



April 6, 2021

Re: Update on BHI's subsidiary activities

Dear Fellow Shareholders,

Happy Summertime!

We write to inform you re: the opening after April 11, of our Fridays Puerto Galera Resort after one year and 4 months closure. It is costing us some ₱3 million to ₱5 million, in cash advances by principal shareholder JP Guilds, Inc. to get the resort in order.

FPGI had to:

- 1) **Water.** ...close leaks along its 7 kilometer private water pipe system from the Mangyan Tribal lands in the mountains; also at the Muelle bay area landing, we are converting our 1" pipe to 2" pipes as approved by the town and re-routing 2 kilometers to pass under the bay to our Boquete Island property; this will increase our water pressure 5x no end from 10 cu.m. to 50 cu meter average;
- 2) **Power.** ...ensure the current annual maintenance review of its 2 brand new diesel generators of 175kw & 275kw + repair a third generator set of 120kw, located in the housing in the hill above the resort
- 3) **Sewerage.** Our STP is the only private stand alone large plant in Puerto Galera serving our hotel. Since the President Duterte Admin's environmental drive, the town of Sabang with the DENR had installed their own STPs to service all the hotels. There is one more STP to service the hotels in White Beach area.
- 4) **Communications.** The tower built by the resort to accommodate the Wifi & phone system by Globe is still intact, and 100 mb wifi services restarts after April 11.
- 5) **Buildings.** Of eight buildings, about 4 buildings of 4 suites each are in good order; the rest shall follow at the end of April, according to reports.

Here is a promotional movie to FPGI's reopening at the end of the message:

<https://spaces.hightail.com/receive/U8zXM4P0ro/dXMtNTNkNWQyNjEtMzAyZi00YzA4LWFkZjAtMjZhYjUzZGE2Mzlh>

or

<https://fb.watch/4HQiz5Lfa/>



Part 2. FHI & Puerto Azul.

For Fridays Boracay Resort, we shall keep this closed until international flights reach some sort of regularity. We estimate this will cost us some ₱8 million to reopen. In the meantime, we are anticipating laying off for ₱12 million our long time staff, and looking to re-opening at the end of 2021.

For our lands in Ternate, Cavite, we remain extremely optimistic as to prospects, given that in next door Hamilo Coast and in Tali Beach, land prices for secondary homes are skyrocketing. JP Guilds, Inc. updated BHI's related RPT in the amount of ₱39 million at the end of March 2021.

This is all for now. We wish all our shareholders well in their economic survival and also the best of health to all.

Jose Marcel Panlilio
Chairman & CEO