

25 January 2018

**THE PHILIPPINE STOCK EXCHANGE**

Philippine Stock Exchange Plaza  
 Ayala Triangle, Ayala Avenue  
 Makati City

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

Subject: Annual Progress Report on the  
 Disbursement of Proceeds from the  
 Initial Public Offering ("IPO") of Metro  
 Retail Stores Group, Inc. ("MRSGI")

Dear Ms. Encarnacion,

We are pleased to submit our Annual Progress Report on the Application of Proceeds for 2017, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

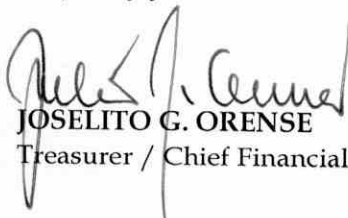
Please be advised that as of December 31, 2017, the remaining balance of the proceeds from the MRSGI common shares IPO amounts to One Billion Eight Hundred Fifty Three Million Six Hundred Forty Four Thousand Thirty Eight Pesos and Forty One Centavos (Php1,853,644,038.41).

The details of the disbursement for the Calendar Year 2017 are as follows:

Balance of IPO Proceeds as of December 31, 2016	Php	2,017,262,885.61
Less: Capital Expenditure for Store Network Expansion		124,620,134.25
Capital Expenditure for Cebu Warehouse		38,998,012.95
Bank Charges		700.00
		<u>163,618,847.20</u>
<b>Balance of IPO Proceeds as of December 31, 2017</b>	<b>Php</b>	<b><u>1,853,644,038.41</u></b>

Thank you.

Very truly yours,

  
**JOSELITO G. ORENSE**  
 Treasurer / Chief Financial Officer

