



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Please take notice that the Annual Meeting of Stockholders of **CHELSEA LOGISTICS HOLDINGS CORP.** will be held at the Marco Polo Hotel – Davao, Claro M. Recto St., Davao City, on **Monday, March 19, 2018** at **3:00 o'clock in the afternoon**, with the following:

AGENDA

1. Call to Order
2. Certification of Notice and Determination of Quorum
3. Report of the President and CEO
4. Approval of the Minutes of the Annual Stockholders' Meeting held on March 27, 2017
5. Report of Management for the Year 2017
6. Ratification and confirmation of all acts and resolutions of the Board and Management executed in the normal course of business covering the period August 9, 2017 until February 22, 2018
7. Amendment of the By-Laws of the Company, specifically Article IV – Officers, for the creation of the separate positions of the President, Chief Executive Officer, and Chief Operating Officer, and Amendment of the Articles of Incorporation specifically Article Second, to expand the primary purpose of the Company, and Article Seventh, for the creation of Preferred Shares, will be submitted to the stockholders for approval.
8. Election of Members of the Board of Directors
9. Appointment of External Auditor
10. Other Matters
11. Adjournment

Only stockholders of record as of **February 22, 2018** are entitled to notice of, and to vote at, this meeting.

Taguig City, January 31, 2018.

MA. HENEDINA V. SAN JUAN
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

Information Statement
of

CHELSEA LOGISTICS HOLDINGS CORP.

Pursuant to Section 20 of the Securities Regulation Code (the "Code" or "SRC")

1. Check the appropriate box:

Preliminary Information Statement
 Definitive Information Statement

2. Name of registrant as specified in its charter: CHELSEA LOGISTICS HOLDINGS CORP.
(the "Company" or "CLC")

3. Country of Incorporation: REPUBLIC OF THE PHILIPPINES

4. SEC Identification Number: CS201619734

5. BIR Tax Identification Code: 009-393-167-000

6. Address of principal office: Stella Hizon Reyes Road, Bo. Pampanga
Davao City 8000

7. Registrant's telephone number: (082) 224-5373

8. Date, time and place of the meeting of security holders:

Date - March 19, 2018
Time - 3:00 P.M.
Place - Marco Polo Hotel, Davao
Claro M. Recto St., Davao City, 8000

9. Approximate date on which the Information Statement is first to be sent or given to stockholders:

February 26, 2018

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the SRC:

<u>Title of Each Class</u>	<u>Par Value</u>	<u>Number of Shares</u>
Common Shares	PhP 1.00	1,821,977,615

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

Yes No

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

Philippine Stock Exchange – Common Shares

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of stockholders

- a. Date - March 19, 2018
 - Time - 3:00 P.M.
 - Place - Marco Polo Hotel, Davao
Claro M. Recto St., Davao City, 8000
- b. Approximate date when the Information Statement is first to be sent to stockholders:
February 26, 2018

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

Item 2. Dissenter's right of appraisal

Pursuant to Section 81 of the Corporation Code of the Philippines, a stockholder has the right to dissent and demand payment of the fair value of his shares in case of any amendment to the articles of incorporation that has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence, in case of lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code, and in case of merger or consolidation. Such appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action by making a written demand on the Company within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right.

Within ten (10) days after demanding payment for his shares, a dissenting stockholder shall submit the certificate(s) of stock representing his shares to the Company for notation thereon that such shares are dissenting shares. His failure to do so shall, at the option of the Company, terminate his appraisal rights. No demand for payment as aforesaid may be withdrawn by the dissenting stockholder unless the Company consents thereto.

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

THERE ARE NO MATTERS THAT WILL BE PRESENTED FOR SHAREHOLDERS' APPROVAL DURING THE ANNUAL STOCKHOLDERS' MEETING THAT MAY OCCASION THE EXERCISE OF THE RIGHT OF APPRAISAL.

Item 3. Interest of certain persons in or opposition to be acted upon

- a. No Director or Officer of the Company since the beginning of the last fiscal year, nominee for election as Director of the Company, nor any of their associates, have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the Annual Stockholders' Meeting, other than election to office.
- b. No Director of the Company has informed the Company in writing that he intends to oppose any action to be taken by the Company during the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

a. Voting Securities

As of December 31, 2017, the total number of shares outstanding and entitled to vote on all corporate matters to be acted upon during the Annual Stockholders' Meeting is 1,821,977,615 common shares.

b. Record Date

The record date for purposes of determining the stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting is **February 22, 2018**.

c. Voting Rights and Trust

In the matters to be voted upon in the Annual Stockholders' Meeting, stockholders of record as of February 22, 2018 shall be entitled to one vote per share in person or by proxy. If he will vote thru a proxy, the By-Laws of the Company requires the submission of the accomplished proxy form to the Corporate Secretary for validation and authentication at least ten (10) days before the date of the Annual Stockholders' Meeting.

The validation of proxies chaired by the Corporate Secretary or Assistant Corporate Secretary and attended by the Stock and Transfer Agent shall be convened at least five (5) days before the Annual Stockholders' Meeting. Any questions and issues relating to the validity and sufficiency, both as to form and substance, of proxies shall only be raised during said forum and resolved by the Corporate Secretary. The Corporate Secretary's decision shall be final and binding upon the shareholders, and those not settled at such forum shall be deemed waived and may no longer be raised during the Annual Stockholders' Meeting.

With respect to the election of the members of the Board of Directors, cumulative voting is allowed. A stockholder may vote such number of shares for as many persons as there are directors to be elected; or he may cumulate his shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares; or he may distribute these shares on the same principle among as many candidates as he shall see fit; provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the total number of directors to be elected.

d. Security ownership of certain record and beneficial owners and management

i. Security Ownership of Certain Records and Beneficial Owners as of December 31, 2017

Title of Class	Name & Address of Record Owner & Relationship to Issuer	Name of Beneficial Owner & Relationship to Record Owner	Citizenship	No. of Shares	Percentage of Outstanding Shares
Common	Udenna Corporation Stella Hizon Reyes Road, Bo. Pampang, Davao City <i>Stockholder</i>	Udenna Corporation	Filipino	1,275,384,606	70.000%
Common	PCD Nominee Corporation 37/F Tower I, The Enterprise Center 6766 Ayala Ave. cor. Paseo de Roxas, Makati City <i>Stockholder</i>	PCD participants acting for themselves or for their customers	Filipino	509,658,972	27.973%

**PCD Nominee Corporation is not a related Company*

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

The 509,658,972 common shares under the name of PCD Nominees Corporation are owned by PCD participants acting for themselves or for their customers.

Other than the stockholders identified above, as of December 31, 2017, there are no other stockholders other than participants under PCD account who own more than five percent (5%) of the voting securities.

As of December 31, 2017, 1.96% or 35,705,130 common shares are owned by foreign stockholders.

ii. Security ownership of Directors and Management as of December 31, 2017

Title of Class	Name of Beneficial Owner	Citizenship	Nature of Beneficial Ownership	No. of Shares	Percentage of Outstanding Shares
Directors					
Common	Dennis A. Uy	Filipino	Direct Indirect	1 892,769,224	NIL 49.000%
Common	Cherylyn C. Uy	Filipino	Direct Indirect	1 382,615,385	NIL 21.000%
Common	Chryss Alfonsus V. Damuy	Filipino	Direct	522,000	0.029%

Title of Class	Name of Beneficial Owner	Citizenship	Nature of Beneficial Ownership	No. of Shares	Percentage of Outstanding Shares
Common	Eduardo A. Bangayan	Filipino	Direct	70,001	NIL
Common	Miguel Rene A. Dominguez	Filipino	Direct	200,001	0.011%
Common	Jesus S. Guevara II	Filipino	Direct Indirect	1 100,000	NIL NIL
Common	Gener T. Mendoza	Filipino	Direct	20,001	NIL
Common	Arthur Kenneth L. Sy	Filipino	Direct	1	NIL
Common	Efren E. Uy	Filipino	Direct	270,001	0.015%
Executive Officers					
Common	Ignacia S. Braga IV	Filipino	Direct	452,000	0.025%
Common	Ricky P. Victoria	Filipino	Direct	152,000	0.008%
Common	Irwin M. Montano	Filipino	Direct	82,000	0.005%
Common	Ma. Henedina V. San Juan	Filipino	Direct	219,000	0.012%
Common	Athelle Beverly Diamond G. Feliciano	Filipino	Direct	49,000	0.003%
Common	Rodel V. Marqueses	Filipino	Direct	169,000	0.009%
Common	Leandro E. Abarquez	Filipino	Direct	36,300	0.002%
Common	Daryl Eunika B. Maloles	Filipino	Direct	26,000	0.001%
All Directors and Officers as a group				1,277,751,917	70.130%

As of December 31, 2017, Directors and Executive Officers of the Company owned an aggregate of **1,277,751,917** shares of the Company, equivalent to 70.13% of the Company's total issued and outstanding shares.

Other than those mentioned above, there are no persons holding more than five percent (5%) of a class under a voting trust or any similar agreements.

iii. Voting trust holders of 5% or more

Other than those mentioned above, there are no persons holding more than five percent (5%) of a class under a voting trust or any similar agreements as of the date of this Report.

iv. Changes in control

The Company is not aware of any arrangements that may result in a change of control in the Company since the beginning of its fiscal year.

Item 5. Directors and Executive Officers

- a. The incumbent members of the Board of Directors and Executive Officers of the Company are as follows:

Office/Position	Name	Age	Citizenship
Directors			
Chairman	Dennis A. Uy	44	Filipino
Director/President and CEO	Chryss Alfonsus V. Damuy	44	Filipino

Office/Position	Name	Age	Citizenship
Director/Treasurer	Cherylyn C. Uy	38	Filipino
Director	Arthur Kenneth L. Sy	50	Filipino
Director	Efren E. Uy	56	Filipino
Director	Eduardo A. Bangayan	66	Filipino
Independent Director	Miguel Rene A. Dominguez	41	Filipino
Independent Director	Jesus S. Guevara II	63	Filipino
Independent Director	Gener T. Mendoza	60	Filipino
Executive Officers			
President and CEO	Chryss Alfonsus V. Damuy	44	Filipino
Treasurer	Cherylyn C. Uy	38	Filipino
VP – Finance	Ignacia S. Braga IV	52	Filipino
AVP – Business Development & Corporate Affairs / Corporate Secretary	Ma. Henedina V. San Juan	56	Filipino
VP – Human Resources	Irwin M. Montano	52	Filipino
VP – Ship Management Tankers & Tugs	Regino S. Trajano	58	Filipino
VP – Ship Management Passenger and Cargo	Ricky P. Victoria	58	Filipino
AVP – Chartering and Synergy Functions	Athelle Beverly Diamond G. Feliciano	38	Filipino
Finance Controller	Rodel V. Marqueses	32	Filipino
Compliance Officer	Leandro E. Abarquez	34	Filipino
Investor Relations Officer	Rishamae S. Diaz	29	Filipino

Information required of directors and executive officers

i. Directors and Executive Officers

Board of Directors

The following are the final nominees who were duly screened by the Nomination Committee for election to the Board of Directors for the following fiscal year 2018 at the forthcoming Annual Stockholders' Meeting:

1. Dennis A. Uy
2. Chryss Alfonsus V. Damuy
3. Cherylyn C. Uy
4. Arthur Kenneth L. Sy
5. Efren E. Uy
6. Eduardo A. Bangayan
7. Miguel Rene A. Dominguez
8. Jesus S. Guevarra II
9. Gener T. Mendoza

Miguel Rene A. Dominguez was nominated as Independent Director by Dennis A. Uy, while Jesus S. Guevara II was nominated as Independent Director by Chryss Alfonsus V. Damuy and Gener T. Mendoza was nominated as Independent Director by Ignacia S. Braga IV.

The nominees are not related by consanguinity or affinity and have no professional or business dealings with the person who nominated them. The nominees are neither officers nor substantial stockholders of the Company. They possess the qualifications and none of the disqualifications of independent directors. Prior to being elected as Director of the Company, they have not, at any time, rendered any service to the Company.

For the scheduled Annual Stockholders' Meeting, the Nomination Committee has screened and evaluated the candidates for Independent Directors based on the Rule 38 of the Securities Regulation Code ("SRC") and the Company's Amended By-laws and Manual of Corporate Governance.

Below is a summary of the nominees' qualifications:

Dennis A. Uy
Chairman

Dennis A. Uy, Filipino, 44 years old, is the founder and the Chairman of Chelsea Logistics Holdings Corp. since its incorporation. He served as President and CEO of CLC from incorporation until March 27, 2017. He is the Chairman and President of Phoenix Petroleum Holdings, Inc., the holding company of Phoenix Petroleum Philippines, Inc. (PPPI), and Udenna Corporation, the ultimate parent company of PPPI and CLC. He is also the President and CEO of Udenna Management & Resources Corp. (UMRC) and its subsidiaries. Among the subsidiaries of UMRC are Global Synergy Trade & Distribution Corporation, PNX-UDENNA Insurance Brokers, Inc. ValueLeases, Inc., Udenna Capital, Inc., Udenna Environmental Solutions, Inc. and Udenna Energy Corporation. Mr. Uy is also Chairman of F2 Logistics, Phoenix Philippines Foundation, and Udenna Foundation. He is a member of the Young Presidents Organization – Philippine chapter and the Philippine Business for Social Progress. Mr. Uy is the Honorary Consul of Kazakhstan to the Philippines since November 2011. He has a degree in Business Management from De La Salle University.

Chryss Alfonsus V. Damuy
Director, President & CEO

Chryss Alfonsus V. Damuy, Filipino, 44 years old, is a Director of CLC since its incorporation and appointed President and CEO of the Company on March 27, 2017. He is the Chief Operating Officer of Chelsea Shipping Corp. and its subsidiaries, PNX-Chelsea Shipping Corp., Fortis Tugs Corporation, Michael, Inc., Bunkers Manila, Incorporated, Chelsea Ship Management & Marine Services Corp., and Chelsea Marine Manpower Resources, Inc. Mr. Damuy is currently the Vice Chairman of Trans-Asia Shipping Lines, Incorporated and its subsidiaries Oceanstar Shipping Corporation, Starsy Shoppe, Inc., Dynamic Cuisine, Inc. and Quality Metals & Shipworks, Inc. Prior to joining CLC, he was the Controller of Lapanday Foods Corporation and held various positions in its subsidiaries including the Fresh Asia Produce as Accounting Manager and the Mindanao Fresh Produce Services Corporation as Assistant Accounting Manager. He also worked as Chief Accountant of the Regional Educators Multi-Purpose Cooperative and as its Branch Officer. Mr. Damuy started his professional career as College Instructor of the Holy Cross of Davao College. He is a Certified Public Accountant and has a degree in Bachelor of Science in Accountancy.

Cherylyn C. Uy**Director, Treasurer**

Cherylyn C. Uy, Filipino, 38 years old, is a Director and Treasurer of CLC since February 10, 2017. She also serves as the Treasurer of Chelsea Shipping Corp. and its subsidiaries. She is likewise a Director of Phoenix Petroleum Philippines, Inc. and the Corporate Treasurer of the Udenna Group of Companies and F2 Logistics, Inc. Ms. Uy is a graduate of Ateneo de Davao University with a degree in Business Finance.

Arthur Kenneth L. Sy**Director**

Arthur Kenneth L. Sy, Filipino, 50 years old, is a Director of CLC since March 27, 2017. He serves as President and CEO of Trans-Asia Shipping Lines, Incorporated, and currently the President and CEO of JGSY Marine and Allied Ventures Corp., Dynamic Cuisine, Inc., Starsy Shoppe, Inc., Sybu Real Estate Corporation, Oceanstar Shipping Corporation, Allmix Trading, Inc., Quality Metal and Shipworks Inc. and Funflatables Corporation. Mr. Sy brings with him thirty (30) years of operations experience in the Shipping Industry. He holds degrees in the fields of business and engineering namely, Bachelor of Science in Business Administration from the University of San Carlos; Bachelor of Science in Marine Engineering, and Bachelor of Science in Mechanical Engineering from the University of Cebu.

Efren E. Uy**Director**

Efren E. Uy, Filipino, 56 years old, is a Director of CLC since March 27, 2017. Mr. Uy currently serves as the President and Chief Executive Officer of F2 Logistics Philippines, Inc., F2 Global Logistics, Inc., Agri Farmers, Inc., F8 Prime Transport Services, Inc., Ultimate Yellow Transport Services, Inc., Fmoves Transport Corp. and Miren Holdings, Inc. He has a degree in Bachelor of Science in Mechanical Engineering from University of San Carlos.

Eduardo A. Bangayan**Director**

Eduardo A. Bangayan, Filipino, 66 years old, is a Director of CLC since March 27, 2017. He is currently the President of Summit World Group of Companies, a Director for Fuji Oil Philippines and an Independent Director for Manila Mining Corporation. He is also the Vice President of the New Leyte Edible Oil Manufacturing Corporation. From 2004 until 2008, he served as Trustee of the Local Water Utilities Association. For the past (5) five years, he was involved in real estate and coconut oil/copra production. Mr. Bangayan served as a Director of the Davao City Water District since 2002 prior to his appointment as Chairman in January 2017 with a term until 2023. Further, he serves as an Independent Director of Rural Bank of Tagum from 2015 until present. He has a degree in Bachelor of Science in Business Administration from Silliman University.

Miguel Rene A. Dominguez**Independent Director**

Miguel Rene A. Dominguez, Filipino, 41 years old, is an Independent Director of CLC since March 27, 2017. He is currently the Vice President of Alsons Agribusiness Unit, Director of Sarangani Agricultural Company, Inc. and Director of Philippine Business for Social Progress. He served as Chairman of the Regional Peace and Order Council

for Region 12 (2011-2013), Chairman of SOCSARGEN Area Development Board (2008-2011) and Chairman of Regional Development Council of Region 12 (2007-2010). Mr. Dominguez was named an awardee for Governance and Public Service in the Ten Outstanding Young Men 2013 by the Junior Chamber International Philippines and the TOYM Foundation. He was the first awardee of the Jesse Robredo Leadership Award given the same year. He was governor of Sarangani province for three (3) consecutive 3-year terms that began in 2004. Prior to his election as governor, he was the National Sales and Marketing Manager of the Alsons Aquaculture Corporation in 2003, earning for the brand “Sarangani Bay” a strong hold in the international markets, particularly in the US, Japan and Europe. He has a degree in AB Economics from Boston College in the US.

Jesus S. Guevara II
Independent Director

Jesus S. Guevara II, Filipino, 63 years old, is an Independent Director of CLC since March 27, 2017. Mr. Guevara is currently the President of Alternative Power Resource Holdings, Inc. From 2009 to the present, he sits as Director of Lipa Bank, Inc. He served as Executive Vice President of the Development Bank of the Philippines, where he worked for eighteen (18) years. In the last (5) five years, he has served as Director for DBP Service Corporation, DBP Management Corporation, LGU Guarantee Corporation and DBP Insurance Brokerage, Inc. He was appointed Chairman of the Board of Phividec Industrial Authority. He has a degree in Bachelor of Arts in Economics from University of the Philippines and Master’s Degree in Industrial Relations.

Gener T. Mendoza
Independent Director

Gener T. Mendoza, Filipino, 60 years old, is an Independent Director of CLC since March 27, 2017. Mr. Mendoza is currently the President of GNCA Holdings, Inc. Apart from his assignment in GNCA, he serves as court-appointed rehabilitation receiver or liquidator for the following companies: Ensogo, Inc., Universal Rightfield Property Holdings, Inc., Pacific Activated Carbon Company, Inc., and Premium Agro-Vet Products, Inc. He also assists the liquidator of National Steel Corporation and Advent Capital Corporation. Previously, he was a Principal Partner of SyCip Gorres Velayo & Co., Vice President for Corporate Finance at Kuok Philippine Properties, Inc., and Executive Vice President of Crown Equities Inc. He serves as a Director of IPM Holdings Inc., Organizational Change Consultants International, Inc., ACM Landholdings, Inc., Dualtech Training Center Foundation, Inc., and Rose Pharmacy, Inc. He has a degree in Bachelor of Science in Management Engineering from Ateneo de Manila University and Master’s Degree in Business Administration from Harvard Business School.

Period of Directorship in the Company

Name of Director	Period of Service	Term of Office
Dennis A. Uy	since incorporation to present	1 year
Chryss Alfonsus V. Damuy	since incorporation to present	1 year
Cherylyn C. Uy	since February 10, 2017 to present	1 year
Arthur Kenneth L. Sy	since March 27, 2017 to present	1 year
Efren E. Uy	since March 27, 2017 to present	1 year
Eduardo A. Bangayan	since March 27, 2017 to present	1 year
Miguel Rene A. Dominguez	since March 27, 2017 to present	1 year

Name of Director	Period of Service	Term of Office
Jesus S. Guevara II	since March 27, 2017 to present	1 year
Gener T. Mendoza	since March 27, 2017 to present	1 year

Directorships in Other Reporting Companies

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

Name of Director	Name of Reporting Company	Position Held
Dennis A. Uy	Phoenix Petroleum Philippines, Inc.	Director, President and CEO
	2Go Group, Inc.	Chairman of the Board
Cherylyn C. Uy	Phoenix Petroleum Philippines, Inc.	Director

Executive Officers

The following Officers are expected to be nominated for re-election or election at the Organizational Meeting of the Board of Directors following the Annual Stockholders' Meeting on March 19, 2018:

Ignacia S. Braga

Vice President for Finance

Filipino, 52 years old, is the Vice President for Finance of CLC. She is also the Vice President for Finance of Chelsea Shipping Corp. and its subsidiaries. Ms. Braga is a Certified Public Accountant with more than twenty (20) years of corporate finance and accounting experience. Prior to joining the Company, she was formerly the Assistant Vice President – Group Controller of Lapanday Foods Corporation and former Controller of Macondary Agro-Industrial Corporation. She was the Finance Manager of RFM Tuna Corporation and the Asia Industries (Mindanao) Inc. She began her career as an auditor of Sycip Gorres Velayo & Co. in 1986. She is a Cum Laude graduate of Bachelor of Science Commerce Major in Accounting from Ateneo de Davao University.

Ma. Henedina V. San Juan

Corporate Secretary and Assistant Vice President for Business Development and Corporate Affairs

Filipino, 56 years old, is the Corporate Secretary and concurrently the Assistant Vice President for Business Development and Corporate Affairs of CLC. She also serves as the Corporate Secretary of Chelsea Shipping Corp. and its subsidiaries, and other Companies in the Udenna Group. Prior to joining the Company, she worked for Petron Corporation, Petronas Energy & Petroleum, Inc. and Herma Corporation. She has a degree in Bachelor of Arts in Political Science and Bachelor of Laws both from University of the Philippines.

Irwin M. Montano

Vice President for Human Resources

Filipino, 52 years old, is the Vice President for Human Resources of the Company and of CLC. Mr. Montano was formerly the Vice President for Human Resources, Environment/Safety and Health, Security, and Customer Service of Amkor Technology Philippines. He also served as the AVP for Human Resources and Business Unit Head

of the IT Outsourcing Group of American Data Exchange Corporation. He is a Cum Laude graduate of Bachelor of Science in Electronics and Communication Engineering from Mapua Institute of Technology. He completed his MBA Regis Program (Gold Medalist) from the Ateneo Graduate School of Business.

Regino S. Trajano

Vice President for Ship Management – Tankers & Tugs Division

Filipino, 58 years old, is the Vice President for Ship Management for the Tankers & Tugs Division of CLC. He was previously the President and General Manager of Transnational Uyeno Maritime, Inc. Prior to that, he had shipboard experience as Chief Engineer of foreign vessels. He has a degree in Bachelor of Science in Marine Transportation from the Philippine Merchant Marine Academy.

Ricky P. Victoria

Vice President for Ship Management – Passenger and Cargo Division

Filipino, 58 years old, is the Vice President for Ship Management of the Passenger and Cargo Division of CLC. Prior to joining CLC, he was the President of Navia Crewing Services, Inc. He was formerly the General Manager of Synergy Group Operations, Inc. and Senior Operations Manager of Jebsen’s Maritime, Inc. He was also with SAV Ship Management and Marine Services, Inc. as Managing Director. He has a degree in Bachelor of Science in Marine Transportation from the Philippine Merchant Marine Academy and has a Master’s Degree in Business Administration from the University of Western Australia.

Athelle Diamond Beverly G. Feliciano

Assistant Vice President for Chartering and Synergy Functions

Filipino, 38 years old, is the Assistant Vice President for Chartering and Synergy Functions of the Company. She was formerly with Emirates National Oil Company (ENOC) in charge of Risk Management. Prior to this, she was Chartering & Business Planning and Tanker Vessels Voyage Manager of Chevron Philippines, Inc. She is a Lean Six Sigma Green Belter. She has a Bachelor of Science degree in Business Economics from the University of Santo Tomas and has a Master’s Degree in Business Administration from the Ateneo Graduate School of Business.

Rodel V. Marqueses

Finance Controller

Filipino, 32 years old, is the Finance Controller of the Company. Prior to joining CLC, he was formerly an Audit Senior Manager of Punongbayan and Araullo. He is a Certified Public Account and has a degree in Bachelor of Science in Accountancy from San Beda College.

Leandro E. Abarquez

Compliance Officer

Filipino, 34 years old, is the Compliance Officer of the Company. Prior to joining CLC, he was a Senior Associate at Romulo, Mabanta, Buenaventura, Sayoc & de los Angeles. He has a Bachelor’s degree in Biology from the Ateneo de Manila University and obtained his Juris Doctor degree from the same university in 2009.

Rishamae S. Diaz

Investor Relations Officer

Filipino, 29 years old, is the Investor Relations Officer of the Company. She was

formerly with ABS-CBN Corporation as Investment Analysis and Business Decision Support Officer. Prior to that, she was a Corporate Finance Analyst at Alsons Consolidated Resources, Inc. and Unicapital, Inc. She holds a Bachelor's Degree in Mathematics from the University of the Philippines.

Period of Service in the Company

Name of Executive Officer	Period of Service
Ignacia S. Braga IV	Since incorporation to present
Ma. Henedina V. San Juan	Since incorporation to present
Irwin M. Montano	February 16, 2017 to present
Regino S. Trajano	January 1, 2018 to present
Ricky P. Victoria	January 11, 2017 to present
Athelle Diamond Beverly G. Feliciano	Since incorporation to present
Rodel V. Marqueses	September 16, 2016 to present
Leandro E. Abarquez	April 3, 2017 to present
Rishamae S. Diaz	January 3, 2018 to present

ii. Significant employees

No single person is expected to make a significant contribution to the Company's business since the Company considers the collective efforts of all its employees as instrumental to the overall success of the Company's performance.

iii. Family relationships

There are no other family relationships between any Directors and any members of the Company's senior management as of the date of this Information Statement, except for the following:

1. Spouses Dennis A. Uy (Chairman of the Board) and Cherylyn C. Uy (Treasurer)
2. Spouses Arthur Kenneth L. Sy (Director and Trans-Asia Shipping President) and Shiela Fay U. Sy (Trans-Asia Shipping VP for Marketing and Operations)
3. Siblings Arthur Kenneth L. Sy (Director and Trans-Asia Shipping President) and Judith Ann S. Sandoval (Trans-Asia Shipping AVP for Treasury and Administration Services)

iv. Involvement of Directors and Officers in certain legal proceedings

As of the date of this Information Statement, there are no other material legal proceedings involving CLC's Directors and Executive Officers except the following:

1. *People of the Philippines vs. Dennis Ang Uy, John Does and/or Jane Does, Criminal Case Nos. 75,834-13 to 75,845-13 and 76,067-13 to 76,076-13, Regional Trial Court, 11th Judicial Region, Davao City, Branch 14*

On August 27, 2013, the DOJ filed twelve (12) Information before the Regional Trial Court of Davao (docketed as Criminal Case Nos.75,834-13 to 75,845-13) against Mr. Uy and several John Does and/or Jane Does in connection with the Resolutions dated April 24, 2013 and August 13, 2013 issued by the SOJ, finding

probable cause against Mr. Uy for alleged violation of Section 3602 in relation to Sections 3601, 2530 (1)(1), (3), (4), and (5), Sections 1801, 1802, 3604; and 2530 of the TCCP, as amended, and AO No. 243, CAO No. 3-2010 and CAO No. 18-2010.

On September 5, 2013, an Entry of Appearance with Omnibus Motion (for Judicial Determination of Probable Cause and to Suspend Issuance and/or Service of Warrant of Arrest) dated September 3, 2013 was filed by Mr. Uy's counsel, which prayed for the dismissal of the criminal cases for lack of probable cause.

Thereafter, on September 11, 2013, the DOJ filed ten (10) additional Information against Mr. Uy and several John Does and/or Jane Does for alleged violations of the TCCP. These were docketed as Criminal Case Nos. 76,067-13 to 76,076-13.

On September 19, 2013, a Supplemental Motion for Judicial Determination of Probable Cause dated September 18, 2013 was filed by Mr. Uy's counsel, seeking the dismissal of the ten (10) additional criminal cases for lack of probable cause.

On October 4, 2013, the RTC issued an Order dismissing all the cases against Mr. Uy.

On November 15, 2013, a copy of the plaintiff People of the Philippines' Motion for Reconsideration with Urgent Motion for Inhibition of Judge George E. Omelio dated November 12, 2013 was received, to which Motion, Mr. Uy filed his Opposition.

On August 18, 2014, the RTC issued an Order denying the Motion for Reconsideration of the plaintiff. The plaintiff People of the Philippines filed its Petition for Certiorari with the Court of Appeals for the reversal of the Orders dated October 4, 2013 and August 18, 2014 issued by the trial court. Please see Item 3 below for status on the Petition for Certiorari.

2. *People of the Philippines vs. Hon. George E. Omelio, in his capacity as Presiding Judge of the Davao City Regional Trial Court, Branch 14, Hon. Loida S. Posadas-Kahugan, in her capacity as Acting Presiding Judge of the Davao City RTC, Branch 14, Dennis Ang Uy, John Does and/or Jane Does, CA-G.R.SP No. 06500-MIN, Court of Appeals, Cagayan de Oro City, 23rd Division*

On October 27, 2014, petitioner People of the Philippines filed a Petition for Certiorari seeking the reversal of the Orders dated October 4, 2013 and August 18, 2014 issued by the trial court dismissing the cases filed against Dennis Ang Uy. The respondents filed their Comment to said Petition for Certiorari, and the parties subsequently filed their respective Memoranda. In its Decision dated October 12, 2016, the Court of Appeals denied the Petition for Certiorari filed by the People of the Philippines. On November 7, 2016, the People of the Philippines filed its Motion for Reconsideration of the Decision dated October 12, 2016. To date, the Court of Appeals has not acted on the Motion for Reconsideration dated November 7, 2016.

3. *Dennis A. Uy vs. Hon. Secretary of the Department of Justice Leila M. De Lima and the Bureau of Customs, CA-G.R.SP No. 131702, Court of Appeals, Manila, Special Former Special Tenth Division*

There being no appeal or any other plain, speedy and adequate remedy in the ordinary course of law available to question and seek the reversal of the Resolutions dated April 24, 2013 and August 13, 2013 issued by the SOJ finding probable cause against Mr. Uy for alleged violation of the TCCP and other related rules and regulations, Dennis A. Uy filed a Petition for Certiorari with the Court of Appeals on September 4, 2013.

On September 10, 2013, petitioner filed a Motion for Consolidation seeking the consolidation of this case with the Petition for Certiorari (with Application for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction) filed by Jorlan Cabanes, docketed as CA-G.R.SP No.129740. The Motion for Consolidation was granted in the Resolution dated November 6, 2013. Thereafter, all the parties filed their respective Memoranda. On July 25, 2014, the Court of Appeals issued its Decision granting the Petition for Certiorari and declaring the Resolutions dated April 24, 2013 and August 13, 2013 nullified and set aside and directing that the Information filed against Dennis Uy and Jorlan C. Cabanes before the Regional Trial Courts of Batangas City and Davao City be withdrawn and/or dismissed for lack of probable cause. A Motion for Reconsideration of the Decision dated July 25, 2014 was filed by respondents SOJ and Bureau of Customs. On July 23, 2015, the Court of Appeals issued its Resolution denying respondents' Motion for Reconsideration. On September 10, 2015, petitioner received a copy of the Motion for Extension to File Petition for Review on Certiorari filed by the respondents with the Supreme Court. To date, the Supreme Court has not acted on respondents' Motion.

4. *Secretary of the Department of Justice Leila M. De Lima and Bureau of Customs vs. Jorlan Cabanes, and Secretary of the Department of Justice Leila M. De Lima and Bureau of Customs vs. Dennis A. Uy, G.R. No. 219295-219296, Supreme Court, 2nd Division*

On October 8, 2015, respondents Jorlan C. Cabanes and Dennis A. Uy received a copy of the Petition for Review on Certiorari dated September 8, 2015 filed by petitioners SOJ and Bureau of Customs seeking to set aside the Court of Appeals' Decision dated July 25, 2014 and the Court of Appeals' Resolution dated July 2, 2015. The Supreme Court required the parties to file their respective Memoranda, which the parties complied with. On December 12, 2016, the Supreme Court issued its Notice of Resolution dated November 16, 2016 noting the parties' Memoranda.

5. *People of the Philippines v. Prospero Pichay, Eduardo Bangayan, et.al., SB Criminal Case Nos. SB16CRM0425-30*

These cases charge Mr. Eduardo Bangayan for (a) violation of Section 3(e) of R.A. 3019; (b) violation of Section X126.2(C)(1)(2) of the Manual of Regulation for Banks in relation to Sections 36 and 37 of R.A. No. 7653; and, (c) committing Malversation of Public Funds under the Revised Penal Code, for allegedly conspiring with the other accused in the (a) Local Water Utilities Association's

(LWUA) purchase of 445,377 shares in Express Savings Bank, Inc. (ESBI) and release from the LWUA Fund of at least PhP800,003,070.51 in connection with the said purchase of shares; and, (b) LWUA's deposit and/or capital infusion of the PhP400,000,000.00 and deposit of PhP300,000,000.00 with ESBI, as well as the release of the foregoing amounts from the LWUA Fund.

Mr. Bangayan sought for the dismissal of the criminal cases against him based on his defense that he had acted in good faith, upon the honest belief and based on information made available to him, that LWUA's acquisition of ESBI had the approval of the BSP and complied with all applicable laws and regulations, and that there was no prima facie evidence on his alleged conspiracy, hence, there is no probable cause to indict him for any of the alleged offenses.

The Sandiganbayan dismissed the case insofar as Mr. Bangayan is concerned through its Resolution dated October 18, 2016. The prosecution moved for reconsideration thereof. The same is still pending resolution by the Sandiganbayan.

6. *Field Investigation Office (Office of the Ombudsman) v. Prospero Pichay, Eduardo Bangayan, et.al., OMB Case No. C-C15-0007*

Mr. Bangayan is being charged, together with four members of the LWUA Board, and other officials of the LWUA Management with alleged violations of (a) Malversation of Public Funds under Article 217 of the Revised Penal Code and, (b) Section 3(e) and (g) of R.A. 3019.

These charges are in connection with the use of LWUA corporate funds in extending loans to water districts nationwide under the Non-LWUA Initiated Funds (NLIF) Project from 2009 to 2011, which stemmed from the approval of the LWUA Board of Board Resolution No. 19, Series of 2009, upon the recommendation made and data provided to the Board by the LWUA Management.

For his defense, Mr. Bangayan argued that (a) his appointment as Trustee of the LWUA from September 2008 to March 2009 did not have legal effect; (b) he acted in good faith in voting for the use of the NLIF under said Board Resolution because he made it on the basis of the recommendation made as well as data given by the LWUA Management to the LWUA Board; and, (c) the Office of the Government Corporate Counsel did not specifically find any fault on the part of the LWUA Board. Based on the foregoing, Mr. Bangayan argued that there is no probable cause to indict him for the charges. The investigation is currently ongoing.

7. *Ombudsman v. Bundoc, et. Al., G.R. No. 225521-28, Supreme Court, First Division*

On November 2012, the Office of the Ombudsman issued a review decision finding certain individuals, including Jesus S. Guevara II, guilty of Grave Misconduct and Conduct Prejudicial to the Best Interest of the Service. On November 2015, the Court of Appeals set aside the decision, which prompted the Office of the Ombudsman to file a motion for reconsideration. The Court of Appeals denied such motion for reconsideration on June 2016. A petition for

review on certiorari was filed by the Office of the Ombudsman before the Supreme Court on August 2016. The Supreme Court in its Order dated December 1, 2016 and received on March 30, 2017, ordered the respondents including Jesus Guevara II to comment on the Petition filed by the Ombudsman. The respondents including Jesus Guevara II seasonably filed their Comment before the Supreme Court.

Other court cases typical and customary in the course of the business operations of the Company such as those, among others, involving collection, qualified theft, breach of contract and reckless imprudence have been filed by and against the Company, by and against its employees and/or third parties. The results of which will not significantly affect the financial standing of the Company.

Except for the above, to the best of the Company's knowledge there has been no occurrence during the past five (5) years up to the date of this Information Statement of any of the following events which are material to an evaluation of the ability or integrity of any Director, person nominated to become a Director, executive officer, or control person of the Company:

- Any insolvency or bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the insolvency or within two years prior to that time;
- Any conviction by final judgment in a criminal proceeding, domestic or foreign, or any pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- Any final and executory order, judgment, or decree or any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting involvement in any type of business, securities, commodities, or banking activities; and
- Any final and executory judgment by a domestic or foreign court or competent jurisdiction (in a civil action), the Commission, or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

There are no other pending legal cases as far as records of the Company is concerned.

b. Certain relationships and related transactions

In the ordinary course of its business, CLC and its subsidiaries engages in transactions with related parties and affiliates. It is the Company's policy to ensure that these transactions are entered on terms comparable to those available from unrelated third parties. This may consist but not limited to the following:

- i. Chartering services
- ii. Fuel purchases

- iii. Advances to/from related parties for working capital purposes
- iv. Personal Guarantees of Interest-bearing loans

For a detailed discussion on related party transactions, please refer to Item 12 of the Annual Report (SEC 17-A) and Item 21.4 of the Notes to the 2017 Consolidated Financial Statements of the Corporation and Subsidiaries.

c. Ownership structure and parent company

As of December 31, 2017, Udenna Corporation owns 70.00% of the outstanding shares of the Company.

d. Resignation of directors

Since the organizational meeting of the Company on March 27, 2017, no Director or Officer has resigned because of a disagreement with the Company on any matter relating the Company's issuance, operations, policies or practices.

Item 6. Compensation of Directors and Executive Officers

The Company's executive officers are regular employees entitled to a 12-month compensation package and other mandatory pay and benefits. They also receive performance bonuses similar to those of the managerial, supervisory and technical employees.

The members of the Board of Directors who are not employees of the Company are elected for a period of one (1) year. The Company pays its non-executive directors a per diem of PHP30,000.00 for each meeting. There are no other arrangements for which the members of the Board of Directors are compensated.

The members of the Board of Directors are elected for a period of one (1) year.

The following table sets forth CLC's most highly compensated executive officers, including its President and CEO, for the year ended December 31, 2017:

Name	Principal Position
Chryss Alfonsus V. Damuy	President and CEO
Cherylyn C. Uy	Treasurer
Ignacia S. Braga IV	Vice President – Finance
Arthur Kenneth L. Sy	Trans-Asia President
Ricky P. Victoria	Vice President – Ship Management Tankers & Tugs Division

The aggregate compensation paid or incurred during the last two (2) fiscal years and estimated to be paid in the ensuing fiscal year to the executive officers of the Company are as follows:

	Year	Salary	Bonus	Other Annual Compensation
CEO & Most Highly Compensated Executive	2016A	PhP 21.0 M		
	2017A	PhP 20.4 M		

	Year	Salary	Bonus	Other Annual Compensation
Officers	2018E	PhP 21.8 M		
All other officers as a group unnamed	2016A	PhP 18.0 M		
	2017A	PhP 6.0 M		
	2018E	PhP 6.4 M		

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

- a. Specification of job title, commencement date of employment, work assignment and possible need for reassignment of work or location as the need may arise.
- b. Probation of six months from commencement of employment. If the job performance is found to be satisfactory, employment shall be converted to regular status.
- c. Salary & Benefits: specifies that the executive officer shall receive his or her monthly salary and a guaranteed 13th month pay less the necessary government deductions required by law, such as but not limited to SSS premium, PHILHEALTH, and PAG-IBIG contributions. The same section likewise provides that the executive's salary shall be subject to annual review which shall take into consideration his or her performance and the achievement of a mutually-agreed goals.
- d. Exclusivity: The employment contract states that the executive shall render exclusive service to the Company and to work with other companies, regardless of whether such work is done outside of office hours, without the consent of the Company, is prohibited.
- e. Confidentiality: The executive is duty bound to keep confidential information, materials and records which he or she may access in the course of his or her employment with the Company and he or she may not disclose or reproduce the same without the consent of the Company.
- f. Professional Conduct: The executive concerned is expected to comply with all the policies and procedures which the Company may issue from time to time. It is specifically prohibited to accept any or all kinds of gifts from suppliers and customers without the consent of the Company.

Employees' Stock Option Plan (ESOP)

The Company has no existing stock option plan.

Item 7. Independent Public Accountants

Punongbayan & Araullo (P&A), a member firm of Grant Thornton International Ltd., independent auditors, audited the Company's financial statements as at and for the years ended December 31, 2016 and 2017 in accordance with the Philippine Standards on Auditing.

P&A has acted as CLC's external auditor since incorporation. Ramilito L. Nanola is the assigned audit partner and has served as such since 2016. The Company has not had any material disagreements on accounting and financial disclosures with its current external

auditors for the same periods or any subsequent interim period. P&A has neither shareholdings in CLC nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

Punongbayan & Araullo will be recommended for re-appointment at the scheduled Annual Stockholders' Meeting. Representatives of the firm are expected to be present at the Annual Stockholders' Meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The following table sets out the aggregate fees billed to the Company and its subsidiaries for each of the last two fiscal years for professional services rendered by its external auditor. P&A does not provide other services that are not reasonably related to the performance of the audit or review of our financial statements.

	2016	2017
Audit Fees	PhP 2,860,050	PhP 3,691,500

Audit and audit related fees refer to the professional services rendered by P&A for audit of the Company's annual financial statements and services that are normally provided in connection with statutory and regulatory filings for the said calendar years. The fees presented above include out-of-pocket expenses incidental to the Independent Auditors' services.

Audit Committee and Policies

CLC's Audit Committee shall be composed of at least three (3) qualified non-executive Directors, the majority of whom, including the Chairman, should be independent. All of the members of the Committee must have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and finance. The Chairman of the Audit Committee should not be the chairman of the Board or of any other committees.

The Audit Committee has the following functions:

- a. Provide oversight of Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
- b. Perform oversight functions over the Company's internal and external auditors. It should ensure that the internal and external auditors act independent from each other and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- c. Review the annual internal audit plan to ensure its conformity with the Company's objectives. The plan shall include the audit scope, resources and budget necessary to implement it;
- d. Prior to the commencement of an audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one

audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

- e. Organize an internal audit department, and consider, when necessary and desirable the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
- f. Monitor and evaluate the adequacy and effectiveness of CLC's internal control system including financial reporting control and information technology security;
- g. Review the reports submitted by the internal and external auditors;
- h. Review the quarterly, half-year and annual financial statements before their submission to the Board of Directors, with particular focus on the following matters: any change(s) in accounting policies and practices; major judgment areas; significant adjustments resulting from the audit; going concern assumptions; compliance with accounting standards; and compliance with tax, legal and regulatory requirements;
- i. Coordinate, monitor and facilitate compliance with laws, rules and regulations;
- j. Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fee paid to the external auditor in relation to its significance to the total annual income of the external auditor and to our overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with its duties as an external auditor or may pose a threat to its independence. The non-audit work, if allowed, should be disclosed in our annual report; and
- k. Establish and identify the reporting line of CLC's internal auditor to enable him to properly fulfill his duties and responsibilities. It shall functionally report directly to the Audit Committee.

CLC's Audit Committee shall ensure that its internal auditor in the performance of its work shall be free from interference by outside parties. In addition, the Audit Committee shall be tasked to prepare the Audit Committee Charter (the Charter), which shall contain, among others, its purpose, membership, structure, operations, reporting process, resources and other relevant information. The Charter shall specify how the Audit Committee shall perform its oversight functions as prescribed by the Revised Code of Corporate Governance (the Code).

In the preparation of the Charter, the Audit Committee shall strictly observe the requirements of the Code and other applicable laws and regulations in the Philippines and shall align the Charter with the best practices and standards as provided for in any or combination of the reference guides indicated in SEC Memorandum Circular No. 4, Series of 2012.

Upon approval by the Audit Committee of the Audit Committee Charter, the same shall be submitted for the approval of CLC's Board of Directors. Within one year from listing date, the Audit Committee shall assess its performance, as prescribed by and pursuant to SEC Memorandum Circular No. 4, Series of 2012.

Miguel Rene A. Dominguez is CLC's Audit Committee Chairman, with Dennis A. Uy and Jesus S. Guevara II as members.

Changes in and Disagreements with Accountants

The Company has not had any disagreement with its current external auditor/independent public accountant on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Item 8. Compensation Plans

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

C. ISSUANCE AND EXCHANGE SECURITIES

Item 9. Authorization or Issuance of Securities Other than For Exchange

No action is to be taken by the Company with respect to any authorization or issuance of securities.

Item 10. Modification or Exchange of Securities

No action is to be taken by the Company with respect to the modification of any class of securities of the Company or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

The audited financial statements for the period ended December 31, 2017 and Management's Discussion and Analysis are attached herein as Annex "B" and Annex "B-1", respectively. The schedules required under Part IV(c) of Rule 68 will be included in the Annual Report (Form 17-A).

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

In March 2017, CLC acquired a substantial stake in 2Go Group, Inc. (2Go) via a share swap agreement with Udenna Corporation (UC) wherein UC transferred to CLC 18,200 Udenna Investments BV (UIBV) shares in exchange for 775,384,615 CLC shares. UIBV, through KGLI-NM, holds 39.85% economic interest in NENACO, which effectively owns 88.31% of 2Go Group, Inc. Post-acquisition, CLC has 28.15% indirect economic interest in 2Go.

In November 2017, the Company acquired Worklink Services, Inc., a one-stop integrated logistics solutions provider, and Starlite Ferries, Inc., a passenger and cargo ship operator based in Batangas.

Item 13. Acquisition or Disposition of Property

In 2017, the Company through its subsidiaries acquired additional four (4) cargo vessels and three (3) tugboats.

Item 14. Reclassification of Accounts

No actions are to be taken with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports and Other Proposed Action

Approval of the Minutes of the Annual Stockholders' Meeting held on March 27, 2017

Item 16. Matters Not Required to be Submitted

There are no actions to be taken with respect to any matter, which are not required to be submitted to a vote by security holders.

Item 17. Amendment of Articles of Incorporation, By-Laws or Other Documents

Proposed amendment of the By-Laws of the Company, specifically Article IV – Officers, for the creation of the separate positions of the President, Chief Executive Officer, and Chief Operating Officer, and Amendment of the Articles of Incorporation specifically Article Second, to expand the primary purpose of the Company, and Article Seventh, for the creation of Preferred Shares, will be submitted to the stockholders for approval.

Item 18. Other Proposed Action

- a. Ratification and confirmation of all acts and resolutions of the Board and Management executed in the normal course of business covering the period August 9, 2017 until February 22, 2018 as set forth in **Annex A**.
- b. Election of the members of the Board of Directors
- c. Appointment of the External Auditor – Punongbayan & Araullo

Item 19. Voting Procedures

Under the Corporation Code, the affirmative vote of stockholders representing at least two thirds (2/3) of the outstanding capital stock of the Company shall be necessary for the approval of the proposed amendment to the Articles of Incorporation and the investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which it was organized.

Except in cases provided above, or where the law provides otherwise, all matters subject to vote shall be decided by the plurality vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present.

Stockholders of record are entitled to one (1) vote per share. There is no manner of voting prescribed in the By-Laws of the Company. Hence, voting may be done by viva voce, raising of hands or by balloting.

The external auditor of the Company, Punongbayan & Araullo, will validate the votes when

voting is done by secret ballot. Likewise, Punongbayan & Araullo will count the number of hands raised when voting by show of hands is done.

After reasonable inquiry to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Taguig on the ___ day of February 2018.

CHELSEA LOGISTICS HOLDINGS CORP.

BY:

MA. HENEDINA V. SAN JUAN

Corporate Secretary

	<p>PhP5,000,000.00 and below</p> <p>- Any one (1) Class “B” signatory signing jointly with any one (1) Class “C” signatory.</p>
11 September	<ul style="list-style-type: none"> Registration of Corporation's Logo with the Intellectual Property Office; Designation of the Corporate Secretary of the Corporation, Ma. Henedina V. San Juan as the authorized signatory for this Application.
11 September	<ul style="list-style-type: none"> Application of the Corporation with the Bureau of Internal Revenue for Authority to Print Receipts / Invoices; Designation of JANEL L. LAGAHIT as authorized signatory for this Application.
16 October	<ul style="list-style-type: none"> Authority for the Corporation to transact with BDO Unibank, Inc. in order to open and maintain depository accounts and corporate card account; avail of products and services offered by the Bank's units, that is, the Consumer Lending Group – Credit Card Unit, Trust and Investments Group and Treasury Group; avail of credit and lease facilities; mortgage, pledge and assign corporation property; Designation of the Corporation's Chairman Dennis A. Uy, President and CEO Chryss Alfonsus V. Damuy, Corporate Treasurer Cherylyn C. Uy, Corporate Secretary Ma. Henedina V. San Juan and Vice President for Finance Ignacia S. Braga IV as authorized signatories for all transactions with the Bank.
23 October	<ul style="list-style-type: none"> Designation of the Corporation's President and CEO Chryss Alfonsus V. Damuy as the authorized signatory for all transactions of the Corporation with BDO Unibank, Inc. – Trust and Investments Group.
6 November	<ul style="list-style-type: none"> Authority for the Corporation to purchase the entire outstanding shares of Starlite Ferries, Inc. consisting of four million (4,000,000) common shares for the total amount of PhP1,600,000,000.00; Designation of the Corporation's Chairman of the Board Dennis A. Uy or its President & CEO Chryss Alfonsus V. Damuy to sign the Deed of Absolute Sale of Shares of Stock to implement this transaction.
6 November	<ul style="list-style-type: none"> Authority for the Corporation to purchase the entire outstanding shares of Worklink Services, Inc. consisting of four hundred seventy five thousand (475,000) common shares for the total amount of PhP 600,000,000.00; Designation of the Corporation's Chairman of the Board Dennis A. Uy or its President & CEO Chryss Alfonsus V. Damuy to sign the Deed of Absolute Sale of Shares of Stock to implement this transaction.
4 December	<ul style="list-style-type: none"> Authority for the Corporation to act as continuing surety for all obligations arising from or in connection with all credit accommodations extended or that may be extended in the future to Trans-Asia Shipping Lines, Inc. by BDO Leasing and Finance, Inc.; Designation of the Corporation's Chairman Dennis A. Uy and President & CEO Chryss Alfonsus V. Damuy as authorized signatories for the Continuing Surety Agreement and all other documents necessary to implement this Resolution.
4 December	<ul style="list-style-type: none"> Authority for the Corporation to act as continuing surety for all obligations arising from or in connection with all credit accommodations extended or that may be extended in the future to

	<p>Oceanstar Shipping Corporation by BDO Leasing and Finance, Inc.; Designation of the Corporation's Chairman Dennis A. Uy and President & CEO Chryss Alfonsus V. Damuy as authorized signatories for the Continuing Surety Agreement and all other documents necessary to implement this Resolution.</p>
11 December	<ul style="list-style-type: none"> • Authority for the Corporation to purchase one (1) share of stock of The Subic Bay Yacht Club, Inc.; Designation of the Corporation's President & CEO Chryss Alfonsus V. Damuy as the authorized signatory for this purchase transaction; Designation of the following nominees of the Corporation authorized to use the facilities of the Club : Dennis A. Uy; Cherylyn C. Uy; Chryss Alfonsus V. Damuy; Meldin Alfonso G. Roy; Raymundo Martin M. Escalona; Wilfredo A. Placino; Adel A. Tamano; Raymond T. Zorilla; Erickson Y. Manzano and Jose Antonio G. Lopez.
11 December	<ul style="list-style-type: none"> • Authority for the Corporation to file an application for renewal of its Business Permit for 2018 with the City Government of Davao; Designation of the Corporation's Vice President for Finance Ignacia S. Braga IV as authorized signatory for this application; Authority for Entia Accounting Office and any of its staff members to follow-up the issuance of the Corporation's 2018 Business Permit.

MANAGEMENT REPORT

I. MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) OF FINANCIAL CONDITION AND RESULTS OF OPERATION

This discussion summarizes the significant factors affecting the consolidated operating results and financial condition of Chelsea Logistics Holdings Corp. and its Subsidiaries for the period September 30, 2017. The following discussion should be read in conjunction with the attached audited consolidated financial statements of the Company as of September 30, 2017 and 2016, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the two years in the period ended September 31, 2017.

PERIOD ENDED SEPTEMBER 30, 2017 VS. 2016

Management Report on Operations

Consolidated Revenues

Presented below is the comparison of the Group's consolidated revenues for the nine months ended September 30, 2017 as compared to the pro-forma combined financial performance of Chelsea Shipping Corp. and subsidiaries and Trans-Asia Shipping Lines, Inc. and subsidiaries for the same period in 2016.

	2017 - Consolidated		2016 - ProForma Combined		Year over Year Change	
Charter fees	1,087,683,761	47%	1,130,988,546	49%	(43,304,785)	-4%
Freight	646,434,580	28%	452,048,252	20%	194,386,328	43%
Passage	339,528,146	15%	309,086,307	13%	30,441,839	10%
Tugboat fees	192,695,282	8%	166,958,740	7%	25,736,542	15%
Others	29,769,096	1%	51,466,376	2%	(21,697,280)	-42%
	2,296,110,865	100%	2,110,548,220	92%	185,562,645	9%

The Group generated total revenues of ₱2,296.1 million for the nine months ended September 30, 2017 which was slightly higher than the combined revenues of ₱2,110.5 million for the same period in 2016, primarily due to the 43% increase in freight revenues and despite the 4% decline in charter fee revenues.

The decrease in charter fees by ₱43.3 million or approximately 4% during 2017 was primarily due to the change in charter agreements involving M/T Great Diamond (formerly Chelsea Thelma) and M/T Great Princess (formerly Chelsea Donatela), which are the two largest vessels registered in the Philippines. The two vessels were the subject of bareboat agreement entered into by the Company with a Vietnam-based petroleum company effective November 2016 and March 2017, respectively. Of the four-types of charter agreements, bareboat charter yields the least revenue since all costs related to the operation of the vessel are being shouldered by the charterer instead of the ship owner on a cost-plus basis. In 2016, both M/T Great Diamond and M/T Great Princess were under the voyage charter type of agreement wherein all costs are shouldered by the ship owners; hence, revenue is largest as the costs are also high. The bareboat agreement entered into by the Company is for a period of five years, renewable for another five years.

The increase in freight revenues by 43% was primarily due to the commercial operations of MV Trans-Asia 12 which plies the Manila – Cebu route. MV Trans-Asia 12 started

commercial operations in this route only in August 2016. In addition, MV Trans-Asia 5 also underwent drydocking in January 2016.

The slight increase in passage revenues by 10% from the previous year was primarily due to increased number of passengers.

Tugboat fees improved by 15% for the period ended September 30, 2017. The improvement in tugboat fees was primarily due to increased port calls in Calaca Seaport (formerly Phoenix Petroterminals & Industrial Park), which increased by approximately 51% from 272 to 410. In addition, the full period's operations of Fortis Tugs Corporation in Keppel Batangas also contributed to the increase in tugboat fees. Fortis Tugs Corporation became the exclusive tugboat provider in Keppel Batangas in March 2016.

Cost of Sales and Services

The Group recognized costs of sales and services of ₱1,480.8 million for the nine months ended September 30, 2017 as compared to ₱1,553.0 million for the same period in 2016. The minor decline in direct costs can be attributed to the commissioning of M/T Great Diamond and M/T Great Princess on a bareboat charter wherein all direct costs are being shouldered by the charterer. This arrangement gives better and more stable gross margins.

Other operating expenses, on the other hand, significantly increased by ₱46.6 million or approximately 19%. The increase was brought about by increases in salaries and employee benefits, taxes and licenses, depreciation and amortization, outside services, travel and transportation and office supplies which are directly related to the continued expansion of the Group.

Net Income

The Group's net profit for the nine months ended September 30, 2017 amounted to ₱405.7 million as compared to ₱102.0 million for the same period in 2016. The Group was able to grow the profit primarily from its share in net income of Negros Navigation Co., Inc. and 2Go Group, Inc. through its investments in Udenna Investments B.V. The amount of equity shares in net income recognized by the Group amounts to ₱168.1 million.

Operating income increased by 18% from ₱306.1 million to ₱517.2 million.

Finance costs increased significantly due to increased interests from loans related to the acquisition of MT Chelsea Charlize, MT Chelsea Endurance, MT Chelsea Dominance and MV Trans-Asia 12 as well as from the CBC loan and CTBC loan obtained to fund the acquisition of CSC and Trans-Asia Shipping. In addition, foreign exchange losses arising from the translation of U.S. dollar-denominated loans also contributed to the increase in finance costs.

Financial Position

Analysis of Financial Condition and Balance Sheet Accounts

Total resources of the Group grew to ₱28,382.9 million as of September 30, 2017 from ₱10,759.9 million as of December 31, 2016. The increase was brought about by the Company's indirect ownership in 2Go Group, Inc. through Udenna Investments B.V., which was finalized in March 2017 and the Company's initial public offering in August 2017.

Cash and cash equivalents surged by 798% from ₱508.9 million as of December 31, 2016 to

₱4,571.8 million as of September 30, 2017 as a result of the Company's initial public offering in August 2017.

Trade and other receivables increased by 15% from ₱944.5 million as of December 31, 2016 to ₱1,088.4 million as of September 30, 2017 as a result of collections related to the Group's tankers and freight segments.

The decline in subscriptions receivables was due to collections from the parent company.

Increase in inventories of approximately ₱74.0 million was due to acquisition of spare parts inventories in preparation for drydocking of certain vessels. Spare parts inventories rose from ₱36.2 million as of December 31, 2016 to ₱111.4 million as of September 30, 2017.

Advances to related parties increased significantly from ₱194.4 million as of December 31, 2016 to ₱6,290.7 million as of September 30, 2017 as a result of the proceeds from the Bank of China (BOC) loan being used to pay the \$120 million and ₱565.7 million initial bridge finance from BDO Unibank, Inc.

The increase in Other Current Assets from ₱542.6 million as of December 31, 2016 to ₱1,490.8 million as of September 30, 2017 was primarily the result of earnest money paid by the Company in relation to the planned acquisition of a shipping company.

The increase in Investments in an associate and a joint venture from ₱45.6 million as of December 31, 2016 to ₱2,322.9 million as of September 30, 2017 was due to the acquisition of the all outstanding shares of Udenna Investments B.V. (UIBV), which holds 79.99% economic interest in KGLI-NM, which in turn owns 39.85% economic interest in Negros Navigation Co., Inc. (NENACO), the parent company of 2Go. The acquisition was made through issuance of the Company's shares.

Increase in goodwill was the result of the acquisition of UIBV. In 2017, the Company acquired 100% ownership interest in UIBV for a total cost of ₱6,048 million. The fair value of the identifiable assets less liabilities assumed was determined to be ₱2,130 million. The excess of the acquisition cost over the fair value of the net assets of UIBV represents goodwill, which represents the value of the expected synergies arising from the acquisition.

The increase of ₱30.2 million in deferred tax assets can be attributed to the tax effect of net operating losses incurred by the Company and certain subsidiaries within the Group.

The increase in other non-current assets from ₱175.5 million as of December 31, 2016 to ₱198.5 million as of September 30, 2017 was primarily due to costs related to the drydocking of MT Chelsea Excellence and MT BMI Patricia. The additions to drydocking were partially offset by amortization of drydocking during the nine months ended September 30, 2017.

Trade and other payables slightly increased by ₱55.7 million from ₱1,358.8 million as of December 31, 2016 to ₱1,414.4 million as of September 30, 2017. The increase in trade and other payables was primarily due to timing of payment of trade payables and mitigated by the increased deferred output VAT as a result of increased trade receivables as of September 30, 2017.

Interest-bearing loans significantly increased by 79% from ₱7,372.8 million as of December

31, 2016 to ₱13,188.4 million as of September 30, 2017 primarily as a result of the \$220 million bridge loan facility obtained by the Company from BOC, of which \$130 million has been drawn. The Company is negotiating with the lender bank to convert the facility into a five to seven-year permanent working capital facility. The proceeds from the BOC loan were used to pay the \$120 million and ₱565.7 million initial bridge finance from BDO Unibank, Inc.

The slight increase in advances from related parties was due to unsecured, noninterest-bearing cash advances from entities under common ownership.

The decline in income tax payable was primarily due to payments made in April 2017, which was the due date of filing and payment of income taxes for the year ended December 31, 2016.

The significant decline in other non-current liabilities by 75% was mainly due to the reclassification of such amount to the current portion.

The increase in capital stock and additional paid-in capital was brought about by the issuance of the Company's shares of stock to Udenna Corporation in exchange for the latter's ownership in UIBV. CLC's share was valued at ₱7.80 per share. In addition, the Company also issued 546,593,000 new shares on its initial public offering on August 8, 2017 with an issue price of ₱10.68 per share.

Retained earnings significantly increased by ₱455.4 million primarily due to the results of the Company's financial performance for the nine months ended September 30, 2017.

KEY FINANCIAL PERFORMANCE INDICATORS

The key financial performance indicators for the Company for the period ended September 30, 2017 and December 31, 2016 are as follows:

	September 2017	December 2016
Gross Profit Ratio	35%	26%
Debt-to-Equity Ratio	1.13	5.89x
EBITDA	₱ 1,263 M	₱1,018 M
EBITDA Margin	55%	35%
ROE	3%	8%

1. Gross Profit Ratio

This is the barometer on the efficiency of the Company's services, reflecting the market acceptability visà-vis competition particularly in terms of timeliness, reliability, pricing, and image and perception. This is of primary importance and is regularly being monitored for appropriate action and/or improvement.

2. Debt-to-Equity Ratio

This is computed by dividing total liabilities by total equity. It indicates how much debt the Company is using to finance its assets relative to the value of stockholders' equity.

3. Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

This is a general, yet reasonable representation of the cash generated by the Company from its current business operations that can then be made available for payment of loan interests, loan principal amortization, and taxes; and any further amount in excess

becomes the Company's cash profit.

4. EBITDA Margin

This is computed as EBITDA divided by Revenue.

5. Return on Equity (ROE)

This is computed as Net Income divided by Total Equity.

CAUSES FOR ANY MATERIAL CHANGES FROM PERIOD TO PERIOD OF FS, WHICH SHALL INCLUDE VERTICAL AND HORIZONTAL ANALYSES OF ANY MATERIAL ITEM

Please refer to the discussions under Results of Operations and Financial Position for the period ended September 30, 2017 vs. 2016.

The Company is not aware of the following:

- i. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
- ii. All material off-balance sheet transaction, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

SEASONAL ASPECTS THAT HAS MATERIAL EFFECT ON THE FINANCIAL STATEMENTS

The RoPax segment transports passengers and cargoes within Philippine territorial waters and/or in the high seas. Due to seasonal nature of this segment, higher passage revenues and operating profits are usually experienced in the summer months of the year (March, April and May), school holidays (October and November) and Christmas Holidays (December and January) rather than in the other months of the year. Freight revenues, on the other hand, are higher at the last quarter of the year rather than in the early months.

II. NATURE AND SCOPE OF BUSINESS

Item 1. Business

Chelsea Logistics Holdings Corp. (CLC) is a corporation organized and registered with the Philippine Securities and Exchange Commission (SEC) on August 26, 2016 as "Chelsea Shipping Group Corp." primarily to act as a holding company. On December 21, 2016, the Philippine SEC approved the change in its corporate name to "Chelsea Logistics Corp". Subsequently, on June 27, 2017, the Philippine SEC again approved the Company's change in corporate name to "Chelsea Logistics Holdings Corp." The Company, through its following wholly-owned subsidiaries, is engaged in the shipping transport business, described in detail as follows:

- a. Chelsea Shipping Corp. (CSC), incorporated on July 17, 2006, is engaged in maritime trade in the conveyance or carriage of petroleum products, goods, wares, and merchandise of every kind and description, including but not limited to general cargo handling, loading, transporting, discharging and storing, over oceans, seas, lakes, rivers, canals, bays, harbors, and other waterways in the Philippines.
- b. Trans-Asia Shipping Lines, Incorporated (Trans-Asia), incorporated on March 25, 1974, is engaged in transporting passengers and cargo within Philippine territorial waters and/or in the high seas.
- c. Worklink Services, Inc. (WSI), incorporated on June 2, 1994, is engaged in courier, forwarding, trucking and logistics services.
- d. Starlite Ferries, Inc. (SFI), incorporated on 26 August 1994, is engaged in the general business of domestic shipping.

CSC's wholly-owned subsidiaries are engaged in the following businesses:

- a. PNX-Chelsea Shipping Corp. (PNX-Chelsea), incorporated on February 2, 2011, is engaged in operating vessels for domestic trade for conveyance or carriage of petroleum products, goods, wares, and merchandise of every kind and description, to charter in and charter out any such vessels and to provide complete maritime services.
- b. Fortis Tugs Corporation (FTC), incorporated on April 8, 2013, is engaged in the towage and salvage of marine vessels and other crafts including cargoes upon seas, lakes, rivers, bays, harbors, and other waterways between the various ports of the Philippines. DGMSI, a wholly-owned subsidiary of FTC, operates, conducts, and provides tug and other marine services to all vessels, foreign or coastwise that dock and undock in the District Port of Davao and all other ports in the Philippines.
- c. Michael Inc. (MI), incorporated on December 26, 1957, is engaged in the charter, hire or otherwise acquire LCTs, ships, barges, or vessels, together with equipment and furniture thereof.
- d. Bunkers Manila Incorporated (BMI), incorporated on March 7, 2000, is engaged in operating inter-island vessels for domestic trade, to charter in and charter out any such vessels and to provide complete marine services, as principal or agent to ship owners, ship operators and managers, and to any person, association, firm or corporation engaged in domestic marine and maritime business.

- e. Chelsea Ship Management & Marine Services Corp. (CSMMSC), incorporated on March 30, 2012, is engaged in ship management and is authorized to act as agent, broker, ship chandler or representative of foreign/ domestic shipping corporations and individuals for the purpose of managing, operating, supervising, administering and developing the operation of vessels belonging to or which are or may be leased or operated by said shipping corporations and individuals.
- f. Chelsea Marine Manpower Resources, Inc. (CMMRI), incorporated on June 9, 2016, is engaged in providing full and partial crewing for domestic and foreign vessels, and is authorized to act as authorized representative and crew manager of shipping companies, and to provide allied maritime services for said vessels and companies.
- g. Chelsea Dockyard Corp. (CDC), incorporated on January 8, 2018, is engaged in the general business of building and repair of ships, boats and other kinds of vessels as well as in ship breaking activities.

On the other hand, Trans-Asia's wholly-owned subsidiaries are engaged in the following businesses:

- a. Ocean Star Shipping Corporation (OSSC), incorporated on July 6, 2006, is engaged in the hire, charter, purchase or otherwise acquires vessels, barges, tugboats, lighters or other vessels of any class or regular services of vessels, barges, tugboats, lighters, or other vessels to enter into contract for the carriage and shipment in bulk or otherwise, and to conduct the business of general lighterage, towing ship chandling, shipbrokers, freight contractors, barge and lighter owners and operators, forwarding agents, and general cargo handling operations of any all kinds of cargo.
- b. Stary Shoppe, Inc. (SSI), incorporated on March 31, 2005, is engaged in engaged in the purchase of all kinds of food and beverage products and merchandise, except rice and corn, locally and/or through importation for purposes of selling the same on retail or wholesale, either local and/or through importation.
- c. Dynamic Cuisine Inc. (DCI), incorporated on June 21, 2000, is engaged in maintaining restaurants, coffee shops, refreshment parlors, cocktail lounges, and cooks, arranges, serves and caters goods, drinks, refreshments and other food or commodities commonly served in such establishments.
- d. Quality Metal & Shipworks, Inc. (QMSI), incorporated on November 28, 2007, is engaged in providing machining and mechanical works on ship machineries and industrial plants.

On March 27, 2017, CLC acquired all of Udenna Investments BV's (UIBV's) outstanding capital stock through a share swap agreement with Udenna Corporation wherein Udenna Corporation transferred to CLC 18,200 UIBV shares. In exchange, CLC issued 775,384,615 new common shares from its authorized and unissued capital stock in favor of Udenna. UIBV was incorporated on August 25, 1994. UIBV owns 80% economic interest in KGLI-NM, a domestic corporation which was incorporated on August 8, 2008, and which holds 39.85% economic interest in NENACO. KGLI-NM acquired such interests in NENACO on May 13, 2008. NENACO, in turn owns 88.31% of 2Go. NENACO acquired its interests in 2Go on December 28, 2010. Hence, CLC has a 28.15% indirect economic interest in 2Go. NENACO and 2Go Group, Inc. are the largest supply chain enterprise and end-to-end solutions provider in the Philippines.

On August 8, 2017, the Company went public, making thirty percent (30%) of its total outstanding shares available to the market. The net proceeds were used for the acquisition of new vessels and vessel equipment; port facilities, containers and terminal equipment; and shipping and logistics companies.

On November 8, 2017, the Company acquired Worklink Services, Inc., a one- stop integrated logistics solutions provider, and on November 9, 2017, the Company acquired Starlite Ferries, Inc., a roll-on, roll-off and passenger ship operator based in Batangas.

Services

The Company derives the bulk of its revenues from four main service lines, namely: (a) Charter fees, (b) Passage, (c) Freight, (d) Tugboat fees.

Services	Description of Services	Contribution to Sales
Charter fees	This consists mainly of charter income arising from the charter hire of its tankers and is recognized based on the type of charter agreement entered into, either under a time charter (TC), a continuing voyage charter (CVC), or bareboat agreement (BB). Charter fees also include standby charges, which represent fees charged upon failure of customer to utilize/dispatch the tanker within the allotted lay-time initially agreed upon with the customer. This is commonly referred to as demurrage.	47%
Passage	This pertains to revenues generated from ferrying passengers from the point of embarkation to the point of disembarkation.	15%
Freight	This pertains to revenues generated from transporting cargo from loading port to discharge port.	28%
Tugboat fees	These are fees arising from docking, undocking, shifting, towing, ferry services, tugboat usage and delivery services to marine vessels and other crafts.	8%

Competition

A. Tankers

The transport of petroleum products is one of the most essential businesses that propel the growth of the Philippine economy. There are approximately 7,100 islands in the country, of which more than half are inhabited. The populace needs fuel for transportation, electrical power, farming and other activities. It is the oil tankers and trucks which make sure that fuel is transported to places in our country where and when it is needed.

As of September 2017, the Maritime Industry Authority (MARINA) registered approximately 293 oil tankers in the country. Majority of these vessels are 500 gross registered tonnage (GRT) or below, and the rest ranges from 501 GRT to 5052 GRT in size. The aggregate tonnage of these tankers is about 190,876 GRT.

Below are the five (5) major competitors of CLC in terms on the tanker business, these companies have a fleet of four (4) or more vessels.

1. Petrolift Group
2. Herma Shipping Group
3. Shogun Ships Co., Inc.
4. Via Marine
5. Magsaysay Group

These tanker owners have an approximately 65 tankers combine with an aggregate tonnage of about 105,764 GRT.

B. Tugboats

Tugboats are small, powerful boats that are used to maneuver vessels of larger size by pushing and towing them. These are especially useful in narrow & difficult waterways and crowded ports. Although tugboats are usually utilized for docking & undocking procedures, they also have a wide range of applications including vessel rescue and steering structures without an independent propulsion system. Without tugboats, entry and exit of vessels from ports would be markedly less efficient and vessels would experience faster wear and tear.

According to the latest records from the MARINA, there are 791 registered tugboats in the Philippines. More than half of these tugboats are less than 100 GRT. Majority of smaller GRT tugboats hold a Bay & River trading license from MARINA while bigger vessels hold a Coastwise license. The top two (2) industry players in the tugboat industry account for more than 24% of the total tugboats over 100 GRT.

CLC competitors in providing tugboat services include:

1. Harbor Star Shipping Services, Inc.
2. Malayan Towage and Salvage Corporation
3. Pilot-operated Tugs

C. Roll-on-Roll-off Passenger Ship/Ferry

Roll-On-Roll-Off-Passenger-ship/ferry (RoPax) refers to vessels that can accommodate passengers along with freight vehicle transport. Given the archipelagic nature of the country, RoPax vessels are vital in transporting people and goods across the different islands. Given their accessibility and capability of ferrying large amounts of goods and manpower, passenger and freight vessels are an integral part of the logistical backbone of the Philippines.

There are over 7,100 RoPax vessels registered with the MARINA. A large majority of this (98%) is less than 500 GRT in size and is personally owned. The largest industry players for commercial vessels account for more than a third of the aggregate tonnage of 355,773 GRT.

CLC's main competitors in RoPax segment include:

1. Asian Marine Transport Corporation
2. Cokaliong Shipping Lines, Inc.
3. Lite Shipping Corporation
4. Montenegro Shipping Inc.
5. Archipelago Philippine Ferries Corporation

Suppliers

The Company sources its vessel, fuel requirements and other supply domestically and internationally. The company sources approximately 90% of its fuel requirements from Phoenix Petroleum Philippines, Inc.

The payment forms vary for each supplier. It ranges from Letter of Credit, drawn against payment, down payment, and various credit terms offered by supplier.

Employees

As of December 31, 2017, the Company has a total of 10,087 employees, 1,112 of which are crewmen and are stationed at various ports of operation, while the other 8,975 employees are office personnel or are members of support services.

Crewmen consist of captains, engineers, mechanics, divers, and able-bodied personnel. On the other hand, office personnel are comprised of the sales and marketing group, accounting and finance professionals, administrative services employees and the operations department.

A bachelor's degree in a relevant field is required of each one of the Company's directly-hired employees. For deck and engine crew, a MARINA-issued Qualification Document Certification is also mandated by the Company prior to employment.

Benefits received by employees include government-mandated benefits (Social Security System, Pag-ibig, and PhilHealth), rice subsidies, vacation leave of 15 days per year, health plans, and retirement pay. The Company supports employee development thru the conduct of in-house seminars, drills and training. Employees are enrolled in various technical, professional, management and leadership training, here and abroad. One of CLC's subsidiaries, Trans-Asia Shipping, has two (2) existing labor unions, one for its supervisors and one for its rank and file employees. Both unions are due to have their collective bargaining agreement ("CBA") negotiations this year. The relationship with the unions has been generally harmonious and there has been no incidence of labor strikes in the past three (3) years, up to the present. There is also no impending or threatened labor strike.

Item 2. Properties

The Group owns various tankers, barges, RoPax, cargo vessels and tugs which are utilized in its business. The following table sets forth information on these vessels that each company owns as of December 31, 2017.

Name of Vessel	Registered Owner	Year Built	Type
1. M/T Chelsea Great	CSC	2012	Oil/Chemical Tanker

Name of Vessel	Registered Owner	Year Built	Type
Diamond			
2. M/T Chelsea Cherylyn*	CSC	2009	White Oil, Carrier, Tanker
3. M/T Chelsea Denise	CSC	1985	Black / White Oil Carrier, Tanker
4. M/T Chelsea Resolute	CSC	1979	White Oil, Carrier, Tanker
5. M/T Chelsea Enterprise	CSC	1985	Black Oil Tanker
6. M/T Chelsea Excellence	CSC	1998	White Oil, Carrier, Tanker
7. M/T Chelsea Intrepid	CSC	1994	Black Oil Tanker
8. M/T Chelsea Denise II*	PNX – CSC	2012	Black / White Oil Carrier, Tanker
9. M/T Chelsea Dominance	PNX – CSC	2016	Product Oil Tanker
10. M/T Chelsea Great Princess	PNX – CSC	2013	Oil/Chemical Tanker
11. M/T Chelsea Endurance	PNX – CSC	2006	Product Oil Tanker
12. M/T Chelsea Charlize	PNX – CSC	2015	Product Oil Tanker
13. MV San Pedro Calungsod	PNC – CSC	1996	Cargo Container
14. MV San Lorenzo Ruiz Uno	PNX – CSC	1996	Cargo Container
15. MV St. Nicholas of Myra	PNX – CSC	1998	General Cargo
16. M/T Ernesto Uno	MI	1979	White Oil, Carrier, Tanker
17. M/T Jasaan	MI	1990	Black Oil Carrier, Tanker
18. M/T BMI Patricia	BMI	1981	Black Oil Carrier, Tanker
19. MV Trans Asia 1	Trans Asia Shipping	1980	Passenger Ship
20. MV Trans Asia 2	Trans Asia Shipping	1977	Passenger Ship
21. MV Trans Asia 3	Trans Asia Shipping	1989	Passenger Ship
22. MV Trans Asia 8	Oceanstar	1984	Passenger Ship
23. MV Trans Asia 9	Oceanstar	1979	Passenger Ship
24. MV Trans Asia 10	Trans Asia Shipping	1979	Passenger Ship
25. MV Asia Philippines	Trans Asia Shipping	1975	Passenger Ship
26. MV Trans Asia 5	Trans Asia Shipping	1989	Container Cargo Ship
27. MV Trans Asia 12	Trans Asia Shipping	1998	Container Cargo Ship
28. MV Asia Pacific	Trans Asia Shipping	1981	Other Cargo Ship
29. M/Tugs Fortis I	FTC	1994	Tugboat
30. M/Tugs Fortis II	FTC	1990	Tugboat
31. M/Tug Fortis III	FTC	1972	Tugboat
32. M/Tug Fortis VI*	FTC	1984	Tugboat
33. M/Tug Fortis VII	FTC	1984	Tugboat
34. M/Tug Samal	DGMS	1974	Tugboat
35. M/Tug Pindasan	DGMS	1981	Tugboat
36. M/Tug Sigaboy	DGMS	1971	Tugboat
37. MV Starlite Ferry	SFI	1971	Passenger and Cargo Ship
38. MV Starlite Pacific	SFI	1983	Passenger and Cargo Ship
39. MV Starlite Navigator	SFI	1971	Passenger and Cargo Ship
40. MV Starlite Polaris	SFI	1974	Passenger and Cargo Ship
41. MV Starlite Annapolis	SFI	1982	Passenger and Cargo Ship
42. MV Starlite Jupiter	SFI	1989	Passenger and Cargo Ship
43. MV Starlite Seajet	SFI	1978	Passenger Ship
44. MV Starlite Blue Sea	SFI	1973	Passenger Ship
45. MV Starlite Pioneer	SFI	2015	Passenger and Cargo Ship
46. MV Starlite Tamaraw	SFI	1981	Cargo Ship
47. MV Starlite Eagle	SFI	2016	Passenger and Cargo Ship

Name of Vessel	Registered Owner	Year Built	Type
48. MV Starlite Reliance	SFI	2015	Passenger and Cargo Ship
49. MV Starlite Saturn	SFI	2016	Passenger and Cargo Ship
50. MV Starlite Archer	SFI	2017	Passenger and Cargo Ship
51. West Ocean 1**	2Go	1977	Cargo Ship
52. West Ocean 5**	2Go	1979	Cargo Ship
53. San Agustin Uno	2Go	1985	Cargo Ship
54. San Rafael Uno	2Go	1989	Cargo Ship
55. San Rafael Dos	2Go	1985	Cargo Ship
56. St. Nuriel	2Go	2000	Passenger Ship
57. St. Uriel	2Go	1992	Passenger Ship
58. St. Sealthiel	2Go	2000	Passenger Ship
59. St. Jhudiel	2Go	1996	Passenger Ship
60. St. Braquel	2Go	1996	Passenger Ship
61. St. Emmanuel	2Go	1998	Passenger Ship
62. St. Camael	2Go	2017	Passenger Ship
63. St. Sariel	2Go	2017	Passenger Ship
64. Supercat 36	2Go	1990	Passenger Ship
65. Supercat 38	2Go	1990	Passenger Ship
66. St. Michael the Archangel	2Go	1990	Passenger and RORO
67. St. Pope John Paul II	2Go	1984	Passenger and RORO
68. St. Leo the Great	2Go	1992	Passenger and RORO
69. St. Francis of Xavier	2Go	1991	Passenger and RORO
70. St. Therese of Child Jesus	2Go	1989	Passenger and RORO
71. St. Augustine of Hippo	2Go	1988	Passenger and RORO
72. St. Anthony de Padua	2Go	1986	Passenger and RORO
73. St. Ignatius of Loyola	2Go	1989	Passenger and RORO

*vessels at dry docking stage

**operated by 2Go under a bare boat agreement

Trans-Asia owns a 1,509.28 sq.m. land located at M.J. Cuenco Ave. corner Osmeña Blvd., Brgy. San Nicholas, Cebu City and a building constructed thereon with a total floor area of 2,940 sq.m., which houses Trans-Asia Shipping's main office. Trans-Asia also owns three (3) container yards located at Quezon Blvd. within Pier 5, North Reclamation Area, Brgy. Cebu Port Center, Cebu City, with an aggregate area of 7,889 sq.m.

Item 3. Legal Proceedings

In the course of the Group's business, it has been involved in legal proceedings both as plaintiff and defendant. The Company's management believes that an adverse resolution in such cases will not materially affect the financial position of the Company. The Company is not involved in any legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware) which it believes may have a material adverse effect on the financial position of the Company.

The following are the material legal proceedings which the Company is currently involved in:

- a. *Michael, Incorporated vs. Pilipinas Kao Incorporated, Civil Case No. 37046, Regional Trial Court of Cebu City;* (b) *Pilipinas Kao, Inc. vs. Michael, Inc., Civil Case No. 37180, Regional Trial Court of Cebu City.*

These consolidated cases which were filed in September 2010, refer to the Complaint of MI against Pilipinas Kao, Inc. ("PKI") for Collection of Sum of Money and Damages with Prayer for Preliminary Attachment, and PKI's Complaint against MI for Specific Performance, Reimbursement and Damages.

The transactions subject of the complaints refers to the Charter Agreement between MI and PKI whereby MI agreed to transport on its vessel M/Tkr Ernesto Uno the crude coconut oil ("CCO") of PKI. The Charter Agreement was for a period of two (2) years from January 8, 2009 to January 7, 2011, and the agreed Charter Rate was PhP2,050,000 per month. From December 2009 to July 2010, MI transported PKI's CCO from Mindanao to various ports of destination, and accordingly billed PKI Charter Fees in the amount of PhP15,921,666.67. However, PKI refused to pay the Charter Fees on its allegation that the CCO transported by MI was contaminated with seawater. In its Answer to PKI's Complaint, MI alleged that it proposed several plans to PKI to resolve the alleged contamination but the same were refused by PKI.

As these cases have been consolidated, they are being jointly heard. The cross-examination of MI's witness Ignacia S. Braga IV was completed at the March 9, 2017 hearing. The hearing scheduled on June 23, 2017 for the opening of the deposition of Virgen Hernandez was reset due to the unavailability of the Presiding Judge.

The next hearing is scheduled on February 1, 2018 for presentation of Gigi Romarosa as witness for Michael, Inc.

- b. *Fortis Tugs Corporation vs. Marinemax Shipping Corporation and Vicente Sandoval, Jr., Civil Case No.027, Regional Trial Court of Taguig City.*

This Complaint, which was filed on March 23, 2016, seeks to recover from defendants the sum of PhP11,613,082.78, which represents payment for the tugboat services rendered by the plaintiff to the defendants from the period November 2013 to October 2015. The plaintiff has a prayer for the issuance of a Writ of Preliminary Attachment against the properties of the defendants on the ground that the latter are guilty of fraud in issuing checks to the plaintiff in payment of their obligations and thereafter issuing a stop payment order on the said checks. Plaintiff also prayed for the grant of Exemplary Damages in the amount of PhP100,000 and Attorney's Fees in the same amount.

Defendants filed a Motion to Dismiss the Complaint filed by Fortis Tugs, while the plaintiff filed its Motion to Declare Defendants in Default. Both Motions have been submitted for resolution. Plaintiff has also filed its Motion for Issuance of a Warrant of Arrest against defendant Vicente Sandoval, and is awaiting resolution of the same.

- c. *Ryan Subong et.al. vs. Trans-Asia Shipping Lines, Inc., Civil Case No, 26205, Regional Trial Court of Iloilo City*

The original Complaint was filed by 79 plaintiffs on April 11, 2000. Plaintiffs were the passenger-survivors and heirs of the casualties of the sinking of MV Asia South Korea which sank off the vicinity of Bantayan Island en route to Iloilo on December 23, 1999. Their total claim for damages is in the amount of PhP380,000,000.00. An Amended and Second Amended Complaint were filed in April and August 2000 respectively. Defendant Trans- Asia Shipping's main defense is that the cause of the accident was force majeure as the vessel

was seaworthy and properly manned at the time of accident.

On April 18, 2013, the Regional Trial Court issued its Decision ordering Trans-Asia Shipping to pay Php801,000.00 for four deaths and Php585,000.00 for 13 survivors or a total of Php1,386,000.00. Although Trans-Asia Shipping offered to pay in accordance with the Decision, not a single plaintiff accepted payment. Instead, some of the plaintiffs filed their Motion for New Trial, some filed Motion of Reconsideration of the Decision, and some filed their Notice of Appeal.

The trial court issued an Order granting new trial for two plaintiffs and set the hearing for reception of evidence for said plaintiffs. The trial court also issued its Order dated March 22, 2016 modifying the award of damages to Php8,865,399.96 for four deaths and 11 survivors, plus 15% interest on the total monetary award. Trans-Asia Shipping filed its Motion for Reconsideration of the two Orders, which was denied by the trial court. Trans-Asia Shipping has filed its Notice of Appeal. At the May 17, 2017 hearing, plaintiff manifested that they are willing to study the settlement of the case.

In August 2017, the parties signed a Compromise Agreement whereby Trans-Asia Shipping paid the total amount of PHP 8,839,313.95 for thirteen (13) Complainants (4 Deaths and 9 Survivors). In October 2017, another three (3) plaintiffs signed a Compromise Agreement whereby Trans-Asia Shipping paid the total amount of Php 594,250.00. On October 6, 2017, the trial court issued its Orders approving the two Compromise Agreements and declaring the case as CLOSED AND TERMINATED insofar as the 16 Complainants are concerned.

Trans-Asia Shipping is currently working for the settlement of the remaining three (3) plaintiffs (all survivors) with a probable settlement amount from Php600,000.00 to Php1,000,000.00 only.

d. Nelly A. Gangoso, et. al. vs. Trans-Asia Shipping Lines, Inc., Civil Case No. CEB-36075, Regional Trial Court of Cebu City.

This Complaint was filed by 5 plaintiffs on October 2009 arising from the sinking of MV Asia South Korea. A Compromise Agreement dated June 18, 2013 was entered into by four of the plaintiffs pursuant to which said plaintiffs agreed to withdraw their claims against Trans-Asia Shipping in return for the payment by defendant of the amount of Php75,000.00 each to said plaintiffs. Plaintiff Nelly A. Gangoso pursued this case against Trans-Asia Shipping. Plaintiff Nelly Gangoso and defendant Trans-Asia have completed the presentation of their respective documentary and testimonial evidence. Plaintiff has filed her Memorandum, and defendant was supposed to file its Memorandum on April 28, 2017. On May 28, 2017, a Decision was issued by the trial court, awarding a total of Php1,050,000 in favor of the plaintiff. Trans-Asia filed its Motion for Reconsideration of the said Decision and when the same was denied, Trans-Asia filed its Appeal which is now pending resolution by the Court of Appeals.

e. Trans-Asia Shipping Lines, Inc. vs. Philippine Fire and Marine Insurance Corporation, et.al. Civil Case No. 39098, Regional Trial Court of Cebu City.

This Complaint was filed by Trans-Asia in September 2012 to collect the insurance proceeds arising from the sinking of MV Asia Malaysia, which proceeds are in the approximate amount of Php120,000,000. Said Complaint was filed when defendant Philippine Fire only offered to pay the amount of Php50,000,000. Defendant Philippine Fire filed its Motion to Dismiss the

complaint on the ground of lack of jurisdiction and insufficient docket fees paid. When said Motion to Dismiss was denied, defendant Philippine Fire filed a Petition for Certiorari with the Court of Appeals in December 2014. Said Petition for Certiorari was dismissed by the Court of Appeals on June 28, 2016. On March 30, 2017, the regional trial court issued an Order setting the case for pre-trial on June 9, 2017. At the 9 June hearing, the case was remanded to the Executive Judge for transfer to Branch 11, which is the only commercial court in Cebu City. At Branch 11, Philippine Fire filed a Motion to Suspend Proceedings attaching the Notice of Stay Order issued by the Insurance Commission. Trans-Asia filed its Opposition to Philippine Fire's Motion to Suspend Proceedings. This matter is now pending resolution by the trial court.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of this calendar year covered by this report.

III. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY

Item 1. Principal market where the registrant's common equity is traded

The Company's common shares are traded at the Philippine Stock Exchange ("PSE") beginning August 8, 2017. The high and low sale prices of each quarterly period for year 2017 are as follows:

Period	High	Low
3Q 2017	11.22	9.35
4Q 2017	10.36	8.29

As of December 31, 2017, the market capitalization of the Company, based on the closing price of PhP8.78 per share, was approximately PhP16.0 billion.

The price of the Company's common shares as of the close of the latest trading date, January 31, 2018, was PhP9.30 per share.

Item 2. Holders

The following are the top registered holders of the Company's securities based on the records as of December 31, 2017:

Name of Stockholders	Number of shares held	% to Total
Udenna Corporation	1,275,384,606	70.000002%
PCD Nominee Corporation (Filipino)	509,658,972	27.972845%
PCD Nominee Corporation (Non-Filipino)	35,705,130	1.959691%
Caroline G. Taojo	800,000	.000439%
Noe B. Taojo	400,000	.000220%
Myra P. Villanueva	9,300	.000005%
Milagros P. Villanueva	7,300	.000004%
Myrna P. Villanueva	7,300	.000004%
Marietta V. Cabreza	5,000	.000003%
Eduardo A. Bangayan	1	.000000%
Miguel Rene A. Dominguez	1	.000000%
Jesus S. Guevara II	1	.000000%
Gener T. Mendoza	1	.000000%
Arthur Kenneth L. Sy	1	.000000%
Cherylyn C. Uy	1	.000000%
Efren E. Uy	1	.000000%
TOTAL	1,821,977,615	100.0000%

Item 3. Dividends

The Company's dividend policy is to declare at least 20% of its prior year's net income as dividends, whether in stock or in cash or a combination of both, payable out of its unrestricted retained earnings subject to statutory limitations.

Each holder of a common share is entitled to such dividends as may be declared in accordance

with the Company's dividend policy. The Company's current dividend policy entitles holders of common shares to receive dividends based on the recommendation of the Board of Directors. Such recommendation will consider such factors as operating expenses, implementation of business plans, and working capital.

Item 4. Recent sale of securities

The Company has not sold or transferred any securities that are not registered under the Code nor did it issue any additional securities in exchange for any properties, services and other securities.

Item 5. Corporate Governance

The Company adopted a Manual of Corporate Governance (the "Manual") to ensure its compliance with the leading practice on good corporate governance and related Philippine SEC rules and regulations. The Manual was approved and adopted by its Board of Directors and deemed effective as of March 27, 2017.

The Manual features the following provisions:

- *Protection of investors.* The Manual provide for shareholders' rights and protection, investor relations and a disclosure system to ensure transparency and accountability.
- *Board of Directors and Management.* The detailed qualifications and disqualifications, duties, functions and responsibilities of the Board and executive officers are also enumerated in the Manual.
- *Checks and balances.* The Manual contains the vision, strategic objectives, key policies, procedures for the management of the Company, and mechanisms for monitoring and evaluating management's performance.
- *Compliance with the Manual.* The appointment of a Compliance Officer to monitor compliance with and violations of the Manual is also provided.
- *Creation of committees.* The Manual mandates the creation of the Nomination Committee, the Audit Committee, the Corporate Governance Committee, the Board Risk Oversight Committee and the Related Party Transaction Committee, to ensure the performance of certain important functions of the Board and of Management.
- The Company will continue to improve its corporate governance, and will amend, the Manual as may be necessary.

Upon the written request of the stockholders, the Company hereby undertakes to provide said stockholder with a copy of SEC Form 17-A free of charge. Any written request shall be addressed to:

MA. HENEDINA V. SAN JUAN

Corporate Secretary/AVP – Business Development & Corporate Affairs
26th Floor Fort Legend Tower
3rd Avenue corner 31st Street
Bonifacio Global City, Taguig City 1634

FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017