

# COVER SHEET

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SEC Registration Number

C O S C O C A P I T A L , I N C .

(Company's Full Name)

N O . 9 0 0 R O M U A L D E Z S T . , P A C O ,  
M A N I L A

(Business Address: No. Street City/Town/Province)

CANDY H. DACANAY-DATUON

09178612459

(Company Telephone Number)

1 2 3 1  
Month Day

SEC FORM 17-C  
(Form Type)

0 6 3 0  
Month Day

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowing  
Domestic Foreign

SEC Personnel concerned

File Number

LCU

Document ID

Cashier

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES  
REGULATIONS CODE AND SRC RULE 17.2 (C) THEREUNDER

Date of Report	June 30, 2023
SEC Identification Number	147669
BIR Tax Identification Number	000-432-378
Name of Issuer as specified in its charter	Cosco Capital, Inc.
Address of principal office and postal code	No. 900 Romualdez St., Paco, Manila, 1007
Industry Classification Code	
Issuer's Telephone Number	0917-8612459
Former Name	None
Securities registered pursuant to Section 8 and 12 of the SRC or Sections 4 and 8 of the RSA	Number of Common Shares – 7,169,414,764  Treasury Shares – 235,848,800
Indicate the item numbers reported therein	Other Matters/Event

**SEC 17-C Result of Annual Stockholders Meeting of  
Cosco Capital, Inc. held on June 30, 2023 via Zoom Meeting**

Number of Common Shares Issued and Outstanding as of Record Date: **7,170,721,764**

Number of Stockholders Present: **6,239,163,889 (87.01%)**

**A. Attendance:**

1. Stockholders representing 6,239,163,889 shares attended the meeting by remote communication, proxy, and *in-absentia*, or 87.01% of the total outstanding shares.

2. The following directors and executive officers attended the meeting:

- |    |   |  |
|----|---|--|
| a. | Mr. Lucio Co  | Regular Director                                   |
| b. | Ms. Susan Co  | Regular Director                                   |
| c. | Mr. Leonardo Dayao  | Regular Director                                   |
| d. | Mr. Roberto Juanchito Dispo                                     | Regular Director                                   |
| e. | Mr. Levi Labra  | Regular Director                                   |
| f. | Atty. Lily Gruba  | Regular Director                                   |
| g. | Mr. Ramon Jesus Paje  | Independent Director                               |
| h. | Mr. Teodoro Polinga   | Chief Finance and Risk Management Officer          |
| i. | Mr. Gerardo Teofilo   | Assistant Group Comptroller                        |
| j. | Ms. Maricel Mariano   | Data Privacy Officer                               |
| k. | Atty. Jose Santos, Jr.  | Corporate Secretary                                |
| l. | Atty. Candy Dacanay   | Assistant Corporate Secretary & Compliance Officer |
| m. | Ms. Emerlinda Llamado   | Internal Auditor                                   |
| n. | Mr. John Marson Hao   | Investor Relations & Sustainability Officer        |
| o. | Mr. Jose Paulino Santamarina                                    | The Keepers Holdings – President                   |
| p. | Ms. Aida De Guzman  | Office Warehouse – President                       |
| q. | Ms. Girlie Sy   | Realty Group – Head                                |
| r. | Ms. Cheryl Casela   | Pure Petroleum - President                         |
| s. | Representatives from External Auditor – RG Manabat & Co. (KPMG) |  |
| t. | Representatives from Stock Transfer Agent – RCBC Trust          |  |

**B. Result of Votes per Item Agenda Approved during the Annual Meeting:**

RESOLUTIONS	FOR	AGAINST	ABSTAIN	TOTAL	%
Approval of Minutes of the Previous Annual Meeting and Ratification of Acts and Resolutions of the Board of Directors and Management in 2022	6,234,313,450	0	4,850,439	6,239,163,889	99.92%
Approval of 2022 Annual Report and Audited Financial Statements	6,234,313,450	0	4,850,439	6,239,163,889	99.92%
Election of Mr. Lucio L. Co	6,194,391,223	44,772,666	0	6,239,163,889	99.28%
Election of Mrs. Susan P. Co	6,039,220,874	199,943,015	0	6,239,163,889	96.80%
Election of Mr. Leonardo B. Dayao	6,129,598,723	109,565,166	0	6,239,163,889	98.24%
Election of Mr. Roberto Juanchito T. Dispo	6,064,765,038	174,398,851	0	6,239,163,889	97.20%
Election of Mr. Levi B Labra	6,074,087,389	165,076,500	0	6,239,163,889	97.35%
Election of Ms. Lily K. Gruba	6,064,765,038	174,398,851	0	6,239,163,889	97.20%
Election of Mr. Ramon J.P. Paje	6,239,163,889	0	0	6,239,163,889	100.00%
Election of Ms. Cecilia Borromeo	6,239,163,889	0	0	6,239,163,889	100.00%
Amendment of Bylaws	6,219,530,650	10,782,800	8,850,439	6,239,163,889	99.69%
Re-appointment of RG Manabat & Company as External Auditor of the Company and subsidiaries with up to P10.1 million fee	6,234,313,450	0	4,850,439	6,239,163,889	99.92%

Please see below the business profiles of the newly-elected directors of the Company:

**MR. LUCIO L. CO** is the Chairman of the Company. He is also the Chairman and President of the following companies: Bellagio Holdings, Inc., Canaria Holdings Corporation, Ellimac Prime Holdings, Inc., Invescap Incorporated, Puregold Duty Free, Inc., and Puregold Properties, Inc. He is also the Chairman of Alcorn Petroleum and Minerals Corporation, Entenso Equities, Inc., NE Shopping Centers Corporation, PG Holdings, Inc., Pajusco Holdings Corporation, Puregold Duty Free (Subic), Inc., Puregold Finance, Inc., Puregold Realty Leasing & Management, Inc., San Jose City I Power Corp., Makabayan Holdings Incorporated, Union Energy Corporation, and Union Equities, Inc. He is a Director of these companies: Bacolod Real Estate Development Corporation, Catuiran Hydropower Corporation, Cleangreen Energy Corporation, Forbes Corporation, Grass Gold Renewable Energy (G2REC) Corporation, Karayan Hydropower Corporation, Kareila Management Corporation, LCKK & Sons Realty Corporation, Luis Co Chi Kiat Foundation, Inc., Meritus Prime Distributions, Inc., Montosco, Inc., League One Finance and Leasing Corporation, Pamana Water Corporation, Tower 6789 Corporation, Illido Management Corporation, KMC Realty Corporation, Negros Water Company, Patagonia Holdings Corp., PPCI Subic, Inc., S&R Pizza Harbor Point, Inc., S&R Pizza, Inc., and VS Gripal Power Corporation. He is a member of the Board of Trustees of Luis Co Chi Kiat Foundation, Inc. Mr. Co has been an entrepreneur for the past 40 years.

Mr. Co holds positions in other PSE-listed companies: Chairman of The Keepers Holdings, Inc. and Director of Puregold Price Club, Inc. and the Philippine Bank of Communications.

**MS. SUSAN P. CO** is the Vice-Chairman of the Company. Mrs. Co concurrently holds the following positions in other companies: Chairman and President of Cosco Price, Inc., Chairman of Kareila Management Corporation, Tower 6789 Corporation, President of Makabayan Holdings Incorporated, and Director of Bellagio Holdings, Inc., Blue Ocean Holdings, Inc., Canaria Holdings Corporation, Ellimac Prime Holdings, Inc., KMC Realty Corp., Meritus Prime Distributions, Inc., Montosco, Inc., NE Shopping Centers Corporation, PG Holdings, Inc., Patagonia Holdings Corp., PPCI Subic, Inc., Premier Wine and Spirits, Inc., Puregold Duty Free (Subic), Inc., Puregold Duty Free, Inc., Puregold Properties, Inc., Puregold Finance, Inc., Puregold Realty Leasing & Management, Inc., San Jose City I Power Corp., S&R Pizza (Harbor Point), Inc., S&R Pizza, Inc., Blue Origin Holdings Incorporated, Illido Management Corporation, Union Energy Corporation, and Union Equities, Inc. Mrs. Co received a Bachelor of Science degree in Commerce from the University of Santo Tomas.

Mrs. Co also serves in other PSE-listed companies: Chairman of Puregold Price Club, Inc. and Director of the Philippine Bank of Communications.

**MR. LEONARDO B. DAYAO** is the President of the Company. Mr. Dayao was the President of Puregold from 2005 to 2014. He was first elected to the board in 1998. He is also the Chairman and President of Fertuna Holdings Corp.; Chairman of Catuiran Hydropower Corporation, Grass Gold Renewable Energy (G2REC) Corporation, Kareila Management Corporation, League One Finance and Leasing Corporation, Pamana Water Corporation, PSMT Philippines, Inc., S&R Pizza, (Harbor Point) Inc., S&R Pizza, Inc.; Vice-Chairman of Ayagold Retailers, Inc.; President of NE Pacific Shopping Centers Corporation, Puregold Duty-Free (Subic), Inc., Puregold Finance, Inc., San Jose City I Power Corp., Union Energy Corporation; Vice-President of Alerce Holdings Corp., Bellagio Holdings, Inc., KMC Realty Corporation, Puregold Duty-Free, Inc., Puregold Properties, Inc. and Union Equities, Inc.; and Director of Canaria Holdings Corporation, Entenso Equities Incorporated, Karayan Hydropower Corporation and Puregold Realty Leasing & Management, Inc. He received a Bachelor of Science Degree in Commerce from the Far Eastern University.

He is a Certified Public Accountant. He completed the Basic Management Program at the Asian Institute of Management and earned units in MBA from the University of the Philippines-Cebu.

Mr. Dayao holds the following positions in other Philippine listed companies: Executive Director of Puregold Price Club, Inc. and Vice-Chairman of the Philippine Bank of Communications.

**MR. LEVI LABRA** is one of the Executive Directors of the Company. Before joining the Company, Mr. Labra worked at Procter & Gamble for 35 years. He was the Sales Head and a management committee member for 20 years. He was Regional Sales Manager for three years, building sales organization and systems for India, Indonesia, Malaysia, Singapore, South Korea, and Thailand. Mr. Labra also serves as Director of Hope Philippines, Inc.

He graduated with honors, Cum Laude, from the University of San Carlos in 1978 with a degree of Bachelor of Science, major in Business Administration.

He holds the following positions in other Philippine listed companies: Board Consultant of Puregold Price Club, Inc. and Director of Philippine Bank of Communications.

**MR. ROBERTO JUANCHITO T. DISPO** is currently the President/CEO of League One Finance and Leasing Corporation, Chairman of Mercantile Insurance Corporation, Blacksburg Corporation, Pontificio Collegio Filipino in Rome, and Vice Chairman of New San Jose Builders.

Mr. Dispo was the former Vice Chairman and President of Cirtek Philippines from 2016 to 2019 and CEO of Quintel USA/UK from 2017 to 2019. He became President of First Metro Investment Corporation from 2011 to 2015 and Senior Vice President and Executive Vice President of First Metro Investment Corporation from 1998 to 2010. He was a former Deputy Treasurer of the Philippines, National Treasury, Department of Finance from 1990 to 1997. Mr. Dispo started his career as a Financial Analyst in the Department of Trade and Industry from 1988 to 1990 and as an Administrative Officer in the Department of National Defense from 1987 to 1988.

Mr. Dispo graduated with a degree of Bachelor of Science in Economics from the San Sebastián College, Manila, in 1984. He took a Bachelor of Science major in Management from the Pamantasan ng Lungsod ng Maynila in 1990 and a Master's in Business Administration from the same school in 1991. He completed a Diploma Program from the International Banking and Finance Economic Institute, the University of Colorado, in 1994 and a Master's in Business Economics from the University of Asia and the Pacific in 2014.

He has been a member of the Money Market Association of the Philippines since 1998 and FINEX since 2012.

Mr. Dispo was the CEO of the Year awardee in 2014 given by Asia CEO Awards and became a Finalist in CNBC Asia Best CEO in 2014.

**MS. LILY K. GRUBA** is currently a Senior Counsel in Zambrano Gruba Caganda & Advincula Law Offices, Director of Asia United Bank, Executive Director for Fr. Joaquin Bernas, SJ Center for Continuing Legal Education, and Faculty Member in Ateneo de Manila University College of Law. She was a Bar Examiner for Taxation in 2019 and 2007 and in Commercial Law in 2012. She was an Associate Dean for Fr. Joaquin Bernas, SJ Center for Continuing Legal Education from March 2003 to May 2018; Undersecretary in the Department of Finance from July 1998 to January 2001; and Vice-President and Special Assistant to the President General

Counsel in the Land Bank of the Philippines from 1987 to 1992. Atty. Gruba authored three books: A Survey of the Amendments Introduced by Train Law, 2019; Guide Notes and Cases on Tax Remedies, 2018; and Guide Notes and Cases on the General Principles of Taxation and the Organization of the Bureau of Internal Revenue, 2016.

She was nominated Tax Lawyer of the Year for Southeast Asia in 2023 (Legal500) and one of The Philippines Top 100 Lawyers from 2018 to 2022 (Asia Business Legal Journal). She speaks English, Filipino, Fokien, and Mandarin.

She graduated from the University of Santo Tomas in 1972 with a Bachelor of Arts in Psychology, and a Bachelor of Laws from the Ateneo Law School, Ateneo de Manila University in 1976. She was admitted to the Philippine Bar in 1977. She took a Master of Laws in 1981 from the Georgetown University Law Center, Washington D.C., United States of America.

**MR. RAMON JESUS P. PAJE** was appointed Independent Director of the Company on November 8, 2022. Dr. Paje served as Secretary of Environment and Natural Resources (DENR) under President Benigno S. Aquino III from 2010-2016. As DENR Secretary, he implemented: a total logging ban, which saved the forests for the future generations of Filipinos by stopping the massive forest loss caused by centuries of logging; the National Greening Program, which improved the country's forest cover, increased the productivity of forestlands and reduced upland poverty; Geohazard Mapping, which determined the flood-prone and landslide-prone areas nationwide and significantly enhanced the country's disaster preparedness; and The upgrading of fuel standard from Euro 2 to Euro 4, which reduced urban pollution by significantly decreasing the fuel's Sulfur content from 500 ppm to 50 ppm. Likewise, Secretary Paje pursued the Philippine claim to the Benham Rise (now Philippine Rise), with the strong effort of the National Mapping and Resource Information Authority (NAMRIA), resulting in the approval by the United Nations in April 2012 and increased the country's territorial waters and natural wealth by more than 13 Million hectares. He also signed the historic Paris Agreement on Climate Change for the Republic of the Philippines on April 22, 2016, at the UN Headquarters in New York.

**MS. CECILIA C. BORROMELO** was the President and CEO of the Land Bank of the Philippines from March 2019 to May 2023, President and CEO of the Development Bank of the Philippines from January 2017 to February 2019, Executive Vice-President in various sectors and departments in the Land Bank of the Philippines from 1989 to 2017.

Ms. Borrromeo graduated from the University of the Philippines with a Bachelor of Science in Agribusiness in 1979. She took a Master's in Business Administration from Dela Salle Business School from 1980 to 1982 and a Post Graduate Course in Advanced Bank Management from the Asian Institute of Management in 1995.

She was awarded the Outstanding CEO Award in May 2023 by the Association of Development Financing Institutions in Asia and the Pacific, the 2021 Distinguished Alumni Award for Corporate Governance in the field of Banking and Finance in February 2022 by the University of the Philippines Alumni Association and 2019 Outstanding Alumna of College of Economics and Management (CEM) of the University of the Philippines, Los Baños (UPLB).

### ***C. Minutes of the 2023 Annual Stockholders' Meeting***

For the draft Minutes of the Company's 2023 Annual Stockholders Meeting, please refer to **Annex "A"** hereof.

-end-



Minutes of the Annual Stockholders' Meeting of  
**COSCO CAPITAL, INC.**  
 June 30, 2023 via Zoom Meeting

**ATTENDANCE:**

<u>STOCKHOLDERS PRESENT/REPRESENTED</u>	<u>NO. OF SHARES</u>	<u>PERCENTAGE</u>
Remote Communication	6,239,163,889	87.01%
<b>*TOTAL ATTENDANCE</b>	<b>6,239,163,889</b>	<b>87.01%</b>

On behalf of the Chairman of the Board (Mr. Lucio Co), Mr. Leonardo Dayao (President and Presiding Officer for the meeting) welcomed the stockholders, directors, and officers of Cosco Capital, Inc. He thanked them for attending the annual stockholders' meeting.

***A. Call to Order and Proof of Notice and Quorum***

Mr. Dayao called the meeting to order. He asked the Secretary, Atty. Jose Santos, Jr., if there is a quorum in the annual stockholders' meeting. Atty. Santos replied that notices of the Annual Stockholders' Meeting were disseminated to all Stockholders of record of the Company following the pertinent issuances of the Securities and Exchange Commission and provisions of the Company's By-Laws. He added that she submitted the notice of the meeting, together with the Information Statements, to the Securities and Exchange Commission and the Philippine Stock Exchange, through the EDGE submission system, where the PSE approved it as a Company Announcement on June 2, 2023, and posted them on the Company website starting June 5, 2023.

He also mentioned that the members of the board<sup>1</sup>, who are at the same time nominees for re-election, the executive officers of the Company, and the representatives from the External Auditor, R.G. Manabat & Co., and Stock Transfer Agent – RCBC Trust were in the meeting via videoconference.

Atty. Santos certified that there was a quorum for a valid transaction of business in the meeting because out of 7,170,721,764 common shares issued and outstanding of the Company as of record date, there were present in the meeting by remote communication and proxy, stockholders representing a total of 6,239,163,889 common shares, or equivalent to 87.01% of the Company's outstanding capital stock.

***B. Approval of the Minutes and Ratification of all acts of the Board of Directors and Management***

Mr. Dayao proceeded with the next item on the agenda, the approval of the minutes of the previous stockholders' meeting and ratification of all acts of the Board of Directors and officers of the Company since the last Annual Stockholders' Meeting. A motion was made to approve the minutes of the previous stockholders' meeting, together with all acts, proceedings, contracts, or deeds performed, entered into, or executed by the Company's Board of Directors and officers, be approved, confirmed, and ratified as if such acts, proceedings, contracts, or deeds had been performed, entered into, or executed with specific and special authorization of the stockholders in a meeting duly convened and held. The motion was duly seconded and carried out.

<sup>1</sup> Lucio Co, Susan Co, Leonardo Dayao, Roberto Juanchito Dispo, Levi Labra and Ramon Jesus Paje.

Mr. Dayao called upon the Secretary to present the votes garnered in the particular item in the agenda. Atty. Santos presented the following result of voting *in absentia*:

	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Approval of the Minutes and Ratification of all acts of the Board of Directors and Management	6,234,313,450 (99.92%)	0	4,850,439

### ***C. Approval of 2022 Annual Report and Audited Financial Statements***

Mr. Dayao moved to the next item on the agenda, the presentation of the Annual Report and approval of the Consolidated Audited Financial Statements of the Company as of December 31, 2022.

To present this item, the Company played a video presentation<sup>2</sup> about the Company's Annual Report and Sustainability Report, showing the Company's performance for the year 2022, the highlights of its financial results, and sustainability initiatives in 2022. The Chairman and President's Reports to stockholders are attached as **Annex "A"**.

Mr. Dayao asked the stockholders for any questions regarding the Company's Annual Report, and there were none. After that, a motion to approve the Annual Report and the Consolidated Audited Financial Statements of the Company was duly seconded. There being no objection, the motion was approved.

Mr. Dayao called upon the Secretary to present the votes garnered in the particular item in the agenda. Atty. Santos gave the following result of voting *in absentia*:

	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Approval of 2022 Annual Report and Audited Financial Statements	6,234,313,450 (99.92%)	0	4,850,439

### ***D. Election of Directors***

Mr. Dayao moved to the next item on the agenda, the election of the members of the Board of Directors for the year 2023-2024.

He mentioned that the Corporate Governance Committee pre-screened the qualifications of all nominees and prepared a final list of all candidates for directors, and that such list of candidates was made available to all stockholders through the information statements released to the public.

Atty. Santos announced the candidates for the 2023 Board of Directors:

1. Mr. Lucio Co
2. Ms. Susan Co
3. Mr. Leonardo Dayao
4. Mr. Roberto Juanchito Dispo
5. Mr. Levi Labra
6. Ms. Lily Gruba
7. Mr. Ramon Jesus Paje as Independent Director

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<sup>2</sup> Available on the Company website.



## 8. Ms. Cecilia Borromeo as Independent Director

Mr. Dayao requested the Secretary to present the results of the *in absentia* voting for this particular item on the agenda.

Atty. Santos presented the following result:

NOMINEES	FOR	AGAINST	ABSTAIN	TOTAL	%
Mr. Lucio L. Co	6,194,391,223	44,772,666	0	6,239,163,889	99.28%
Mrs. Susan P. Co	6,039,220,874	199,943,015	0	6,239,163,889	96.80%
Mr. Leonardo B. Dayao	6,129,598,723	109,565,166	0	6,239,163,889	98.24%
Mr. Roberto Juanchito T. Dispo	6,064,765,038	174,398,851	0	6,239,163,889	97.20%
Mr. Levi B Labra	6,074,087,389	165,076,500	0	6,239,163,889	97.35%
Ms. Lily K. Gruba	6,064,765,038	174,398,851	0	6,239,163,889	97.20%
Mr. Ramon J.P. Paje	6,239,163,889	0	0	6,239,163,889	100%
Ms. Cecilia Borromeo	6,239,163,889	0	0	6,239,163,889	100%

Mr. Dayao, thereafter, declared Mr. Lucio Co, Ms. Susan Co, Mr. Roberto Juanchito Dispo, Mr. Levi Labra, Ms. Lily Gruba, and himself as regular directors for 2023 - 2024, and Mr. Ramon Jesus Paje and Ms. Cecilia Borromeo as Independent Directors for 2023 – 2024.

### ***E. Amendment of Bylaws***

Mr. Dayao mentioned that on May 9, 2023, the Board of Directors of Cosco Capital approved to amend Article III Section 1 of the Company's Bylaws to change the date of the Annual Stockholders' Meeting from "last Friday of June" to "any day of May of each year" at such time as may be fixed by the Board of Directors. The motion was duly seconded and carried out.

Mr. Dayao called upon the Secretary to present the votes garnered in the particular item in the agenda. Atty. Santos presented the following result of voting *in absentia*:

	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Amendment of Bylaws	6,219,530,650 (99.69%)	10,782,800	8,850,439

### ***F. Re-appointment of R.G. Manabat & Company as External Auditor***

The Presiding Officer moved to the next item on the agenda, the re-appointment of R.G. Manabat & Company as External Auditor. Mr. Dayao mentioned that the Audit Committee recommended that R.G. Manabat & Co., (KPMG) be re-appointed as the External Auditor of the Company and its subsidiaries for 2023 with an auditors fee of up to P10.1 million.

A motion to re-appoint R.G. Manabat & Co. (KPMG) as the external auditor of the Company and its subsidiaries for the year ending December 31, 2023, with an audit fee of up to P10.1 million was made and duly seconded.

Mr. Dayao requested the Secretary to present the results of the *in absentia* voting for this particular item on the agenda. Atty. Santos gave the following result:

	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Re-Appointment of External Auditor	6,234,313,450 (99.92%)	0	4,850,439

***F. Other Matters***

Mr. Dayao asked the Secretary if there were matters left to be discussed. The Secretary mentioned that there are none. There were also no questions or concerns raised by the stockholders to be discussed in the meeting.

***G. Adjournment***

There was no other business to transact, so the Chairman requested a motion to adjourn the meeting. A motion was made and duly seconded. There being no objection, the meeting was adjourned.

Mr. Dayao thanked the stockholders and participants in the Annual Stockholders' Meeting.

Prepared by:

**Atty. Jose Santos, Jr.**  
Corporate Secretary

Approved by:

**Mr. Leonardo Dayao**  
Presiding Officer

## **ANNEX “A”**

### **COSCO CAPITAL, INC. JOINT MESSAGE FROM THE CHAIRMAN AND THE PRESIDENT (2022 ANNUAL REPORT)**

The year 2022 saw improved mobility as the Philippine economy geared towards post-pandemic recovery. The Philippines' GDP grew 7.2 percent in the fourth quarter of 2022, resulting in a full-year growth of 7.6 percent in 2022.

The declining COVID-19 infection rate, significant vaccination coverage and the easing of pandemic-related restrictions all led to a rebound in consumer spending.

These shifts towards economic recovery and increased consumer demand have helped our company achieve higher revenue growth across all our business segments despite prevailing industry challenges.

Coupled with our strong balance sheet, consolidated revenues from all our business segments grew by 13 percent to P197.14 billion in 2022. Our net income also increased by 16.86 percent to P12.28 billion versus P10.51 billion in the previous year.

We are pleased to report that Cosco Capital has emerged from the pandemic in an even stronger position, which is a testament to the breadth of our portfolio. As the leading retail and investment holding company, we will continue to pursue strategic growth guided by our mission of enriching Filipino lives through our quality products and excellent services.

#### **Business Segment Review**

Throughout the year, all business segments were able to maintain efficient business operations that delivered profitable results. The group's Grocery Retail segment contributed 63% of total core net income, followed by Wine and Liquor Distribution at 25%, Commercial Real Estate segment at 11% and Specialty at 1%.

##### *Grocery Retail*

The grocery retailing business, which includes the flagship Puregold Price Club Inc. and S&R Membership Shopping Club, registered a consolidated revenue contribution of PHP 184.30 billion – an increase of 12.3% compared to the segment's revenues of PHP 164.13 billion in 2021. Net income also grew to PHP 9.29 billion in 2022, up by 13.5% from the previous year's PHP 8.18 billion.

The increase in revenues is attributable to sales contributions from the full operation of new Puregold and S&R stores opened in 2021 and 2022.

As of FY 2022, the Grocery Retailing segment is operating a total of 525 stores.

Puregold opened a total of 24 new stores in 2022 while S&R opened four Quick-Service Restaurants (QSR)s. Five S&R warehouse clubs are currently under development, four of which are expected to open in 2023.

##### *Wine and Liquor Distribution*

The wine and liquor distribution through The Keepers Holdings recorded consolidated revenues of PHP 13.95 billion in 2022, a 26.5% growth compared to the same period last year.

The strong growth in sales is attributable to robust performance across all product categories, particularly due to recovering demand and consumption from on-premise channels as well as the travel retail market. Strategic price adjustments on certain product SKUs also contributed to the revenue uplift.

This brought net income for the liquor segment to PHP 2.23 billion, up 41.1%, as a result of strong sales performance from all. The effect of reduced income tax rates resulting from the passage of CREATE Law also contributed to the growth in net income.

During the year and pursuant to its strategic plans, Keepers had also completed its acquisition of 50 percent equity in Bodegas Williams & Humbert SA -- the producers of company's top brandy, Alfonso. The group also established a Cebu distribution hub last year to further expand its reach.

The Keepers maintains market leadership in all leading categories of the imported spirits segment, being the largest distributor of imported spirits in the Philippines. It has a market share of 74.0% based on volume and 66.9% based on retail sales value in 2020\*,.

\*source : IWSR Drinks Market Analysis Limited ("IWSR").

### Real Estate

The commercial real estate segment posted a 7% percent growth in rental revenue to PHP 1.82 billion in 2022. This was mainly attributable to the continued easing of mobility restrictions and corresponding increase in economic activity, allowing tenants to gradually improve their business operations.

Higher power and utility costs led to a 7.64% decrease in the overall real estate segment's net income however, which amounted to PHP 845 million for the year.

The real estate group continued to expand its real estate assets portfolio through acquisitions of additional land banking assets for future development. This is on top of the ongoing development of at least two commercial assets to be completed in 2023.

### Specialty Retail

Under the specialty retail business segment, Office Warehouse Inc.'s revenues grew by 15% percent to PHP 1.79 billion as it continued to see recovery in its business operations. Likewise, net income improved by 38% percent to PHP 69 million in 2022.

Store sales registered a growth of 13.8% driven by a strong customer traffic count and recovering from a negative growth of 9.70% in 2021.

Office Warehouse has consistently surpassed historical sales with an annual average growth of 16%. It has managed to remain income positive in the midst of the global pandemic, opening two new stores (Market Market Taguig and SM Novaliches), and seven Puregold concession outlets around Metro Manila during the period.

The gradual resumption of onsite work and face-to-face classes of schools, gave Office Warehouse a steady foothold in its niche market. The specialty retail group also benefited from its back-to-school season promos which led to robust sales growth beginning in July.

Aside from these, significant sales were also generated from B2B and government sales biddings, and through its online shopping site which is mirrored on social media.

### **Higher Cash Dividends**

Cosco Capital has paid yearly dividends to its shareholders without interruption since 2014. Following the strong recovery of our core businesses, the company declared even higher cash dividends in 2022.

The company declared cash dividends of P0.19 per share to shareholders as of record date Jan. 18, 2023. The cash dividends were paid on Jan. 28, 2023. The amount represents a 58-percent year-on-year increase in annual cash dividends declared compared to the previous year.

### **Looking Ahead**

Cosco Capital sees the trend to continue exhibiting strong growth and profitability in spite of constant economic and business challenges.

As we look ahead to 2023 and beyond, we are confident in our position and capabilities to capitalize on the many opportunities that abound across industries. We remain committed to maximizing on our strengths and achieving our full potential as we continue to set the pace for the industry and contribute to national economic development.

Signifying this commitment to growth, COSCO plans to double its CAPEX budget to PHP12.2 billion in 2023 from PHP6.1 billion in 2022. A bulk of this CAPEX will be allotted for expansion of the Puregold group's store network, while a portion of the expenditures will be assigned to the Real Estate Group and The Office Warehouse.

In closing, we wish to thank all our stakeholders for your support and look forward to our continued partnership as we strive to reach greater heights and create a sustainable future for all Filipinos.

**SIGNATURE**

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**COSCO CAPITAL, INC.**



**CANDY H. DACANAY-DATUON**  
Assistant Corporate Secretary & Compliance Officer