

25 August 2017

Philippine Stock Exchange
Disclosure Department
3/F PSE Plaza, Ayala Triangle Plaza
Makati City, Metro Manila

Attention: **Mr. Jose Valeriano B. Zuño**
OIC - Disclosure Department
Philippine Stock Exchange

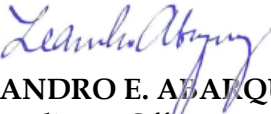
Gentlemen:

We would like to submit the attached press statement regarding the 2017 second quarter performance of Chelsea Logistics Holdings Corp. (CLC).

This disclosure is submitted in compliance with the Securities Regulation Code and the Revised Disclosure Rules.

Thank you very much.

Very truly yours,



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PRESS RELEASE

Chelsea Logistics Holdings Corp.’s consolidated net income almost doubled to P399.8M

Chelsea Logistics Holdings Corp. (CLC) sailed through the first half of the year with a 93-percent surge in earnings, as it realized the full benefit of deploying vessels acquired in late 2016 and those previously drydocked as well as recognized its share in the earnings of 2GO Group, Inc.

The Company raked in a net income of P399.8 million in the six months ended June 30, 2017. The amount is 93 percent above the P207.0 million recorded for the first semester of 2016.

Its revenues grew by 9 percent to 1.536 billion from P1.404 billion. This was driven by the increase in freight revenues primarily due to the commercial operations of MV Trans-Asia 12, which plies the Manila-Cebu route, and increase in tugboat fees primarily due to more port calls.

MV Trans-Asia 12 started commercial operations on such route only in August 2016. The increase was tempered by the fact that two big tankers of the group were placed on bareboat charter resulting to lower revenue but better and stable margin.

In the second quarter alone, CLC booked a net income of P372.6 million. The amount is 98% above the P188 million posted in the same period last year primarily due to the Company’s share in the net income of Negros Navigation Co., Inc. and 2GO Group, Inc. through its investments in Udenna Investments B.V. amounting to P184.6 million.

“We are delighted to report the strong performance of our businesses to our investors and partners who continue to guide us through our growth path,” CLC Chairman Dennis A. Uy said.

“The bright prospects of the shipping and logistics industry amid increased trade opportunities within and outside the country alongside our efforts to make our operations more efficient and better keep us on track of our growth trajectory.”

The Company recently embarked on an initial public offering of common shares to accelerate its expansion organically and through acquisitions.

CLC earmarked the net proceeds for fleet expansion, purchase and/or upgrade of ports, port facilities, containers, machineries and equipment; acquisition of other shipping and logistics firms; and general corporate purposes.

“Powered by the trust and confidence of our investors and partners, we will continue working hard to grow Chelsea Logistics into the country’s prime mover of vital goods, cargoes and passengers,” CLC President and Chief Executive Officer Chryss Alfonsus V. Damuy said.

Udenna started the shipping business in 2006 through Chelsea Shipping Corp. (CSC) to support the operations of the country’s leading independent and fastest-growing oil company, Phoenix Petroleum Philippines, Inc.

The business has since grown into the country’s largest shipping group. It has the largest tanker fleet in terms of capacity with a total 39,271.64 gross registered tonnage.

In March, CLC acquired a 28.15% indirect economic interest in 2GO Group and subsequently took over its management. The SM Group would complete its purchase of a 34.5% stake in the publicly listed company’s parent, Negros Navigation Co., Inc. later that month.

The Company currently has 11 tankers, 8 tugboats, 7 roll-on/ roll-off vessels with passenger accommodation (RoPax), 4 barges and 3 cargo ships. 2GO, meanwhile, has 17 RoPax and 8 cargo vessels.

“Going forward, we reiterate our commitment to improving and expanding the operations of Chelsea Logistics further in order to better serve the shipping and logistics needs of our growing economy,” Mr. Uy said.