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Securities & Exchange Commission
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Roxas Blvd, Metro Manila

Philippine Stock Exchange
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Attention: Hon. Vicente Graciano P. Felizmenio, Jr.
Director, Market and Securities Regulation Department
Securities & Exchange Commission

Ms. Janet Encarnacion
Head - Disclosure Department
Philippine Stock Exchange

Atty. Marie Rose M. Magallen-Lirio
Head - Issuer Compliance and Disclosure Department (ICDD)

Sir and Mesdames:

We would like to submit the attached Press Release entitled "**Phoenix introduces new FamilyMart retail format through Cebu stores**".

Thank you and warm regards.

Very truly yours,

Atty. Socorro Ermac Cabreros
Corporate Secretary

Phoenix introduces new FamilyMart retail format through Cebu stores

Leading independent oil player Phoenix strengthens its efforts to evolve into an increasingly consumer-facing business amid the challenges of the COVID-19 pandemic by launching an innovative new format for its convenience retail brand FamilyMart.

Launching in Cebu today, October, 28, the new retail format is a compact version of the full-option concept store that Phoenix launched in November 2019. Catering to motorists and the surrounding communities, FamilyMart is brought to Cebu through a franchisee who will be initially opening three branches in strategic locations; Phoenix V Rama, Phoenix Banilad, and a standalone store in Banawa.

“We are happy to have come up with a clear-cut strategy to bring FamilyMart to Cebuanos, especially during this challenging environment with the ongoing COVID-19 pandemic. It is crucial that we make essentials, especially food, more accessible, while prioritizing safety, and, at the same time, providing added business opportunities to our franchisee. It requires less investment, yet still provides the same excellent service and quality products FamilyMart has become known for,” said Phoenix President Henry Albert Fadullon. “We have always wanted to bring FamilyMart to more Filipinos, and through this new store concept, we are able to accomplish this goal,” he added.

The new FamilyMart stores in Cebu will focus on curated offerings of the Japanese convenience giant’s best-selling and original quick-service restaurant (QSR) products, such as *onigiri* (rice balls), *ramen* (noodle soup), and *yakiniku* (grilled meat). Further, the stores will offer *Posible* digital-based payment services for safer, contactless transactions.

Phoenix developed the new FamilyMart store format as a suitable solution for limited retail areas of 15 sqm to 20 sqm. It offers a more attractive proposition to investor-franchisees with its lower investment cost of Php 500,000 which is up to 90 percent lower than regular FamilyMart franchise packages.

After Phoenix acquired FamilyMart Philippines in 2018, it has re-positioned the brand to bring a genuine Japanese lifestyle retail experience to Filipinos, especially busy urbanites, office employees, and professionals. In 2019, the biggest FamilyMart in the Philippines was opened in Udenna Tower in BGC, Taguig, which features a co-working space, function rooms, a zen garden, and a liquor room. It coincided with the introduction of new food items, including ramen and other Japanese dishes. Phoenix reported a total of 72 stores by the end of the year.

FamilyMart is an integral part of Phoenix’s pivot to retail as its main strategy amid the backdrop of the COVID-19 pandemic, along with its fuel and LPG retail businesses. During the start of the lockdown, innovations such as a FamilyMart rolling store, and online ordering system were introduced to cater to the needs of customers in Metro Manila, while highlighting mobility and safety concerns.

Anyone interested in franchising FamilyMart in the Philippines may send an email to franchise@familymart.com.ph or message FamilyMart's Facebook page. ###