

October 13, 2017

The Philippine Stock Exchange
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Mr. Jose Valeriano B. Zuño**
OIC – Disclosure Department

Subject: Quarterly Progress Report on the Application of IPO Proceeds with Certification by the Company's External Auditors

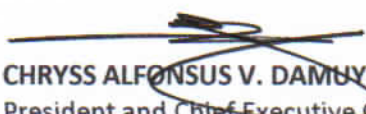
Gentlemen:

We are submitting the following attachments in compliance with the PSE requirement in connection with Chelsea Logistics Holdings Corp. IPO proceeds.

1. Progress Report on the application of proceeds for the period August 8, 2017 to September 30, 2017; and,
2. Certification of Punongbayan & Araullo on the accuracy of information provided by Chelsea Logistics Holdings Corp. in relation to the Progress Report.

We hope you find everything in order.

Very Truly Yours,



CHRYSS ALFONSUS V. DAMUY
President and Chief Executive Officer

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Attention: **Mr. Jose Valeriano B. Zuño**
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Gentlemen:

In connection with the Initial Public Offering (IPO) of **Chelsea Logistics Holdings Corp.** (the Company) on August 8, 2017, we submit herewith our report on the application of the proceeds amounting to P5,837,613,240. The details of the disbursements as of and for the period ended September 30, 2017 are as follows:

Total proceeds (546,593,000 shares at P10.68 per share)		P 5,837,613,240
Less: IPO-related expenses		
Underwriting and selling commission fees	239,801,737	
Advisory fees	175,128,397	
IPO taxes	116,752,265	
PSE listing application fees	19,296,884	
Professional fees – legal and audit	10,403,897	
Documentary stamp taxes	2,732,965	
Miscellaneous expenses	<u>1,149,323</u>	<u>565,265,468</u>
Net proceeds after IPO expenses		5,272,347,772
Use of proceeds		
Prepayment of Bank of China loan	1,013,400,000	
Acquisition of M/Tug Sung-an	39,991,070	
Downpayment for MV Ocean Spirit	<u>18,163,590</u>	<u>1,071,554,660</u>
Balance of IPO proceeds as of September 30, 2017		<u>P 4,200,793,112</u>

Very Truly Yours,



CHRYSS ALFONSUS V. DAMUY
President and Chief Executive Officer