



June 30, 2014

Disclosure Department  
Philippine Stock Exchange  
Ayala Avenue, Makati City

Re: Manila Standard Today article entitled, "Cosco investing P10b in 2014 for expansion"

In reply to your letter dated June 30, 2014 requesting for the clarification or confirmation of the news article published in Manila Standard (Internet Edition) dated June 28, 2014 which is quoted here below:

**"Cosco investing P10b in 2014 for expansion**

**By Jenniffer B. Austria | Jun. 28, 2014 at 12:01am**

Cosco Capital Inc. is spending P10 billion this year to fund the expansion of real estate, supermarket and community mall businesses as well as possible acquisitions.

Cosco president Leonardo Dayao said in an interview at the sidelines of the annual stockholders' meeting the company allotted P4 billion for possible capital acquisitions and P3 billion for the expansion of supermarket chain Puregold Price Club Inc.

The company also earmarked P1 billion for the expansion of S&R Membership Shopping, P1.5 billion for the construction of the Pacific Mall and P350 million for the rollout of convenience stores under the Lawson brand. Cosco will spend the balance for the capital expenditure of its liquor and oil storage businesses.

Dayao said the company planned to build three community malls in Laguna, Nueva Ecija and Pangasinan provinces.

Dayao said the company would initially roll out 20 to 30 Lawson convenience stores this year, mostly in Metro Manila.

It plans to build 100 Lawson stores yearly until 2020, depending on availability of location and competition from the market.

Cosco's supermarket chain operator Puregold early this month teamed up with Lawson Asia Pacific Inc. and Lawson Inc. of Japan to establish and operate a network of convenience stores in the Philippines.

Puregold said it would infuse 70 percent of the total investment in the joint venture, with the two Japanese companies investing the balance."

Please be informed that Cosco Capital, Inc. is confirming the statements mentioned by Mr. Leonardo Dayao in the said news article.

Very truly yours,

  
Atty. Candy H. Dacanay-Datuon  
Assistant Corporate Secretary