

COSCO CAPITAL, INC.

Tabacalera Building, 900 Romualdez St., Paco, Manila

16 May 2013

DISCLOSURE DEPARTMENT

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

Attention: **Ms. Janet Encarnacion**
Head, Disclosure Department

Subject: *BusinessMirror news article dated 15 May 2013*

GENTLEMEN:

In reply to your letter dated today requiring us to clarify the news article stated in BusinessMirror, quoted below:

COSCO Capital, Inc., the investment vehicle of the Lucio Co Group of companies is on the lookout for companies that it can acquire for the group.

Leonardo Dayao, Puregold president, said the next acquisition "would preferably be a network of stores."

"We don't have non-food businesses yet. This will complement our food business," Dayao told Puregold's stockholders' meeting on Tuesday.

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Recently, too, it said it will spend P12 million to beef up the portfolio of the company, Cosco earlier said it will spend P6 billion for the expansion of its real-estate unit – which will be anchored by Puregold – distribution centers and oil-storage facilities.

Dayao said a community mall is under construction in Urdaneta in Pangasinan province. Cosco plans to up seven to eight malls in the next to three years, with each mall costing P300 million to P400 million.

We confirm the statements in the news article as it is part of the long term plan of the company. The Company intends to continue to acquire new retail businesses to expand its operation.

As of the moment, there is, however, yet no definite arrangements nor has there any been contract signed with any party regarding any imminent acquisition or expansion

Thank you.

Very truly yours,


ATTY. CANDY H. DACANAY-DATUON
Assistant Corporate Secretary