

PRESS RELEASE

**Chelsea Logistics boosts operations with new acquisitions**

Chelsea Logistics Holdings Corp. (CLC) acquired more vessels as it pursues its goal of becoming the country's prime mover of vital goods, cargoes and people.

In July 2017, CLC's subsidiary Trans-Asia Shipping Lines, Inc., a cargo passenger company that played a vital role in the development of trade between Cebu-Cagayan and Cebu-Butuan, acquired a 6,348 GRT cargo vessel named MV Orient Spirit. The vessel, which has a capacity of 400 twenty-foot equivalent units (TEUs), will be in operation by the first quarter of 2018 and will ply the Manila-Cebu-Manila route.

In November 2017, PNX-Chelsea Shipping Corp., a subsidiary of Chelsea Shipping Corp., acquired 3 vessels with a combined GRT of 15,811 that will serve the cargo transport requirements of the 2GO Group. These vessels are now in commercial operations.

Fortis Tugs Corporation, also a subsidiary of Chelsea Shipping Corp., recently acquired a 125 GRT Japanese-built tugboat, MT Fortis VI that will bolster its tugboat fleet used to maneuver tankers and other larger vessels. This tugboat will be operational by December and will bring the total tugboat fleet to 9.

Combined, the abovementioned vessel acquisitions are expected to increase capacity by 10% and should start to have meaningful contribution to earnings as early as the last quarter of 2017.

"The newly acquired vessels will bring us another step closer to fulfilling our commitment to growth in order to realize more value for our stakeholders, from the investors to the consumers," CLC Chairman Dennis A. Uy said.

Recently, CLC acquired Starlite Ferries, Inc. (SFI), a roll-on, roll-off (Roro) and passenger ship operator in Batangas and other routes, to strengthen its position in Southern Luzon (Batangas) to Northern Visayas (Calapan, Odiogan, Roxas) route. SFI owns and operates 14 vessels of various sizes, 5 of which were acquired from Japan, brand new. Combined with 2GO's 30% market share, the purchase expands CLC's market share to 36% as of third quarter 2017.

"Shipping is a high margin, high return, capital intensive business. What we are doing now is laying the foundation for a sustainable, cash generative business by making these critical shipping investments in form of acquisitions of vessels and/or companies. This is complemented by the logistics business, which we expect to have the biggest growth potential," according to CLC CEO Chryss Alfonsus V. Damuy.

Also in November 2017, CLC completed its acquisition of Worklink Services Inc. (WSI), a one-stop integrated logistics solutions provider. The inclusion of WSI into the CLC group creates synergy as WSI offers its expertise as a domestic forwarding and logistics services provider of the Group.



**CONTACT:**  
**Keith Mariano**  
Green Bulb Public Relations, Inc.  
+63 917 568 4389

These acquisitions were bankrolled by the net proceeds of CLC's initial public offering of common shares in August 2017 and will be fully consolidated in 2018.

"By modernizing and expanding our operations, we can provide better shipping and logistics solutions as well as make our country more competitive in capturing the increasing trade opportunities in the Philippines and in the Southeast Asia," Mr. Damuy added.

"Therefore, CLC will continue to expand and modernize its fleet of vessels to position itself to capture these opportunities."

The Udenna Group of Mr. Dennis A. Uy ventured into shipping in 2006 through Chelsea Shipping Corp. to support the operations of Phoenix Petroleum Philippines, Inc. It has since grown the business into the country's biggest logistics group with the largest tanker fleet in terms of capacity.

In March, CLC further grew the Group with the acquisition of a 28.15% indirect economic interest in 2GO Group, Inc.

Prior to the acquisition of the cargo vessels and tugboat, the Chelsea fleet comprised 15 tankers, 8 tugboats, 21 roll-on/roll-off and passenger vessels (RoPax), and 4 cargo ships. While the 2GO Group, has 8 RoPax, 8 cargo vessels and 10 fastcrafts.

"With its bigger fleet and all-around services, CLC could better serve the demand for quality logistics and shipping within and outside the Philippines and, at the same time, strengthen its synergies with other Udenna businesses," Mr. Uy said.

###

### **About Udenna Corporation**

*Udenna Corporation was incorporated in the Philippines on March 19, 2002. The Udenna Corporation is comprised by a dynamic group of companies engaged in diverse businesses including, among others, petroleum and oil (Phoenix Petroleum), shipping and logistics (Chelsea Logistics and 2Go), real estate and property development (Udevco), education (Enderun), and convenience stores (Family Mart). Phoenix Petroleum Philippines Inc. and Chelsea Logistics Holdings Corp. are publicly listed in the Philippine Stock Exchange.*