</i>	<i>867,116</i>		<i>867,116</i>	
TOTAL LIABILITIES		<u>P 4,394,770</u>		<u>P 4,514,510</u>
STOCKHOLDERS'S EQUITY:				
AUTHORIZED CAPITAL STOCK @ P100.00 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	
ADD'L. PAID-IN CAPITAL / CONTRIBUTED SURPLUS				
		7,520,755		7,520,755
BALANCE AT BEGINNING OF THE YEAR	<u>41,380,384</u>		<u>41,071,908</u>	
AS RESTATED	41,380,384		41,071,908	
NET INCOME / (LOSS)	<u>250,766</u>		<u>308,476</u>	
BALANCE AT END OF THE YEAR	<u>41,631,150</u>		<u>41,380,384</u>	
RETAINED EARNINGS		<u>41,631,150</u>		<u>41,380,384</u>
TOTAL STOCKHOLDERS'S EQUITY	P	<u>99,151,905</u>		<u>P 98,901,139</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	P	<u>103,546,675</u>		<u>P 103,415,649</u>

Cash

Increase of 13.40% from P264,130 for the year ended December 31, 2023 to P299,512 for the period ended September 30, 2024. This was due mainly to high level of net cash provided in operating activities.

Loans Receivable

Amounted to P54,000,000. Loans receivable pertains to the loan granted to Takeda Holdings, Inc., a third party.

Accrued expenses and other payables

Amounted to P3,527,654 for the period ended September 30, 2024 compared to P3,647,394 for the year ended December 31, 2023 decreased by 3.28.%.

BHI HOLDINGS, INC.
COMPARATIVE INCOME STATEMENT
AS OF DECEMBER 1, 2023 AND SEPTEMBER 30, 2024

	Nine-Months 30-Sep <u>2024</u>		31-Dec <u>2023</u>	
REVENUES				
INTEREST INCOME	P	2,247,272	P	3,000,000
OTHER INCOME - (Interest Income from bank)		82		151
TOTAL INCOME	P	<u>2,247,354</u>	P	<u>3,000,151</u>
OPERATING EXPENSES				
Rent Expense	P	270,000	P	360,000
Salaries and Wages-Taxable		873,000		1,164,000
Other Operating Expenses		811,890		1,091,395
<i>Food Allowance</i>		120		-
<i>Legal & Audit Fees</i>	P	111,125	P	186,500
<i>Other Professional Fees</i>		228,000		276,000
<i>Transportation Expense</i>		982		-
<i>Light, Water & Utilities</i>		151,200		201,600
<i>Taxes, Permits & Licenses</i>		28,775		32,498
<i>Membership Fee</i>		250,000		250,000
<i>Trainings & Seminars</i>		-		80,357
<i>Miscellaneous Expense</i>		35,687		64,440
OPERATING EXPENSES	P	<u>1,954,890</u>	P	<u>2,615,395</u>
OPERATING PROFIT	P	<u>292,464</u>	P	<u>384,756</u>
FINANCE COSTS	P	-	P	-
NET INCOME BEFORE INCOME TAX	P	<u>292,464</u>	P	<u>384,756</u>
TAX EXPENSE	25% P	<u>41,698</u>	25% P	<u>76,280</u>
TOTAL INCOME BEFORE INCOME TAX	P	<u>250,766</u>	P	<u>308,476</u>
<i>Earnings Per Share (weighted ave. no. of outstanding common shares)</i>	P	<u>0.50</u>	P	<u>0.62</u>

Revenues

The Company's effective interest income amounted to P2,247,272 for 3rd quarter of 2024 and P2,243,836 for 3rd quarter of 2023 and 2022. The actual interest income based on the terms of the loan agreements totaled to P2,247,272 for 3rd quarter of 2024 and P2,243,836 for 3rd quarter of 2023 and 2022. On September 30, 2024 the Company achieved revenue of P2,247,272.

Other Income from Banco de Oro and Land Bank of the Philippines savings account amounted to P82.

Cost and Expenses

The Company's operating expenses as of the 3rd quarter of 2024 amounted to P1,954,890 or an increase of 4.95% compared to the 3rd quarter of the 2023 and an increase of 1.47% compared to the 3rd quarter of the year 2022 due to an increased in other operating expenses.

Financial Statements

The audited financial statements of BHI consisting of Statements of Financial Position as of December 31, 2023, 2022 and 2021 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, 2023 and 2022.

	2023	2022
Cash Flows From Operating Activities		
Profit before tax	P 384,756	P 358,925
Adjustment for:		
Interest income from loans	(3,000,000)	(3,000,000)
Gain on derecognition of financial liabilities	-	-
Interest income from cash in bank	(151)	(116)
Operating loss before working capital changes	(2,615,395)	(2,641,191)
Increase in input value-added tax	(67,130)	(217,245)
Increase in due to a related party		
Increase in accrued expenses and other payables	(302,711)	(120,259)
	<hr/>	<hr/>
Cash used in operations	(2,985,236)	(2,978,695)
Interest received	3,000,151	3,000,116
Cash paid for income taxes	(76,280)	(20,160)
Net Increase (Decrease) In Cash	(61,365)	1,261
Cash Flows From Financing Activity		
Repayment of due to a stockholder	-	-
Net Increase (Decrease) In Cash	<hr/> (61,365) <hr/>	<hr/> 1,261 <hr/>
Cash At Beginning of Year	325,495	324,234
Cash At End of Year	P 264,130	P 325,495

As of December 31, 2023, cash decreased by 18.85%, from P325,495 in 2022 to P264,130 for the period ended December 31, 2023. For the period under review, interest received increased to P35 from P116 for the year 2022. The cash paid for income taxes increased, from P20,160 last years to P76,280 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 statement of comprehensive income.

Loan Receivable. In 2003, the Company granted loan to Takeda Holdings, Inc. a third party, amounting to P 54,000,000 collectibles 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.

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

The carrying amount of assumed loan amounted to P 54,000,000 as of December 31, 2023 and 2022 and is presented as Due from a Related Party in the statement of financial position.

Actual annual interest income earned in 2023, 2022 and 2021 related to the assumed loans amounted to P1,620,00 which is presented as part of Interest Income from loans under the Revenues section in the statements of comprehensive income. There was no outstanding interest receivable as of December 31, 2023 and 2022.

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

Original Loan - As of December 31, 2023 and 2022, the carrying amount of the original loan amounting to P46,000,000, excluding interest receivable, is presented as part of Due from a Related Party account in the statements of financial position.

The original loan initially consisted of deposits made by the Company for the acquisition of equity interest in Aqua Rich, Inc. (Aqua Rich), an entity that has the same stockholders as that of the Company. On December 9, 2000, upon the expiration of the conversion period of the deposits into equity, the deposits were automatically converted into an unsecured, interest-bearing loan. Interest is set at a certain rate per annum. The said loan is renewed for a term of two years and one year from maturity in 2022 and 2021, respectively.

Actual annual interest income earned in 2023, 2022 and 2021 related to this loan amounted to P1,380,000 which is presented as part of interest income from Loans under the Revenues section of the statements of comprehensive income.

Deferred tax assets. The Company is subject to MCIT, which is computed at 1.5% and 1% in 2023 and 2022, respectively as defined under the tax regulations or to the RCIT, whichever is higher. The Company did not recognize the deferred tax assets arising from MCIT as of December 2023 and 2022 since management believes that the company will not have sufficient RCIT due within the periods against which the excess MCIT can be applied.

Accrued expenses and other payables. Decreased to P 3,647,394 from P 3,950,105 in 2023 by 7.66%, the lease contract is for one-year renewable upon mutual agreement of both parties.

Result of Operations

Year Ended December 31, 2023 compared to Year Ended December 31, 2022

Revenue. For the year ended December 31, 2023, the Company achieved revenue of P3,000,151 increased by 0.001% over the P3,000,116 in 2022. This was primarily due to increase in interest income from loan.

Operating Expenses. Total expenses decreased by 0.986% from P2,641,191 in 2022 to P2,615,395 this year due to increase in other operating expenses.

Financial Costs. There was no financial cost recognized for the year 2023 and 2022.

Tax Expenses. Increase by 99.97% from P23 for the twelve months ended December 31, 2022 to P76,280 for the period ended December 31, 2023.

Net Income. Net income of the Company were P358,902 for 2022 and net income of P308,476 for 2023.

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, 2023 and 2022.

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, 2022 and 2021.

	2022	2021
Cash Flows From Operating Activities		
Profit before tax	P 358,925	P 409,151
Adjustment for:		
Interest income from loans	(3,000,000)	(3,000,000)
Gain on derecognition of financial liabilities	-	-
Interest income from cash in bank	(116)	(336)
Operating loss before working capital changes	(2,641,191)	(2,591,185)
Increase in input value-added tax	(217,245)	(112,094)
Increase in due to a related party		
Increase in accrued expenses and other payables	(120,259)	(338,679)
Cash used in operations	(2,978,695)	(3,041,958)
Interest received	3,000,116	3,255,131
Cash paid for income taxes	(20,160)	(12,024)
Net Increase (Decrease) In Cash	1,261	201,149
	-	-

Cash Flows From Financing Activity

Repayment of due to a stockholder		
Net Increase (Decrease) In Cash	1,261	201,149
Cash At Beginning of Year	324,234	123,085
Cash At End of Year	P 325,495	P 324,234

As of December 31, 2022, cash increased by 0.39%, from P324,234 in 2021 to P325,495 for the period ended December 31, 2022. For the period under review, interest received decreased to P116 from P336 for the year 2021. The cash paid for income taxes increased from P12,024 last year to P20,160 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 statement of comprehensive income.

Loan Receivable. In 2003, the Company granted loan to Takeda Holdings, Inc. a third party, amounting to P54,000,000 collectibles 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.

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

Due from a related party. Decreased from P46,000,000. 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 P3,950,105 in 2022 compared to P4,070,043 in 2021 decreased by 2.95%, the lease contract is renewable every year.

Result of Operations**Year Ended December 31, 2022 compared to Year Ended December 31, 2021**

Revenue. For the year ended December 31, 2022, the Company achieved revenue of P3,000,116, decreased by 0.007% over the P3,000,336 in 2021. This was primarily due to the interest income from loan.

Operating Expenses. Total expenses increased by 1.89% from P2,591,191 in 2021 to P2,641,191 this year due to decreased in other operating expenses.

Financial Costs. There was no financial cost recognized for the year ended December 31, 2022 and 2021.

Tax Expenses. Decrease by 739.78% from P17,038 for the twelve months ended December 31, 2021, to P23 for the period ended December 31, 2022.

Net Income. Net income of the Company were P392,113 for 2021 and net income of P358,902 for 2022.

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 diluted potential common shares as of December 31, 2022 and 2021.

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, 2021 and 2020.

	2021	2020
Cash Flows From Operating Activities		
Profit before tax	P 409,151	(P 362,636)
Adjustment for:		
Interest income from loans	(3,000,000)	(3,007,568)
Gain on derecognition of financial liabilities	-	(133,893)
Interest income from cash in bank	(336)	(731)
Operating loss before working capital changes	(2,591,185)	(3,504,828)
Increase in input value-added tax	(112,094)	(135,343)
Increase in due to a related party		
Increase in accrued expenses and other payables	(338,679)	362,413
Cash used in operations	(3,041,958)	(3,277,758)
Interest received	3,255,131	3,008,299
Cash paid for income taxes	(12,024)	(60,297)
Net Increase (Decrease) In Cash	201,149	(329,756)
Cash Flows From Financing Activity		
Repayment of due to a stockholder	-	-
Net Increase (Decrease) In Cash	201,149	(329,756)
Cash At Beginning of Year	123,085	452,841
Cash At End of Year	P 324,234	P 123,085

MATERIAL ITEMS UNDER OPERATING EXPENSES

OPERATING EXPENSES

2023

Operating expenses for 2023 amounted to P 2,615,395 which is P25,796 lower compared to 2022. Expenses for 2023 were as follows:

Salaries & Wages	P	1,164,000
Professional Fees		462,500
Rent Expense		360,000
Membership Fees		250,000
Utilities		201,600
Trainings & Seminars		80,357
Taxes & Licenses		32,498
Director's Fee		22,000
Miscellaneous		42,440
	P	<u>2,615,395</u>

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 October 31, 2024.

HOLDERS

Class -----	No. of Stockholders -----
Common A	327
Common B	1

MARKET INFORMATION FOR SECURITIES OTHER THAN COMMON EQUITY

The principal market of the common equity of the issuer is the **Philippine Stock Exchange**. From the table below, the trading price indicate the high & low sales prices of the common equity of the registrant from 2022 to 3rd Quarter of 2024.

<u>2024</u>	<u>1st Quarter Date Price</u>	<u>2nd Quarter Date Price</u>	<u>3rd Quarter Date Price</u>	<u>4th Quarter Date Price</u>
HIGH	960	960	680	
LOW	680	680	680	
<u>2023</u>	<u>1st Quarter Date Price</u>	<u>2nd Quarter Date Price</u>	<u>3rd Quarter Date Price</u>	<u>4th Quarter Date Price</u>
HIGH	960	960	960	960
LOW	662	662	662	662
<u>2022</u>	<u>1st Quarter Date Price</u>	<u>2nd Quarter Date Price</u>	<u>3rd Quarter Date Price</u>	<u>4th Quarter Date Price</u>
HIGH	1351	945	945	945
LOW	662	662	662	662

The last transaction was on December 27, 2023 and the stock price of the Corporation closed at P680 per share. The corporation's stock had a high and low of P680 per share, respectively.

OTHER SECURITIES

None

TOP TWENTY STOCKHOLDERS
As of October 31, 2024

CLASS A

<u>RANK</u>	<u>STOCKHOLDER</u>	<u>NO. OF SHARE</u>	<u>PERCENTAGE</u>
1	BULK HANDLERS, INC.	288,624	57.73%
2	PCD NOMINEE CORPORATION	10,747	2.15%
3	TAN, MIKO PAOLO	8,631	1.73%
4	TAN, TRUMAN A.	5,000	1.00%
5	NERCO S. BALAGAS	4,500	0.90%
6	JACKELYN P. CALIGAGAN	2,883	0.58%
7	MELANI R. MASANGCAY	1,500	0.30%
8	FERNANDO P. SANTIAGO JR	860	0.17%
9	JEMIE UY TAN	850	0.17%
10	ARMANDO B. BUSANO	800	0.16%
11	RITA LEGARDA, INC.	588	0.12%
12	EDGAR C. SERRANO	560	0.11%
13	GERRY B. RABINO	500	0.10%
14	MARILYN C. BRAVO	500	0.10%
15	AILYHNE R. BALABA	500	0.10%
16	MALANOG, ALMA TERESA R.	400	0.08%
17	VIVIAN MAUREEN G. PROTACIO	380	0.08%
18	REYNO III, ALFONSO VICTORIO G.	350	0.07%
19	REYNO JR., ALFONSO R.	350	0.07%
20	REYNO, CHRISTOPHER	350	0.07%

CLASS B

<u>RANK</u>	<u>STOCKHOLDER</u>	<u>NO. OF SHARE</u>	<u>PERCENTAGE</u>
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
- d. 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 2023 & 2022 were P110,000 and P105,000.00 respectively. The Board approves the services rendered.
- (b) There is no other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the registrant's financial statements.
- (c) There are no tax fees.
- (d) There are no other fees.
- (e) There audit committee pre-approves and recommends to the Board of Directors all audit services rendered by external auditors as well as the engagement fees to be paid. The Audit Committee actively engages in dialogue with external auditor to ensure that audit services rendered shall not impair the independence of the external auditor. The Audit Committee is composed of three directors and chaired by one of the directors. They are Ms. Felisa P. Escudero, chairman, Ms. Juanita

U. Tan and Ms. Julie C. Dela Cruz, 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:

<u>Date of Report</u>	<u>Item Reported</u>	<u>Matters Reported</u>
December 22, 2023	Election of Directors & Officers	The following were elected as directors: <ol style="list-style-type: none"> 1) Manuel N. Tankiansee 2) Juanita U. Tan 3) Agripina M. Serrano 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) Martin Austria * 11) Felisa P. Escudero *

*Independent Directors

Elected Officers are the following:

Chairman of the Board	- Mr. Manuel N. Tankiansee
President	- Ms. Juanita U. Tan
Treasurer	- Ms. Marivic U. Isla
Vice-President	- Ms. Julie C. Dela Cruz
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. JULIE C. DELA CRUZ

Vice President
 BHI Holdings, Inc.
 15th Floor, The Pearlbank Centre
 146 Valero Street, Salcedo Village,
 Makati City

Report of Independent Auditors

The Board of Directors and Stockholders

BHI Holdings, Inc.

(A Subsidiary of Bulk Handlers, Inc.)

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BHI Holdings, Inc. (the Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023, in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Key Audit Matter

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

Valuation of Due from a Related Party***Description of the Matter***

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

As of December 31, 2023, the Company has loans receivable, shown as due from a related party, amounting to P100.0 million, which represents 97% of the Company's total assets. The Company's management exercises significant judgment and uses subjective estimates in determining when and how much impairment loss on loans receivable will be recognized. These judgments and estimates, which are detailed in the Company's material accounting policy information, and significant accounting judgments and estimates in Notes 2 and 3 to the financial statements, include the approach applied by the Company in assessing the impairment of assets. The disclosures of the Company on due from a related party and the related credit risk are included in Notes 4 and 11, respectively, to the financial statements.

How the Matter was Addressed in the Audit

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement) and SEC Form 17-A for the year ended December 31, 2023, but does not include the financial statements and our auditors' report thereon. The Definitive Information Statement, SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2023 required by the Bureau of Internal Revenue as disclosed in Note 15 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS; neither is it required by the Revised Securities Regulation Code Rule 68 of the SEC. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the 2023 audit resulting in this independent auditors' report is Niccolo Ian N. Unera.

PUNONGBAYAN & ARAULLO


By: **Niccolo Ian N. Unera**
Partner

CPA Reg. No. 0146692
TIN 428-513-274
PTR No. 10076156, January 3, 2024, Makati City
SEC Group A Accreditation
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002551-052-2023 (until Nov. 23, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 12, 2024

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2023		2022
<u>ASSETS</u>				
CURRENT ASSETS				
Cash		P 264,130		P 325,495
Prepayments and other current assets		3,151,519		3,084,389
Total Current Assets		3,415,649		3,409,884
NON-CURRENT ASSET				
Due from a related party	4	100,000,000		100,000,000
TOTAL ASSETS		P 103,415,649		P 103,409,884
<u>LIABILITIES AND EQUITY</u>				
CURRENT LIABILITIES				
Accrued expenses and other payables	5	P 3,647,394		P 3,950,105
Due to a stockholder	4	867,116		867,116
Total Liabilities		4,514,510		4,817,221
EQUITY				
Capital stock	8	50,000,000		50,000,000
Additional paid-in capital		7,520,755		7,520,755
Retained earnings		41,380,384		41,071,908
Total Equity		98,901,139		98,592,663
TOTAL LIABILITIES AND EQUITY		P 103,415,649		P 103,409,884

See Notes to Financial Statements.

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021
(Amounts in Philippine Pesos)

	Notes	2023	2022	2021
REVENUES				
Interest income from loans	4	P 3,000,000	P 3,000,000	P 3,000,000
Interest income from cash in banks		<u>151</u>	<u>116</u>	<u>336</u>
		<u>3,000,151</u>	<u>3,000,116</u>	<u>3,000,336</u>
OPERATING EXPENSES				
Salaries and employee benefits	4	1,164,000	1,164,000	1,164,000
Rent	4, 10	360,000	360,000	180,000
Other operating expenses	4, 6	<u>1,091,395</u>	<u>1,117,191</u>	<u>1,247,185</u>
		<u>2,615,395</u>	<u>2,641,191</u>	<u>2,591,185</u>
PROFIT BEFORE TAX		384,756	358,925	409,151
TAX EXPENSE	7	<u>76,280</u>	<u>23</u>	<u>17,038</u>
NET PROFIT		308,476	358,902	392,113
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>P 308,476</u>	<u>P 358,902</u>	<u>P 392,113</u>
Basic and Diluted Earnings Per Share	9	<u>P 0.62</u>	<u>P 0.72</u>	<u>P 0.78</u>

See Notes to Financial Statements.

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021
(Amounts in Philippine Pesos)

	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
CAPITAL STOCK	8	P 50,000,000	P 50,000,000	P 50,000,000
ADDITIONAL PAID-IN CAPITAL		<u>7,520,755</u>	<u>7,520,755</u>	<u>7,520,755</u>
RETAINED EARNINGS				
Balance at beginning of year		41,071,908	40,713,006	40,320,893
Total comprehensive income during the year		<u>308,476</u>	<u>358,902</u>	<u>392,113</u>
Balance at end of year		<u>41,380,384</u>	<u>41,071,908</u>	<u>40,713,006</u>
TOTAL EQUITY		P <u>98,901,139</u>	P <u>98,592,663</u>	P <u>98,233,761</u>

See Notes to Financial Statements.

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021
(Amounts in Philippine Pesos)

	Note	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 384,756	P 358,925	P 409,151
Adjustments for:				
Interest income from loans	4	(3,000,000)	(3,000,000)	(3,000,000)
Interest income from cash in banks		(151)	(116)	(336)
Operating loss before working capital changes		(2,615,395)	(2,641,191)	(2,591,185)
Increase in prepayments and other current assets		(67,130)	(217,245)	(112,094)
Decrease in accrued expenses and other payables		(302,711)	(120,259)	(338,679)
Cash used in operations		(2,985,236)	(2,978,695)	(3,041,958)
Interest received		3,000,151	3,000,116	3,255,131
Cash paid for income taxes		(76,280)	(20,160)	(12,024)
NET INCREASE (DECREASE) IN CASH		(61,365)	1,261	201,149
CASH AT BEGINNING OF YEAR		<u>325,495</u>	<u>324,234</u>	<u>123,085</u>
CASH AT END OF YEAR		<u>P 264,130</u>	<u>P 325,495</u>	<u>P 324,234</u>

See Notes to Financial Statements.

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

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

The Company's shares of stock are listed for trading at the Philippine Stock Exchange (PSE). Bulk Handlers, Inc. (the Parent Company), a domestic corporation, owns 87.73% of the Company's capital stock. The Parent Company is currently engaged in the business of warehouse leasing and terminal operations.

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

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

1.2 Status of Operations

As an investment holding company, the Company's main thrust is to acquire ownerships in profitable corporations. However, due to certain economic factors, the Company has been inactive in pursuing investment activities for a number of years.

As indicated in Note 1.1, its present source of revenue is limited to interest income generated from its loans granted to a related party (see Note 4). As such, the Company has only two employees handling mainly administrative functions due to limited transactions of the Company as of December 31, 2023 (see Note 2.5). The Company's management, however, continues to assess possible investment opportunities that it can embark on.

1.3 Approval of Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2023 (including the comparative financial statements as of December 31, 2022 and for the years ended December 31, 2022 and 2021) were authorized for issue by the Company's Board of Directors (BOD) on April 12, 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 *Basis of Preparation of Financial Statements*

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

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

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

(b) *Presentation of Financial Statements*

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

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

(c) *Functional and Presentation Currency*

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

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

2.2 Adoption of Amended PFRS

(a) Effective in 2023 that are Relevant to the Company

The Company adopted for the first time the following amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2023:

PAS 1 and PFRS Practice Statement 2 (Amendments)	:	Presentation of Financial Statements – Disclosure of Accounting Policies
PAS 8 (Amendments)	:	Definition of Accounting Estimates
PAS 12 (Amendments)	:	Deferred Tax Related to Assets and Liabilities from a Single Transaction

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

- (i) PAS 1 and PFRS Practice Statement 2 (Amendments), *Presentation of Financial Statements – Disclosure of Accounting Policies*. The amendments replaced the requirement for entities to disclose their significant accounting policies with the requirement to disclose their material accounting policy information. The amendments also include guidance to help entities apply the definition of material in making decisions about accounting policy disclosures.

The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial, that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements and if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. The application of these amendments is reflected in the Company's financial statements under Notes 2 and 3.

- (ii) PAS 8 (Amendments), *Accounting Estimates – Definition of Accounting Estimates*. The amendments introduced a new definition of accounting estimate which is a monetary amount in the financial statements that are subject to measurement uncertainty. It also clarifies that a change in accounting estimate that results from new information or new developments is not a correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The application of these amendments had no significant impact on the Company's financial statements.

- (iii) PAS 12 (Amendments), *Income Taxes – Deferred Tax Related to Assets and Liabilities from a Single Transaction*. The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). Management assessed that the application of such amendments had no significant impact on the Company's financial statements.

(b) *Effective in 2023 that is not Relevant to the Company*

Among the amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2023, the amendments to PAS 12, *Income Taxes: International Tax Reform – Pillar Two Model Rules*, are not relevant to the Company's financial statements.

(c) *Effective Subsequent to 2023 but not Adopted Early*

There are amendments to existing standards effective for annual periods subsequent to 2023, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, none of these are expected to have significant impact on the Company's financial statements:

- (i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective from January 1, 2024)
- (ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants* (effective from January 1, 2024)
- (iii) PAS 7 (Amendments), *Cash Flow Statements* and PFRS 7 (Amendments), *Financial Instruments: Disclosures – Supplier Finance Arrangements* (effective from January 1, 2024)
- (iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback* (effective from January 1, 2024)

2.3 Financial Instruments

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the financial instrument.

(a) *Financial Assets*

(i) *Classification and Measurement of Financial Assets*

The Company's financial assets pertain only to financial assets at amortized cost, which include cash and due from a related party.

(ii) *Impairment of Financial Assets*

The Company applies a general approach in relation to advances to related parties. The maximum period over which expected credit loss (ECL) should be measured is the longest contractual period where an entity is exposed to credit risk.

Measurement of ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instruments evaluated based on a range of possible outcome.

(b) *Financial Liabilities*

Financial liabilities include accrued expenses and other payables (excluding tax-related liabilities) and due to a stockholder.

2.4 *Leases – Company as a Lessee*

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

2.5 *Employee Benefits*

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

However, the Company provides post-employment benefits to employees through a defined contribution plan and other employee benefits.

2.6 *Impairment of Non-financial Assets*

The Company's non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

3.1 *Critical Management Judgments in Applying Accounting Policies*

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

(a) *Determination of Lease Term of Contracts with Renewal and Termination Options*

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

The lease term is reassessed if an option is actually exercised or not exercised or the Company becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Company.

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

The Company uses the general approach in measuring ECL for due from a related party. The management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Company's receivables from related parties, including trade receivables, if demanded at the reporting date taking into consideration the historical defaults of the related parties (i.e., failure to settle upon demand).

(c) *Recognition of Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Relevant disclosures of commitments and contingencies are presented in Note 10.

3.2 Key Sources of Estimation Uncertainty

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

(a) *Estimation of Allowance for ECL*

The Company applies general approach in relation to advances to related parties. The maximum period over which ECL should be measured is the longest contractual period where an entity is exposed to credit risk. The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of debtors defaulting and the resulting losses) (see Note 11.1).

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

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

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

(c) *Impairment of Non-financial Assets*

The Company's policy on estimating the impairment of non-financial assets is discussed in Note 2.6. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Based on management's assessment, there are no impairment losses required to be recognized on the Company's non-financial assets as of December 31, 2023 and 2022.

4. RELATED PARTY TRANSACTIONS

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

	Note	Amounts of Transactions			Outstanding Balance	
		2023	2022	2021	2023	2022
Stockholder:						
Accommodation of expenses	4.3(a)	P -	P -	P -	P 867,116	P 867,116
Consultancy fees	4.3(b)	-	-	360,000	-	-
Related party under common ownership and with interlocking directors and officers:						
Original loan receivable	4.1(a)	-	-	-	46,000,000	46,000,000
Interest on original loan – actual	4.1(a)	1,380,000	1,380,000	1,380,000	-	-
Assumed portion of loan receivable	4.1(b)	-	-	-	54,000,000	54,000,000
Interest on assumed loan – actual	4.1(b)	1,620,000	1,620,000	1,620,000	-	-
Rental and utilities	4.2	561,600	561,600	211,200	3,499,330	3,803,050
Key management personnel –						
Salaries and employee benefits	4.4	1,164,000	1,164,000	1,164,000	-	-

4.1 *Due from a Related Party*

The details of Due from a Related Party as of December 31, 2023 and 2022 are as follows:

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

(a) *Original Loan*

The original loan initially consisted of deposits made by the Company for the acquisition of equity interest in Aqua Rich, Inc. (Aqua Rich), an entity that has the same stockholders as that of the Company. On December 9, 2000, upon the expiration of the conversion period of the deposits into equity, the deposits were automatically converted into an unsecured, interest-bearing loan. Interest is set at a certain rate per annum. The said loan is renewed for a term of two years and one year from maturity in 2022 and 2021, respectively.

As of December 31, 2023 and 2022, the carrying amount of the original loan amounting to P46,000,000, is presented as part of the Due from a Related Party account in the statements of financial position.

Actual annual interest income earned in 2023, 2022 and 2021 related to this loan amounted P1,380,000 which is presented as part of Interest Income from Loans under the Revenues section of the statements of comprehensive income.

(b) *Assumed Loan*

On January 2, 2013, Takeda Holdings, Inc., a third party, assigned to Aqua Rich its unsecured, interest-bearing loan payable to the Company which is payable after two years and subject to a certain interest rate per annum.

The carrying amount of the assumed loan amounted to P54,000,000 as of December 31, 2023 and 2022 and is presented as part of Due from a Related Party in the statements of financial position.

Actual annual interest income earned in 2023, 2022 and 2021 related to the assumed loan amounted to P1,620,000 which is presented as part of Interest Income from Loans under the Revenues section in the statements of comprehensive income. There were no outstanding interest receivable as of December 31, 2023 and 2022.

The Company's loans and related interest receivable, which are subject to credit risk exposure (see Note 11.1), have been reviewed for impairment. Based on such review, management determines that the related losses are immaterial to the financial statements.

All of the Company's due from related party have been reviewed for impairment. Based on management's assessment, no impairment loss on due from related party is required to be recognized as of December 31, 2023 and 2022.

4.2 *Rental and Utilities Expenses*

The Company currently leases its office premises from a related party under common ownership (see Note 10.1). The lease agreement is renewable every year upon mutual consent of the parties. Annual rental of P360,000 and utilities expenses of P201,600 incurred in 2023 and 2022, and annual rental of P180,000 and utilities expenses of P31,200 incurred in 2021 from this transaction are shown as Rent and Utilities presented as part of Other Operating Expenses section in the statements of comprehensive income. The outstanding balance arising from these transactions, which is unsecured, non-interest bearing and payable in cash to the related party, is shown as Accrued rental and utilities under Accrued Expenses and Other Payables account in the statements of financial position (see Note 5).

4.3 *Transaction with a Stockholder*

(a) *Accommodation of expenses*

Certain expenses were paid by a stockholder on behalf of the Company in previous years, while there were no similar transactions occurred in 2023, 2022 and 2021. The outstanding liability to the stockholder, which is non-interest bearing and payable in cash upon demand, amounted to P867,116 as of December 31, 2023 and 2022 and is presented as Due to a Stockholder in the statements of financial position.

(b) *Consultancy fees*

One of the stockholders, who previously served as part of the key management personnel, entered into a consultancy agreement to assist the Company in improving its business. Total amount paid to the stockholder is presented as part of Professional fees under Other Operating Expenses in the 2021 statement of comprehensive income (see Note 6). There was no similar transaction in 2023 and 2022. There was no outstanding balance related to this transaction as of December 31, 2023 and 2022.

4.4 *Key Management Personnel Compensation*

The compensation and benefits provided to key management personnel, which consist of short-term employee benefits, amounted to P1,164,000 in 2023, 2022, and 2021. These are presented as Salaries and employee benefits under the Operating Expenses section of the statements of comprehensive income. The Company does not provide any other form of benefits to its key management personnel. There was no outstanding balance related to this transaction as of end of both years.

5. ACCRUED EXPENSES AND OTHER PAYABLES

This account includes the following:

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Accrued rental and utilities	4.2	P 3,499,330	P 3,803,050
Accrued professional fees		138,460	137,451
Accrued taxes and licenses		<u>9,604</u>	<u>9,604</u>
		<u>P 3,647,394</u>	<u>P 3,950,105</u>

6. OTHER OPERATING EXPENSES

Details of other operating expenses are as follows:

	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Professional fees	4.3(b)	P 462,500	P 450,750	P 808,750
PSE membership fees		250,000	250,000	250,000
Utilities	4.2	201,600	201,600	31,200
Trainings and seminars		80,357	80,357	80,357
Taxes and licenses		32,498	32,498	40,598
Directors' fee		22,000	22,000	22,000
Miscellaneous		42,440	79,986	14,280
		<u>P 1,091,395</u>	<u>P 1,117,191</u>	<u>P 1,247,185</u>

7. TAXES

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Regular corporate income			
Tax (RCIT) at 25%	P 96,151	P 89,702	P 27,519
Application of MCIT	(19,901)	(89,702)	-
Final tax at 20%	30	23	67
Adjustment in 2020 income taxes			
due to change in income tax rate	-	-	(13,029)
Excess of MCIT over RCIT at 1%	-	-	2,481
	<u>P 76,280</u>	<u>P 23</u>	<u>P 17,038</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax on pretax profit at 25%	P 96,189	P 89,731	P 102,288
Application of MCIT	(19,901)	(89,702)	-
Adjustment for income			
subjected to lower tax rate	(8)	(6)	(17)
Adjustment in 2020 income taxes			
due to change in income tax rate	-	-	(13,029)
Tax effects of:			
Applied NOLCO	-	-	(74,685)
Unrecognized deferred tax			
assets arising from			
MCIT	-	-	2,481
	<u>P 76,280</u>	<u>P 23</u>	<u>P 17,038</u>

The Company is subject to the MCIT which is computed at 1.5% and 1% in 2023 and 2022, respectively, as defined under the tax regulations or to the RCIT, whichever is higher.

As discussed in Note 3.2(b), the Company did not recognize the deferred tax asset arising from MCIT as of December 31, 2023 and 2022 since management believes that the Company will not have sufficient RCIT due within the periods against which the excess MCIT can be applied.

The details of the Company's excess MCIT over RCIT in 2021 and MCIT in 2020 with their corresponding availment periods are as follows:

<u>Year</u>	<u>Amount</u>	<u>Application in 2023</u>	<u>Remaining Balance</u>	<u>Valid Until</u>
2021	P 2,481	(P 2,481)	P -	2024
2020	<u>17,420</u>	<u>(17,420)</u>	<u>-</u>	
	<u>P 19,901</u>	<u>(P 19,901)</u>	<u>P -</u>	

In 2023, 2022 and 2021 the Company opted to claim itemized deductions in computing for its income tax due.

8. CAPITAL STOCK

8.1 Capital Stock

Capital stock as of December 31, 2023 and 2022 consists of:

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

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

8.2 Track Record of Registration of Securities

The Company's shares of stock were initially listed for trading with the PSE on April 2, 1973. As of December 31, 2023 and 2022, the Company has an outstanding capital stock of P50,000,000 covering 500,000 shares, of which 499,987 are listed shares which are held by 328 holders. Such listed shares closed at P680 and P662 per share as of the last trading day as at December 31, 2023 and 2022, respectively.

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

9. EARNINGS PER SHARE

Basic and diluted earnings per share for the years ended December 31, 2023, 2022 and 2021 are computed as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net profit	P 308,476	P 358,902	P 392,113
Weighted average number of outstanding common shares	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Basic and diluted earnings per share	<u>P 0.62</u>	<u>P 0.72</u>	<u>P 0.78</u>

The Company has no potentially dilutive common shares as of December 31, 2023, 2022 and 2021; accordingly, its basic and diluted earnings per share are equal.

10. COMMITMENTS AND CONTINGENCIES

10.1 Operating Lease Commitments – Company as Lessee

In prior years, the Company entered into a lease agreement with a related party under common ownership covering certain office space for a period of one year. Upon expiration of the lease period, the Company and the lessor shall amicably decide and agree to extend the lease under such terms and conditions as may be mutually agreed upon by the parties (see Note 4.2). The most recent lease renewal covered the period January 1, 2023 to December 31, 2023. Rent expense amounted to P360,000 in 2023 and 2022, and P180,000 in 2021 and was charged to profit or loss and presented as Rent under Operating Expenses section of the statements of comprehensive income.

10.2 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. As of December 31, 2023, 2022 and 2021, management is of the opinion that losses, if any, from these items will not have a material effect on the Company's financial statements.

11. RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

11.1 Credit Risk

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

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

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Cash		P 264,130	P 325,495
Due from a related party	4	<u>100,000,000</u>	<u>100,000,000</u>
		<u>P 100,264,130</u>	<u>P 100,325,495</u>

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

(i) *Cash*

The credit risk for cash is considered negligible since the counterparty is a reputable bank with high quality external credit ratings. Cash in bank which are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of P0.5 million for every depositor per banking institution, as provided for under R.A. No. 9576, *Amendment to Charter of PDIC*, are still subjected to credit risk.

(ii) *Due from a Related Party*

In respect to due from related party, the Company applies PFRS 9 general approach in measuring ECL for all trade receivables and other receivables.

The Company is exposed to significant concentration credit risk to related parties under common ownership.

The management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Company's receivables from related parties, including trade receivables, if demanded at the reporting date taking into consideration the historical defaults of the related parties (i.e., failure to settle upon demand).

On that basis, it was determined that no allowance is needed to be recognized as at December 31, 2023 and 2022 based on months past due. The Company's management continues to monitor counterparties default rates and macroeconomic factors affecting the ability of the related parties to settle the receivables. Management considers the credit quality of receivables from related parties, including trade receivables, that are no past due or impaired to be good.

11.2 Liquidity Risk

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

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

As of December 31, 2023 and 2022, the Company's financial liabilities which pertain to accrued expenses and other payables (excluding tax-related liabilities) and amounts due to a stockholder, totaling P4,504,906 and P4,807,617, respectively, have contractual maturities of within 12 months. The fair value of financial liabilities is not individually determined as the carrying amount is a reasonable approximation of fair value.

12. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

12.1 Carrying Amounts and Fair Values of Financial Assets and Financial Liabilities

Disclosures of fair value are not required when the carrying amount of financial instrument is a reasonable approximation of fair value (e.g., short-term trade receivables and payables). For the Company's financial assets and financial liabilities at amortized cost as of December 31, 2023 and 2022, management considers that their carrying values approximate or equal their fair values, thus, no further comparison is presented. Fair value determination of such financial instruments is discussed in Note 14.

A description of the Company's risk management objectives and policies for financial instruments is provided in Note 11.

12.2 Offsetting of Financial Assets and Financial Liabilities

The Company has not set-off financial instruments in 2023 and 2022 and does not have relevant offsetting arrangements. Currently, financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders or upon instruction by the parent company.

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 in the statements of financial position. Capital for the reporting periods is summarized below.

	<u>2023</u>	<u>2022</u>
Total liabilities	P 4,514,510	P 4,817,221
Total equity	<u>98,901,139</u>	<u>98,592,663</u>
Debt-to-equity ratio	<u>0.05 : 1.00</u>	<u>0.05 : 1.00</u>

14. FAIR VALUE MEASUREMENT AND DISCLOSURES

14.1 Fair Value Hierarchy

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

The fair value hierarchy has the following levels:

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

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

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

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

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

	Notes	Level 1	Level 2	Level 3	Total
2023					
Financial assets:					
Cash		P 264,130	P -	P -	P 264,130
Due from a related party	4.1	-	-	100,000,000	100,000,000
		P 264,130	P -	P 100,000,000	P 100,264,130
Financial liabilities:					
Accrued expenses and other payables	5	P -	P -	P 3,637,790	P 3,637,790
Due to a stockholder	4.3	-	-	867,116	867,116
		P -	P -	P 4,504,906	P 4,504,906
2022					
Financial assets:					
Cash		P 325,495	P -	P -	P 325,495
Due from a related party	4.1	-	-	100,000,000	100,000,000
		P 325,495	P -	P 100,000,000	P 100,325,495
Financial liabilities:					
Accrued expenses and other payables	5	P -	P -	P 3,940,501	P 3,940,501
Due to a stockholder	4.3	-	-	867,116	867,116
		P -	P -	P 4,807,617	P 4,807,617

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

The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability based on the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data. As of December 31, 2023 and 2022, there were no transfer of financial assets and financial liabilities within said levels.

15. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented in the succeeding page is the supplementary information on taxes, duties and license fees paid or accrued during the taxable year, which is required by the Bureau of Internal Revenue (BIR) under RR No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

(a) Output Value-added Tax (VAT)

The Company does not have output VAT in 2023.

(b) *Input VAT*

The movements in input VAT in 2023 are summarized below.

Balance at beginning of year	P	3,004,075
Services lodged under other accounts		<u>139,573</u>
Balance at end of year	P	<u>3,143,648</u>

(c) *Taxes on Importation*

The Company did not have any importations in 2023.

(d) *Excise Tax*

The Company does not have excise tax in 2023 since it did not have any transactions, which are subject to excise tax during the year.

(e) *Documentary Stamp Tax (DST)*

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

(f) *Taxes and Licenses*

Details of taxes and licenses in 2023 are shown below.

Municipal license and permits	P	22,740
SEC filing fees		7,575
Annual VAT registration		500
Others		<u>1,683</u>
	P	<u>32,498</u>

(g) *Withholding Taxes*

Details of total withholding taxes reported for the year ended December 31, 2023 are shown below.

Compensation and benefits	P	116,400
Expanded		<u>18,000</u>
	P	<u>134,400</u>

In 2023, the Company has no income payments subject to final withholding tax. The outstanding balance of taxes subject to withholding is presented as part of Accrued expenses and other payables in the 2023 statement of financial position.

(h) *Deficiency Tax Assessment and Tax Cases*

As of December 31, 2023, the Company does not have any final deficiency tax assessments from the BIR nor does it have tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable years.



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

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6766 Ayala Avenue
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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

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of BHI Holdings, Inc. for the year ended December 31, 2023, on which we have rendered our report dated April 12, 2024. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: 
Niccolo Ian N. Unera
Partner

CPA Reg. No. 0146692
TIN 428-513-274
PTR No. 10076156, January 3, 2024, Makati City
SEC Group A Accreditation
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002551-052-2023 (until Nov. 23, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 12, 2024

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
22nd Floor, The Pearl Bank Centre, 146 Valero Street, Salcedo Village, Makati City
Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2023

Unappropriated Retained Earnings at Beginning of Year	P	41,071,908
Net Income for the Current Year		<u>308,476</u>
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year	P	<u>41,380,384</u>

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
List of Supplementary Information
December 31, 2023

<u>Schedule</u>	<u>Content</u>	<u>Page No.</u>
Schedules Required under Annex 68-J of the Revised Securities Regulation Code Rule 68		
A	Financial Assets Financial Assets at Amortized Cost Financial Assets at Fair Value Through Profit or Loss Financial Assets at Fair Value Through Other Comprehensive Income	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	2
C	Amounts Receivable from/ Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements	3
D	Long-term Debt	4
E	Indebtedness to Related Parties (Long-term Loans from Related Companies)	5
F	Guarantees of Securities of Other Issuers	6
G	Capital Stock	7
Other Required Information		
	Reconciliation of Retained Earnings Available for Dividend Declaration	8
	Map Showing the Relationship Between the Company and its Related Entities	9

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

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

Due from related party - Aqua Rich, Inc.		P 100,000,000	P 100,000,000	P -
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Financial Assets at Fair Value Through Profit or Loss

		P -	P -	P -
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Financial Assets at Fair Value Through Other Comprehensive Income

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

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

Name and Designation of debtor	Balance at beginning of period	Additions	Deductions		Ending Balance		Balance at end of period
			Amounts collected	Amounts written off	Current	Non-current	
NOTHING TO REPORT							

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

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

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
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NOTHING TO REPORT

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

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
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NOTHING TO REPORT

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

SEC Released Revised SRC Rule 68

Annex 68-J

Schedule E

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

Name of related party	Balance at beginning of period	Balance at end of period
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NOTHING TO REPORT

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
SEC Released Revised SRC Rule 68
Annex 68-J
Schedule F
Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
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NOTHING TO REPORT

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

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common Shares						
Class A Shares	700,000	350,000	-	288,624	1,336	60,027
Class B Shares	<u>300,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
Common Shares	<u>1,000,000</u>	<u>500,000</u>	<u>-</u>	<u>438,624</u>	<u>1,336</u>	<u>60,027</u>

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

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



Report of Independent Auditors on Components of Financial Soundness Indicators

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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

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of BHI Holdings, Inc. (the Company), for the year ended December 31, 2023 and 2022, on which we have rendered our report dated April 12, 2024. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Philippine Securities and Exchange Commission and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2023 and 2022 and for the years then ended and no material exceptions were noted.

PUNONGBAYAN & ARAULLO


By: **Niccolo Ian N. Unera**
Partner

CPA Reg. No. 0146692
TIN 428-513-274
PTR No. 10076156, January 3, 2024, Makati City
SEC Group A Accreditation
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002551-052-2023 (until Nov. 23, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 12, 2024

BHI HOLDINGS, INC.
(A Subsidiary of Bulk Handlers, Inc.)
Supplemental Schedule of Financial Soundness Indicators
December 31, 2023 and 2022

Ratio	Formula	2023	Formula	2022
Current ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets P 3,415,649 Divide by: Total Current Liabilities 4,514,510 Current ratio 0.76	0.76	Total Current Assets divided by Total Current Liabilities Total Current Assets P 3,409,884 Divide by: Total Current Liabilities 4,817,221 Current ratio 0.71	0.71
Acid test ratio	Quick assets (Total Current Assets less Prepayments and Other Current Assets) divided by Total Current Liabilities Total Current Assets P 3,415,649 Less: Prepayments and other current assets 3,151,519 Quick Assets 264,130 Divide by: Total Current Liabilities 4,514,510 Acid test ratio 0.06	0.06	Quick assets (Total Current Assets less Prepayments and Other Current Assets) divided by Total Current Liabilities Total Current Assets P 3,409,884 Less: Prepayments and other current assets 3,084,389 Quick Assets 325,495 Divide by: Total Current Liabilities 4,817,221 Acid test ratio 0.07	0.07
Solvency ratio	Total Assets divided by Total Liabilities Total Assets P 103,415,649 Divide by: Total Liabilities 4,514,510 Solvency ratio 22.91	22.91	Total Assets divided by Total Liabilities Total Assets P 103,409,884 Divide by: Total Liabilities 4,817,221 Solvency ratio 21.47	21.47
Debt-to-equity ratio	Total Liabilities divided by Total Equity Total Liabilities P 4,514,510 Divide by: Total Equity 98,901,139 Debt-to-equity ratio 0.05	0.05	Total Liabilities divided by Total Equity Total Liabilities P 4,817,221 Divide by: Total Equity 98,592,663 Debt-to-equity ratio 0.05	0.05
Assets-to-equity ratio	Total Assets divided by Total Equity Total Assets P 103,415,649 Divide by: Total Equity 98,901,139 Assets-to-equity ratio 1.05	1.05	Total Assets divided by Total Equity Total Assets P 103,409,884 Divide by: Total Equity 98,592,663 Assets-to-equity ratio 1.05	1.05
Interest rate coverage	Earnings before interest and taxes (EBIT) divided by Interest expense EBIT P 384,756 Divide by: Interest expense - Interest rate coverage ratio -	0.00	Earnings before interest and taxes (EBIT) divided by Interest expense EBIT P 358,925 Divide by: Interest expense - Interest rate coverage ratio -	0.00
Return on equity	Net Profit divided by Total Equity Net Profit P 308,476 Divide by: Total Equity 98,901,139 Return on equity 0.003	0.003	Net Profit divided by Total Equity Net Profit P 358,902 Divide by: Total Equity 98,592,663 Return on equity 0.004	0.004
Return on assets	Net Profit divided by Total Assets Net Profit P 308,476 Divide by: Total Assets 103,415,649 Return on assets 0.003	0.003	Net Profit divided by Total Assets Net Profit P 358,902 Divide by: Total Assets 103,409,884 Return on assets 0.003	0.003
Net Profit Margin	Net Profit divided by Total Revenue Net Profit P 308,476 Divide by: Total Revenue 3,000,151 Return on assets 0.103	0.10	Net Profit divided by Total Revenue Net Profit P 358,902 Divide by: Total Revenue 3,000,116 Return on assets 0.120	0.12