April 21, 2026

Securities and Exchange Commission
7907 Makati Avenue, Brgy. Bel-Air, Salcedo Village,
Makati City, 1209

Attention: **Mr. Oliver O. Leonardo**
Director, Markets and Securities and Regulation Department

Philippine Stocks Exchange
6/F, PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **Atty. Johanne Daniel M. Negre**
OIC, Disclosure Department

Gentlemen:

We are respectfully submitting the **Definitive Information Statement** ("DIS") of Puregold Price Club, Inc. (the "Company") relative to its upcoming Annual Stockholders' Meeting to be held on May 12, 2026, at 10:00 am via remote communication (Zoom).

In connection with the Commission's findings/comments, please see the following:

2025 Consolidated Audited Financial Statements and Auditor's Report	The Company's 2025 Consolidated Audited Financial Statements is hereto attached as **ANNEX "I"**
Statement of Management Responsibility on the Financial Statement	The Company's 2025 Consolidated Audited Financial Statements is hereto attached as **ANNEX "I"**
Market Price Information	Please see page 22 of this instant DIS for the high and low market price of the 1st quarter ending 31 March 2026, as well as the closing price on the even date.
Top 20 Shareholders	Please see page 22 of this instant DIS for the Company's Top 20 shareholders as of 31 March 2026
Certificate of Qualification of Independent Directorship	On 21 April 2026, the Board of Directors approved the nomination of Ms. Gilda Pico as one of its independent directors following the completion of the 9-year term limit of Mr. Jaime Dela Rosa, pursuant to SEC Memorandum Circular No. 7, series of 2026. A copy of her redacted Certificate of Qualification of Independent Director is hereto attached as **Annex "C".** Please refer also to page 10 of this instant DIS for Ms. Pico's professional profile.

Thank you very much!

Kind regards,

Atty. Jewelyn A. Jumalon
Assistant Corporate Secretary

COVER SHEET

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SEC Registration Number

P	U	R	E	G	O	L	D		P	R	I	C	E		C	L	U	B	,		I	N	C	.

(Company's Full Name)

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M	A	N	I	L	A																						

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

JEWELYN A. JUMALON

(Contact Person)

(63) 917 861 2459

(Company Telephone Number)

1	2

Month

3	1

Day

SEC FORM 20-IS

(Form Type)

0	5

Month

1	3

Day

(Secondary License Type, If Applicable)

Dept. Requiring this Doc

Amended Articles Number/Section

Total Amount of Borrowing

Total No. of Stockholders

Domestic

Foreign

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y SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
   [ ] Preliminary Information Statement
   [x] Definitive Information Statement

2. **PUREGOLD PRICE CLUB, INC.**
   Name of Registrant as specified in its charter:

3. **MANILA, PHILIPPINES**
   Province, country, or other jurisdiction of incorporation or organization

4. SEC Identification Number: **A199803754**

5. BIR Tax Identification Code: **201-277-095**

6. **No. 900 ROMUALDEZ ST., PACO, MANILA** **1007**
   Address of principal office Postal Code

7. Registrant's telephone number, including area code: **(63) 9178612459**

8. **MAY 12, 2026, TUESDAY, 10 AM, VIA REMOTE COMMUNICATION (ZOOM)**
   Date, time, and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **20 April 2026**

10. In case of Proxy Solicitations: **We are not asking for Proxy Solicitations**

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on the number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt
COMMON SHARE	**2,880,137,615**

12. Are any or all of registrant's securities listed in a Stock Exchange?

    Yes [x] No [ ]

If yes, disclose the name of such Stock Exchange and the class of securities listed therein: **PHILIPPINE STOCK EXCHANGE, COMMON SHARES**

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Notice is hereby given that the Annual Stockholders' Meeting of **PUREGOLD PRICE CLUB, INC. (the "Company")** will be on **May 12, 2026, Tuesday, at 10:00 am, via Remote Communication (Zoom),** with the following agenda:

AGENDA

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of Minutes of the Previous Stockholders' Meeting and Ratification of Acts and Resolutions of the Board of Directors and Management
4. Annual Report and Approval of the 2025 Audited Financial Statements
5. Election of Regular Directors and Independent Directors
6. Re-appointment of an External Auditor and fixing its remuneration
7. Other Matters
8. Adjournment

Only stockholders of record as of **April 28, 2026** are entitled to notice of, and vote at, this meeting.

Pursuant to the Company's bylaws and resolution of the Board of Directors dated March 31, 2026, the annual stockholders' meeting will be held via remote communication, through the online platform "Zoom". Stockholders may participate in the meeting by remote communication, by voting *in absentia*, or by appointing the Chairman of the meeting as their proxy. The Information Statement will be accessible on the Company website, **www.puregold.com.ph** starting April 20, 2026.

The stockholders attending by proxies should e-mail their duly accomplished proxies to **corporate.governance@puregold.com.ph** or send original hard copies of proxies to the Office of the Assistant Corporate Secretary, Puregold Head Office, No. 900 Romualdez St., Paco, Manila 1007 on or before May 04, 2026, and stockholders attending by remote communication should notify the Company on or before May 04, 2026. The Information Statement will provide the requirements and procedures for participating in the meeting.

The Company's stock transfer agent will validate the votes on May 05, 2026, at 3:00 pm, at the Office of the Assistant Corporate Secretary, Puregold Head Office, No. 900 Romualdez St., Paco, Manila, 1007.

Manila, Philippines, April 01, 2026.

ATTY. JEWELYN A. JUMALON
Assistant Corporate Secretary & Compliance Officer

EXPLANATION OF AGENDA ITEMS

1. Call to Order
The Chairman of the meeting, Ms. Susan Co, will welcome the stockholders and formally open the annual meeting at 10:00 am.

2. Certification of Notice and Quorum
The Assistant Corporate Secretary will certify that the notice of the meeting to stockholders was posted on the Company website and on the Philippine Stock Exchange Edge platform, and was also published in the business section of Philippine Star and Philippine Daily Inquirer, both newspapers of general circulation, on April 20 and 21, 2026. She will also certify that there is a quorum to transact business in the meeting.

3. Approval of Minutes of the Previous Meeting and Ratification of Acts and Resolutions of the Board of Directors and Management
The results and the minutes of the last Annual Meeting is posted on the Company website. A resolution presenting the said Minutes and the ratification of the acts and resolutions of the Board of Directors and Management since the last stockholders' meeting will be submitted to the stockholders for approval.

4. Annual Report and Approval of the 2025 Consolidated Audited Financial Statements
The Company will present its 2025 Annual Report and Consolidated Audited Financial Statements to the stockholders. A resolution ratifying the 2025 Annual Report and Consolidated Audited Financial Statements will also be presented to the stockholders for their approval.

5. Election of Regular and Independent Directors
The Chairman of the meeting will announce the names of the nominees for the election of directors and will open the floor for stockholders' voting. The nominees for directors are:

For Regular Directors:	*For Independent Directors:*
1. Mr. Lucio L. Co	1. Mr. Jaime S. Dela Rosa
2. Ms. Susan P. Co	2. Mr. Gil B. Genio
3. Mr. Ferdinand Vincent P. Co	3. Mr. Emmanuel G. Herbosa
4. Ms. Pamela P. Justine Co	
5. Mr. Anthony Sy	
6. Mr. Jack E. Huang	

The respective profile of the nominees is provided in the Information Statement.

6. Re-appointment of an External Auditor and fixing its remuneration
A resolution for the re-appointment of R.G. Manabat & Company (KPMG) and its proposed remuneration of up to P7.5 Million as External Auditor of the Company and its subsidiaries will be presented to the stockholders for approval.

7. Other Matters
The Chairman will open the floor for any questions from the stockholders.

PART 1: INFORMATION REQUIRED IN THE INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time, and place of meeting of security holders

(a) May 12, 2026, at 10:00 AM, via Remote Communication (Zoom)
Principal Office: No. 900 Romualdez St., Paco, Manila 1007

(b) The Information Statement will be available on the Company's website, www.puregold.com.ph, beginning on April 20, 2026. In the alternative, the Company will also disseminate to the stockholders copies of the Notice of the Annual Stockholders' Meeting, Information Statements, and its Attachments by posting them on the Company website, PSE Edge Platform. The Notice of the Annual Stockholders' Meeting will also be published in two newspapers of general circulation (Philippine Star and Philippine Daily Inquirer) on April 20 and 21, 2026.

We are not asking for a proxy, and you are requested not to send us a proxy.

Item 2. Dissenters' Right of Appraisal

No matters or actions to be taken at the meeting may give rise to a possible exercise by stockholders of their appraisal rights under Section 80 Title X of the Revised Corporation Code of the Philippines.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

(a) No director, officer, nominee, or any associate of the foregoing person has a substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than an election to office.

(b) No director, officer, nominee, or any associate of the foregoing person has informed the Company in writing that he intends to oppose any action to be taken by the Company at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders

(a) Number of outstanding shares as of March 31, 2026.
2,880,137,615 common shares

Number of votes entitled: one (1) vote per share

(b) All stockholders, as of the record date, shall be entitled to vote in the meeting.

(c) Section 23 of the Revised Corporation Code states that stockholders entitled to vote shall have the right to vote the number of shares of stock standing in their

own names in the stock books of the Company as of record date. The said stockholder may: (a) vote such number of shares for as many as there are directors to be elected; (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of shares owned; or (c) distribute them on the same principle among as many candidates as may be seen fit. The total number of votes cast shall not exceed the number of shares owned by the stockholders as shown in the books of the Company multiplied by the whole number of directors to be elected.

(d) Security Ownership of Certain Beneficial Owners and Management

1. Security ownership of more than 5% of the stock of the Company as of March 31, 2026.

Title of Class	Name, Address of record owner	Relationship with the Company	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of shares held	%
Common	Cosco Capital, Inc. No. 900 Romualdez St., Paco, Manila	Stockholder/ Parent Company	Parent Company	Filipino	1,410,867,188	48.58%
Common	Susan P. Co No. 22 Pili Avenue, South Forbes Park, Makati City	Stockholder/ Chairman	Record owner herself	Filipino	178,242,585	6.19%
Common	Lucio L. Co, No. 22 Pili Avenue, South Forbes Park, Makati City	Stockholder/ Director	Record owner himself	Filipino	211,088,022	7.33%
Common	PCD Nominee Corp. (Non-Filipino)	Stockholder/ Not related	Acting for various clients	Non-Filipino	491,118,871	17.05%
Common	PCD Nominee Corp. (Filipino)	Stockholder/ Not related	Acting for various clients	Filipino	510,629,111	17.73%

2. Security Ownership of Directors and Executive Officers of the Company as of March 31, 2026:

Title of Class	Name of Beneficial Owner	Nature of beneficial ownership	Citizenship	Number of shares	Percent of Outstanding Voting Shares
Common	Ms. Susan P. Co	Direct	Filipino	178,242,585	6.19%
Common	Mr. Lucio L. Co	Direct	Filipino	211,088,022	7.33%
Common	Mr. Ferdinand Vincent P. Co	Direct	Filipino	26,709,460	0.93%
Common	Ms. Pamela Justine P.	Direct	Filipino	26,709,460	0.93%

	Co-Yuyitung				
Common	Mr. Anthony G. Sy[1]	Direct	Filipino	569,370	0.02%
Common	Mr. Jack T. Huang	Direct	Filipino	15,000	0.00%
Common	Mr. Jaime S. Dela Rosa (ID)	Direct	Filipino	1	0.00%
Common	Mr. Gil B. Genio (ID)	Direct	Filipino	161,000	0.01%
Common	Mr. Emmanuel G. Herbosa (ID)	Direct	Filipino	100	
Common	Ms. Katrina Marie P. Co-Go	Direct	Filipino	1,200,026	0.04%
Common	Atty. Jewelyn A. Jumalon	-	Filipino	0	0.00%
Common	Ms. Baby Gerlie I. Sacro	-	Filipino	0	0.00%
Common	Mr. John Marson T. Hao	-	Filipino	0	0.00%
Common	Mr. Antonio E. Delos Santos II	-	Filipino	0	0.00%
Common	Mr. Joseph U. Sy	-	Filipino	0	0.00%
Common	Mr. Renato T. Bechayda	-	Filipino	0	0.00%
Common	Mr. Edison T. Anggala	-	Filipino	0	0.00%
Common	Ms. Maricel R. Cambe	-	Filipino	0	0.00%
Common	Mr. Kenneth N. Tiu	Direct	Filipino	10,000	0.00%
Common	Ms. Emelda T. Bechayda	-	Filipino	0	0.00%
Common	Ms. Elvira D. Gutierrez	-	Filipino	0	0.00%
Common	Mr. Edgar T. Tacorda	-	Filipino	0	0.00%
Common	Mr. Levi B. Labra	-	Filipino	0	0.00%
Common	Ms. Maria Teresa S. Lontoc	-	Filipono	0	0.00%

3. Mr. and Mrs. Lucio and Susan Co do not have any voting trust agreement for their ownership of more than 5% of the stock of the Company.

4. There has been no change in the control of the Company in the last fiscal period.

5. Foreign ownership level as of December 31, 2025:

   499,868,258 common shares or 17.36% of the outstanding capital stock

Item 5. Directors and Executive Officers

(a) Presented below are the business profiles of the Company's Directors and Executive Officers. The incumbent directors are also the nominees for the election of regular and independent directors.

(i) Directors

The following are the nominees for the election of regular directors:

a. Mr. Lucio L. Co
b. Ms. Susan P. Co

[1] Elected as member of the Board of Directors on 13 May 2025.

c. Mr. Ferdinand Vincent P. Co
d. Ms. Pamela Justine P. Co – Yuyitung
e. Mr. Anthony G. Sy
f. Mr. Jack E. Huang

The following are the nominees for the election of independent directors:

a. Ms. Gilda E. Pico
b. Mr. Gil B. Genio
c. Mr. Emmanuel G. Herbosa

Mr. Gil Genio and Mr. Emmanuel Herbosa have been the Company's Independent Directors since 2023. This is Ms. Gilda E. Pico's first nomination as the Company's Independent Director. Her nomination, which was approved by Company's Board of Directors on a special meeting held on 21 April 2026, was brought about by the vacancy in the independent director's seat following the completion of Mr. Jaime Dela Rosa's nine (9)-year term limit pursuant to SEC Memorandum Circular No. 7, Series of 2026.

The Company had no transactions with or involving the Company or its subsidiaries in which any director, executive officer, stockholder owning at least ten percent (10%) of the Company's outstanding shares, or any member of their immediate family, had or will have a material direct or indirect interest.

None of the Directors nor Officers of the Company is presently employed with the Philippine Government[2]

The business profile of the foregoing nominees for election of directors, as well as the Key Officers of the Company are as follows:

A. <u>Nominees for Election of Directors:</u>

Susan P. Co, Filipino, 68 years old
Mrs. Co initially served as the Vice-Chairman of the Company from 1998 until her election as Chairman in 2023. She is also the Vice-Chairman of Cosco Capital, Inc., and a member of the Board of Directors of the Philippine Bank of Communications (PBCOM), which are both PSE-listed companies

Concurrently, she 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 Pacific 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.

[2] A copy of the Certification of the Assistant Corporate Secretary that none of the directors nor officers of the company is currently employed with the Philippine Government is hereto attached as **ANNEX "F"**

Mrs. Co earned her Bachelor of Science degree in Commerce from the University of Santo Tomas.

Lucio L. Co, Filipino, 71 years old
Mr. Co was the elected as the Company's Chairman of the Board from 1998 to 2022. He is presently the Chairman of Cosco Capital, Inc., and The Keepers Holdings, Inc., and a member of the Board of Directors of Philippine Bank of Communications, which are all PSE-listed companies.

In addition, he is 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 Pacific 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 also a member of the Board of Directors 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, LCCK & Sons Realty Corporation, 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 50 years.

Ferdinand Vincent P. Co, Filipino, 44 years old
Mr. Ferdinand Vincent Co has been serving as President of the Company since 2015.

He is also the elected Chairman and President of Alerce Holdings Corp., Blue Ocean Foods, Inc., Forbes Corporation, Invesco Company, Inc., KMC Realty Corporation, League One, Inc., PPCI Subic Inc., Patagonia Holdings Corp., Purepadala, Inc., and VFC Land Resources, Inc., Filmore Holdings Incorporated, Illido Management Corporation, Azora Holdings Incorporated, SPC Resources Inc.; Chairman of Pinehurst Creek Holdings Corporation, South Coast Automotive Group, Inc. and Pure Commerce, Inc.; President of Ayagold Retailers, Inc., Entenso Equities, Inc., Union Equities, Inc., Aracena Holdings Corporation, Blue Origin Holdings Incorporated, Imperium Holdings, Inc.; and Director of Bellagio Holdings, Inc., Blue Ocean Holdings, Inc., Canaria Holdings Corporation, Cosco Price, Inc., Ellimac Prime Holdings, Inc., Fertuna Holdings Corp., Meritus Prime Distributions, Inc., P.G. Holdings, Inc., Premier Wine and Spirits, Inc., PSMT Philippines, Inc., Puregold Duty Free (Subic), Inc., Puregold Finance, Inc., Puregold Properties, Inc., Puregold Realty Leasing & Management, Inc., San Jose City Power Corp., Tower 6789 Corporation, Cassina Creek Holdings Corporation, Makabayan Holdings Incorporated, Maxent Investment, Inc. and Union Energy Corporation.

Mr. Ferdinand Vincent Co earned his Bachelor of Science degree in Entrepreneurial Management from the University of Asia and the Pacific in 2003.

Pamela Justine P. Co – Yuyitung , Filipino, 41 years old
Ms. Pamela Justine Co is the Executive Director of the Company since 2015.

She is also the President of Pinehurst Creek Holdings Corporation and Aracena Holdings Corporation; and Director of Alerce Holdings Corp., Bellagio Holdings, Inc., Blue Ocean Foods, Inc., Blue Ocean Holdings, Inc., Cosco Price, Inc., Ellimac Prime Holdings, Inc., Fertuna Holdings Corp., Forbes Corporation, Invesco Company, Inc., Kareila Management Corporation, KMC Realty Corporation, League One, Inc., Meritus Prime Distributions, Inc., Montosco, Inc., P.G. Holdings, Inc., Patagonia Distributions, Inc., Patagonia Holdings Corp., Premier Wine and Spirits, Inc., PSMT Philippines, Inc., Puregold Duty-Free (Subic), Inc., Puregold Properties, Inc., S&R Pizza (Harbor Point), Inc., S&R Pizza, Inc., Union Energy Corporation, Union Equities, Inc., SPC Resources, Inc., Union Energy Corporation, Union Equities, Inc., SPC Resources, Inc., Azora Holdings Incorporated, Cassina Creek Holdings Corporation, Fillmore Holdings Incorporated, Illido Management Corporation, Imperium Holdings, Inc., Kalayaan Lakeview Corp., Makabayan Holdings Incorporated, Maxent Investment, Inc., VFC Land Resources, Inc., and Advanced Nutritional Technologies (ANTECH), Inc.

She also serves as the Vice President for Business Development of Kareila Management Corporation, the operator of S&R Membership Shopping.

She graduated from Thames International School in 2006 with a Bachelor of Science Degree in Entrepreneurship

Jack E. Huang, Filipino, 72 years old
Mr. Huang has been a member of the Board of Directors of the Company since 2017.

Mr. Huang is also the Vice-President of Abacus Capital and Investment Corp., a Director of Cebu Business Continuous Forms and Richmedia Network, Inc., and a member of the Board of Trustees of Sacred Heart School (Ateneo de Cebu).

Mr. Huang also serves as a Director of Philippine Bank of Communication, a PSE-Listed Company.

Mr. Huang graduated with a degree of Bachelor of Arts, major in Economics, from the Ateneo de Manila University in 1975.

Anthony G. Sy, Filipino, 65 years old
Mr. Sy has been the Company's Director since May 2025.

Mr. Sy is also the incumbent President of Kareila Management Corporation. He joined the Company in 2006. Before joining the Company, Mr. Sy worked as President of the Visual Merchandising Center from 1986 to 2006. He graduated from Ateneo De Manila University with a Bachelor of Science in Management Engineering degree in 1982.

Gilda E. Pico[3], Filipino, 79 years old

Gilda E. Pico is a highly distinguished banking executive and governance expert with over five decades of professional experience.

She currently serves as the Chairman of Pagasa Philippines Finance Corporation, where she is also a member of the Remuneration and Audit Committees. She holds the position of Independent Director at PayMaya Philippines, where she chairs the Risk and Compliance Committee and serves on the Audit Committee. Additionally, she serves as Chairman of Producers Savings Bank Corporation and its Executive Committee, having previously acted as Director and Consultant for the bank. Her current board portfolio also includes roles as Director and President of Gilart Holdings Corporation (since 2006) and Director and Treasurer of Marinor Development Corporation (since 1980). She recently concluded a long tenure as an Independent Director for the Philippine Bank of Communication (PBCOM), where she chaired the Governance Committee and served on the Audit and Related Party Transactions Committees.

Ms. Pico's career is highlighted by her 35-year tenure at the Land Bank of the Philippines, where she rose through the ranks from Assistant Vice President (1981–1985) to President and CEO (2006–2016). Throughout her time at LandBank, she held numerous critical leadership roles, including Senior Executive Vice President and Executive Vice President of the Agrarian and Domestic Banking Sector, as well as Senior Vice President (concurrently serving as Chief Finance Officer/Controller), Vice President of the Audit and Technology Group, and Assistant Vice President. Her leadership also extended to various LandBank subsidiaries and related entities, where she served as Chairman of the Board for Landbank Leasing Corporation, Landbank Resources and Development Corporation, National Livelihood Development Corporation, and People's Credit and Finance Corporation. Furthermore, she served as a Director for the Land Bank of the Philippines (2005–2016), Philippine Crop Insurance Corporation (2005–2016), ASEAN Finance Corporation, LTD. (2009–2016), LandBank Countryside Development Foundation (2002–2015), LBP Insurance Brokerage, Inc. (2005–2012), Masaganang Sakahan, Inc. (2005–2012), the Presidential Agrarian Reform Council (2005–2016), the Bankers Association of the Philippines (2007–2008), AFC Merchant Bank (2008–2016), and Asiatrust Bank (1985–2005).

Her professional journey began at Commercial Trust Bank, where she served as a Supervising Examiner, Supervisor of the Branches Administration Division, Senior Audit Examiner, EDP Programmer, Audit Clerk, New Accounts Teller, Foreign Clerk, and Remittance Clerk.

Ms. Pico's exceptional leadership has been recognized through numerous honors, including the 2015 Banking CEO of the Year (Asia) and the 2015 Outstanding CEO award from ADFIAP.

She earned her Master in Business Administration from the University of the East and graduated *Magna Cum Laude* with a Bachelor of Science in Commerce (Major in Accounting) from the College of the Holy Spirit. She is a Certified Public Accountant and Career Executive Service Officer,

Gil B. Genio[4], Filipino, 66 years old

Mr. Genio has been an Independent Director of Puregold Price Club in May 2023. He is also an Independent Director at GT Capital Holdings and was also recently elected as Independent Director at Megawide Construction Corp. (MWIDE) in October 2025. He was an Independent Director at Insular Life Assurance Company from May 2018 to March 2022.

[3] A redacted copy of Ms. Gilda Pico's Certificate of Independent Director is hereto attached as **ANNEX "C"**

[4] A redacted copy of Mr. Gil Genio's Certificate of Independent Director is hereto attached as **ANNEX "D"**

He is also presently a Fellow at Institute of Corporate Directors, a Member of Analytics and AI Association of the Philippines (AAP) and Management Association of the Philippines (MAP), where he also recently became a member of its Board of Governors.

Mr. Genio had worked as an executive for Globe Telecom and Ayala Corporation for a combined 24 years. He was Globe Telecom's Chief Technology and Information Officer (CTIO) from November 2015 to April 2021, as well as its Chief Strategy Officer (CSO) from 2011 to April 2021 where he led the overall corporate strategy and business development efforts of the group and led all functions related to product development and management, network, information technology, and information security. As CTIO, Mr. Genio cultivated an aptitude for enterprise data analytics function and enterprise fraud risk management. He also drove the overall vision, development and execution of architecture and strategies, proactively responding to business and market demands.

He also performed other legal entity functions for Globe such as CEO of Globe Capital Venture Holdings, and Director at its strategic joint ventures, Global Telehealth, Inc., BellTel, ETPI, and others. He also became COO of Bayan Telecommunications (Bayantel) and Isla Communications (Islacom) as they were acquired, and before they were integrated into Globe.

His executive roles in Globe prior to his CTIO appointment included: COO for Business and International Markets (2010-2015), Group Head for Business Customers (2003-2010), Head of Carrier Services (2002-2010), Group Head for the Residential and Business Fixed Network Group (2000-2003), and Chief Financial Officer (1997-2000). Mr. Genio was hired by Ayala Corporation in 1997 and was seconded to Globe Telecom. He retired from Ayala Corporation in 2018 and became a direct employee of Globe, finally retiring at the end of 2021.

Before joining Ayala in 1997, Mr. Genio had spent more than 12 years with Citibank in the Philippines, Singapore, Japan, Hong Kong, and New York, with stints in financial control, risk management, product development, treasury audit, corporate audit and market risk review.

Mr. Genio was an Independent Director at Insular Life Assurance Company from May 2018 to March 2022. He had also served a variety of industry associations. His past affiliations include: Vice Chairman (2012-2014) then Chairman (2014-2016) of the GSM Association Asia Pacific (GSMA AP); member (2012-2014) of the Advisory Board for Mobile World Capital Barcelona; member of the Board of Trustees of the IT and Business Process Association of the Philippines or iBPAP (2011-2013 and 2015-2016). He also served in the Advisory Boards of Globe's technology partners Amdocs and Cloudera.

Mr. Genio obtained a Master's degree in Business Management, With Distinction, from the Asian Institute of Management in 1986. He earned his Bachelor of Science degree in Physics, Magna Cum Laude, from the University of the Philippines in 1980.

Emmanuel G. Herbosa[5], Filipino, 72 years old
Mr. Herbosa is one of the Company's independent Directors since May 2023.

He is also an Independent Director at Citicore Energy REIT Corp., NLEX Corporation, Ovialand, Inc. and also serves as Director at ATR Financial Advisors and Managers Inc., Trinity Insurance and Reinsurance Brokers, Inc., P & Gers Fund, Inc., and a member of the Board of Trustee at De La Salle School of Boards, De La Salle Brothers Fund, Inc.

[5] A redacted copy of Mr. Emmanuel G. Herbosa's Certificate of Independent Director is hereto attached as **ANNEX "E"**

In July 2025, he was appointed as Chairman of Philippine Veterans Bank. He also served as the President and CEO of the Development Bank of the Philippines from March 2019 to January 2023, the Philippine Export-Import Credit Agency from June 2018 to February 2019, Executive Vice-President of the Bank of Commerce from January 2014 to December 2017, and Senior Vice-President of the Bank of the Philippine Islands from January 2008 to April 2013.

Mr. Herbosa graduated from Dela Salle University with a degree of Bachelor of Science in Industrial Management Engineering in 1975 and obtained a degree in Master's in Business Administration from Wharton, University of Pennsylvania in 1979.

B. Board Advisor:

Levi B. Labra, Filipino, 67 years old
Mr. Labra has served as Board Advisor of the Company since 2017. He also currently serves as Director of Cosco Capital, Inc. and Philippine Bank of Communication, both are Publicly-Listed Companies, and Hope Philippines, Inc.

Before joining the company, Mr. Labra worked at Procter & Gamble for 35 years. He was the Sales Head and a member of the management committee of Procter and Gamble 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.

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.

C. Key Officers:

Katrina Marie P. Co – Go , Filipino, 34 years old
Ms. Katrina Co was elected as Company's Treasurer on May 2024. She is concurrently the Director of Alerce Holdings Corp., CHMI Hotels and Residences, Inc., Fertuna Holdings Corp., Invesco Company, Inc., KMC Realty Corporation, League One, Inc., League One Finance and Leasing Corporation, Nation Realty, Inc., Premier Wine and Spirits, Inc., SPC Resources, Inc., Union Equities, Inc. VFC Land Resources, Inc., and Advanced Nutritional Technologies (ANTECH), Inc.

Ms. Co was also elected as the President of League One Finance and Leasing Corporation in November 2025.

She graduated from De La Salle University – Manila with a B.S.C Major in Advertising Management in 2012.

Baby Gerlie I. Sacro, Filipino, 48 years old
Ms. Sacro has been the Corporate Secretary of the Company since 2000. She is a graduate of the Polytechnic University of the Philippines with a degree of Bachelor of Science in Entrepreneurial Management. Before joining the Company, she worked as a Compensation and Benefits employee at Plaza Fair, Inc.

Atty. Jewelyn A. Jumalon, Filipino, 31 years old
Atty. Jumalon was appointed as the Corporation's Assistant Corporate Secretary and

Compliance Officer in May 2024. She obtained her Bachelor's Degree in Business Administration major in Human Resource Development Management from University of Sto. Tomas, España, Manila in 2015. In 2020, she received her Juris Doctor degree from the same university. She took the joint 2020/2021 Bar Examinations and was admitted to the Philippine Bar in 2022. Atty. Jumalon started her legal career as a litigation lawyer at Divinagracia Solis and Associates Law Offices, handling array of criminal, civil, labor, and administrative cases. Prior her appointment as the Corporation's Assistant Corporate Secretary and Compliance Officer, she served as Junior Lawyer of Cosco Capital, Inc.

Edgar T. Tacorda, Filipino, 49 years old
Mr. Tacorda is the Company's Internal Auditor since November 2022 and was appointed as Risk Officer in July 2024. He started his career in the Company as an Auditor Staff in 2007 and became Senior Audit Manager in 2017. He graduated from Catanduanes State Colleges with a degree of Bachelor of Science major in Accountancy in 1998. He is a Certified Public Accountant.

Antonio E. Delos Santos, Filipino, 53 years old
Mr. Delos Santos is one of the Vice-Presidents for Operations of the Company. He joined the Company in 2012. He used to be the National Sales Manager of Colgate Palmolive Philippines Inc. from 2005 to 2012. He graduated from the Ateneo De Manila University with a Bachelor of Arts in Economics degree in 1993.

Joseph U. Sy, Filipino, 62 years old
Mr. Sy is one of the Vice-Presidents for Operations of the Company. He is one of the pioneer employees in the Company. He was the first store manager in the Company's first branch in Mandaluyong City. Because of his long retail experience, Mr. Sy manages the big store of Puregold in Metro Manila and the operation of three Merkado stores. He graduated from the Philippine School of Business Administration with a Bachelor of Science degree, major in Accountancy in 1983. Mr. Sy is a Certified Public Accountant.

Renato T. Bechayda, Filipino, 58 years old
Mr. Bechayda is one of the Vice-Presidents for Operations of the Company. He started in the Company as Store Manager in 1999 and was promoted to Regional Manager in 2013, and Vice-President for Operations in 2022. He graduated from International Electronics and Technical Institute with a Bachelor of Science degree, major in Computer Management, in 1992.

Edison T. Anggala, Filipino, 49 years old
Mr. Anggala is one of the Vice Presidents for Operations of the Company having been appointed in February 2025. Prior to his appointment, he served as a Regional Manager of the Company from 2012. Mr. Anggala began his career in the Company as an Internal Auditor in 2001. He was then appointed as Store Manager in 2002, and subsequently as Area Manager in 2008 until 2012. He also worked as an Internal Auditor for Fortune Tobacco from 1998 to 2001.

Mr. Anggala is a graduate of University of Sto. Tomas with a degree of Bachelor of Science in Industrial Engineering.

Elvira D. Gutierrez, Filipino, 55 years old
Ms. Gutierrez is the Company's Vice-President for Human Resources. She started in the

Company as Human Resource Manager in 2003 and became a Senior Human Resource Manager in 2011. She attended seminars in Company Policy on Employee Behavior, Discipline and Dismissal in 2019, Businessmen's Strategy in Coping with DO-174 in 2017, and Level Up Leadership, Developing the Self and Leading Others in 2016. She graduated from the College of the Holy Spirit with a degree of Bachelor of Arts in Psychology, in 1991.

Maricel R. Cambe, Filipino, 52 years old
Ms. Cambe was appointed as the Company's Vice-President for Financial Accounting in July 2023. Prior to her appointment, she served as the Company's Senior Finance Manager. She worked as an accountant at Liquigaz Philippines Corporation from 2008 to 2019. She is a graduate of Canossa College, San Pablo City, with a degree of Bachelor of Science major in Accounting.

Kenneth N. Tiu, Filipino, 50 years old

Mr. Tiu was appointed as Company's Vice-President for Accounts Payable in July 2023. Prior to his appointment, he was the Company's Financial Control Manager from 2005 to 2023. He is a graduate of De La Salle University with a Bachelor of Science in Mathematics, major in Actuarial Science degree in 1995.

Emelda T. Bechayda, Filipino, 59 years old

Ms. Bechayda was appointed as Company's Vice-President for Treasury on July 2023. She has been the Company's Cash Management Officer from 2005-2023. She was a graduate of St. Paul College Manila with a Bachelor of Science in Commerce, Major in Accounting.

Gisela R. Altura, Filipino, 56 years old
Ms. Altura is the Finance Director of Kareila Management Corporation. She joined the Company in 2007. She graduated with honors, C*um Laude*, from the Polytechnic University of the Philippines with a Bachelor of Science major in Accountancy degree in 1990. Ms. Altura is a Certified Public Accountant.

Maria Teresa S. Lontoc, Filipino, 57 years old
Ms. Lontoc is the Company's Interim Data Protection Officer (DPO) since September 2025.

Ms. Lontoc has 15 years of experience in wholesale and retail operation audit including business processes standardization, system and process efficiencies and improvements.

She worked as Senior Business Consultant with Dairy Farm International, based in Singapore and Malasia from 2011 to 2013; and as Systems and Audit Manager at Pilipinas Makro from 2001 to 2011.

Ms. Lontoc has been with the Company since 2013 where she initially served as Senior Manager for Executive Office. From 2014 to 2022, she concurrently headed the Company's Internal Audit, and Business Process & Inventory Control Departments.

She is a graduate of University of Batangas with a Bachelor of Science in Commerce, major in Accounting. She completed business process management training in Singapore in 2012.

Significant Employees

All employees of the Company are expected to make a significant contribution to the business' operation. The company's business is not highly dependent on the services of certain key personnel.

Family Relationships

1. Mr. Lucio L. Co and Mrs. Susan P. Co are husband and wife.
2. Mr. Ferdinand Vincent P. Co , Ms. Pamela Justine P. Co – Yuyitung, and Ms. Katrina Marie P. Co – Go are children of Mr. and Mrs. Co.
3. Mr. Gil Genio's daughter, Jill Julie Genio Long is married to Frederick Liong, whose mother, Ellen Lion, is the sister of Ms. Susan P. Co.

Involvement in Certain Legal Proceedings

As of December 31, 2025, and for the past five years, the Company has no director, executive officer, or principal officer who has been involved in any bankruptcy case nor convicted by final judgment of any criminal proceeding, domestic or foreign, or the subject of any order, judgment, or decree of any court of competent jurisdiction permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities, or banking activities or found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

For discussion of related party transactions, please refer to the 2025 Consolidated Audited Financial Statements of the Company to be submitted with the Definitive Information Statement.

Since the last annual meeting of security holders, no director has resigned or declined to stand for re-election to the board of directors because of a disagreement with the Company on any matter relating to the Company's operations, policies, or practices.

Item 6. Compensation of Directors and Executive Officers

The Company pays its employees a fixed monthly compensation, subject to periodic performance reviews. The board members receive per diem allowances of P100,000.00 per board meeting and P20,000.00 per committee meeting.

The total annual compensation of the President and the four most highly compensated officers amounted to PHP 33,289,953 in 2024 and PHP 39,348,872 in 2025. Please see the table below:

(A) Summary Compensation Table

Name and Position	Year	Salary	Bonus
Lucio L. Co (Director) Susan P. Co (Chairman) Ferdinand Vincent P. Co (President) Antonio E. Delos Santos (VP for Operations) Jenny L. Jacintos (Senior Merchandising Manager)			
Aggregate compensation of the President and the four most highly-compensated officers	2024: 2025: 2026 Projected:	32,289,953 39,348,872 40,857,754	
Aggregate compensation paid to all other officers and managers	2024: 2025: 2026 Projected:	212,202,780 295,363,163 324,742,729	

(B) Per Diem

The summary of the per diem received by the directors for their respective attendance in the board meetings and board-level committee meetings are as follows:

Name of Director	2025 Per Diem	2024 Per Diem
Ms. Susan Co	P640,000.00	P620,000.00
Mr. Ferdinand Vincent Co	P640,000.00	P600,000.00
Mr. Lucio Co	P600,000.00	P500,000.00
Ms. Pamela Justine Co – Yuyitung	P660,000.00	P720,000.00
Mr. Leonardo Dayao*	P460,000.00	P740,000.00
Mr. Anthony Sy**	P360,000.00	-
Mr. Jack Huang	P600,000.00	P600,000.00
Mr. Jaime Dela Rosa	P720,000.00	P740,000.00
Mr. Gil Genio	P700,000.00	P740,000.00
Mr. Emmanuel Herbosa	P720,000.00	P680,000.00

(*) Mr. Leonardo Dayao's term as regular director of the Company ended on 13 May 2025
(**) Mr. Anthony Sy was elected as a regular director of the Company on 13 May 2025

(C) Standard Arrangements

The Company has no standard arrangements under which the directors are compensated, directly or indirectly, for any services provided as directors except for per diem allowances.

(D) Other Arrangements

The Company has no standard arrangements under which the directors are compensated, directly or indirectly, for any services provided as directors except for per diem allowances.

(E) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

All employees, including executive and principal officers, have employment contracts with

the company, which are consistent with the existing labor laws of the country. The Company has a retirement plan for its employees that is also consistent with current labor laws.

(F) Warrants and Options

None.

Item 7. Independent Public Accountants

(a) The Company's External Auditor for 2025:

Ms. Myra Liza S. Sto. Tomas
Partner
CPA License No. 0118513
118513-SEC, Group A, July 10, 2023 valid until 2027
Tax Identification No. 249-271-374
R.G. Manabat & Co.
The KPMG Center, 9/F 6787 Ayala Avenue, Makati City Philippines
+63 (2) 885 7000

(b) The Board recommends the same independent external auditor for 2026, upon the favorable recommendation of the Audit Committee, which was endorsed to and approved by the Board of Directors, Ms. Myra Liza S. Sto. Tomas or his representatives are expected to attend the security holders' meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

(c) The independent accountant who was previously engaged as the principal accountant to audit the Company's financial statements has not resigned, and there was no indication that he declined to stand for re-election after the completion of the current audit. Neither was he dismissed by the Company.

(d) There were no changes in or disagreements with independent accountants on accounting and financial disclosure.

(e) The Company paid the independent accountant the following fees:

Puregold and Subsidiaries (including Kareila Management Corporation	**2025**	**2024**
	P7,549,500.00	P 7,549,500.00

The amount of up to P 7,549,500 is being proposed to the stockholders as an independent accountant fee for the Company and its subsidiaries (including Kareila Management Corporation) on the upcoming Annual Stockholders' Meeting. This amount does not include out-of-pocket expenses.

The Company did not engage the services of R.G Manabat & Co. (KPMG) in any other

services in 2024 and 2025, except as mentioned above.

Item 8. Compensation Plans

No action is to be taken regarding any plan under which cash or non-cash compensation may be paid or distributed during the meeting.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

No action is to be taken during the meeting with respect to the authorization or issuance of any securities other than for exchange for outstanding securities of the Company.

Item 10. Modification or Exchange of Securities

No action is to be taken with respect to the modification of any class of securities of the registrant or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

Please refer to the Management Discussion and Analysis of Financial Position and Result of Operation **(ANNEX "H")** and the 2025 Consolidated Audited Financial Statements **(ANNEX "I")** of the Company to be submitted with the Definitive Information Statement.

Item 12. Mergers, Consolidations, Acquisitions, and Similar Matter

No action involving mergers, consolidations, acquisitions, or similar transactions of the Company is to be taken during the meeting.

Item 13. Acquisition or Disposition of Property

No action is to be taken with respect to the acquisition or disposition of any property during the meeting.

Item 14. Restatement of Accounts

No action is to be taken with respect to the restatement of any asset, capital, or surplus account of the Company during the meeting.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

(a) Minutes of the 2025 Annual Stockholders' Meeting[6],

[6] A draft copy of the Minutes of the 2025 Annual Stockholders' Meeting is hereto attached as Annex "F", the same may also be accessed in the Company's Corporate Website or through this link: https://corporate.puregold.com.ph/index.php/corporate/other-disclosures/annual-stockholders-meeting-voting-result

(b) Annual Report including the 2025 Consolidated Audited Financial Statements

Item 16. Matters Not Required to be Submitted

No action is to be taken concerning any matter that is not required to be submitted to a vote of security holders.

Item 17. Amendment of Charter, Bylaws, or Other Documents

No action is to be taken with respect to amendment of the Company's Charter, Bylaws, or other Documents.

Item 18. Other Proposed Action

(a) Ratification of all the acts and resolutions of the board of directors and management from the date of the previous stockholders' meeting. The summary of material matters approved by the Board of Directors in 2025 is as follows:

Date of Board Meeting	**Items approved by the Board**
January 24, 2025	(1) Company's Management Plans and Budget for the year 2025
February 6, 2025	(1) Appointment of Mr. Edison T. Anggala as one of the Corporation's Vice-Presidents for Operations.
April 8, 2025	(1) 2024 Audited Financial Report (2) Nominees for the 2025 Annual Election of Directors: a) Mr. Lucio L. Co b) Ms. Susan P. Co c) Mr. Ferdinand Vincent P. Co d) Mr. Anthony G. Sy e) Ms. Pamela Justine P. Co f) Mr. Jack Huang are the nominees for regular directors in the forthcoming Annual Stockholders' Meeting and a) Mr. Jaime S. Dela Rosa b) Mr. Gil B. Genio, and c) Mr. Emmanuel G. Herbosa are the nominees for the election of independent directors. (3) Details of the Company's 2025 Annual Stockholders Meeting: Date; May 13, 2025 Time: 10:00 AM Manner: Hybrid Record Date: April 29, 2025 Publication Date: April 20 and 21, 2025 Agenda: a. Call to Order b. Certification of Notice and Quorum c. Approval of the minutes of the Previous Meeting and Ratification of Previous Acts and Resolutions of the Board of Directors d. 2024 Annual Report and 2024 Audited Financial Statements e. Election of Regular Directors and Independent Directors f. Amendment of By-Laws g. Re-Appointment of an External Auditor and Fixing Remuneration h. Other Matters i. Adjournment

(4) Cash Dividend Declaration (Regular and Special)

Type: Regular Cash Dividends
Price: Php 1.09 per share
Total Payout: Php 3.13 Billion
2024 Year Net Income: Php 10.42 Billion
Record Date: April 30, 2025
Payment Date: May 27, 2025
Payout Ratio: 30%
Dividend Yield: 4.3%

Type: Special Cash Dividends
Price: Php 0.72 per share
Total Payout: Php2.08 Billion
2024 Year Net Income: Php 10.42 Billion
Record Date: September 2, 2025
Payment Date: September 26, 2025
Payout Ratio: 20%
Dividend Yield: 2.8%

(5) Amendment of the Corporate By-Laws

May 5, 2025
May 13, 2025

(1) Financial Report for the 1st Quarter of CY 2025
(1) Appointment of the following key officers:
Chairman: Mrs. Susan P. Co
President: Mr. Ferdinand Vincent P. Co
Treasurer: Ms. Katrina Marie P. Co-Go
Board Adviser: Mr. Levi B. Labra
Corporate Secretary: Ms. Baby Gerlie I. Sacro
Asst. Corporate Secretary and Compliance Officer: Atty. Jewelyn A. Jumalon
Lead Independent Director: Jaime S. Dela Rosa
Investor Relations and Sustainability Officer: Mr. John Marson T. Hao
Vice-President for Operations: Mr. Antonio Delos Santos, Mr. Joseph Sy, Mr. Renato Bechayda, and Mr. Edison Anggala
Vice-President for Financial Accounting: Ms. Maricel Cambe
Vice-President for Accounts Payable: Mr. Kenneth Tiu
Vice-President for Treasury: Ms. Emelda Bechayda
Vice-President for Human Resources: Ms. Elvira D. Gutierrez
Internal Auditor and Risk Officer: Mr. Edgar Tacorda

Boar-level Committees:

Executive Committee:
Chairman: Mrs. Susan Co
Members: Mr. Lucio Co, Mr. Ferdinand Vincent Co, Ms. Pamela Justine P. Co-Yuyitung, and Mr. Anthony G. Sy
ExCom Secretary: Atty. Jewelyn A. Jumalon

Audit Committee:
Chairman: Mr. Jaime S. Dela Rosa
Members: Mr. Gil Genio, Mr. Emmanuel Herbosa, Mr. Anthony Sy and Ms. Pamela Justine P. Co-Yuyitung

Corporate Governance Committee:
Chairman: Mr. Emmanuel Herbosa

	Members: Mr. Gil Genio, Mr. Anthony Sy, Mr. Jaime Dela Rosa and Mrs. Susan Co.
August 5, 2025	(1) 2nd Quarter Financial Report for the year 2025
September 11, 2025	(1) Appointment of Ms. Maria Teresa S. Lontoc as the Company's Interim Data Protection Officer and to authorize her registration as such with the National Privacy Commission.
November 7, 2025	(1) 3rd Quarter Financial Report for the year 2025

(b) Election of regular and independent directors.

On March 31, 2026, the Board of Directors, on the recommendation of the Corporate Governance Committee, approved the nomination of the following nominees for regular and independent directors. These nominations were endorsed to the stockholders for election.

Regular Directors:	*Independent Directors:*
Mr. Lucio L. Co	Mr. Jaime S. Dela Rosa
Ms. Susan P. Co	Mr. Gil B. Genio
Mr. Ferdinand Vincent P. Co	Mr. Emmanuel G. Herbosa
Ms. Pamela Justine P. Co - Yuyitung	
Mr. Anthony G. Sy	
Mr. Jack E. Huang	

(c) Re-appointment of an external auditor and fixing its audit service fees.

R.G. Manabat & Company for Puregold and Kareila	2025
	Up to P 7,549,500.00

Item 19. Voting Procedures

(a) All actions submitted to the stockholders' vote shall be approved by the affirmative vote of at least the majority of the shares present or represented in the meeting.

(b) The stockholders may cast their votes by sending proxies, or *in absentia* by any means of remote communication. Please refer to ***Annex "A"***- Guidelines for participating in the 2026 Annual Stockholders Meeting" and ***Annex "B"*** – Voting Form. The stockholders entitled to vote shall have the right to vote the number of shares of stock standing in their own names in the stock books of the corporation as of record date.

For the election of directors, a stockholder may: (a) vote such number of shares for as many as there are directors to be elected; (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by several shares owned; or (c) distribute them on the same principle among as many candidates as may be seen fit. Provided that the total number of votes cast shall not exceed the number of shares owned by the stockholders as shown in the corporation's books multiplied by the whole number of directors to be elected.

All votes of the stockholders must be submitted by email to corporate.governance@puregold.com.ph on or before May 4, 2026.

(c) The Company will engage the services of its Stock Transfer Agent, BDO Stock Transfer Agent, to count and validate the stockholders' votes.

PART II: OPERATIONAL AND FINANCIAL INFORMATION

Market for Issuer's Common and Related Stockholder Matters

(A) Shares of Stock

The Company's common stock trades on the Philippine Stock Exchange under "PGOLD." The quarterly high and low of stock prices (in Philippine Peso) for the last two fiscal years and in 2025 are stated below:

Period	2023		2024		2025		2026	
	High	Low	High	Low	High	Low	High	Low
1st Quarter	36.20	31.80	28.00	25.50	30.65	24.70	41.00	39.45
2nd Quarter	33.40	30.10	26.70	22.80	36.00	25.50	-	-
3rd Quarter	30.00	28.25	32.05	24.20	45.95	34.95	-	-
4th Quarter	29.75	26.70	34.45	29.30	43.50	36.00	-	-

As of March 31, 2026, the company's share is trading at P41.00

(B) Stockholders

As of March 31, 2026, the Company has 50 stockholders on record, 2,904,214,086 issued shares, 2,880,137,615 outstanding capital stock, and 24,076,471 treasury shares.

The Company's top 20 stockholders as of March 31, 2026:

	STOCKHOLDER'S NAME	OUTSTANDING SHARES	PERCENTAGE
1	COSCO CAPITAL, INC.	1,410,867,188	48.99%
2	LUCIO L. CO	211,088,022	7.33%
3	CITIBANK N.A.	192,477,042	6.68%
4	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	202,846,851	7.04%
5	SUSAN P. CO	178,242,585	6.19%
6	STANDARD CHARTERED BANK	173,608,914	6.03%
7	GOVERNMENT SERVICE INSURANCE SYSTEM	92,810,242	3.22%
8	DEUTSCHE BANK MANILA-CLIENTS A/C	134,411,411	4.67%
9	SOCIAL SECURITY SYSTEM	55,515,390	1.93%
10	BANCO DE ORO - TRUST BANKING GROUP	29,871,570	1.04%
11	FERDINAND VINCENT P. CO	26,709,460	0.93%
	PAMELA JUSTINE P. CO	26,709,460	0.93%
12	COL Financial Group, Inc.	21,980,357	0.76%
13	MBTC - TRUST BANKING GROUP	18,494,460	0.64%
14	ENTENSO EQUITIES, INC.	14,551,209	0.51%
15	FIRST METRO SECURITIES BROKERAGE CORP.	9,666,984	0.34%
16	BDO SECURITIES CORPORATION	8,601,465	0.30%
17	CAMILLE CLARISSE P. CO	8,155,288	0.28%
18	BPI SECURITIES CORPORATION	6,646,194	0.23%
19	ABACUS SECURITIES CORPORATION	4,869,330	0.17%
20	SB EQUITIES,INC.	4,829,190	0.17%

Compliance with Section 49 of the Revised Corporation Code

In 2025, the Company held eight (8) board meetings; four (4) audit committee meetings; fourteen (14) executive committee meetings; and two (2) corporate governance meetings. The record of attendance of the directors is as follows:

	No. of Board Meetings Attended/Held	No. of Executive Committee Meetings Attended/Held	No. of Audit Committee Meetings Attended/Held	No. of Corporate Governance Committee Meetings Attended/Held	Total
Susan P. Co	8/8	14/14	Not a member	2/2	100%
Lucio L. Co	8/8	14/14	Not a member	Not a member	100%
Ferdinand Vincent P. Co	8/8	14/14	Not a member	Not a member	100%
Leonardo B. Dayao*	3/3	6/6	2/2	1/1	100%
Anthony G. Sy**	5/5	8/8	2/2	1/1	100%
Pamela Justine P. Co - Yuyitung	8/8	14/14	3/4	Not a member	96%
Jack E. Huang	8/8	Not a member	Not a member	Not a member	100%
Jaime S. Dela Rosa (ID)	8/8	Not a member	4/4	2/2	100%
Emmanuel G. Herbosa (ID)	8/8	Not a member	4/4	2/2	86%
Gil B. Genio (ID)	8/8	Not a member	3/4	2/2	92%

(*) Mr. Leonardo Dayao's term as a regular director and a member of Audit Committee and Corporate Governance Committee ended on 13 May 2025. Prior to the expiration of his term, only three (3) board of directors' meetings, six (6) executive committee meetings, two (2) audit committee meetings, and one (1) corporate governance committee meeting were held.

(**)Mr. Anthony Sy was only appointed as a regular director, a member of the Audit Committee and Corporate Governance Committee only on 13 May 2025. After his appointment, only five (5) board of directors' meeting, eight (8) executive committee meetings, two (2) audit committee meetings, and one (1) corporate governance committee meeting were held.

Item	Status of Compliance
Description of the opportunity given to stockholders to ask questions and a record of the questions asked and answers given	Please refer to the Minutes of the previous Stockholders' meeting dated 13 May 2025, which may be viewed/downloaded on the company website, https://corporate.puregold.com.ph/index.php/corporate/other-disclosures/annual-stockholders-meeting-voting-result
A record of the voting results for each agenda item	Please refer to the Minutes of the previous Stockholders' meeting dated 13 May 2025, which may be viewed/downloaded on the company website, https://corporate.puregold.com.ph/index.php/corporate/other-disclosures/annual-stockholders-meeting-voting-result
List of directors, officers, and stockholders who attended the meeting	Please refer to the Minutes of the previous Stockholders' meeting dated 13 May 2025, which may be viewed/downloaded on the company website, https://corporate.puregold.com.ph/index.php/corporate/other-disclosures/annual-stockholders-meeting-voting-result
List of material information on the current stockholders	Please refer to pages 22 and 23 of this Information Statement

Directors' qualifications – training and continuing education attended not included in the disclosure	Except for the years 2020 and 2021, the directors and officers of the Company attend an annual Corporate Governance training. The most recent Corporate Governance seminar they attended was on 13 October 2025.
Directors' Attendance Report	A report on the attendance of each of the members of the Board of Directors in every board meeting and committee meeting was submitted to the Philippine Stock Exchange and Securities and Exchange Commission on 05 January 2026. The same report was disclosed to the PSE Edge platform and may be accessed through this link: https://edge.pse.com.ph/openDiscViewer.do?edge_no=9f40c9f3f66361cb64d70b69f0a3140b The Directors' attendance is also found on Pages 23 and 24 of this Information Statement
Assessment of board performance	The Company continuously aims to improve its good Corporate Governance practices including adopting an evaluation system for individual directors and as a group
Directors' compensation in aggregate	A summary of the directors' fees/compensation received by each of the director in the year 2025 is found on page 16 of this Information Statement
Disclosures on self-dealings and related party transactions	The Company will submit its 2025 Consolidated Audited Financial Statements with the Definitive Information Statement which will include all matters concerning self-dealings and related party transactions

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information in this report is true, complete and correct. This report is signed in Manila, Philippines, on April 01, 2026.

PUREGOLD PRICE CLUB, INC.

By:

Atty. Jewelyn A. Jumalon
Assistant Corporate Secretary

ANNEX "A"

GUIDELINES FOR PARTICIPATING IN THE 2025 ANNUAL STOCKHOLDERS' MEETING OF PUREGOLD PRICE CLUB, INC. VIA REMOTE COMMUNICATION AND VOTING *IN ABSENTIA*

The 2025 Annual Stockholders' Meeting ("**ASM"**) of Puregold Price Club, Inc. (the **"Company"**) will be held on May 12, 2026, at 10 am, via online meeting.

Registration

Stockholders must notify the Assistant Corporate Secretary of their intention to participate in the ASM via remote communication and vote in absentia by no later than May 4, 2026, by sending an email to corporate.governance@puregold.com.ph and by submitting the following supporting documents/information:

- ***Individual Stockholders***

1. Copy of valid government ID of stockholder/proxy
2. Stock certificate number/s
3. If appointing a proxy, a copy of the proxy form duly signed by the stockholder (need *not* be notarized)
4. Email address and contact number of stockholder or proxy

- ***Multiple Stockholders or joint owners***

1. Stock certificate number/s
2. Proof of authority of stockholder voting the shares signed by the other registered stockholders, for shares registered in the name of multiple stockholders (need *not* be notarized)
3. Copy of valid government IDs of all registered stockholders
4. Email-address and contact number of the authorized representative

- ***Corporate Stockholders***

1. Secretary's Certification of Board resolution appointing and authorizing a proxy to participate in the ASM
2. Valid government ID of the authorized representative
3. Stock certificate number/s
4. Email-address and contact number of the authorized representative

- ***Stockholders with Shares under Broker's Account***

1. Certification from the broker as to the number of shares owned by the stockholder
2. Valid government ID of stockholder
3. If appointing a proxy, a copy of the proxy form duly signed by the stockholder (*need not be notarized*)
4. Email address and contact number of stockholder or proxy

Online Voting and Meeting

The stockholders who have sent us their intention to participate in the ASM shall be notified via email of their login passwords to join the online meeting. There will be video recordings of the ASM, which a stockholder on record may avail upon request.

The stockholders can then cast their votes following these simple steps:

1. Visit our company website https://corporate.puregold.com.ph/
2. Look for the “Casting Votes in the 2026 Stockholders’ Meeting” button.
3. Fill up the Voting Forms.
4. Submit your vote by clicking the “Submit” button.
5. For our verification, email the required documents under the “registration” portion at corporate.governance@puregold.com.ph
6. After our verification, you will receive an email confirmation regarding your votes from the Company.

Open Forum

There will be an Open Forum during the meeting, where representatives of the Company may answer as many questions as time allows. However, a stockholder may send their questions in advance by emailing them to corporate.governance@puregold.com.ph on or before May 5, 2026. The Company’s Investor Relations Officer will answer questions received but not answered during the ASM by email.

If you have any questions or concerns, please contact the office of the Assistant Corporate Secretary at 09178612459 or via email at *corporate.governance@puregold.com.ph*.

ANNEX "B"

PUREGOLD PRICE CLUB, INC.
Annual Stockholders Meeting
May 12, 2026 - https://corporate.puregold.com.ph/

(__) Vote by Ballot – casting votes following the instructions in the table below.

(__) Vote by Proxy – appointing the Chairman of the meeting to represent and cast votes following the instructions in the table below.

	Agenda Item	FOR	AGAINST	ABSTAIN
1	Approval of the Minutes of the Previous Meeting and Ratification of Acts and Resolutions of the Board of Directors and Management in 2025			
2	Approval of 2025 Annual Report and Consolidated Audited Financial Statements			
3	Re-appointment of R.G. Manabat & Company as External Auditor of the Company and subsidiaries with up to P7.5 million remuneration			
5.	Election of Regular and Independent Directors			
5.1	Mr. Lucio L. Co			
5.2	Ms. Susan P. Co			
5.3	Mr. Ferdinand Vincent P. Co			
5.4	Ms. Pamela Justine P. Co			
5.5	Mr. Anthony G. Sy			
5.6	Mr. Jack E. Huang			
5.7	Ms. Gilda E. Pico, *Independent Director*			
5.8	Mr. Gil B. Genio, *Independent Director*			
5.9	Mr. Emmanuel G. Herbosa, *Independent Director*			

Name of Stockholder _____

Number of Shares _____

Signature of Stockholder / Authorized Signatory _____

1. For corporate shareholders, this form must be accompanied by a corresponding secretary's certificate confirming the appointment of the Proxy or the designated representative and the votes cast.

2. Where no specific authority is indicated, the vote shall be deemed for the approval of all the corporate matters listed above and for all the nominated directors named therein.

3. This form should be sent by e-mail to corporate.governance@puregold.com.ph on or before May 4, 2026. The company's stock transfer agent will validate the votes on May 5, 2025, at 3:00 pm, at the office of the Assistant Corporate Secretary, Tabacalera Building, No. 900 Romualdez St., Paco, Manila, 1007

ANNEX "C"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **GILDA E. PICO**, Filipino, of legal age and a resident of [redacted] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for the position of Independent Director of **PUREGOLD PRICE CLUB, INC.** (the "Company") for the years 2026 to 2027.

2. I am affiliated with the below company or organization (including Government-Owned and Controlled Corporations).

COMPANY/ORGANIZATION	POSITION / RELATIONSHIP	PERIOD OF SERVICE
Producers Savings Bank Corporation	Chairman	2017 up to the present
PayMaya Philippines	Independent Director	2017 up to the present
Pagasa Philippines Finance Corporation	Chairman	2025 up to the present
Gilart Holding Corporation	Director and President	2006 up to the present
Marinor Development Corporation	Director and Treasurer	1980 up to the present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.

4. I am not related to any of the directors/officers/substantial shareholders of the Company and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service or affiliated with government agency or GOCC as it would require written permission or consent from the head of the agency/department for me to be independent director of the Company, pursuant to the Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as an Independent Director under the Securities Regulation Code of Corporate Governance and other SEC issuances.

8. I shall inform the Company's Corporate Secretary of any changes in the abovementioned information within five days from its occurrence.

Signed this 21 APR 2026 in the City of Manila, Philippines.

Gilda E. Pico
GILDA E. PICO
Affiant

SUBSCRIBED AND SWORN to before me this 21 APR 2026 at Manila, Philippines, affiant personally appeared before me and exhibited to me her Philippine Passport with no. [redacted]

Doc. No. 339
Page No. 69
Book No. 21
Series of 2026.

ROXANNE G. DOMINGO-MAUR
Notary Public for the City of Manila
Commission No. 2025-086 until December 31, 2026
Roll No. 69155
IBP Lifetime Member No. 018547
PTR No. MLA 0388424/01-07-2026
MCLE Compliance No. VIII-0019791/01-15-2025
2nd Floor Tabacalera Building, 900 D. Romualdez Street,
Barangay 664-A, Zone 71, District V, Paco, Manila, 1007

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **GIL B. GENIO**, Filipino, of legal age and a resident of [redacted], after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for the position of Independent Director of **PUREGOLD PRICE CLUB, INC.** (the "Company") for the years 2026 to 2027 and have been its independent director since 2023.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION / RELATIONSHIP	PERIOD OF SERVICE
Megawide Construction Corp. (MWIDE)	Independent Director	October 2025 up to the present
GT Capital Holdings	Independent Director	May 2022 up to the present
Institute of Corporate Directors	Fellow	Feb. 2022 up to the present
Management Association of the Philippines (MAP)	Member	2015 up to the present
	Member of the Board of Governors	2025 up to the 2026
Analytics and AI Association of the Philippines (AAP)	Member	2024 up to the present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.

4. I am related to the following director/officer/substantial shareholders of the Company and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
Susan P. Co	Puregold Price Club, Inc.	My daughter Jill Julie Genio Liong is married to Frederick Liong, whose mother Ellen Liong is the sister of Susan P.Co

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service or affiliated with government agency or GOCC as it would require written permission or consent from the head of the agency/department for me to be independent director of the Company, pursuant to the Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as an Independent Director under the Securities Regulation Code and its implementing Rules and Regulation, Code of Governance and other SEC issuances.

8. I shall inform the Company's Corporate Secretary of any changes in the abovementioned information within five days from its occurrence.

Signed this 31 MAR 2026 in the City of Manila, Philippines.

GIL B. GENIO
Affiant

SUBSCRIBED AND SWORN to before me this 31 MAR 2026 at Manila, Philippines, affiant personally appeared before me and exhibited to me his Philippine Passport No. [redacted]

Doc. No. 117
Page No. 25
Book No. III
Series of 2026.

ATTY. JEWELYN A. JUMALON
Roll No. 83615
Notary Public for and in the City of Manila
Notarial Commission No. 2025-201 until 12-31-2026
900 Romualdez St., Brgy. 664, Paco, Manila
IBP No. 581524 / 01-01-2026 / Manila II
PTR No. MLA 0379073 / 01-05-2026 / Manila
MCLE Compliance No. VIII-0014863 / 10-18-2024

ANNEX "E"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EMMANUEL G. HERBOSA**, Filipino, of legal age and a resident of [redacted], after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for the position of Independent Director of **PUREGOLD PRICE CLUB, INC.** (the "Company") for the years 2026 to 2027 and have been its independent director since 2023.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Name of Company / Organization	Position / Relationship	Period of Service
Philippine Veterans Bank	Chairman	July 1, 2025 up to the present
ATR Financial Advisors and Managers Inc.	Director	Dec. 2024 up to the present
Citicore Energy REIT Corp.	Independent Director	Dec. 2023 up to the present
NLEX Corporation	Independent Director	Apr. 2024 up to the present
Ovialand, Inc.	Independent Director	May 2023 up to the present
Trinity Insurance and Reinsurance Brokers, Inc.	Director	Aug. 2017 up to the present
P & Gers Fund, Inc.	Director	2004 up to the present
De La Salle School of Boards, De La Salle Brothers Fund, Inc.	Trustee	1989 up to the present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.

4. I am not related to any of the directors/officers/substantial shareholders of the Company and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service or affiliated with government agency or GOCC as it would require written permission or consent from the head of the agency/department for me to be independent director of the Company, pursuant to the Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as an Independent Director under the Securities Regulation Code of Corporate Governance and other SEC issuances.

8. I shall inform the Company's Corporate Secretary of any changes in the abovementioned information within five days from its occurrence.

Signed this 31 MAR 2026 in the City of Manila, Philippines.

EMMANUEL G. HERBOSA
Affiant

SUBSCRIBED AND SWORN to before me this 31 MAR 2026 at Manila, Philippines, affiant personally appeared before me and exhibited to me his Philippine Passport No. [redacted]

Doc. No. 119
Page No. 25
Book No. III
Series of 2026.

ATTY. JEWELYN A. JUMALON
Roll No. 83615
Notary Public for and in the City of Manila
Notarial Commission No. 2025-201 until 12-31-2026
900 Romualdez St., Brgy. 664, Paco, Manila
IBP No. 581524 / 01-01-2026 / Manila II
PTR No. MLA 0379073 / 01-05-2026 / Manila
MCLE Compliance No. VIII-0014863 / 10-18-2024

ANNEX "F"

CERTIFICATION

I, JEWELYN A. JUMALON, Filipino, of legal age, am the Assistant Corporate Secretary of **PUREGOLD PRICE CLUB, INC.,** (the "Company), and I hereby certify that none of the Company's directors and officers currently work for the Philippine Government as of the date hereof.

I am issuing this Certification as a requirement of the Securities and Exchange Commission for the issuance of the Company's Information Statement.

SIGNED this 1st day of April 2026, in the City of Manila, Philippines.

JEWELYN A. JUMALON
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this 1st day of April 2026 in the City of Manila. Affiant exhibited to me her Integrated Bar of the Philippines ID with Roll of Attorneys No. [redacted]

Doc. No. 183
Page No. 38
Book No. 21
Series of 2026

ROXANNE G. DOMINGO-MAUR
Notary Public for the City of Manila
Commission No. 2025-086 until December 31, 2026
Roll No. 69155
IBP Lifetime Member No. 018547
PTR No. MLA 0380424/01-07-2026
MCLE Compliance No. VIII-0019791/01-15-2025
2nd Floor Tabacalera Building, 900 D. Romualdez Street,
Barangay 664-A, Zone 71, District V, Paco, Manila, 1007

Minutes[1] of the Annual Stockholders' Meeting of Puregold Price Club, Inc.

Date: 13 May 2025 Time: 10:00 AM Manner: In Person

Board of Directors
1.) Ms. Susan P. Co (via Zoom)
2.) Mr. Lucio L. Co
3.) Mr. Ferdinand Vincent Co
4.) Ms. Pamela Justine Co- Yuyitung
5.) Mr. Leonardo B. Dayao
6.) Mr. Jack Ekian T. Huang (via Zoom)
7.) Mr. Jaime S. Dela Rosa
8.) Mr. Emmanuel G. Herbosa
9.) Mr. Gil B. Genio

Management Present
1.) Ms. Katrina Marie Co-Go
2.) Mr. Anthony G. Sy
3.) Mr. Edison T. Angala
4.) Ms. Elvira T. Gutierrez
5.) Mr. Renato T. Bechayda
6.) Ms. Emelda T. Bechayda
7.) Mr. Joseph U. Sy
8.) Ms. Maricel R. Cambe
9.) Mr. Kenneth Tiu
10.) Ms. Janice Tan
11.) Mr. John Marson T. Hao
12.) Mr. Edgar Tacorda
13.) Mr. Gerardo S. Teofilo, Jr.
14.) Atty. Jewelyn A. Jumalon
15.) Mr. Levi B. Labra

Others Present:
1.) Representative from the External Auditor – RG Manabat and Company (KPMG)
2.) Representative from the Stock Transfer Agent – BDO Unibank, Inc. – Trust and Investments Group

Stockholders Present:
Stockholders representing 2,354,909,105 shares or 81.76% of the Corporation's Outstanding Capital Stock have attended the Corporation's 2025 Annual Stockholders' Meeting

Description of the voting and vote tabulation procedures used in the meeting:

The Corporation's stockholders of record as of 29 April 2025 voted on the matters submitted for approval as hereunder listed. The stockholders had casted their votes by filling out the Proxy form attached to the Corporation's Information Statement which was posted on the Corporation's website[2] starting 21 April 2025. After casting their votes, the stockholders were given until 06 May 2025 to either email their accomplished proxy forms to the official email address[3] of the Office of the Assistant Corporate Secretary or send the original hard copies thereof to the corporation's principal address. Thereafter, the Corporation's Stock Transfer Agent, in collaboration with the Assistant Corporate Secretary, validated the votes received and reproduced the same in a tabulated format.

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

The meeting began with a warm welcome from the Chairman of the Board of Directors, Ms. Susan Co. Thereafter, Ms. Susan Co asked the Assistant Corporate Secretary if Notice of the Annual Stockholders'

[1] The minutes for the 2025 Annual Stockholders' Meeting of Puregold Price Club, Inc. shall be submitted for the stockholders' approval on the next Annual Stockholders' Meeting scheduled on the following year (2026).
[2] www.puregold.com.ph
[3] corporate.governance@puregold.com.ph

DRAFT

Meeting was distributed to the Stockholders, in compliance with the provisions of the Revised Corporation Code, and other pertinent issuances from the Securities and Exchange Commission ("SEC"), and if there was quorum for today's meeting.

The Assistant Corporate Secretary responded in the affirmative, she certified the presence of quorum for today's meeting and informed that the Stockholders, as of record date 29 April 2025, have been provided with the required Notice of the Annual Stockholders' Meeting.

The Assistant Corporate Secretary likewise stated that the same Notice, together with the Corporation's Information Statement were submitted to the Securities and Exchange Commission and the Philippine Stock Exchange, through its EDGE submission tool, where it was approved as a "Company Announcement" on 22 April 2025.

Finally, the Assistant Corporate Secretary informed everyone that the Notice of the Annual Stockholders' Meeting was also posted on the Corporation's official website starting 21 April 2025, and was also published, both in physical paper and on the online platforms of Philippine Daily Inquirer and Philippine Star on 20 and 21 April 2025.

For the discussions on quorum, the Assistant Corporate Secretary informed that stockholders owning a total of 2,354,909,105 shares, representing at least 81.76% of the capital stock were present in the meeting in person and via video/audio conferencing. Hence, certifying the presence of quorum to validly proceed with the meeting.

She mentioned that the Board Members, who at the same time were nominees for reelection, together with the executive officers of the Corporation, and representatives from External Auditor R.G. Manabat & Co., and stock transfer agent, BDO Unibank, Inc. were also present in the meeting.

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

After establishing the presence of quorum, Chairman, Ms. Susan Co immediately proceeded to the first item on the meeting's Agenda – the approval of the minutes of the previous stockholders' meeting and ratification of all acts of the board ng officers of the Corporation since the last Annual Stockholders' Meeting held on 14 May 2024.

Since the minutes of the previous Annual Stockholders' Meeting and the material Resolutions of the Board in 2024 were made available on the Corporation's website and in the Information Statements, the reading of the same was dispensed with.

Thereafter, a motion was made to approve the minutes of the previous Annual Stockholders' meeting, and to approve, confirm, and ratify all acts, proceedings, contracts, or deeds performed, and entered into, or executed by the Corporation's Board of Directors, officers, 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.

There being no objections raised by the Stockholders, the motion was duly seconded and effectively carried out.

Thereafter, Ms. Susan Co called upon the Assistant Corporate Secretary to present the voting results for this item on the Agenda, for which she presented the following results:

	In favor	Against	Abstain
Approval of the Minutes and Ratification of all acts of the Board of Directors and Management	2,354,909,105 (100%)	0	0

DRAFT

C. Approval of the 2024 Annual Report and Audited Financial Statements

Moving forward to the next item on the Agenda, Ms. Maricel Cambe, VP for Financial Accounting, presented the Corporation's Annual Report and Consolidated Audited Financial Statements as of 31 December 2024.

After the presentation, Ms. Susan Co asked the Stockholders if they had any questions or objections to the Annual Report and Consolidated Audited Financial Statements as discussed. No questions or objections were raised. Therefore, a motion to approve the Corporation's Annual Report and Consolidated Audited Financial Statements was made and which was subsequently seconded.

Consequently, upon request by Ms. Susan Co, the Assistant Corporate Secretary presented the voting results on the agenda at hand, to wit:

	In favor	Against	Abstain
Approval of the 2024 Annual Report and Audited Financial Statements	2,346,807,319 (99.66%)	0	8,101,786

D. Election of Directors

Ms. Susan Co then proceeded to the next item on the agenda – the election of the members of the Board of Directors for the year 2025-2026. For starters, she informed everyone that the Corporate Governance Committee pre-screened the qualifications of all nominees and prepared a final list of all candidates for directorship, which was disclosed to all stockholders through the Information Statements released to the public.

After which, the Assistant Corporate Secretary began to announce the candidates for the election of the regular and independent members of the Board of Directors for the year 2025-2026, which included the following:

For Regular Directors:

1. Mr. Lucio L. Co
2. Ms. Susan P. Co
3. Mr. Ferdinand Vincent P. Co
4. Mr. Anthony G. Sy
5. Ms. Pamela Justine Co - Yuyitung
6. Mr. Jack Ekian T. Huang

For Independent Directors:

1. Mr. Jaime S. Dela Rosa
2. Mr. Gil B. Genio
3. Mr. Emmanuel G. Herbosa

Acting on Ms. Susan Co's request to present the voting results for the said election, the Assistant Corporate Secretary presented the following:

	In favor	Against	Abstain
Election of Lucio Co	2,250,792,153 (95.58%%)	104,116,952	0
Election of Susan Co	2,231,111,640 (94.74%)	123,797,465	0
Election of Ferdinand Vincent Co	2,272,486,650 (96.50%)	82,422,455	0

DRAFT

Election of Pamela Justine Co - Yuyitung	2,230,199,340 (94.70%)	124,709,765	0
Election of Anthony Sy	2,313,278,730 (98.23%)	41,630,375	0
Election of Jack Huang	2,313,278,730 (98.23%)	41,630,375	0
Election of Jaime Dela Rosa	2,353,736,805 (99.95%)	1,172,300	0
Election of Gil Genio	2,353,736,805 (99.95%)	1,172,300	0
Election of Emmanuel Herbosa	2,352,971,783 (99.92%)	1,937,322	0

After the presentation of the voting results, Ms. Susan Co thereby declared herself, together with Mr. Lucio Co, Mr. Ferdinand Vincent Co, Ms. Pamela Justine Co – Yuyitung, Mr. Anthony Sy and Mr. Jack Huang as the regular directors of Puregold Price Club, Inc. for the year 2025 – 2026.

He also declared Mr. Gil Genio, Mr. Emmanuel Herbosa, and Mr. Jaime Dela Rosa, as the Corporation's independent directors for the year 2025 – 2026.

E. Amendment of By-Laws

After the elections of the corporation's regular and independent directors, Ms. Susan Co, proceeded to the next item in the agenda which is the Amendment of the Company's By-Laws. The Asst. Corporate Secretary, Atty. Jumalon, discussed that the amendments pertaining to the insertion of a new Sec. 7, a provision on the Chief Financial Officer, in Article IV (Officers) of the present by-laws. The proposed amendatory provisions are as follows:

> "Section 7. The Chief Financial Officer – The Chief Financial Officer shall perform the following duties:
>
> a.) Develop the corporation's financial plans which includes overseeing the creation and execution of the corporation's financial strategy such as financial planning and budgeting'
>
> b.) Ensure that the corporation's financial statements are accurate, timely, and comply with the applicable regulatory standards;
>
> c.) Regularly report financial performance to the board of directors and to the audit committee;
>
> d.) Ensure that the corporation has enough cash flow to meet its obligations, pay employees, and invest in operations and/or expansions;
>
> e.) Ensure compliance with financial and accounting regulations and standards to maintain the company's legal and ethical standing;
>
> f.) Implement and oversee financial controls and systems to prevent errors, fraud, and financial mismanagement.

DRAFT

Unless a different person is appointed by the Board of Directors as Chief Financial Officer, the Vice-President for Finance shall continue to act as the Chief Financial Officer in his/her usual performance of the above-stated duties and responsibilities."

The rationale behind the amendment is the recognition and inclusion in the By-Laws of the specific functions of the Chief Financial Officer. At present, Article IV of the By-Laws currently has thirteen (13) sections. The insertion of the new provision, a new Section 7, consequently renumbers the original Sections 7 to 13 to Sections 8-14, respectively, but the contents or the language of these renumbered sections remain unchanged.

A copy of the comparative summary of the present By-Laws and the proposed amendments has been provided to the stockholders' in the Information Statement which is posted on the Company Website and on the PSE Edge Platform.

After the presentation, Ms. Susan Co asked the Stockholders if they had any questions or objections to the amendments of Article IV of the By-Laws, as presented. No questions or objections were raised. Therefore, a motion to approve the amendment of the Company's By-Laws was made and which was subsequently seconded.

Consequently, Ms. Susan Co asked the Assistant Corporate Secretary to present the voting results for this item on the Agenda. Atty. Jumalon then presented the following results:

	In favor	Against	Abstain
Amendment of By-Laws	2,305,200,007 (97.89%)	49,709,098	0

F. Re-appointment of External Auditor

Ms. Susan Co then proceeded into the next item on the Agenda – the re-appointment of R.G. Manabat & Company (KPMG) as the Corporation's and its subsidiaries' external auditor for the year 2025. The re-appointment comes with an auditor's fee of up to PHP 7.5 million.

Thereafter, a motion was made for the approval of the re-appointment of R.G. Manabat & Company (KPMG) as the Corporation's and its subsidiaries' external auditor for the year 2025, which was duly seconded.

Before the motion and its secondment was acted upon, Ms. Susan Co asked the stockholders if they have any questions on the re-appointment or objections to the motion made. Ms. Susan Co received no question or objection from the stockholders, hence, the motion as presented and seconded was effectively carried.

Consequently, Ms. Susan Co asked the Assistant Corporate Secretary to present the voting results for this item on the Agenda. Atty. Jumalon then presented the following results:

	In favor	Against	Abstain
Reappointment of RG Manabat and Company (KPMG) as External Auditor of the Corporation and its subsidiaries with up to PHP 7.5 million auditor's fees.	2,352,768,742 (99.91%)	2,140,363	0

G. Other Matters

DRAFT

Ms. Susan Co asked the stockholders present in the meeting if they had any questions for the board or the management, or if they had any matters intended to bring up or discuss during the meeting. None of the stockholders raised any question or brought up any matters for discussion with the board or the management.

H. Adjournment

There being no other matters or business to transact, a motion for the adjournment of the meeting was made and which was duly seconded. There being no objection to the motion and to its secondment, the meeting was adjourned.

The meeting concluded with Ms. Susan Co's manifestation of gratitude to the stockholders, the board, and the management who participated in the 2025 Annual Stockholders' Meeting.

Prepared and certified true and correct by:

[sgd.]
Atty. Jewelyn A. Jumalon
Assistant Corporate Secretary

DRAFT

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the Group's results of operations, financial condition and certain trends, risks and uncertainties that may affect the Group's business should be read in conjunction with the auditors' reports and the Group's 2025 audited consolidated financial statements and notes attached herewith as Annex "B".

Key Performance Indicators

The key performance indicators of the Group as at and for the last three (3) years ended December 31 are as follows:

	2025	2024	2023
Current Ratio [(1)]	**2.66:1**	2.95:1	2.74:1
Asset to Equity Ratio [(2)]	**1.94:1**	1.94:1	1.94:1
Debt to Equity Ratio [(3)]	**0.94:1**	0.94:1	0.94:1
Debt to Total Assets [(4)]	**0.49:1**	0.49:1	0.49:1
Book Value per Share [(5)]	**P35.93**	P33.67	P30.84

	2025	2024	2023
Earnings per Share [(6)]	**P3.96**	P3.64	P3.00
Price Earnings Ratio [(7)]	**9.61x**	8.48x	8.97x
Return on Assets [(8)]	**5.9%**	5.8%	5.1%
Return on Equity [(9)]	**11.4%**	11.3%	10.1%

(1) Current Assets over Current Liabilities
(2) Total Assets over Total Equity
(3) Total Liabilities over Total Equity
(4) Total Liabilities over Total Assets
(5) Total Equity over Total Common Shares Outstanding
(6) Net income after tax over Weighted Average Common Shares Outstanding
(7) Market Value per Share over Earnings per Share
(8) Net income after tax over Average Total Assets
(9) Net income after tax over Total Equity

Results of Operations:

For the year ended December 31, 2025, the Group earned a consolidated net income of P11,337 million at 4.7% net margin and an increase of 8.8% from P10,424 million at 4.8% net margin in 2024, driven by strong topline growth.

The Group's financial performance is presented below for the last three (3) comparative years ended December 31:

(In millions)	**2025**			2024			2023	
		% to Sales	**% Change**		% to Sales	% Change		% to Sales
Net Sales	**P242,454**	**100.0%**	**10.6%**	P219,172	100.0%	10.1%	P199,032	100.0%
Cost of Sales	**197,108**	**81.3%**	**9.7%**	179,670	82.0%	9.8%	163,618	82.2%
Gross Profit	**45,347**	**18.7%**	**14.8%**	39,502	18.0%	11.5%	35,414	17.8%
Other Operating Income	**4,053**	**1.7%**	**15.5%**	3,509	1.6%	7.1%	3,275	1.6%
Gross Income	**49,400**	**20.4%**	**14.9%**	43,011	19.6%	11.2%	38,689	19.4%
Operating Expenses	**32,111**	**13.2%**	**15.5%**	27,809	12.7%	9.8%	25,337	12.7%
Operating Income	**17,289**	**7.1%**	**13.7%**	15,202	6.9%	13.9%	13,353	6.7%
Other income(expenses)	**(2,569)**	**-1.1%**	**46.1%**	(1,758)	-0.8%	-17.8%	(2,139)	-1.1%
Net Income before tax	**14,720**	**6.1%**	**9.5%**	13,444	6.1%	19.9%	11,213	5.6%
Income tax expense	**3,383**	**1.4%**	**12.0%**	3,020	1.4%	15.4%	2,618	1.3%
Net Income after tax	**P11,337**	**4.7%**	**8.8%**	P10,424	4.8%	21.3%	P8,596	4.3%

Comparative years 2025 and 2024

Net Sales

For the year ended December 31, 2025, the Group posted a consolidated net sales of P242,454 million for an increase of P23,283 million or 10.6% from P219,172 million in 2024. Net sales grew due to sales contribution from full operation of 2024 new stores (26 PGOLD stores and 4 S&R Warehouses) and revenue contribution from 2025 newly opened stores (181 PGOLD stores, including 153 acquired Puremart, and 3 S&R warehouses) of both Puregold and S&R. Same store sales growth (SSSG) is also up, for both Puregold and S&R, by 4.1% and 6.1%, respectively.

Like for like consolidated sales performance indicators of the group for the year ended December 31 are as follow:

	PGOLD	**S&R**
Net Sales [(a)]	**4.1%**	**6.1%**
Net Ticket [(b)]	**3.5%**	**-8.7%**
Traffic [(c)]	**0.6%**	**16.2%**

Note:

*Like for like data includes only stores with full year operation on both current year and prior year

*Net Ticket is the average basket size for each transaction, derived by dividing net sales by total traffic

*Traffic is the number of people buying on the stores

(a) Current year net sales minus prior year net sales divided by prior year net sales

(b) Current year ticket minus prior year ticket divided by prior year ticket

(c) Current year traffic minus prior year traffic divided by prior year traffic

Gross Profit

For the year ended December 31, 2025, the Group realized an increase of 14.8% in consolidated gross profit from P39,502 million in 2024 at 18.0% margin to P45,347 million at 18.7% margin in 2025, driven by strong suppliers' support through rebates and discounts granted during the year.

Other Operating Income

Other operating income increased by P544 million or 15.5% from P3,509 million in 2024 to P4,053 million in 2025. This is attributable to increase in membership and other miscellaneous income during the year.

Operating Expenses

Operating expenses increased by P4,302 million or 15.5% from P27,809 million in December 31, 2024 to P32,111 million in 2025. Increase in the account is primarily due to full operation of 2024 new stores and expenses from the 2025 newly opened stores, specifically manpower, depreciation, transportation repairs and maintenance and advertising expenses.

Other Expense - net

Other expenses net of other income amounted to P2,569 million and P1,758 million in December 31, 2025 and 2024, respectively. This includes interest on bank loans and accretion of interest on leased assets in compliance with PFRS 16 – Leases, and net of interest income. Increase in the account was primarily due to interest expense on lease liabilities recognized during the year.

Net Income

For the year ended December 31, 2025, the Group earned a consolidated net income of P11,337 million at 4.7% net margin and an increase of 8.8% from P10,424 million at 4.8% net margin in 2024, driven by strong topline growth.

Comparative years 2024 and 2023

Net Sales

For the year ended December 31, 2024, the Group posted a consolidated net sales of P219,172 million for an increase of P20,140 million or 10.1% from P199,032 million in 2023. Net sales grew due to sales contribution from full operation of 2023 new stores (37 PGOLD stores and 4 S&R Warehouses) and revenue contribution from 2024 newly opened stores (26 PGOLD stores and 4 S&R warehouses) of both Puregold and S&R. Same store sales growth (SSSG) is also up, for both Puregold and S&R, by 4.5% and 6.4%, respectively.

Like for like consolidated sales performance indicators of the group for the year ended December 31 are as follow:

	PGOLD	S&R
Net Sales [(a)]	**4.5%**	**6.4%**
Net Ticket [(b)]	**2.8%**	**1.4%**
Traffic [(c)]	**1.7%**	**4.9%**

Note:

*Like for like data includes only stores with full year operation on both current year and prior year

*Net Ticket is the average basket size for each transaction, derived by dividing net sales by total traffic

*Traffic is the number of people buying on the stores

(a) Current year net sales minus prior year net sales divided by prior year net sales

(b) Current year ticket minus prior year ticket divided by prior year ticket

(c) Current year traffic minus prior year traffic divided by prior year traffic

Gross Profit

For the year ended December 31, 2024, the Group realized an increase of 11.5% in consolidated gross profit from P35,414 million in 2023 at 17.8% margin to P39,502 million at 18.0% margin in 2024, driven by strong suppliers' support through rebates and discounts granted during the year.

Other Operating Income

Other operating income increased by P234 million or 7.1% from P3,275 million in 2023 to P3,509 million in 2024. This is attributable to increase in membership and other miscellaneous income during the year.

Operating Expenses

Operating expenses increased by P2,472 million or 9.8% from P25,337 million in December 31, 2023 to P27,809 million in 2024. Increase in the account is primarily due to full operation of 2023 new stores and expenses from the 2024 newly opened stores, specifically manpower, depreciation, taxes and repair and maintenance expenses.

Other Expense - net

Other expenses net of other income amounted to P1,758 million and P2,139 million in December 31, 2024 and 2023, respectively. This includes interest on bank loans and accretion of interest on leased assets in compliance with PFRS 16 – Leases, and net of interest income. Decrease in the account was primarily due to unrealized gain on foreign exchange from short term investments during the year.

Net Income

For the year ended December 31, 2024, the Group earned a consolidated net income of P10,424 million at 4.8% net margin and an increase of 21.3% from P8,596 million at 4.3% net margin in 2023, driven by strong topline growth and complemented by the improvement in gross margins for the S&R business.

Financial Position

The Group's consolidated financial position as at December 31, 2025, 2024 and 2023 are presented below:

(In millions)	**2025**	**% to Total Assets**	**% Change**	2024	% to Total Assets	% Change	2023	% to Total Assets
Cash & Cash Equivalents	**P28,795**	**14.4%**	**11.5%**	P25,832	13.8%	-38.5%	P41,985	24.4%
Receivables – net	**5,159**	**2.6%**	**-16.5%**	6,177	3.3%	32.3%	4,669	2.7%
Merchandise inventory	**28,720**	**14.4%**	**-2.3%**	29,405	15.7%	7.7%	27,309	15.9%
Financial assets - FVPL	**21,548**	**10.8%**	**8.4%**	19,878	10.6%	329.7%	4,626	2.7%
Financial assets – amortized cost	**4,479**	**2.2%**	**-1.7%**	4,557	2.4%	0.0%	-	-
Prepaid expenses and other current assets	**3,097**	**1.5%**	**-0.4%**	3,109	1.7%	416.3%	602	0.4%
Total Current Assets	**91,798**	**45.9%**	**3.2%**	88,957	47.4%	12.3%	79,192	46.1%
Investments in associate and joint ventures	**431**	**0.2%**	**-17.7%**	523	0.3%	0.0%	523	0.3%
Property and equipment- net	**43,048**	**21.5%**	**7.0%**	40,246	21.5%	13.4%	35,478	20.7%
Intangibles and goodwill	**19,657**	**9.8%**	**-0.7%**	19,790	10.5%	0.3%	19,727	11.5%
Right-of-use assets – net	**38,895**	**19.5%**	**19.7%**	32,494	17.3%	2.6%	31,676	18.4%
Deferred tax assets – net	**2,512**	**1.3%**	**11.3%**	2,256	1.2%	11.9%	2,016	1.2%
Other noncurrent assets	**3,633**	**1.8%**	**8.9%**	3,334	1.8%	7.2%	3,109	1.8%
Total Noncurrent Assets	**108,175**	**54.1%**	**9.7%**	98,644	52.6%	6.6%	92,529	53.9%
	P199,974	**100.0%**	**6.6%**	P187,601	100.0%	9.2%	P171,721	100.0%
Accounts payable and accrued expenses	**P30,648**	**15.3%**	**13.9%**	P26,897	14.3%	5.3%	P25,547	14.9%
Short-term loans payable	**0**	**0.0%**	**0.0%**	-	0.0%	0.0%	-	0.0%
Income tax payable	**1,299**	**0.6%**	**29.5%**	1,003	0.5%	16.7%	859	0.5%
Due to related parties	**62**	**0.0%**	**7.6%**	58	0.0%	8.4%	53	0.0%
Current maturities of long - term loans, net of debt issue costs	**120**	**0.1%**	**0.0%**	120	0.1%	0.0%	120	0.1%
Lease liabilities due within one year	**1,522**	**0.8%**	**11.9%**	1,360	0.7%	7.0%	1,272	0.7%
Other current liabilities	**909**	**0.5%**	**25.1%**	727	0.4%	-28.5%	1,016	0.6%
Total Current Liabilities	**34,559**	**17.3%**	**14.6%**	30,164	16.1%	4.5%	28,867	16.8%
Long-term loans - net of current maturities and debt issue costs	**11,232**	**5.6%**	**-32.1%**	16,536	8.8%	44.5%	11,441	6.7%
Lease liabilities	**49,000**	**24.5%**	**16.3%**	42,131	22.5%	4.1%	40,454	23.6%
Other noncurrent liabilities	**2,236**	**1.1%**	**-2.5%**	2,293	1.2%	-11.4%	2,588	1.5%
Total Noncurrent Liabilities	**62,467**	**31.2%**	**2.5%**	60,961	32.5%	11.9%	54,483	31.7%
Total Liabilities	**97,027**	**48.5%**	**6.5%**	91,125	48.6%	9.3%	83,351	48.5%
Capital stock	**2,904**	**1.5%**	**0.0%**	2,904	1.5%	0.0%	2,904	1.7%
Additional paid in capital	**25,374**	**12.7%**	**0.0%**	25,374	13.5%	0.0%	25,374	14.8%
Remeasurements of retirement liability - net of tax	**834**	**0.4%**	**11.0%**	752	0.4%	53.0%	491	0.3%
Equity reserve	**239**	**0.1%**	**0.0%**					
Treasury stock, at cost	**(210)**	**-0.1%**	**0.0%**	(210)	-0.1%	0.0%	(210)	-0.1%
Retained earnings	**73,806**	**36.9%**	**9.1%**	67,656	36.1%	13.1%	59,810	34.8%
Total Equity	**102,947**	**51.5%**	**6.7%**	96,476	51.4%	9.2%	88,370	51.5%
	P199,974	**100.0%**	**6.6%**	P187,601	100.0%	9.2%	P171,721	100.0%

Comparative Years 2025 and 2024

Current Assets

As at December 31, 2025 and 2024, total current assets amounted to P91,798 million or 45.9% of total assets and P88,957 million or 47.4% of total assets, respectively, for an increase of P2,841 million or 3.2%.

Cash and cash equivalents as at December 31, 2025 amounted to P28,795 million or 14.4% of total assets and increased by P2,963 million or 11.5% compared to previous year-end balance. The increase in the Group's cash position was attributable mainly to increase in cash generated from operations during the year, net of settlement of trade and non-trade payables, payment for cash dividend and capital expenditures for 2025 new stores.

Receivables amounted to P5,159 million and P6,177 million as at December 31, 2025 and 2024 or 2.6% and 3.3% of total assets, respectively. The decrease was due to collections made during the year.

Merchandise inventory amounted to P28,720 million or 14.4% of total assets at the end of 2025 and P29,405 million or 15.7% of total assets in 2024.

Financial assets at FVPL amounted to P21,548 million and P19,878 million as at December 31, 2025 and 2024, respectively. The increase was due to various short-term investments in time deposits, made during the year. A total amount of P4,479 million was recognized as Financial asset at amortized cost as at December 31, 2025 and P4,557 million in 2024.

Prepaid expenses and other current assets amounted to P3,097 million and P3,109 million as at December 31, 2025 and 2024, respectively.

Noncurrent Assets

As at December 31, 2025 and 2024, total noncurrent assets amounted to P108,175 million or 54.1% of total assets and P98,644 million or 52.6% of total assets, respectively, for an increase of P9,532 million or 9.7% as at December 31, 2025.

Investments in associate and joint ventures amounted to P431 million and P523 million as at December 31, 2025 and 2024, respectively. The decrease was due to recognition of share on losses of joint venture.

Net book values of property and equipment increased by P2,802 million or 7.0% from P40,246 million in December 2024 to P43,048 million in December 2025. The increase was mainly due to additions made during the year intended for newly established/operating stores.

Intangibles and goodwill amounted to P19,657 million as at December 31, 2025 and P19,790 million as at December 31, 2024.

Right-of-use asset amounted to P38,895 million or 19.5% of total assets and P32,494 million or 17.3% of total assets as at December 31, 2025 and 2024, respectively. The increase was mainly due to new lease contracts for newly opened stores..

Deferred tax assets – net amounted to P2,512 million or 1.3% of total assets and P2,256 million or 1.2% of total assets as at December 31, 2025 and 2024, respectively, for an increase of 11.3% or P256 million. The increase was due to recognition of deferred tax in retirement expense and compliance with PFRS 16 – Leases.

Other noncurrent assets amounted to P3,633 million as at December 31, 2025 and P3,334 million as at December 31, 2024. Increase in the account was mainly due to increase in security deposits for new stores lease.

Current Liabilities

As at December 31, 2025 and 2024, total current liabilities amounted to P34,559 million or 17.3% of total assets and P30,164 million or 16.1% of total assets, respectively, for an increase of P4,395 million or 14.6%.

Accounts payable and accrued expenses amounted to P30,648 million and P26,897 million as at December 31, 2025 and 2024, respectively, and increased by P3,750 million or 13.9%. The increase was primarily due to unreleased payments to suppliers brought about by holidays at year end and net of settlement of trade and nontrade liabilities.

Income tax payable amounted to P1,299 million and P1,033 million as at December 31, 2025 and 2024, respectively.

Due to related parties, representing royalty fees, amounted to P62 million for the year ended December 2025 and P58 million for the year ended December 2024.

Lease liabilities due within one year amounted to P1,522 million and P1,360 million as at December 31, 2025 and 2024, respectively. This pertains to current portion of lease liabilities.

Other current liabilities increased by P183 million or 25.1% from P727 million in December 2024 to P909 million in December 2025. The increase was mainly due to unredeemed gift checks and deferred Perks membership fee for the year ended December 2025.

Noncurrent Liabilities

As at December 31, 2025 and 2024, total noncurrent liabilities amounted to P62,467 million or 31.2% of total assets and P60,961 million or 32.5% of total assets, respectively, for an increase of P1,506 million or 2.5%.

Long-term debt – net of current maturities and debt issue costs amounted to P11,232 million and P16,536 million as at December 31, 2025 and 2024, respectively, for a decrease of P5,305 million. During the year, Kareila fully settled its loan amounting to P5,200 million.

Lease liabilities amounted to P49,000 million or 24.5% of total assets and P42,131 million or 22.5% of total assets as at December 31, 2025 and 2024, respectively, or an increase of P6,868 million or 16.3% due to new stores opened during the year.

Other noncurrent liabilities amounted to P2,236 million and P2,293 million as at December 31, 2025 and 2024, respectively. The decrease was mainly due to partial settlement of liability due for the purchased of land.

Equity

As at December 31, 2025 and 2024, total equity amounted to P102,947 million and P96,476 million, respectively, for an increase of P6,471 million or 6.7%.

Capital stock amounted to P2,904 million as at December 31, 2025 and 2024.

Additional paid in capital amounted to P25,374 million as at December 31, 2025 and 2024.

Remeasurements of retirement liability amounted to P834 million and P752 million as at December 31, 2025 and 2024, respectively. This pertains to changes in retirement liability which is recognized directly under equity.

Equity reserve amounted to P239 million as at December 31, 2025. This reserve represents the net effect of the merger of KMC and PSMT, which was approved by the SEC on November 21, 2025, accounted for as a transaction under common control.

Retained earnings amounted to P73,806 million and P67,656 million as at December 31, 2025 and 2024, respectively, or an increase of P6,150 million or 9.1% due to income made during the year, net of dividend declared.

Comparative Years 2024 and 2023

Current Assets

As at December 31, 2024 and 2023, total current assets amounted to P88,957 million or 47.4% of total assets and P79,192 million or 46.1% of total assets, respectively, for an increase of P9,766 million or 12.3%.

Cash and cash equivalents as at December 31, 2024 amounted to P25,832 million or 13.8% of total assets and decreased by P16,154 million or 38.5% compared to previous year-end balance. Decrease in the Group's cash position was attributable mainly to various short term investments in time deposits, partially offset by increase in cash generated from operations during the year, net of settlement of trade and non-trade payables, payment for cash dividend and capital expenditures for 2024 new organic stores.

Receivables amounted to P6,177 million and P4,669 million as at December 31, 2024 and 2023 or 3.3% and 2.7% of total assets, respectively. The increase was due to strong topline growth during the year.

Merchandise inventory amounted to P29,405 million or 15.7% of total assets at the end of 2024 and P27,309 million or 15.9% of total assets in 2023.

Financial assets at FVPL amounted to P19,878 million and P4,626 million as at December 31, 2024 and 2023, respectively. The increase was due to various short-term investments in

time deposits amounting to P20.0 billion, made during the year. A total amount of P4,557 million was recognized as Financial asset at amortized cost.

Prepaid expenses and other current assets amounted to P3,109 million and P602 million as at December 31, 2024 and 2023, respectively. The increase was mainly due to advance payment made to suppliers to be applied in inventory purchases in 2025.

Noncurrent Assets

As at December 31, 2024 and 2023, total noncurrent assets amounted to P98,644 million or 52.6% of total assets and P92,529 million or 53.9% of total assets, respectively, for an increase of P6,115 million or 6.6% as at December 31, 2024.

Investments in associate and joint ventures amounted to P523 million as at December 31, 2024 and 2023.

Net book values of property and equipment increased by P4,768 million or 13.4% from P35,478 million in December 2023 to P40,246 million in December 2024. The increase was mainly due to additions made during the year intended for newly established/operating stores.

Intangibles and goodwill amounted to P19,790 million as at December 31, 2024 and P19,727 million as at December 31, 2023.

Right-of-use asset amounted to P32,494 million or 17.3% of total assets and P31,676 million or 18.4% of total assets as at December 31, 2024 and 2023, respectively. The increase was mainly due to new lease contracts for newly opened stores..

Deferred tax assets – net amounted to P2,256 million or 1.2% of total assets and P2,016 million or 1.2% of total assets as at December 31, 2024 and 2023, respectively, for an increase of 11.9% or P241 million. The increase was due to recognition of deferred tax in retirement expense and compliance with PFRS 16 – Leases.

Other noncurrent assets amounted P3,334 million as at December 31, 2024 and P3,109 million as at December 31, 2023. Increase in the account was mainly due to increase in security deposits for new stores lease.

Current Liabilities

As at December 31, 2024 and 2023, total current liabilities amounted to P30,164 million or 16.1% of total assets and P28,867 million or 16.8% of total assets, respectively, for an increase of P1,297 million or 4.5% as at December 31, 2024.

Accounts payable and accrued expenses amounted to P26,897 million and P25,547 million as at December 31, 2024 and 2023, respectively, and increased by P1,351 million or 5.3%. The increase was primarily due to unreleased payments to suppliers brought about by longer holidays at year end and net of settlement of trade and nontrade liabilities and payment of dividends declared in previous year.

Income tax payable amounted to P1,003 million and P859 million as at December 31, 2024 and 2023, respectively.

Due to related parties, representing royalty fees, amounted to P58 million for the year ended December 2024 and P53 million for the year ended December 2023.

Lease liabilities due within one year amounted to P1,360 million and P1,272 million as at December 31, 2024 and 2023, respectively. This pertains to current portion of lease liabilities.

Other current liabilities decreased by P290 million or 28.5% from P1,016 million in December 2023 to P727 million in December 2024. The decrease was mainly due to lower VAT liability for the year ended December 2024 as a result of increase in input VAT applied.

Noncurrent Liabilities

As at December 31, 2024 and 2023, total noncurrent liabilities amounted to P60,961 million or 32.5% of total assets and P54,483 million or 31.7% of total assets, respectively, for an increase of P6,478 million or 11.9%.

Long-term debt – net of current maturities and debt issue costs amounted to P16,536 million and P11,441 million as at December 31, 2024 and 2023, respectively, for an increase of P5,095 million. During the year, the Group availed a total of P5,200 million loan from banks, payable in 3 years.

Lease liabilities amounted to P42,131 million or 22.5% of total assets and P40,454 million or 23.6% of total assets as at December 31, 2024 and 2023, respectively, or an increase of P1,677 million or 4.1% due to new stores opened during the year.

Other noncurrent liabilities amounted to P2,293 million and P2,588 million as at December 31, 2024 and 2023, respectively. The decrease was mainly due to partial settlement of liability due for the purchased of land.

Equity

As at December 31, 2024 and 2023, total equity amounted to P96,476 million and P88,370 million, respectively, for an increase of P8,106 million or 9.2%.

Capital stock amounted to P2,904 million as at December 31, 2024 and 2023.

Additional paid in capital amounted to P25,374 million as at December 31, 2024 and 2023.

Retained earnings amounted to P67,656 million and P59,810 million as at December 31, 2024 and 2023, respectively, or an increase of P7,845 million or 13.1% due to income made during the year, net of dividend declared.

Cash Flows

The following table sets forth the Group's statements of cash flows for the last three (3) years ended December 31:

(In millions)	**2025**	2024	2023
Net cash provided by operating activities	**P27,641**	P17,398	P18,739
Net cash used in investing activities	**(7,718)**	(27,838)	(8,790)
Net cash used in financing activities	**(16,960)**	(5,713)	(7,309)
Net increase (decrease) in cash and cash equivalents	**P2,963**	(P16,153)	P2,640

Cash flows from operating activities

Net cash provided by operating activities amounted to P27,641 million, P17,398 million and P18,739 million for the years ended December 31, 2025, 2024 and 2023, respectively. This was mainly due to increase in operating income driven by aggressive store expansion.

Cash flows used in investing activities

Net cash used in investing activities amounted to P7,718 million, P27,838 million and P8,790 million for the years ended December 31, 2025, 2024 and 2023, respectively. Capital expenditures for acquisitions of equipment, furniture & fixtures, lands, construction of buildings and improvements on leased assets amounted to P6,091 million in 2025 and P7,650 million in 2024.

Cash flows from (used in) financing activities

Net cash used in financing activities amounted to P16,960 million, P5,713 million and P7,309 million for the years ended December 2025, 2024 and 2023,respectively. This pertains to lease payments and dividends paid.

Capital Expenditures

The table below sets out the Group's capital expenditures in 2025, 2024 and 2023 (note 10 of AFS).

	For the years ended December 31,		
(In millions)	**2025**	2024	2023
Office and store equipment	**P1,268**	P1,048	P1,028
Furniture and fixtures	**358**	279	362
Leasehold improvements	**943**	642	1,000
Building	**371**	521	319
Land	**-**	-	872
Construction in progress	**3,151**	5,160	4,051
Total	**P6,091**	P7,650	P7,632

The Group has historically funded its capital expenditures through internally generated funds derived from operating cash flows augmented by bank loans if and when necessary. The group's low leverage ratios would enable the parent company to raise additional equity or debt capital funding from the capital market to finance strategic business acquisition possibilities should the opportunity arise.

Financial Risk Management Objectives and Policies

The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Interest Rate Risk
- Foreign Currency Risk

The Group's financial risk management objectives and policies are discussed in Note 30 of the Group's audited consolidated financial statements.

Material Events and Uncertainties

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation;

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the year.

There are no material commitments for capital expenditures other than those performed in the ordinary course of trade of business in line with the Group's retail outlets expansion program.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the revenues or income from continuing operations.

There are no significant elements of income not arising from continuing operations.

The Group experiences the fourth quarter of the year as the peak season relating to increased sales resulting from Christmas and New Year holidays.

The Group has a good financial condition and remains to be profitable in the past and expected to remain the same in the near future.

ANNEX "I"

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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GROUP NAME

PUREGOLD PRICE CLUB, INC.
AND SUBSIDIARIES

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

900 Romualdez Street
Paco, Manila

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS		

GROUP INFORMATION

Group's email Address	Group's Telephone Number/s	Mobile Number
www.puregold.com.ph	(02) 548-7110	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
	2nd Tuesday of May	December 31

CONTACT PERSON INFORMATION

The designated contact person *MUST* be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Maricel R. Cambe	mrcambe@puregold.com.ph	(02) 548-7110	

CONTACT PERSON's ADDRESS

900 Romualdez, Street, Paco, Manila

Note 1: *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2: *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

PUREGOLD PRICE CLUB, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025, 2024 and 2023

With Independent Auditors' Report

R.G. Manabat & Co.

KPMG

R.G. Manabat & Co.
The KPMG Center, 6/F
6787 Ayala Avenue, Makati City
Philippines 1209
Telephone +63 (2) 8885 7000
Fax +63 (2) 8894 1985
Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Puregold Price Club, Inc. and Subsidiaries
900 Romualdez Street
Paco, Manila

Opinion

We have audited the consolidated financial statements of Puregold Price Club, Inc. and its Subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, 2024, and 2023, and notes, comprising a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025, 2024, and 2023, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

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Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Goodwill and Trademark
Refer to Note 13 to the consolidated financial statements.

The risk
The Group acquired through business combinations goodwill, and trademark totaling P18,612.1 million. The Group tests goodwill and trademark for impairment annually by comparing the recoverable amounts to the carrying amounts.

We considered this as a key audit matter because assessment process is complex, involves significant management judgements and is based on key assumptions on expected future market and economic conditions, revenue growth, margin developments, discount rates and terminal growth rates from management.

Our response
We performed the following audit procedures, among others, around impairment testing of goodwill and trademark:

- We evaluated and assessed the design and implementation of key controls over the valuation and impairment testing process.
- We obtained the Group's discounted cash flow model used to test the recoverable amounts of goodwill and trademark.
- We evaluated the reasonableness of key assumptions used by management in deriving the recoverable amounts. These procedures included using our own internal valuation specialist to evaluate the key inputs and assumptions for growth and discount rates.

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- We reviewed the cash flows used, with comparison to recent performance, trend analysis and market expectations, and by reference to prior year's forecast, where relevant, and assessing whether the Group has achieved them.

- We performed independent impairment test for goodwill and trademark.

- We evaluated the adequacy of the disclosures in respect of impairment of goodwill and trademark with indefinite lives in the consolidated financial statements.

Revenue Recognition (P245,191.3 million)
Refer to Note 18 to the consolidated financial statements.

The risk
Revenue recognition is not complex for the Group but it is an important measure to evaluate the Group's performance, which increases the risk of material misstatement that revenue may be inappropriately recognized.

Our response
We performed the following audit procedures, among others, on revenue recognition:

- We evaluated and assessed the revenue recognition policies of the Group in accordance with PFRS 15, *Revenue from Contracts with Customers*.

- We evaluated and assessed the design and operating effectiveness of the key controls over the revenue process.

- We involved our information technology specialists to assist in the audit of automated controls, including interface controls among different information technology applications for the evaluation of the design and operating effectiveness of controls over the recording of revenue transactions.

- We vouched, on a sample basis, sales transactions to supporting documentation such as the proof of payment or delivery, to ascertain that the revenue recognition criteria are met.

- We tested, on a sample basis, sales transactions for a selected period before and after year-end to supporting documentation such as the proof of payment or delivery, to assess whether these transactions are recorded in the correct reporting period.

- We tested journal entries posted in revenue accounts based on high risk criteria, including inspection of the source documentation to assess the validity of the business rationale and substantiation of corroborating evidence.

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Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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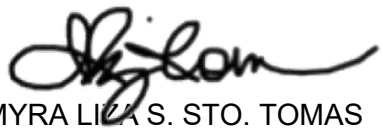
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audits of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Myra Liza S. Sto. Tomas.

R.G. MANABAT & CO.



MYRA LIZA S. STO. TOMAS
Partner
CPA License No. 0118513
SEC Accreditation No. 118513-SEC, Group A, valid for five (5) years covering the audit of 2023 to 2027 financial statements
Tax Identification No. 249-271-374
BIR Accreditation No. 08-001987-055-2023
Issued March 10, 2023; valid until March 10, 2026*
PTR No. MKT 10764415
Issued January 5, 2026 at Makati City

**BIR application processed*

April 15, 2026
Makati City, Metro Manila

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

PUREGOLD PRICE CLUB, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2025**	2024
ASSETS			
Current Assets			
Cash and cash equivalents	*4*	**P28,794,619,379**	P25,831,565,033
Receivables - net	*5*	**5,159,183,171**	6,176,776,482
Merchandise inventories	*6*	**28,720,361,899**	29,404,917,109
Financial assets at fair value through profit or loss	*7*	**21,547,946,780**	19,878,180,574
Other financial assets at amortized cost	*8*	**4,479,225,396**	4,556,715,889
Prepaid expenses and other current assets	*9*	**3,097,038,711**	3,109,175,187
Total Current Assets		**91,798,375,336**	88,957,330,274
Noncurrent Assets			
Investments in associate and joint ventures - net	*10*	**430,573,481**	523,169,163
Property and equipment - net	*11*	**43,048,029,950**	40,246,295,005
Goodwill and other intangibles - net	*13*	**19,656,875,437**	19,789,514,775
Right-of-use assets - net	*12*	**38,894,933,206**	32,493,988,657
Deferred tax assets - net	*26*	**2,512,364,809**	2,256,280,373
Other noncurrent assets	*14*	**3,632,645,803**	3,334,335,470
Total Noncurrent Assets		**108,175,422,686**	98,643,583,443
		P199,973,798,022	P187,600,913,717
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	*15*	**P30,647,814,632**	P26,897,430,047
Lease liabilities due within one year	*20*	**1,521,570,047**	1,360,069,036
Income tax payable		**1,298,762,621**	1,002,661,192
Current portion of long-term loans	*16*	**120,000,000**	120,000,000
Due to related parties	*24*	**62,103,404**	57,743,189
Other current liabilities	*17*	**909,189,319**	726,573,463
Total Current Liabilities		**34,559,440,023**	30,164,476,927
Noncurrent Liabilities			
Lease liabilities due beyond one year	*20*	**48,999,543,500**	42,131,216,785
Noncurrent portion of long-term loans	*16*	**11,231,799,519**	16,536,464,080
Other noncurrent liabilities	*25*	**2,236,011,595**	2,293,243,253
Total Noncurrent Liabilities		**62,467,354,614**	60,960,924,118
Total Liabilities		**97,026,794,637**	91,125,401,045
Equity	*27*		
Capital stock		**2,904,214,086**	2,904,214,086
Additional paid-in capital		**25,373,547,130**	25,373,547,130
Retirement benefits reserve		**834,404,477**	751,615,763
Equity reserve		**238,603,734**	-
Treasury stock		**(209,597,201)**	(209,597,201)
Retained earnings		**73,805,831,159**	67,655,732,894
Total Equity		**102,947,003,385**	96,475,512,672
		P199,973,798,022	P187,600,913,717

See Notes to the Consolidated Financial Statements.

PUREGOLD PRICE CLUB, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	**2025**	2024	2023
NET SALES	*18*	**P242,454,343,991**	P219,171,530,016	P199,031,904,535
COST OF SALES	*6, 19*	**197,107,611,616**	179,669,590,563	163,617,673,968
GROSS INCOME		**45,346,732,375**	39,501,939,453	35,414,230,567
OTHER REVENUE	*18, 20, 21*	**4,053,194,292**	3,509,093,313	3,275,172,027
TOTAL GROSS INCOME AND OTHER REVENUE		**49,399,926,667**	43,011,032,766	38,689,402,594
OPERATING EXPENSES	*22*	**32,111,160,081**	27,808,965,335	25,336,853,222
INCOME FROM OPERATIONS		**17,288,766,586**	15,202,067,431	13,352,549,372
OTHER CHARGES - Net				
Interest expense	*16, 20*	**4,033,662,734**	3,569,959,134	3,313,825,011
Interest income	*4, 7*	**(1,206,957,615)**	(1,477,089,343)	(1,302,778,953)
Share in losses of associate and joint ventures	*10*	**92,595,682**	-	187,325,380
Foreign exchange gain		**(76,479,907)**	(285,782,440)	(225,223)
Others - net	*23*	**(273,827,822)**	(49,130,519)	(58,817,271)
		2,568,993,072	1,757,956,832	2,139,328,944
INCOME BEFORE INCOME TAX		**14,719,773,514**	13,444,110,599	11,213,220,428
PROVISION FOR INCOME TAX				
Current		**3,479,582,985**	3,340,384,187	3,120,096,350
Deferred		**(96,619,131)**	(320,632,686)	(502,397,257)
	26	**3,382,963,854**	3,019,751,501	2,617,699,093
NET INCOME		**11,336,809,660**	10,424,359,098	8,595,521,335
OTHER COMPREHENSIVE INCOME				
Item that will not be reclassified subsequently to profit or loss				
Remeasurements of retirement benefits	*25*	**111,797,308**	346,414,960	(120,863,764)
Tax effect		**(29,008,594)**	(86,114,806)	30,241,137
		82,788,714	260,300,154	(90,622,627)
TOTAL COMPREHENSIVE INCOME		**P11,419,598,374**	P10,684,659,252	P8,504,898,708
Basic and diluted earnings per share	*29*	**P3.96**	P3.64	P3.00

See Notes to the Consolidated Financial Statements.

PUREGOLD PRICE CLUB, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years Ended December 31

	Note	Capital Stock	Additional Paid-in Capital	Retirement Benefits Reserve	Equity Reserve	Treasury Stock	Retained Earnings		Total Equity
							Appropriated	Unappropriated	
Balance at January 1, 2023		P2,904,214,086	P25,373,547,130	P581,938,236	P -	(P209,597,201)	P -	P53,994,499,048	P82,644,601,299
Total Comprehensive Income for the Year									
Net income for the year		-	-	-	-	-	-	8,595,521,335	8,595,521,335
Other comprehensive income		-	-	(90,622,627)	-	-	-	-	(90,622,627)
		-	-	(90,622,627)	-	-	-	8,595,521,335	8,504,898,708
Transaction with Owners of the Parent Company	*27*								
Cash dividends		-	-	-	-	-	-	(2,779,618,814)	(2,779,618,814)
Balance at December 31, 2023		2,904,214,086	25,373,547,130	491,315,609	-	(209,597,201)	-	59,810,401,569	88,369,881,193
Total Comprehensive Income for the Year									
Net income for the year		-	-	-	-	-	-	10,424,359,098	10,424,359,098
Other comprehensive income		-	-	260,300,154	-	-	-	-	260,300,154
		-	-	260,300,154	-	-	-	10,424,359,098	10,684,659,252
Appropriation of retained earnings		-	-	-	-	-	41,574,000,000	(41,574,000,000)	-
Transaction with Owners of the Parent Company	*27*								
Cash dividends		-	-	-	-	-	-	(2,579,027,773)	(2,579,027,773)
Balance at December 31, 2024		2,904,214,086	25,373,547,130	751,615,763	-	(209,597,201)	41,574,000,000	26,081,732,894	96,475,512,672

Forward

Years Ended December 31

	Note	Capital Stock	Additional Paid-in Capital	Retirement Benefits Reserve	Equity Reserve	Treasury Stock	Retained Earnings		Total Equity
							Appropriated	Unappropriated	
Total Comprehensive Income for the Year									
Net income for the year		P -	P -	P -	P -	P -	P -	P11,336,809,660	P11,336,809,660
Other comprehensive income		-	-	82,788,714	-	-	-	-	82,788,714
		-	-	82,788,714	-	-	-	11,336,809,660	11,419,598,374
Appropriation of retained earnings		-	-	-	-	-	29,960,000,000	(29,960,000,000)	-
Reversal of appropriations		-	-	-	-	-	(26,120,000,000)	26,120,000,000	-
Merger under common control	*27*	-	-	-	238,603,734	-	-	-	238,603,734
Transactions with Owners of the Parent Company	*27*								
Cash dividends		-	-	-	-	-	-	(5,186,711,395)	(5,186,711,395)
Balance at December 31, 2025		**P2,904,214,086**	**P25,373,547,130**	**P834,404,477**	**P238,603,734**	**(P209,597,201)**	**P45,414,000,000**	**P28,391,831,159**	**P102,947,003,385**

See Notes to the Consolidated Financial Statements.

PUREGOLD PRICE CLUB, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31 2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		**P14,719,773,514**	P13,444,110,599	P11,213,220,428
Adjustments for:				
Depreciation and amortization	*11, 12, 13, 22*	**6,588,072,728**	5,766,327,349	5,020,019,254
Interest expense	*16, 20*	**4,033,662,734**	3,569,959,134	3,313,825,011
Interest income	*4, 7, 8*	**(1,206,957,615)**	(1,477,089,343)	(1,302,778,953)
Retirement benefits cost	*22, 25*	**356,908,699**	336,493,750	904,911,727
Unrealized foreign exchange gain		**(331,657,798)**	(286,205,345)	-
Gain from lease terminations	*20, 23*	**(226,335,680)**	(54,036,093)	(46,836,234)
Share in losses of associate and joint ventures	*10*	**92,595,682**	-	187,325,380
Unrealized valuation loss (gain) on financial assets at fair value through profit or loss	*7, 23*	**(45,862,824)**	4,612,107	(6,405,009)
Dividend income	*7, 23, 24*	**(2,087,202)**	(1,714,641)	(1,400,010)
Gain on sale of financial assets	*7, 23*	**-**	-	(6,524,397)
Operating income before changes in working capital		**23,978,112,238**	21,302,457,517	19,275,357,197
Decrease (increase) in:				
Receivables		**1,017,593,311**	(1,507,485,973)	(1,046,361,968)
Merchandise inventories		**684,555,210**	(1,869,481,775)	973,603,762
Prepaid expenses and other current assets		**(437,248,596)**	(3,297,694,523)	2,820,437,626
Increase (decrease) in:				
Trade and other payables		**3,750,384,585**	4,147,248,040	(1,893,857,852)
Due to related parties		**4,360,215**	4,473,643	3,772,014
Other current liabilities		**182,615,856**	(289,892,612)	290,608,492
Cash generated from operations		**29,180,372,819**	18,489,624,317	20,423,559,271
Income taxes paid		**(2,734,096,484)**	(2,561,088,242)	(2,887,894,838)
Interest received		**1,206,957,615**	1,477,089,343	1,208,385,105
Retirement benefits paid	*25*	**(12,623,566)**	(7,376,461)	(5,050,016)
Net cash provided by operating activities		**27,640,610,384**	17,398,248,957	18,738,999,522

Forward

		Years Ended December 31		
	Note	**2025**	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Financial assets at fair value through profit or loss	*7*	**(P18,860,233,348)**	(P14,970,414,229)	(P1,300,000,000)
Property and equipment	*1, 11*	**(6,089,946,864)**	(7,383,426,176)	(7,412,851,985)
Financial assets at amortized cost	*8*	**(3,887,353,100)**	(4,556,715,892)	-
Other noncurrent assets		**(248,180,497)**	(231,136,965)	(361,222,125)
Intangibles	*13*	**(168,183,465)**	(130,948,571)	(94,929,765)
Proceeds from disposal of:				
Financial assets at fair value through profit or loss	*7*	**17,567,877,185**	-	986,169,776
Financial assets at amortized cost	*8*	**3,964,843,593**	-	-
Property and equipment	*11*	**1,340,486**	8,989	4,771,768
Dividends received	*27*	**2,087,202**	1,714,641	1,400,010
Cash paid on acquisition of business/assets, net of cash acquired	*1*	**-**	(567,516,384)	(613,740,541)
Net cash used in investing activities		**(7,717,748,808)**	(27,838,434,587)	(8,790,402,862)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long-term loans	*16*	**(5,320,000,000)**	(120,000,000)	(120,000,000)
Payments of:				
Cash dividends	*27*	**(5,186,711,395)**	(5,358,646,587)	(2,464,404,309)
Interest expense		**(732,279,585)**	(675,629,576)	(552,096,159)
Liability on land purchase	*25*	**(289,719,484)**	(277,470,824)	(265,669,906)
Repayments of lease:	*20*			
Interest expense		**(3,286,047,710)**	(2,878,994,118)	(2,748,879,538)
Principal amount		**(2,145,159,635)**	(1,602,626,020)	(1,157,494,319)
Availment of long-term loans	*16*	**-**	5,200,000,000	-
Net cash used in financing activities		**(16,959,917,809)**	(5,713,367,125)	(7,308,544,231)
EFFECT OF EXCHANGE RATE CHANGES ON CASH		**110,579**	(196,218)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**2,963,054,346**	(16,153,748,973)	2,640,052,429
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**25,831,565,033**	41,985,314,006	39,345,261,577
CASH AND CASH EQUIVALENTS AT END OF YEAR	*4*	**P28,794,619,379**	P25,831,565,033	P41,985,314,006

See Notes to the Consolidated Financial Statements

1. Reporting Entity

Puregold Price Club, Inc. (the "Parent Company") was incorporated and registered with the Philippine Securities and Exchange Commission ("SEC") on September 8, 1998. Its shares are listed in the Philippine Stock Exchange ("PSE") since October 5, 2011 with stock symbol of PGOLD. Its immediate and ultimate parent company is Cosco Capital, Inc. ("Cosco") which is incorporated in the Philippines. Cosco is formerly named Alcorn Gold Resources Corporation and is also listed with the PSE since September 26, 1998.

The Parent Company is principally involved in the business of trading goods such as consumer products (canned goods, housewares, toiletries, dry goods, food products, pharmaceutical and medical goods, etc.) on a wholesale and retail basis. Its registered office address is at 900 Romualdez Street, Paco, Manila.

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries (collectively referred to as the "Group") which are all incorporated in the Philippines:

	Percentage of Ownership	
	2025	2024
Kareila Management Corporation[(c)]	**100**	100
S&R Pizza (Harbor Point), Inc. [(a)]	**100**	100
S&R Pizza, Inc. [(a)]	**100**	100
PSMT Philippines Inc. [(a and c)]	**-**	100
PPCI Subic, Inc.	**100**	100
Entenso Equities Incorporated	**100**	100
Melilla Management Corporation	**100**	100
Purepadala, Inc. [(b)]	**100**	100

(a) Indirect subsidiaries through Kareila Management Corporation
(b) Not yet started operations
(c) Merged with Kareila on November 21, 2025

All subsidiaries are essentially engaged in the same business as the Parent Company, except for Entenso Equities Incorporated ("Entenso"), Melilla Management Corporation ("Melilla"), Purepadala, Inc. ("Purepadala") and PSMT Philippines, Inc ("PSMT").

Entenso was incorporated in the Philippines and registered with the SEC on May 22, 2013. Its primary purpose is to invest in, purchase, subscribe for, or otherwise acquire and own, hold, use, develop, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose real and personal property of every kind of description. Entenso's principal office is located at No. 900 Romualdez Street, Paco, Manila.

Melilla was incorporated in the Philippines and registered with the SEC on November 11, 2013. Its primary purpose is to act as managers or managing agents of persons, firms, associations, corporations, partnership and other entities; to provide management, investment and technical advice for commercial, industrial, manufacturing and other kinds of enterprises; undertake, carry on, assist or participate in the promotion, organization, management liquidation or reorganization of corporations, partnership and other entities, except the management of funds, securities, portfolio or similar asset and managed entities or corporation without acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, closed-end or open-end investment company, investment house, transfer agent, commodity/ financial futures exchange/ broker / merchant, financing company. Melilla's principal office is located at No. 900 Romualdez Street, Paco, Manila.

Purepadala's primary purpose is to engage in business of money remittance or service as defined in the Bangko Sentral ng Pilipinas (BSP) Circular No. 942, Series of 2017. The Company is still in the process of obtaining BSP accreditation necessary for the issuance of BSP Certificate of Registration to operate a money service business and has not yet started commercial operations as at December 31, 2025. Purepadala's registered address is located at No. 900 Romualdez Street, Paco, Manila.

PSMT was incorporated in the Philippines and registered with the SEC on September 29, 2000. Its primary purpose is to conduct and carry on the business of establishing and operating membership supermarket shopping and engage in the business of directly selling to its members all kinds of goods, commodities, wares, and merchandise. PSMT's registered address is located at 32nd Street, 5th Avenue, Fort Bonifacio Global City, Taguig City.

Transactions During the Period
On April 3, 2025, the KMC and PSMT's BOD approved the upstream merger of KMC and PSMT (the "Absorbed Entity"), whereby KMC will be the "Surviving Entity". The merger was subsequently approved by the SEC on November 21, 2025 (the "effective date of the merger"), through the issuance of the Certificate of Filing of the Articles and Plan of Merger. The Absorbed Entity's existence will cease following the stipulations of the Articles and Plan of Merger but its operations shall continue under the Surviving Entity.

Upon the effective date of the merger, the Surviving Entity acquired all the respective assets and assumed all the liabilities of the Absorbed Entity and the former issued in exchange thereof 3,025,336 of its P100 par value common shares to the latter.

Pursuant to the corporate restructure, the following properties with fair value as at April 3, 2025 were transferred from PSMT to KMC:

	Amount
Cash in banks	**P6,633,804**
Trade and other receivables	**290,493,462**
Prepayments and other current assets	**23,931,398**
Property and equipment	**4,000,000,000**
Deferred tax assets	**10,211,634**
Security deposits	**37,282,854**
Accounts payable and accrued expenses	**(16,619,876)**
Retirement benefit obligation	**(404,084)**
	P4,351,529,192

The merger resulted in the recognition of an equity reserve amounting to P238.6 million, presented in equity. This reserve represents the net effect of the merger accounted for as a transaction under common control.

In 2024, the Parent Company embarked on an aggressive multi-year push to further expand its market reach.

On November 7, 2024, the Parent Company's BOD approved the acquisition of certain assets of Puremart stores from Tower 6789 Corporation. The acquired assets include leasehold improvements, furniture and fixtures, equipment, and merchandise inventory, with an aggregate book value of up to P567.5 million. These assets pertain to store locations situated across Metro Manila, CAMANAVA, Rizal, Bulacan, and South Luzon. Tower 6789 is a domestic corporation wholly owned by League One, Inc., is 100% owned by the Co family.

As at December 31, 2024, the consideration paid for the assets acquired in Puremart was allocated to following assets:

Merchandise Inventory	**P226,632,285**
Property, plant and equipment	**340,884,099**
Purchase price	**P567,516,384**

On June 20, 2023, the Parent Company's BOD approved the acquisition of twenty-five (25) DiviMart supermarkets including its leasehold improvements, furniture, fixtures, equipment and merchandise inventory and executed an agreement to convert them into Puregold stores.

As at December 31, 2023, the consideration paid for 25 stores acquired amounted to P613.7million was allocated to the following identifiable assets and liabilities:

Merchandise Inventory	**P67,715,693**
Property, plant and equipment	**326,900,343**
Right-of-use assets	**1,771,022,290**
Lease liabilities	**(1,551,897,785)**
Purchase price	**P613,740,541**

2. Basis of Preparation

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). PFRS Accounting Standards which are issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC), consist of PFRS Accounting Standards, Philippine Accounting Standards (PAS), and Philippine Interpretations.

The accompanying consolidated financial statements were approved and authorized for issuance by the Board of Directors (BOD) on March 31, 2026.

Historical cost is used as the measurement basis except for:

Items	Measurement Bases
Financial assets at FVTPL	Fair value
Financial assets at FVOCI	Fair value
Retirement benefits liability	Present value of defined benefit obligation less fair value of plan asset

Functional and Presentation Currency

The consolidated financial statements are presented in Philippine peso, which is also the Parent Company's functional currency. All financial information expressed in Philippine peso has been rounded off to the nearest peso, unless otherwise stated.

Significant Judgments, Estimates and Assumptions

The preparation of consolidated financial statements requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities which, by definition, will seldom equal the actual results. All assumptions, expectations and forecasts used as a basis for certain estimates within these consolidated financial statements represent good faith assessments of the Group's current and future performance for which management believes there is a reasonable basis. They involve risks, uncertainties and other factors that could cause the Group's actual future results, performance and achievements to differ materially from those forecasted.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Determining the Term and Discount Rate of Lease Arrangements (Note 20)

Where the Group is the lessee, management is required to make judgments about whether an arrangement contains a lease, the lease term and the appropriate discount rate to calculate the present value of the lease payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases entered into by the Group as lessee, management uses the incremental borrowing rate, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses an approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group and makes adjustments specific to the lease.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if it is reasonably certain that the lease will be extended (or not terminated) and, as such, included within lease liabilities.

For leases of parcels of land, stores, warehouses, distribution centers and parking spaces, the following factors are usually the most relevant:

- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).

- Otherwise, the Group considers other factors, including historical lease durations, the costs and business disruption required to replace the leased asset, enforceability of the option, and business and other developments.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the lessee's control, for example, when significant investment in the store is made which has a useful life beyond the current lease term.

Operating Leases - Group as a Lessor (Notes 20 and 21)
The Group has entered into various operating lease agreements as a lessor which portions of its stores are leased out to various lessees. The Group has determined that it retains all significant risks and rewards of ownership of these properties.

Rent income recognized in profit or loss amounted to P520.3 million, P491.9 million and P472.0 million in 2025, 2024 and 2023, respectively.

Estimates
The key estimates and assumptions used in the consolidated financial statements are based on management's evaluation of relevant facts and circumstances as at the reporting date. Actual results could differ from such estimates.

Estimating Allowance for Impairment Losses on Receivables (Notes 5 and 30)
The Group maintains an allowance for impairment losses on receivables at a level considered adequate to provide for uncollectible receivables. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behavior and known market factors. The Group reviews the age and status of the receivable and identifies accounts that are to be provided with allowance on a regular basis. The amount and timing of recorded expenses for any period would differ if the Group made different judgment or utilized different estimates. An increase in the Group's allowance for impairment losses on receivables would increase the Group's recorded operating expenses and decrease current assets.

The carrying amount of receivables amounted to P5,159.2 million and P6,176.8 million as at December 31, 2025 and 2024, respectively.

Estimating Net Realizable Value (NRV) of Merchandise Inventories (Note 6)
The Group carries merchandise inventory at NRV whenever the selling price less costs to sell becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The estimate of the NRV is reviewed regularly.

Estimates of NRV are based on the most reliable evidence available at the time the estimates are made on the amount the inventories are expected to be realized. These estimates take into consideration fluctuations of prices or costs directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at reporting date. The NRV is reviewed periodically to reflect the accurate valuation in the financial records.

The carrying amount of merchandise inventories amounted to P28,720.4 million and P29,404.9 million as at December 31, 2025 and 2024, respectively.

Impairment of Goodwill and Trademark (Note 13)
The Group determines whether goodwill and trademark are impaired at least annually. This requires the estimation of their recoverable amounts. Estimating recoverable amounts requires management to make an estimate of the expected future cash flows from the cash-generating unit to which they relate and to choose a suitable discount rate to calculate the present value of those cash flows.

The carrying amounts of goodwill and trademark totaled P18,612.1 million as at December 31, 2025 and 2024, respectively.

Impairment of Non-financial Assets Other than Goodwill and Trademark
The Group assesses impairment on non-financial assets, other than inventories and deferred tax assets, when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

Determining the net recoverable amount of assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amount and any resulting impairment loss could have a material adverse impact on the results of operations.

There are no impairment indicators affecting the Group's non-financial assets as at December 31, 2025 and 2024.

As at December 31, the following are the carrying amounts of nonfinancial assets:

	Note	**2025**	2024
Right-of-use assets - net	*12*	**P38,894,933,206**	P32,493,988,657
Property and equipment - net	*11*	**43,048,029,950**	40,246,295,005
Customer relationships - net	*13*	**667,089,736**	889,452,981
Investment in associate and joint ventures	*10*	**430,573,481**	523,169,163
Computer software - net	*13*	**333,852,873**	239,501,216
Leasehold rights - net	*13*	**43,848,960**	48,476,710
		P83,418,328,206	P74,440,883,732

Estimating Realizability of Deferred Tax Assets (Note 26)
The Group reviews the carrying amount of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group also reviews the expected timing and tax rates upon reversal of the temporary differences and adjusts the impact of deferred tax accordingly. The Group's assessment on the recognition of deferred tax assets is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Group's past results and future expectations on revenues and expenses.

As at December 31, 2025 and 2024, the Group recognized deferred tax assets amounting to P3,881.0 million and P3,658.3 million, respectively.

Estimating Retirement Benefits Liability (Note 25)
The present value of the retirement benefits liability depends on a number of assumptions that are determined on an actuarial basis. The assumptions used in determining the net cost (income) for retirement benefits include the discount rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefits liability. Other key assumptions include future salary, mortality and attrition. Additional information is disclosed in Note 25.

Retirement benefits liability amounted to P2,235.9 million and P2,003.4 million as at December 31, 2025 and 2024, respectively.

3. Summary of Material Accounting Policies

The Group has consistently applied the accounting policies to all years presented in these consolidated financial statements, except for the changes below.

Adoption of Amendment to Standards
The Group has adopted the following amendment to standards starting January 1, 2025 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption of this amendment to standards did not have any significant impact on Group's consolidated financial statements.

- PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability (Amendments)* clarify that a currency is exchangeable into another currency when a company is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

  When a currency is not exchangeable, a company needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

  The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the company because the currency is not exchangeable.

  Earlier application is permitted. Comparative information is not restated and the effect of initially applying the amendments are adjusted to the opening balance of retained earnings, or to the cumulative amount of translation differences if the company uses a presentation currency other than its functional currency.

Standards Issued But Not Yet Adopted

A number of amendments to standards are effective for annual periods beginning after January 1, 2025. However, the Group has not early adopted the following amended standards in preparing these consolidated financial statements. The Group is still in the process of assessing the impact of the new standards. Unless otherwise stated, none of these are expected to have a significant impact on the Group's consolidated financial statements.

Effective January 1, 2026

- PFRS 9, *Financial Instruments* and PFRS 7, *Financial Instruments: Disclosures Amendments to the Classification and Measurement of Financial Instruments (Amendments)* relate to the date of recognition and derecognition, classification of financial assets, contractually linked instruments and non-recourse features, and disclosures on investments in equity instruments.

  Date of Recognition and Derecognition. The amendments clarified that:

  - a financial asset or financial liability is recognized on the date on which the entity becomes a party to the contractual provisions of the instrument unless the regular way exemption applies;
  - a financial asset is derecognized on the date on which the contractual rights to cash flows expire or the asset is transferred; and
  - a financial liability is derecognized on the settlement date, which is the date on which the liability is extinguished because the obligation specified in the contract is discharged or cancelled or expires or the liability otherwise qualifies for derecognition.

  However, the amendments provide an exception for the derecognition of financial liabilities where an entity may choose to derecognize a financial liability that is settled using an electronic payment system before the settlement date if, and only if, the entity has initiated the payment instruction that resulted in:

  - the entity having no practical ability to withdraw, stop or cancel the payment instruction;
  - the entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
  - the settlement risk associated with the electronic payment system is insignificant.

  Entities may choose to apply the exception on a system-by-system basis.

  Classification of Financial Assets. The amendments related to classification of financial assets introduces an additional test to assess whether the solely payments of principal and interest (SPPI) criterion is met for financial assets with contingent features that are not related directly to a change in basic lending risks or costs.

  The amendments clarified that when a contingent feature gives rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs, the financial asset has contractual cash flows that are SPPI if, and only if, in all contractually possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

Additional disclosures are required for all financial assets and financial liabilities that have certain contingent features that are not related directly to a change in basic lending risks or costs and are not measured at fair value through profit or loss.

Contractually Linked Instruments and Non-recourse Features. The amendments clarify the key characteristics of contractually linked instruments (CLIs) and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test). For example, it clarifies that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets; that CLIs have non-recourse features, but not all financial assets with non-recourse features are CLIs; and that the underlying pool of instruments of CLIs may include financial assets outside the scope of IFRS 9.

Disclosures on Investments in Equity Instruments. The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI). The entity discloses for each class of investment the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period. It also discloses any transfers of the cumulative gain or loss within equity during the reporting period related to investments derecognized during that reporting period.

Earlier application is permitted. Entities may choose to early-adopt the amendments for the recognition and derecognition of financial assets and financial liabilities separately from the other amendments.

- *Annual Improvements to PFRS Accounting Standards - Volume 11*. This cycle of improvements contains amendments to five standards:

  - PFRS 1, *First-time Adoption of International Financial Reporting Standards - Hedge Accounting by a First-time Adopter (Amendments)* were made to terminology on hedge accounting by a first-time adopter of PFRS to improve consistency with the requirements of PFRS 9, *Financial Instruments*. The term 'conditions' was updated to 'qualifying criteria' in line with the shift from PAS 39, *Financial Instruments: Recognition and Measurement* to PFRS 9. Specific cross-references to paragraphs in PFRS 9 containing guidance on the qualifying criteria were added to improve understandability.

  - PFRS 7, *Financial Instruments: Disclosure - Gain or Loss on Derecognition (Amendments)* replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.

  - PFRS 7, *Financial Instruments: Disclosure - Introduction, Disclosure of Difference Between Fair Value and Transaction Price, and Credit Risk Disclosures (Amendments to Guidance on implementing PFRS 7)*. The amendments:

    - clarified that the Guidance on implementing PFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7;

- made the wordings on the disclosure of deferred difference between fair value and transaction price in paragraph IG14 of PFRS 7 consistent with the requirements in paragraph 28 of PFRS 7 and with the concepts in PFRS 9, *Financial Instruments* and PFRS 13, *Fair Value Measurement*; and,
- simplified the wordings on credit risk disclosures in paragraph IG20B that the illustration does not include financial assets that are purchased or originated credit impaired.

- PFRS 9, *Financial Instruments - Derecognition of Lease Liabilities and Transaction Price (Amendments)*. The amendments:

  - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss; and
  - replaced the term 'their transaction price (as defined in IFRS 15)' with 'the amount determined by applying IFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that's unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

- PFRS 10, *Consolidated Financial Statements - Determination of 'De Facto Agent' (Amendments)* revised the wording on whether a party is a de facto agent when directed by 'those that direct the activities of the investor' to be non-conclusive given this may require judgement.

- PAS 7, *Statement of Cash Flows - Cost Method (Amendments)* replaced the term 'cost method' with 'at cost' given the definition of 'cost method' has previously been removed from PFRS Accounting Standards.

Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

Effective January 1, 2027

- PFRS 17, *Insurance Contracts* replace the interim standard, PFRS 4, *Insurance Contracts*. Reflecting the view that an insurance contract combines features of both a financial instrument and a service contract, and considering the fact that many insurance contracts generate cash flows with substantial variability over a long period, PFRS 17 introduces a new approach that:

  (a) combines current measurement of the future cash flows with the recognition of profit over the period services are provided under the contract;
  (b) presents insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses; and
  (c) requires an entity to make an accounting policy choice portfolio-by-portfolio of whether to recognize all insurance finance income or expenses for the reporting period in profit or loss or to recognize some of that income or expenses in other comprehensive income.

Under PFRS 17, groups of insurance contracts are measured based on fulfilment cash flows, which represent the risk-adjusted present value of the entity's rights and obligations to the policy holders, and a contractual service margin, which represents the unearned profit the entity will recognize as it provides services over the coverage period. Subsequent to initial recognition, the liability of a group of insurance contracts represents the liability for remaining coverage and the liability for incurred claims, with the fulfilment cash flows remeasured at each reporting date to reflect current estimates.

Simplifications or modifications to the general measurement model apply to groups of insurance contracts measured using the 'premium allocation approach', investment contracts with discretionary participation features, and reinsurance contracts held.

PFRS 17 brings greater comparability and transparency about the profitability of new and in-force business and gives users of financial statements more insight into an insurer's financial health. Separate presentation of underwriting and financial results will give added transparency about the sources of profits and quality of earnings.

Full retrospective application is required, unless it is impracticable, in which case the entity chooses to apply the modified retrospective approach or the fair value approach. However, if the entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, then it applies the fair value approach. There is also a transition option allowing presentation of comparative information about financial assets using a classification overlay approach on a basis that is more consistent with how

PFRS 9 will be applied in future reporting periods. Early application is permitted for entities that apply PFRS 9 *Financial Instruments* on or before the date of initial application of PFRS 17.

- PFRS 18, *Presentation and Disclosure in Financial Statements* will replace PAS 1, *Presentation of Financial Statements* and aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information.

  - *A more Structured Income Statement.* PFRS 18 promotes a more structured income statement. It introduces a newly defined 'operating profit or loss' and 'profit or loss before financing and income tax' subtotals, and a requirement for all income and expenses to be classified into three new distinct categories operating, investing, and financing - based on a company's main business activities. PFRS 18 also requires companies to analyze their operating expenses directly on the face of the income statement - either by nature, by function or on a mixed basis. Companies need to choose the presentation method that provides the 'most useful structured summary' of those expenses. New disclosures apply if any operating expenses are presented by function.

- *Management-defined performance measures.* PFRS 18 provides a definition for management-defined performance measures (MPMs) and introduces specific disclosure requirements. MPMs are subtotals of income and expenses that are used in public communications outside the financial statements, communicate management's view of an aspect of the financial performance of the entity as a whole and are not a required subtotal or a common income and expense subtotal listed in PFRS 18. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information and how it is calculated, and to reconcile it to an amount determined under PFRS Accounting Standards.

- *Greater disaggregation of information.* PFRS 18 provides enhanced guidance on how companies group information in the financial statements, including newly defined roles of the primary financial statements and the notes, principles of aggregation and disaggregation based on shared and non-shared characteristics, and specific guidance for labelling and describing items in a way that faithfully represents an item's characteristics.

PFRS 18 also now require goodwill to be presented as a line item in the statement of financial position.

Consequential amendments to PAS 7, *Statement of Cash Flows* requires the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

PFRS 18 also amends PAS 33, *Earnings per Share* to permit companies to disclose additional amounts per share using as numerator a required income and expenses total or subtotal, a common subtotal listed in PFRS 18 or an MPM disclosed by the entity.

PFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. It applies retrospectively in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. Specific reconciliations are required to be disclosed. Eligible entities including venture capital organizations, mutual funds and some insurers will be allowed to change their election for measuring investments in associates and joint ventures from equity method to fair value through profit or loss.

The Group is still in process of assessing the impact of the new standard, particularly with respect to the structure of the Group's consolidated statement of comprehensive income, consolidated statement of cash flows and the additional disclosures required for MPM. The Group is also assessing the impact on how information is grouped in the consolidated financial statements.

Deferral of the local implementation of Amendments to PFRS 10 and PAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.*

- PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)* address an inconsistency between the requirements in PFRS 10 and in PAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Originally, the amendments apply prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. However, on January 13, 2016, the Financial Reporting Standards Council decided to postpone the effective date of these amendments until the International Accounting Standards Board has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Consolidation

The consolidated financial statements incorporate the financial amounts of the Parent Company and its subsidiaries. Subsidiaries are entities over which the Parent Company has control. The Parent Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. All intra-group transactions, balances, income and expenses are eliminated upon consolidation. Unrealized losses on intragroup transactions are eliminated, unless the transaction provides evidence of an impairment of the assets transferred.

Business Combinations

The Company accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired and the liabilities assumed. Transaction costs are expensed as incurred.

Common Control Business Combinations

Business combinations involving entities under common control are business combinations in which all of the entities are controlled by the same party both before and after the business combination. The Group accounts for such business combinations in accordance with the guidance provided by the Philippine Interpretations Committee Question and Answer (PIC Q&A) No. 2011-02, *PFRS 3.2 Common Control Business Combinations.*

The purchase method of accounting is used, if the transaction was deemed to have commercial substance from the perspective of the reporting entity. In determining whether the business combination has commercial substance, factors such as the underlying purpose of the business combination and the involvement of parties other than the combining entities such as the non-controlling interest, shall be considered. In cases where the transaction has no commercial substance, the business combination is accounted for using the pooling of interests method.

In applying the pooling of interests method, the Group follows PIC Q&A No. 2012-01, PFRS 3.2 - Application of the Pooling of Interests Method for Business Combinations of Entities under Common Control in Consolidated Financial Statements, which provides the following guidance:

- The assets and liabilities of the acquired company for the reporting period in which the common control business combinations occur, are included in the Group's consolidated financial statements at their carrying amounts from the actual date of the acquisition. No adjustments are made to reflect the fair values or recognize any new assets or liabilities at the date of the combination. The only adjustments would be to harmonize accounting policies between the combining entities;

- No 'new' goodwill is recognized as a result of the business combination. The excess of the cost of business combinations over the net carrying amounts of the identifiable assets and liabilities of the acquired company is considered as equity adjustment from business combinations, included under "Additional paid-in capital" account in the equity section of the statements of financial position; and

- As a policy, no restatement of financial information in the Group's consolidated financial statements for periods prior to the transaction is made.

Asset Acquisition

Recognition and Initial Measurement

The Group recognizes assets acquired and liabilities assumed at cost, which is the consideration transferred to the seller, including direct acquisition-related transaction costs, on the acquisition date. In an asset acquisition, goodwill is not recognized. If the consideration transferred exceeds the fair value of the acquired assets, this may indicate that not all assets have been recognized or that pre-existing relationships being settled through the transaction should be accounted for separately.

Measurement of Assets and Liabilities

The cost of the acquired assets and liabilities assumed is determined by the amount of consideration transferred by the acquirer to the seller, which includes cash, other monetary assets, or liabilities incurred, as well as direct transaction costs. The cost is allocated to the assets acquired based on their relative fair values at the acquisition date. Unless contrary evidence exists, the acquisition cost is assumed to equal the fair value of the net assets acquired.

For most asset acquisitions, the exchange of monetary assets (such as cash) provides an objective basis for determining the fair value of the assets acquired. As such, if the consideration transferred is in the form of cash or other monetary assets, the acquisition cost is based on the amount paid, in addition to the direct transaction costs incurred. When liabilities are incurred or equity interests are issued, these amounts are recognized at the acquisition date.

Allocation of Acquisition Cost

The cost of an asset acquisition may differ from the fair value of the acquired assets and liabilities. Significant differences between the cost of an asset acquisition and the fair value of the assets and liabilities may indicate that certain assets or liabilities have not been properly recognized or that the transaction involves separate arrangements that should be accounted for apart from the asset acquisition. After determining the acquisition cost, it is allocated to the individual assets based on their relative fair values.

Subsequent Measurement

The subsequent accounting for each asset and liability is based on its nature and is independent of the manner of its acquisition. The measurement basis (whether cost or fair value) applied during the acquisition does not impact the subsequent accounting treatment of the acquired assets or liabilities.

Statement of Cash Flows

The Group has chosen to prepare the consolidated statement of cash flows using the indirect method, which presents cash flows from operating activities as the income from operations adjusted for non-cash transactions, deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Interest paid on loans is presented as a financing activity. The Group has chosen to present dividends paid to its stockholders as a financing activity cash flow. In the cash flow statement, the Group has classified the principal portion of lease payments, as well as the interest portion, within financing activities. Lease payments are split between interest and principal portions in the cash flow statement. Lease payments for short-term leases, lease payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are classified as cash flows from operating activities. The Group has classified cash flows from operating leases as operating activities.

Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group determines and presents operating segments based on the information that is internally provided to the Chairman and the President, collectively as the Group's chief operating decision maker. The Group assessed that its retailing business as a whole represents a single segment.

Financial Instruments

Financial Assets

Financial assets are recognized when the Group becomes a party to the contractual provisions of a financial instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets expire, or if the Group transfers the financial asset to another party and does not retain control or substantially all risks and rewards of the asset. Regular-way purchases and sales of financial assets in the normal course of business are accounted for at settlement date (i.e., the date that the asset is delivered to or by the Group). At initial recognition, the Group measures its financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Financial instruments are recognized initially at fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated as fair value through profit or loss (FVTPL), includes transaction costs. A trade receivable without significant financing component is initially measured at the transaction price.

After initial recognition, the Group classifies its financial assets as subsequently measured at either i) amortized cost, ii) fair value through other comprehensive income (FVOCI) or iii) FVTPL on the basis of both:

- The Group's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Subsequent to initial recognition, financial assets are measured as described below.

At each balance sheet date, the Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognizes a loss allowance for expected credit losses for financial assets measured at either amortized costs or at fair value through other comprehensive income. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 months of expected credit losses. If, at the reporting date, the credit risk on a financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for the financial instrument at an amount equal to the lifetime expected credit losses. The Group always measures the loss allowance at an amount equal to lifetime expected credit losses for receivables.

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience, credit assessment and including forward-looking information.

The information analyzed by the Group includes the following, among others:

- actual and expected significant changes in the political, regulatory and technological environment of the debtor or in its business activities.

- payment record - this includes overdue status as well as a range of variables about payment ratios.

- existing and forecast changes in the business, financial and economic conditions.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligation to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or

- the debtor is past due more than 90 days on any material credit obligation to the Group.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Receivables are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, the financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Financial Assets at Amortized Cost
Financial assets are measured at amortized cost if both i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction cost directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, less any impairment losses.

Financial assets at amortized cost are classified as current assets when the Group expects to realize the asset within 12 months from reporting date. Otherwise, these are classified as noncurrent assets.

Cash and cash equivalents, receivables, time deposits and security deposits are included in this category (see Notes 4, 5, 8, and 14).

Financial Assets at FVTPL
When any of the above-mentioned conditions for classification of financial assets are not met, a financial asset is classified as FVTPL and measured at fair value with changes in fair value recognized in profit or loss.

A financial asset measured at FVTPL is recognized initially at fair value and its transaction cost is recognized in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognized in the consolidated statement of income for the reporting period in which it arises.

The Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Debt financial assets that do not meet the amortized cost criteria, or that meet the criteria but the Group has chosen to designate as FVTPL at initial recognition, are measured at fair value through profit or loss.

Equity investments are classified as FVTPL, unless the Group designates an investment that is not held for trading as FVOCI at initial recognition.

As at December 31, 2025 and 2024, the Group has not designated any debt instrument that meets the amortized cost criteria as FVTPL.

Financial assets at FVTPL are carried at fair value and gains and losses on these instruments are recognized as “Unrealized valuation gain (loss) on financial assets at FVTPL” under “Others - net” in the consolidated statement of comprehensive income. Interest earned on these investments is reported in the consolidated statement of comprehensive income under “Interest income” while dividend income is reported in the consolidated statement of comprehensive income under “Others” when the right of payment has been established. Quoted market prices, when available, are used to determine the fair value of these financial instruments. If quoted market prices are not available, their fair values are estimated based on market observable inputs.

The Group’s investments in government securities, equity securities and short-term investments are included under this category (see Note 7).

Financial Liabilities
Financial liabilities are recognized when the Group becomes a party to the contractual provisions of a financial instrument. Financial liabilities are derecognized when the Group’s obligations specified in the contract expire or are discharged or cancelled.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group classifies all financial liabilities as subsequently measured at amortized cost, except for:

(a) financial liabilities designated by the Group at initial recognition as at fair value through profit or loss, when doing so results in more relevant information.

(b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

(c) contingent consideration recognized by the Group in a business combination which shall subsequently be measured at fair value with changes recognized in profit or loss.

(d) financial guarantee contracts and commitments to provide a loan at a below-market interest rate which are initially measured at fair value and subsequently at the higher of amortized amount and amount of loss allowance.

Any difference between the proceeds and redemption value is recognized in the income statement over the period of the loans and short-term borrowings using the effective interest method.

Financial liabilities are classified as current liabilities unless the Group has a right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade and other payables, long-term loans, lease liabilities, due to related parties and deposits from tenants are generally included in this category.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

Cash and Cash Equivalents
Cash includes cash in banks, cash on hand and cash equivalents. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement and are subject to an insignificant risk of change in value.

Merchandise Inventories
Merchandise inventories are stated at the lower of cost and NRV. Cost is determined using the moving average method. Costs comprise of purchase price, including duties, transport and handling costs, and other incidental expenses incurred in bringing the merchandise inventories to their present location and condition.

NRV is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Property and Equipment
Property and equipment, excluding land and construction in progress, are carried at cost less accumulated depreciation and impairment losses, if any. Land is carried at cost. Construction in progress represents structures under construction and is stated at cost. This includes the costs of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are ready for use.

Initially, an item of property and equipment is measured at its cost, which comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use. Subsequent expenditures are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance, will flow to the Group. All other subsequent expenditures are recognized in profit or loss.

Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets as follows:

	Number of Years
Building	15 - 30
Furniture and fixtures	3 - 20
Office and store equipment	2 - 15
Leasehold improvements	15 - 20 or term of the lease, whichever is shorter

The useful lives and depreciation method are reviewed at each reporting date to ensure that they are consistent with the expected pattern of economic benefits from those assets.

The useful lives and depreciation method are reviewed at each reporting date to ensure that they are consistent with the expected pattern of economic benefits from those assets.

When an asset is disposed or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal is recognized in profit or loss.

The cost and accumulated depreciation and impairment losses, if any, of fully depreciated assets that are used in operations are retained in the accounts.

Investment in Associate and Joint Arrangements

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is defined as the power to participate in the financial and operating policy decisions of the entity but not control or joint control over those policies. Associates are accounted for using the equity method.

Investment in joint arrangements is classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. Joint operations arise where the Group has both rights to the assets and obligations for the liabilities relating to the arrangement and, therefore, the Group accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the Group has rights to the net assets of the arrangement and, therefore, the Group equity accounts for its interest.

Under the equity method, investment in associates and joint ventures is measured initially at cost and subsequently adjusted for post-acquisition changes in the Group's share of the net assets of the investment (net of any accumulated impairment in the value of individual investments). Where necessary, adjustments are made to the financial amounts of the associates and joint ventures to ensure consistency with the accounting policies of the Group. Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of Group's stake in these investments. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

Intangible Assets

Goodwill and Impairment of Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the net fair value of the identifiable assets, liabilities and assumed contingent liabilities at the date of acquisition. It is carried at cost less accumulated impairment losses. Goodwill on acquisitions of joint ventures and associates is included in the carrying amount of the investment. For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of a business combination. Goodwill is allocated to a cash-generating unit (or group of cash-generating units) representing the lowest level within the Group at which the goodwill is monitored for internal management purposes and is never larger than an operating segment before aggregation. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the cash-generating unit may be impaired. Goodwill on acquisitions of associates and joint ventures is assessed for impairment as part of the investment whenever there is an indication that the investment may be impaired. An impairment loss is recognized for the amount by which the cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of a cash-generating unit's fair value less costs of disposal or its value in use. An impairment loss is allocated first to reduce the carrying amount of the goodwill and then to the other assets of the cash generating unit pro rata on the basis of the carrying amount of each asset. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Other Intangible Assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less amortization and any impairment losses. Intangible assets with finite lives are amortized on a straight-line basis over their useful lives of 15 to 20 years for computer software and licenses and 20 years for customer relationships and leasehold rights and tested for impairment whenever there is an indication that they may be impaired. The amortization period and method are reviewed at each financial year-end.

Trademarks are considered to have an indefinite useful life when there is no foreseeable limit to the period over which they are expected to generate net cash inflows. Trademarks with indefinite useful lives are initially recognized at cost, or at fair value at the date of acquisition in a business combination, and are subsequently carried at cost less any accumulated impairment losses.

These trademarks are not amortized but are tested for impairment annually, or more frequently when indicators of impairment exist. The assessment of indefinite useful life is reviewed at each reporting period. If circumstances change and the useful life is no longer considered indefinite, the asset is reclassified as having a finite useful life and amortized prospectively.

Impairment is recognized when the carrying amount exceeds the recoverable amount, which is the higher of fair value less costs of disposal and value in use.

Impairment of Noncurrent Assets Other than Goodwill
The Group assesses whether there is any indication that the property and equipment, right-of-use assets, customer relationship, and investments may be impaired. The Group performs impairment testing where there are indicators of impairment. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less cost of disposal, and value in use. When the recoverable amount is less than the carrying amount, an impairment loss is recognized immediately in the Group's profit or loss.

A reversal of an impairment loss is recognized immediately as a credit to the Group's profit or loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years.

Employee Benefits
Short-term Employee Benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Retirement Benefits Cost
The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed on a periodic basis by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan, if any.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

The Group has a non-contributory multi-employer plan which is accounted for as a defined benefit plan. The Group is not required to pre-fund the future defined benefits payable under the Retirement Plan before they become due. For this reason, the amount and timing of contributions to the Retirement Fund to support the defined benefits are at the Group's discretion. However, in the event a defined benefit claim arises and the Retirement Fund is insufficient to pay the claim, the shortfall will then be due and payable by the Group to the Retirement Fund.

The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Equity

Capital Stock

Capital stock is classified as equity. Incremental costs directly attributable to the issuance of capital stock are recognized as a deduction from equity, net of any tax effects.

Equity Reserve from Merger

Equity reserve from merger is classified as a separate component of equity and is not available for distribution as dividends. This reserve is maintained until the related investment is disposed of, at which point the balance may be classified within equity.

Transactions involving the transfer of assets, liabilities or ownership interests between entities under common control are accounted for using the predecessor accounting method, as these transactions are outside the scope of PFRS 3.

Under this method, the assets and liabilities acquired are recognized at their carrying amounts as reflected in the separate financial statements of the surviving entity at the date of transfer. No goodwill is recognized as a result of these transactions.

Any difference between the consideration transferred and the carrying amounts of the net assets acquired is recognized directly in equity as "Equity reserve."

Additional Paid-in Capital
The amount of contribution in excess of par value is accounted for as "Additional paid-in capital." Additional paid-in capital also arises from additional capital contributions from the shareholders. Additional paid-in capital also includes excess of book value of the net assets acquired over the consideration paid for acquired entity.

Retained Earnings and Dividend Distribution
Retained earnings include current and prior years' results, net of transactions with shareholders and dividends declared, if any.

Dividend distribution to the Group's shareholders is recognized as a liability and deducted from equity in the Group's consolidated statements of financial position in the period in which the dividends are approved and declared by the Group's BOD.

Treasury Stock
Own equity instruments which are reacquired are carried at cost and are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. When the shares of stock are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is charged to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares of stock were issued and to retained earnings for the remaining balance.

Other Comprehensive Income
Other comprehensive income are items of income and expense (including reclassification adjustments, if any) such as remeasurements of defined benefit plans that are not recognized in profit or loss as required or permitted by the related accounting standards.

Revenue Recognition
The Group identifies each distinct performance obligation to transfer goods (or bundle of goods) or services. The Group recognizes revenue when (or as) it satisfies a performance obligation by transferring the control of goods or services to the customer. The transaction price is the amount of consideration the Group expects to receive under the arrangement. The Group concluded that it is acting as principal for all its revenue arrangements below, except for concession fee income.

- *Merchandise Sales* - The Group generally recognizes sale of merchandise at the point of sale when customer takes possession of goods and tenders payment. At point of sale, the performance obligation is satisfied because control of the merchandise transfers to the customer. Revenue is recorded at the point of sale based on the transaction price on the merchandise tag, net of any applicable discounts, sales taxes and refunds. For e-commerce sales, the Group recognizes sales upon delivery of goods through its online channel.

- *Concession Fee Income* - The Group enters into certain agreements with concessionaires that offer goods to the Group's customers. In exchange, the Group receives payment in the form of commissions based on a specified percentage of the merchandise sales. The Group serves as agent in these contracts and recognizes the net amount earned as commissions in the period in which the event or condition that triggers the payment occurs.

- *Membership* - The Group charges a membership fee to its customers. The fee allows the customer to shop in the Group's stores for the duration of the membership, which is generally 1-2 years. The Group recognizes the fee in the period in which it occurs.

- *Gift Certificates* - The Group recognizes revenue from the sale of gift certificates when the gift certificate is redeemed by customer.

- *Other Income* - The Group recognizes various incidental income in the period in which the services/goods were rendered/delivered.

- *Reward Points* - The Group allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The stand-alone selling price is estimated based on the equivalent value given when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the Group's historical experience. A contract liability is recognized for revenue relating to the loyalty points at the time of the initial sales transaction. Revenue from the loyalty points is recognized when the points are redeemed by the customer. Revenue for loyalty points that are not expected to be redeemed is recognized in proportion to the pattern of rights exercised by customers.

Contract Balances

Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

The sales activities of the Group do not result in a material amount of unperformed obligations of the Group and, therefore, no contract assets are recognized separately from receivables.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The Group does enter into transactions with customers where contract liabilities result from consideration being received from the customer prior to the Group satisfying its performance obligations. These contract liabilities are presented on the statement of financial position and in the notes as unredeemed gift certificate liabilities.

Cost and Expense Recognition

The Group's cost of sales includes the direct costs of sold merchandise, which includes custom, taxes, duties and inbound shipping costs, inventory shrinkage and adjustments and reserves for excess, aged and obsolete inventory. Cost of sales also includes certain distribution center costs.

Vendor Rebates and Allowances

The Group receives various types of cash consideration from vendors, principally in the form of rebates, based on purchasing or selling certain volumes of product, time-based rebates or allowances, which may include product placement allowances or exclusivity arrangements covering a predetermined period of time, price protection rebates and allowances for retail price reductions on certain merchandise and salvage allowances for product that is damaged, defective or becomes out-of-date.

Such vendor rebates and allowances are recognized based on a systematic and rational allocation of the cash consideration offered to the underlying transaction that results in progress by the Group's toward earning the rebates and allowances, provided the amounts to be earned are probable and reasonably estimable. Otherwise, rebates and allowances are recognized only when predetermined milestones are met. The Group recognizes product placement allowances also as a reduction of cost of sales in the period in which the product placement is completed. Time-based rebates or allowances are recognized as a reduction of cost of sales over the performance period on a straight-line basis. All other vendor rebates and allowances are recognized as a reduction of cost of sales when the merchandise is sold or otherwise disposed.

Operating Expenses
Operating expenses constitute costs of administering the business. These are recognized as incurred.

Leases
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physical distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

    - the Group has the right to operate the asset; or

    - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single component.

As a Lessee
The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove or restore the underlying asset or the site on which it is located, less any incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rates as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Variable Lease Payments
Variable lease payments not based on an index or rate are not part of the lease liability. These include payments linked to a lessee's performance derived from the underlying asset. Such payments are recognized in profit or loss in the period in which the event or condition that triggers those payments occurs.

Lease Modifications as a Lessee
The Group accounts for a lease modification as a separate lease if both the modification increases the scope of the lease by adding the right to use one or more underlying assets and the consideration for the lease increases by an amount commensurate with the standalone price and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group allocates the consideration in the modified contract based on stand-alone prices, determines the lease term and remeasures the lease liability by discounting the revised lease payments using a revised discount rate. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The Group recognizes in profit or loss any gain or loss relating to the partial or full termination of the lease. The Group makes a corresponding adjustment to the right-of-use asset for all other lease modifications.

Short-term Leases and Leases of Low-value Assets
The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor
When the Group act as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risk and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies exemption described above, then it classifies sub-lease as operating lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

Borrowing Costs
Borrowing costs are recognized as expenses when incurred, except to the extent capitalized. Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized.

Income Taxes
Current tax and deferred tax are recognized in the consolidated statements of income except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Uncertainties related to taxes that are not income taxes are recognized and measured in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* unless they are dealt with specifically in another standard.

Current Tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Tax
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- with respect to taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits - minimum corporate income tax (MCIT) and unused tax losses - net operating loss carryover (NOLCO), to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and the carryforward benefits of MCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- with respect to deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax (VAT)
Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of "Prepaid expenses and other current assets" or "Trade and other payables" in the consolidated statements of financial position.

Basic and Diluted Earnings Per Share (EPS)
Basic EPS is computed by dividing net income by the weighted average number of common shares outstanding during the period, after retroactive adjustment for stock dividend declared in the current period, if any. Diluted EPS is also computed in the same manner as the aforementioned, except that, the net income and the number of common shares outstanding is adjusted for the effects of all potential dilutive debt or equity instruments.

Related Parties
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

Provisions and Contingencies
A provision is recognized when the Group has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made on the amount of the obligation.

Provisions are revisited at each reporting date and adjusted to reflect the current best estimate. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects the current market assessment of the time value of money, and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

Events After the Reporting Date
Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are recognized in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. Cash and Cash Equivalents

This account consists of:

	Note	**2025**	2024
Cash on hand		**P674,983,405**	P1,188,869,181
Cash in banks	*30*	**24,228,811,119**	18,753,754,097
Money market placements	*30*	**3,890,824,855**	5,888,941,755
		P28,794,619,379	P25,831,565,033

Cash in banks earn annual interest at the respective bank deposit rates.

Money market placements are highly liquid investments that are readily convertible into cash and are subjected to insignificant risk of changes in value. These investments have maturity dates of an average of 30 days with annual interest rates ranging from 4.0% to 5.2% in 2025, 4.0% to 5.8% in 2024, and 1.6% to 5.7% in 2023.

Interest income earned from cash in banks and money market placements totaled P284.72 million, P404.0 million and P1,112.4 million in 2025, 2024 and 2023, respectively.

5. Receivables

This account consists of:

	Note	**2025**	2024
Trade receivables	*24*	**P4,042,959,541**	P4,929,925,279
Less allowance for impairment losses		**7,462,327**	7,462,327
		4,035,497,214	4,922,462,952
Nontrade receivables	*24*	**1,123,685,957**	1,254,313,530
	30	**P5,159,183,171**	P6,176,776,482

Trade receivables generally have a one-to-30-day credit terms.

Non-trade receivables consist mainly of accrued vendor allowance income, rent due from store tenants and e-wallet balance.

6. Merchandise Inventories

This account consists of groceries and other consumer products (canned goods, housewares, toiletries, dry goods, food products, etc.) held for sale in the ordinary course of business on wholesale or retail basis.

The Group's merchandise inventories at cost amounted to P28,720.4 million and P29,404.9 million as at December 31, 2025 and 2024, respectively.

Inventory charged to the cost of sales amounted to P197,107.6 million, P179,669.6 million and P163,617.7 million in 2025, 2024 and 2023, respectively (see Note 19).

7. Financial Assets at Fair Value Through Profit or Loss

The movements in these securities are as follows:

	Note	**2025**	2024
Held-for-investment:			
Short-term investments	*23, 30*	**P16,880,556,120**	P15,256,652,738
Government securities	*23, 30*	**4,623,381,861**	4,579,062,733
Equity securities		**44,008,799**	42,465,103
		P21,547,946,780	P19,878,180,574

The movements in the balances of financial assets at fair value through profit or loss are as follows:

2025

	January 1	**Additions**	**Sale**	**Gain**	**(Loss)**	**December 31**
Cost						
Short-term investments	**P15,256,652,738**	**P18,860,233,348**	**(P17,314,347,329)**	**P78,017,363**	**P -**	**P16,880,556,120**
Government securities	**4,579,062,733**	**-**	**-**	**44,319,128**	**-**	**4,623,381,861**
Equity securities	**42,465,103**	**-**	**-**	**1,543,696**	**-**	**44,008,799**
	P19,878,180,574	**P18,860,233,348**	**(P17,314,347,329)**	**P123,880,187**	**P -**	**P21,547,946,780**

2024

	January 1	Additions	Sale	Gain	(Loss)	December 31
Cost						
Short-term investments	P -	P14,970,251,175	P -	P286,401,563	P -	P15,256,652,738
Government securities	4,588,450,000	-	-	-	(9,387,267)	4,579,062,733
Equity securities	37,689,942	163,054	-	4,612,107	-	42,465,103
	P4,626,139,942	P14,970,414,229	P -	P291,013,670	(P9,387,267)	P19,878,180,574

Interest income on short-term investments and government securities amounted to P824.3 million in 2025, P869.9 million in 2024, and P190.4 million in 2023.

Dividend income on equity securities amounted to P2.1 million in 2025, P1.7 million in 2024 and P1.4 million in 2023 (see Note 23).

8. Other Financial Assets at Amortized Cost

In 2025 and 2024, the Group placed time deposits amounting to P4,479.2 million and P4,556.7 million, respectively, with terms of more than three (3) months to less than one (1) year, which bears interest from 4.40% to 5.65% (see Note 30).

Interest income earned from time deposits totaled P98.0 million in 2025, P203.2 million in 2024 and nil in 2023.

9. Prepaid Expenses and Other Current Assets

This account consists of:

	2025	2024
Advances to suppliers	**P2,405,525,417**	P2,558,254,912
Prepaid expenses	**602,644,185**	506,376,483
Input VAT	**69,559,979**	6,106,248
Deferred input VAT	**18,912,225**	38,340,456
Creditable withholding tax	**396,905**	97,088
	P3,097,038,711	P3,109,175,187

Advances to suppliers will be applied against inventory purchases in the next financial reporting period.

Deferred input VAT consists of the unamortized portion of accumulated input taxes as at December 31, 2021, related to capital asset purchases exceeding P1 million and unpaid services. This may be applied against future output VAT when realized or paid.

The details of prepaid expenses are as follows:

	2025	2024
Taxes and licenses	**P280,286,239**	P166,621,721
Insurance	**115,596,505**	130,374,015
Advertising and promotion	**98,057,829**	90,378,827
Supplies	**30,072,836**	44,402,904
Repairs and maintenance	**13,548,300**	19,595,268
Others	**65,082,476**	55,003,748
	P602,644,185	P506,376,483

Other prepaid expenses pertain to advance payments for transportation, events and other service contracts.

10. Investments in Associate and Joint Ventures

The details of this account are as follows:

	2025	2024
Associate	**P422,745,311**	P422,745,311
Joint ventures	**7,828,170**	100,423,852
	P430,573,481	P523,169,163

Investment in Associate
In 2013, the Group through Entenso acquired 49.34% equity interest in San Roque Supermarkets, a local entity that operates a chain of supermarkets in Metro Manila and nearby areas.

The information presented below summarizes the financial information of San Roque and shows the reconciliation of the Group's share in net assets of such investee to the carrying amount of its investment.

	2025	2024
Percentage of ownership	**49.34%**	49.34%
Current assets	**P583,677,610**	P616,432,205
Noncurrent assets	**552,660,100**	614,919,810
Current liabilities	**(413,170,741)**	(447,509,713)
Noncurrent liabilities	**(469,452,329)**	(490,065,792)
Net assets	**253,714,640**	293,776,510
Group's share in net assets	**125,182,804**	144,949,330
Goodwill	**276,058,136**	276,058,136
Accumulated unrecognized share in net loss*	**21,504,371**	1,737,845
Carrying amount of interest in associate	**P422,745,311**	P422,745,311
Net sales	**P3,801,890,361**	P3,756,605,107
Net loss	**(17,241,127)**	(2,855,869)
Group's share in net loss	**(P8,506,772)**	(P1,409,086)

**Unrecognized adjustments based on unaudited amounts*

Investment in Joint Ventures
AyaGold Retailers, Inc.
In 2013, the Group through Entenso partnered with Varejo Corp., an entity engaged in operations of small convenience stores, to incorporate a new company, AyaGold Retailers, Inc. (AyaGold). This is the joint venture vehicle for the investment in and operation of mid-market supermarkets and to pursue other investment opportunities in the Philippine retail sector as may be agreed by both parties.

AyaGold was incorporated in the Philippines on July 8, 2013 and started its operation on July 31, 2015 with the opening of its first supermarket called "Merkado" which is located in U.P. Town Center. The second supermarket opened on December 14, 2017.

The Group and its partner each initially invested P60.0 million or acquired 50% interest in AyaGold by subscribing to 6,000,000 common shares at P1.0 par value and 54,000,000 redeemable preferred shares at P1.0 par value. In February 2018, each party invested additional P32.5 million for 32,500,000 common shares at P1.0 par value.

The redeemable preferred shares shall have the following features: voting rights; participating in dividends declaration for common shares and may be entitled to such dividends as may be determined and approved by the Board of Directors; entitled to receive out of the assets of the joint venture available for distribution to the parties, before any distribution of assets is made to holders of common shares, distributions in the amount of the issue value per outstanding redeemable preferred share, plus declared and unpaid dividends to the date of distribution; and redeemable at the option of the joint venture.

In 2025, Entenso recognized an impairment loss amounting to P92.6 million on its investment in Ayagold, following an assessment of indicators of impairment. The impairment is presented as share in losses of associate and joint ventures in the statements of comprehensive income. The impairment was primarily driven by the continued recognition of net losses of Ayagold, which resulted in a decline in Entenso's share in the net assets of the investee to an amount below the carrying amount of the investment. Subsequently, Ayagold's BOD approved the closure of business on February 2, 2026.

The carrying amount of the investment in Ayagold amounted to P7.8 million and P100.4 million as at December 31, 2025 and 2024, respectively.

Pure Commerce, Inc.
In 2022, the Group through Entenso partnered with 917Ventures Inc., to incorporate a new company, Pure Commerce, Inc. (Pure Commerce). This is the joint venture vehicle for the operation of an online grocery and e-commerce platform.

The Group and its partner each initially invested P62.5 million or acquired 50% interest in Pure Commerce by subscribing to 62,500,000 common shares at P1.0 par value.

On February 15, 2023, the Board approved to cease the Pure Commerce's operations, effective March 31, 2023 and for the Company to remain dormant until new business plans are finalized. The carrying amount of the investment and advances in Pure Commerce amounted to nil as at December 31, 2025 and 2024.

In 2023, Entenso recognized share in net losses of Pure Commerce in excess of the cost of investment and advances amounting to P48.6 million as part of the commitment under the JV agreement. This is included in "Trade and other payables" in the consolidated statements of financial position under "Nontrade."

The changes in the carrying amount of the investment in joint ventures are as follows:

	2025	2024
Balance at beginning of year	**P100,423,852**	P100,423,852
Impairment loss	**(92,595,682)**	-
Balance at end of year	**P7,828,170**	P100,423,852

11. Property and Equipment

The movements in this account are as follows:

	Building	Furniture and Fixtures	Office and Store Equipment	Leasehold Improvements	Land	Construction in Progress	Total
Cost							
Balance, January 1, 2024	P8,070,256,433	P4,342,431,022	P15,155,263,553	P19,921,587,140	P7,570,827,145	P2,926,334,674	P57,986,699,967
Additions	521,178,233	279,450,767	1,047,693,766	642,464,599	-	5,160,429,252	7,651,216,617
Reclassifications and adjustments	633,336,298	65,869,608	1,114,576,322	1,979,727,854	-	(3,771,592,607)	21,917,475
Disposals	-	(2,128,902)	(80,299,233)	-	-	-	(82,428,135)
Balance, December 31, 2024	9,224,770,964	4,685,622,495	17,237,234,408	22,543,779,593	7,570,827,145	4,315,171,319	65,577,405,924
Additions	371,385,440	357,588,433	1,267,874,833	942,553,634	-	3,150,544,524	6,089,946,864
Reclassifications and adjustments	308,067,790	110,081,362	1,874,392,575	3,708,057,185	-	(6,091,643,403)	(91,044,491)
Disposals	(33,997)	(6,537,435)	(218,621,771)	(728,922)	-	-	(225,922,125)
Balance, December 31, 2025	**9,904,190,197**	**5,146,754,855**	**20,160,880,045**	**27,193,661,490**	**7,570,827,145**	**1,375,014,637**	**71,351,328,369**
Accumulated Depreciation							
Balance, January 1, 2024	2,478,343,794	2,678,018,938	11,043,799,069	6,308,732,812	-	-	22,508,894,613
Depreciation	280,941,582	226,249,118	1,114,667,238	1,309,247,515	-	-	2,931,105,453
Reclassifications and adjustments	(864,005)	(3,076,505)	(13,626,353)	(8,903,138)	-	-	(26,470,001)
Disposals	-	(2,120,209)	(80,298,937)	-	-	-	(82,419,146)
Balance, December 31, 2024	2,758,421,371	2,899,071,342	12,064,541,017	7,609,077,189	-	-	25,331,110,919
Depreciation	326,375,794	274,074,270	1,193,011,709	1,493,409,660	-	-	3,286,871,433
Reclassifications and adjustments	-	(14,355,420)	(33,383,245)	(42,363,629)	-	-	(90,102,294)
Disposals	(15,260)	(6,130,048)	(217,707,409)	(728,922)	-	-	(224,581,639)
Balance, December 31, 2025	**3,084,781,905**	**3,152,660,144**	**13,006,462,072**	**9,059,394,298**	**-**	**-**	**28,303,298,419**
Carrying Amount							
December 31, 2024	P6,466,349,593	P1,786,551,153	P5,172,693,391	P14,934,702,404	P7,570,827,145	P4,315,171,319	P40,246,295,005
December 31, 2025	**P6,819,408,292**	**P1,994,094,711**	**P7,154,417,973**	**P18,134,267,192**	**P7,570,827,145**	**P1,375,014,637**	**P43,048,029,950**

Depreciation and amortization recognized in statement of comprehensive income are as follows:

	Note	**2025**	2024	2023
Operating expenses	*22*	**P6,559,243,672**	P5,745,095,297	P5,020,019,254
Cost of sales	*19*	**28,829,056**	21,232,051	-
		P6,588,072,728	P5,766,327,348	P5,020,019,254

Interest expense on loans capitalized as part of property and equipment amounted to P11.9 million, P12.1 million and P11.1 million in 2025, 2024 and 2023, respectively (see Note 16).

During the period, the Group received cost discounts from contractors on certain capitalized costs related to the acquisition and development of property, plant, and equipment. These discounts were applied to the initial cost of the respective assets. The adjustments in the cost of the assets are presented together with the reclassifications in the above table. The adjustment was recognized in the period in which the discount was granted.

Borrowing costs are capitalized using a general financing rate of 4.1%. This rate is applied to the expenditures for the qualifying assets during the construction.

The cost of fully depreciated property and equipment that are still being used in the Group's operations amounted to P12,249.6 million and P10,775.5 million as at December 31, 2025 and 2024, respectively.

12. Right-of-Use Assets

The movements in this account are as follows:

	Note	**2025**	2024
Cost			
Balance at January 1		**P52,438,396,023**	P49,253,060,461
Additions		**10,548,106,901**	4,248,456,100
Terminated leases	*20*	**(1,236,964,378)**	(603,393,193)
Derecognition of right-of-use assets	*20*	**(560,161,977)**	(342,778,472)
Modifications to leases		**(163,373,938)**	(116,948,873)
Balance at December 31		**61,026,002,631**	52,438,396,023
Accumulated Depreciation			
Balance at January 1		**19,944,407,366**	17,576,979,477
Depreciation		**3,000,378,492**	2,766,985,285
Derecognition of right-of-use assets	*20*	**(560,161,977)**	(342,778,472)
Terminated leases	*20*	**(253,554,456)**	(56,778,924)
Balance at December 31		**22,131,069,425**	19,944,407,366
Carrying Amount at December 31		**P38,894,933,206**	P32,493,988,657

The right-of-use ("ROU") assets mainly pertain to leases of stores and also include leases of parcels of land, warehouses, distribution centers and parking spaces.

13. Goodwill and Other Intangibles

This account consists of:

	2025	2024
Goodwill	**P14,902,423,321**	P14,902,423,321
Trademark	**3,709,660,547**	3,709,660,547
Customer relationships - net	**667,089,736**	889,452,981
Computer software and licenses - net	**333,852,873**	239,501,216
Leasehold rights - net	**43,848,960**	48,476,710
	P19,656,875,437	P19,789,514,775

Goodwill acquired in business combinations represents the excess of the purchase price over the fair value of net identifiable assets of acquired subsidiaries which represent the separate CGUs expected to benefit from that business combination.

The cost of goodwill allocated to the CGUs as at December 31, 2025 and 2024 follows:

	Amount
Kareila	P12,079,473,835
Budgetlane Supermarkets	837,974,199
Gant	742,340,804
Daily Commodities, Inc. and First Lane Super Traders Co., Inc. (DCI and FLSTCI)	685,904,317
Company E	358,152,015
Black & White (B&W) Supermart	187,203,888
Puregold Junior Supermarket, Inc. (PJSI)	11,374,263
	P14,902,423,321

Trademark acquired through business combination represent the fair values at the date of acquisition of Kareila, which is the CGU for these intangibles.

The Group believes that there is currently no foreseeable limit to the period over which the trademark is expected to generate net cash inflows, and therefore it is assessed to have an indefinite useful life.

CGUs to which goodwill and trademark have been allocated are tested for impairment annually or more frequently if there are indications that a particular CGU might be impaired. Cash flow projections used in determining recoverable amounts include the lease payments in both the explicit forecast period and in terminal value. The recoverable amounts for the CGUs have been determined based on value in use.

Change in accounting estimate of customer relationships
During 2025, the Group reassessed the useful life of the customer relationships of intangible asset previously classified as having an indefinite useful life, taking into account changes in the competitive environment and a reassessment of the expected future economic benefits to be derived from the asset.

The reassessment considered various internal and external factors, including increased competition in the market, changes in customer retention patterns, evolving industry dynamics and the estimated period over which the asset is expected to contribute to future cashflows. Based on this evaluation, the Group determined that the customer relationships intangible asset no longer meets the criteria for an indefinite useful life.

Accordingly, the Group revised the useful life of the asset to a finite period of twenty (20) years. The change in useful life has been accounted for as change in accounting estimate in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* and PAS 38, *Intangible Assets.*

The carrying amount of the customer relationships intangible asset as of the date of change is being amortized on a straight-line basis over its revised remaining useful life. The effect of this change is recognized prospectively and accordingly, no adjustments have been made to prior period consolidated financial statements. In 2025, amortization expense related to customer relationships amounted to P222.4 million and amortization of P44.4 million per year is expected to be recognized in subsequent periods over the remaining useful life.

The movements in customer relationships are as follows:

	2025	2024
Cost		
Balance at January 1 and December 31	**P889,452,981**	P889,452,981
Accumulated Amortization		
Amortization*	**222,363,245**	-
Balance at December 31	**222,363,245**	-
Carrying Amount At December 31	**P667,089,736**	P889,452,981

**Presented as part of "Depreciation and amortization" under "Operating expenses" in the consolidated statements of comprehensive income*

VIU

Value in use is determined using discounted cash flow projections that generally cover a period of five years and are based on the financial plans approved by the Company's management. The key assumptions for the value-in-use calculations relate to the weighted average cost of capital (discount rate), sales growth, operating margin and growth rate (terminal value). Sales growth and operating margin are based on the Company's historical experience. Discount rate and terminal growth rate are based on reliable external information. The discount rates reflect the key assumptions used in the cash flow projections. The pre-tax discount rates ranged between 9.4% to 10.2% and 10.1% to 10.5% in 2025 and 2024, respectively. The sales growth rates and operating margins used to estimate future performance are based on past performance and experience of growth rates and operating margins achievable in the Company's markets. The average annual compound sales growth rate applied in the projected periods is 5.0% to 10% for all the CGUs. The average operating margins applied in the projected periods is 5.3% for the CGUs. The terminal value to extrapolate cash flows beyond the explicit forecast period is 2.8% for the CGUs.

Key assumptions relating to CGUs to which a significant amount of goodwill or trademark are allocated as follows:

	Pre-tax Discount Rate		**Growth Rate (Terminal Value)**	
	2025	2024	**2025**	2024
Kareila	**9.7%**	10.1%	**2.8%**	3.5%
Budgetlane Supermarkets	**10.2%**	10.2%	**2.8%**	3.5%
Gant	**9.4%**	10.5%	**2.8%**	3.5%
DCI and FLSTCI	**10.0%**	10.4%	**2.8%**	3.5%

As at December 31, 2025, management assessed that a reasonably possible change in key assumptions of B&W Supermart would result in the headroom being reduced to nil if growth rate decreased by 1.2%.

Computer Software and Licenses
The movements in computer software and licenses are as follows:

	2025	2024
Cost		
Balance at January 1	**P724,584,873**	P608,636,302
Additions	**168,183,465**	115,948,571
Balance at December 31	**892,768,338**	724,584,873
Accumulated Amortization		
Balance at January 1	**485,083,657**	421,412,297
Amortization*	**73,831,808**	63,671,360
Balance at December 31	**558,915,465**	485,083,657
Carrying Amount At December 31	**P333,852,873**	P239,501,216

**Presented as part of "Depreciation and amortization" under "Operating expenses" in the consolidated statements of comprehensive income*

Leasehold Rights
The movements in leasehold rights are as follows:

	2025	2024
Cost		
Balance at January 1	**P90,955,005**	P75,955,005
Additions	**-**	15,000,000
Balance at December 31	**90,955,005**	90,955,005
Accumulated Amortization		
Balance at January 1	**42,478,295**	37,913,045
Amortization*	**4,627,750**	4,565,250
Balance at December 31	**47,106,045**	42,478,295
Carrying Amount at December 31	**P43,848,960**	P48,476,710

**Presented as part of "Depreciation and amortization" under "Operating expenses" in the consolidated statements of comprehensive income.*

On January 25, 2013, the Parent Company entered into a memorandum of agreement with various parties that paved the way for the acquisition of five stores previously owned and operated by the parties. Under the agreement, the parties agreed to sell to the Parent Company all merchandise inventories, equipment, furniture and fixtures as well as granting of rights to lease the buildings owned by parties for a period of 20 years. As a result of the transaction, the Parent Company recognized the excess of the purchase price over the fair value of tangible assets acquired as leasehold rights, which is amortized on a straight-line basis over the lease term.

14. Other Noncurrent Assets

This account consists of:

	Note	**2025**	2024
Security deposits	*20, 30*	**P3,234,884,202**	P2,809,245,853
Advances to contractors		**358,485,855**	490,788,701
Accrued rent income		**31,396,586**	26,421,756
Others		**7,879,160**	7,879,160
		P3,632,645,803	P3,334,335,470

Security deposits consist of payments for leases that are refundable at the end of the lease term.

Advances to contractors pertain to payments made in advance for the construction of new stores. These are expected to be utilized upon completion of the construction of stores.

15. Trade and Other Payables

This account consists of:

	Note	**2025**	2024
Trade	*24, 30*	**P24,640,049,294**	P21,569,506,577
Nontrade:	*24, 30*	**2,186,666,232**	1,918,853,278
Withholding taxes payable		**328,855,315**	265,908,951
Accrued expenses:	*30*		
Manpower agency services		**1,247,253,295**	1,258,802,146
Fixed assets	*25*	**883,702,462**	769,473,614
Utilities		**401,147,873**	311,506,395
Rent		**288,852,814**	268,341,726
Supplies		**20,061,684**	69,271,924
Others		**651,225,663**	465,765,436
		P30,647,814,632	P26,897,430,047

The average credit terms on purchases of certain goods from suppliers is 30 days.

Non-trade payables consist of claims arising from billed expenditures in relation to operations other than purchases of goods. These include mainly unreleased checks, reward points liability, and retention payable.

16. Long-term Loans

This account consists of:

	Note	**2025**	2024
Unsecured Peso Denominated			
Fixed-rate Notes of Parent Company		**P11,400,000,000**	P11,520,000,000
Fixed-rate Notes of a subsidiary		**-**	5,200,000,000
		11,400,000,000	16,720,000,000
Unamortized Debt Issue Cost		**(48,200,481)**	(63,535,920)
	30	**11,351,799,519**	16,656,464,080
Current portion		**(120,000,000)**	(120,000,000)
Noncurrent portion		**P11,231,799,519**	P16,536,464,080

Fixed-rate Notes of Parent Company
On September 30, 2020, the Parent Company raised P12,000.0 million from the issuance of fixed-rate corporate notes for its store network expansion. This consists of P7,000.0 million notes that have a seven-year tenor and P5,000.0 million notes that have a 10-year tenor with interest rate of 4.0% and 4.5%, respectively. The notes are payable annually at 1.0% of the original amount or P120.0 million and the remainder payable upon maturity.

The notes are subject to certain affirmative and negative covenants such as those relating to merger and consolidation, declaration of dividends and maintenance of financial ratios of at least 1.0x current ratio and not more than 2.5x debt-to-equity ratio, among others. The Parent Company is compliant with the loan covenants as at December 31, 2025 and 2024.

Long-term Loans of Subsidiary
In 2024, Kareila obtained a total bank loans amounting to P4,000.0 million that has a three-year tenor and P1,200.0 million loans that has a five-year tenor with interest rate of 5.50% to 5.75%. The loans were obtained primarily to finance the acquisition of inventory and to support Kareila's short-term working capital needs. The principal is due as a single payment at the end of the loan term. No periodic principal repayments are required during the term. In 2025, Kareila paid the full amount of loans prior to maturity, with no penalties incurred.

The contractual maturities of the long-term loans are discussed in Note 30.

The movements in debt issue cost are as follows:

	2025	2024
Balance at beginning of the year	**P63,535,920**	P78,871,360
Amortization	**(15,335,439)**	(15,335,440)
Balance at end of the year	**P48,200,481**	P63,535,920

Interest expense charged to profit or loss amounted to P748.0 million, P691.0 million and P565.0 million in 2025, 2024 and 2023, respectively.

Interest expense capitalized as part of property and equipment is discussed in Note 11.

Changes in Liabilities Arising from Financing Activities
The movements and balances of this account are as follows:

	Long Term Loans Payable	**Dividend Payable** (Note 27)	**Lease Liabilities** (Note 20)	**Liability on Land Purchase** (Notes 17 and 25)	**Total**
Balance at January 1, 2025	**P16,656,464,080**	**P -**	**P43,491,285,821**	**P555,925,480**	**P60,703,675,381**
Changes from financing cash flows:					
Payment of loans	**(6,052,279,585)**	**-**	**-**	**-**	**(6,052,279,585)**
Lease payments	**-**	**-**	**(5,431,207,345)**	**-**	**(5,431,207,345)**
Payment of liability on land purchase	**-**	**-**	**-**	**(289,719,484)**	**(289,719,484)**
Payment of dividends	**-**	**(5,186,711,395)**	**-**	**-**	**(5,186,711,395)**
Total changes from financing cash flows	**(6,052,279,585)**	**(5,186,711,395)**	**(5,431,207,345)**	**(289,719,484)**	**(16,959,917,809)**
Other changes:					
Liability-related					
Additions	**-**	**-**	**10,058,242,780**	**-**	**10,058,242,780**
Interest expense and amortization of debt issue cost	**747,615,024**	**-**	**-**	**-**	**747,615,024**
Other lease adjustments	**-**	**-**	**2,402,792,291**	**-**	**2,402,792,291**
Other adjustments on liability on land purchase	**-**	**-**	**-**	**(10,477,454)**	**(10,477,454)**
Declaration of dividends	**-**	**5,186,711,395**	**-**	**-**	**5,186,711,395**
Total liability-related changes	**747,615,024**	**5,186,711,395**	**12,461,035,071**	**(10,477,454)**	**18,384,884,036**
Balance at December 31, 2025	**P11,351,799,519**	**P -**	**P50,521,113,547**	**P255,728,542**	**P62,128,641,608**

	Long Term Loans Payable	Dividend Payable (Note 27)	Lease Liabilities (Note 20)	Liability on Land Purchase (Notes 17 and 25)	Total
Balance at January 1, 2024	P11,561,128,640	P2,779,618,814	P41,725,797,212	P844,303,179	P56,910,847,845
Changes from financing cash flows:					
Availment of long-term loans	5,200,000,000	-	-	-	5,200,000,000
Payment of loans	(795,629,576)	-	-	-	(795,629,576)
Lease payments	-	-	(4,481,620,138)	-	(4,481,620,138)
Payment of liability on land purchase	-	-	-	(277,470,824)	(277,470,824)
Payment of dividends	-	(5,358,646,587)	-	-	(5,358,646,587)
Total changes from financing cash flows	4,404,370,424	(5,358,646,587)	(4,481,620,138)	(277,470,824)	(5,713,367,125)
Other changes:					
Liability-related					
Additions	-	-	4,078,927,268	-	4,078,927,268
Interest expense and amortization of debt issue cost	690,965,016	-	-	-	690,965,016
Other lease adjustments	-	-	2,168,181,479	-	2,168,181,479
Other adjustments on liability on land purchase	-	-	-	(10,906,875)	(10,906,875)
Declaration of dividends	-	2,579,027,773	-	-	2,579,027,773
Total liability-related changes	690,965,016	2,579,027,773	6,247,108,747	(10,906,875)	9,506,194,661
Balance at December 31, 2024	P16,656,464,080	P -	P43,491,285,821	P555,925,480	P60,703,675,381

17. Other Current Liabilities

This account consists of:

	Note	**2025**	2024
Deposits from tenants	*30*	**P296,635,362**	P303,610,308
Unearned income from suppliers		**266,378,052**	131,169,143
Unredeemed gift certificates		**233,187,311**	203,370,788
VAT payable		**85,802,125**	77,711,655
Others		**27,186,469**	10,711,569
		P909,189,319	P726,573,463

Deposits represent amounts paid by the store tenants for the lease of store spaces which are refundable upon termination of the lease.

Unearned income from suppliers represents payments received in advance for rebates and allowances which are recognized over the period of benefit.

Unredeemed gift certificates represent members' claims for issued yet unused gift certificates. These will be closed to sales account upon redemption and are due and demandable anytime.

Contract Liabilities

The Group identified its unredeemed gift certificates as contract liabilities as of December 31, 2025 and 2024. These represent the Group's obligation to provide goods or services to the customers for which the Group has received consideration from the customers.

Below is the roll-forward of contract liabilities as at December 31:

	2025	2024
Beginning balance	**P203,370,788**	P187,213,233
Add: Receipts	**590,094,670**	480,201,089
Less: Sales recognized	**560,278,147**	464,043,534
Ending balance	**P233,187,311**	P203,370,788

Others consist of commission payable and unearned rent income.

18. Revenue from Contract with Customers

The Group generates revenue primarily from trading goods such as consumer products (canned goods, housewares, toiletries, dry goods, food products, etc.) on a wholesale and retail basis. The revenue from contracts with customers is disaggregated by revenue streams.

	Note	**2025**	2024	2023
Net sales from stores		**P242,454,343,991**	P219,171,530,016	P199,031,904,535
Concession fee income	*21*	**1,842,771,484**	1,668,591,231	1,632,540,665
Membership fee income	*21*	**894,135,274**	857,442,735	778,436,637
Revenue from contract with customers		**P245,191,250,749**	P221,697,563,982	P201,442,881,837

19. Cost of Sales

This account for the years ended December 31 consists of:

	Note	**2025**	2024	2023
Beginning inventory	*6*	**P29,404,917,109**	P27,308,803,049	P28,214,691,119
Add: Purchases		**196,423,056,406**	181,765,704,623	162,711,785,898
Total goods available for sale		**225,827,973,515**	209,074,507,672	190,926,477,017
Less: Ending inventory	*6*	**28,720,361,899**	29,404,917,109	27,308,803,049
		P197,107,611,616	P179,669,590,563	P163,617,673,968

20. Leases

Lessee

The Group leases parcels of land, stores, warehouses, distribution centers, and parking spaces. The lease terms range from 3 years to 40 years, which are generally renewable based on certain terms and conditions. Rental payments are fixed monthly or per square meter subject to 1.0%-10.0% escalation or percentage of store sales, whichever is higher. Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

Lease liabilities included in the consolidated statements of financial position are as follows:

	2025	2024
Due within one year	**P1,521,570,047**	P1,360,069,036
Due beyond one year	**48,999,543,500**	42,131,216,785
	P50,521,113,547	P43,491,285,821

The movements in lease liabilities are as follows:

	Note	**2025**	2024
Balance at January 1		**P43,491,285,821**	P41,725,797,212
Additions		**10,058,242,780**	4,078,927,268
Repayments		**(4,926,773,936)**	(4,481,620,138)
Accretion of interest expense		**3,286,047,710**	2,878,994,118
Terminations		**(1,224,314,892)**	(593,863,766)
Modifications		**(163,373,936)**	(116,948,873)
Balance at December 31	*30*	**P50,521,113,547**	P43,491,285,821

The Group derecognized right-of-use (ROU) assets amounting to P1,236.9 million and P603.4 million and the corresponding lease liabilities amounting to P1,224.3 million and P593.9 million in 2025 and 2024, respectively. This is related to the termination of certain lease agreements in 2025 and 2024 due to closed stores and its transition to new lessors.

Net gains of P226.3 million and P54.0 million resulting from these terminations were recognized under “Other Charges - net” in the consolidated statements of comprehensive income in 2025 and 2024, respectively (see Note 23).

The maturity analysis of the undiscounted lease payments as at December 31:

	2025	2024
Less than one year	**P4,833,874,190**	P4,466,017,547
One to five years	**20,458,368,636**	17,937,490,129
More than five years	**76,121,537,730**	59,658,573,041
	P101,413,780,556	P82,062,080,717

The following are the amounts recognized in profit or loss:

	Note	**2025**	2024
Variable lease payments not included in the measurement of lease liabilities		**P466,103,920**	P394,017,064
Expenses related to leases of low-value assets		**146,260,216**	165,791,931
Expenses related to short-term leases		**86,627,956**	23,125,276
Total rent expense	*22*	**698,992,092**	582,934,271
Interest accretion on lease liabilities		**3,286,047,710**	2,878,994,118
Depreciation charge for right-of-use assets		**3,000,378,492**	2,766,985,285
Gain from lease terminations	*23*	**226,335,680**	54,036,093

Low-value assets pertain mainly to credit card terminals and G4s cash solutions technology.

Security deposits under “Other noncurrent assets” in the consolidated statements of financial position amounted to P3,234.9 million and P2,809.2 million as at December 31, 2025 and 2024, respectively (see Note 14).

As Lessor

The Group subleases a portion of its stores to various lessees. The lease terms range from 1 year to 10 years, which are generally renewable based on certain terms and conditions. Rental payments are fixed monthly or percentage of store sales, whichever is higher. Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

Rent income recognized in profit or loss amounted to P520.3 million, P491.9 million and P472.0 million in 2025, 2024 and 2023, respectively (see Note 21).

The scheduled maturities of non-cancellable minimum future rental collections:

	2025	2024
Less than one year	**P351,131,992**	P331,235,860
One to two years	**300,375,336**	267,383,007
Two to three years	**162,772,456**	143,060,655
Three to four years	**120,500,677**	115,977,384
Four to five years	**92,965,958**	80,275,489
More than five years	**1,175,318,822**	1,178,716,572
	P2,203,065,241	P2,116,648,967

21. Other Revenue

This account consists of:

	Note	**2025**	2024	2023
Concession fee income	*18*	**P1,842,771,484**	P1,668,591,231	P1,632,540,665
Membership fee income	*18*	**894,135,274**	857,442,735	778,436,637
Rent income	*20*	**520,292,700**	491,934,220	472,034,786
Miscellaneous		**795,994,834**	491,125,127	392,159,939
		P4,053,194,292	P3,509,093,313	P3,275,172,027

Miscellaneous consist of delivery fee income, income from sale of used packaging materials, e-wallet rebates and other individually insignificant items.

22. Operating Expenses

This account consists of:

	Note	**2025**	2024	2023
Depreciation and amortization	*11, 12, 13*	**P6,559,243,672**	P5,745,095,297	P5,020,019,254
Manpower agency services		**6,379,815,032**	5,119,639,928	4,440,761,660
Communication, light and water		**4,084,421,182**	3,538,871,393	3,240,654,666
Salaries and wages		**3,935,155,799**	3,534,510,560	3,045,095,189
Taxes and licenses		**1,437,341,134**	1,264,254,433	1,143,057,821
Security services		**1,220,651,242**	1,164,644,733	1,140,059,725
Repairs and maintenance		**1,181,019,360**	981,858,160	861,921,252
Advertising and marketing		**948,595,802**	777,834,718	633,075,764
Store and office supplies		**924,294,161**	789,073,069	866,390,052
Transportation		**853,259,473**	655,545,914	578,654,742
Credit card charges		**707,053,441**	636,100,421	546,422,521
Rent	*20*	**698,992,092**	582,934,271	610,813,328
SSS/Medicare and HDMF contributions		**435,853,683**	375,878,180	306,726,922
Retirement benefits cost	*25*	**356,908,699**	336,493,750	904,911,727
Insurance		**353,233,467**	306,495,159	272,757,787
Input VAT on exempt sales		**305,589,858**	213,385,621	214,427,231
Janitorial and messengerial services		**303,659,268**	265,012,586	223,713,896
Fuel and oil		**192,486,761**	186,944,421	165,919,048
Representation and entertainment		**180,297,490**	179,012,312	181,699,709
Other selling expenses		**178,128,124**	215,300,199	211,242,882
Professional fees		**96,869,046**	83,239,939	70,075,359
Royalty	*24*	**77,640,365**	72,181,209	66,586,933
Donations and contributions		**8,422,383**	802,411	11,608,252
Miscellaneous		**692,228,547**	783,856,651	580,257,502
		P32,111,160,081	P27,808,965,335	P25,336,853,222

23. Others

This account consists of:

	Note	**2025**	2024	2023
Gain from lease terminations	*20*	**P226,335,680**	P54,036,093	P46,836,234
Unrealized valuation gain (loss) on financial assets at FVTPL	*7*	**45,862,824**	(4,612,107)	6,405,009
Dividend income	*7*	**2,087,202**	1,714,641	1,400,010
Bank charges		**(457,884)**	(2,008,108)	(2,348,379)
Gain (loss) from sale of financial assets	*7*	**-**	-	6,524,397
		P273,827,822	P49,130,519	P58,817,271

24. Related Party Transactions

Other than the items disclosed in Note 1, 9, 10, 11 and 14, the Group's significant transactions and balances with related parties are as follows:

Related Party	Year	*Note*	Amount of Transactions for the Year	Cash and Cash Equivalents, and Financial Assets (see Notes 4 and 7)	Trade Receivable (see Note 5)	Non Trade Receivable (see Note 5)	Trade Payable (see Note 15)	Nontrade Payable, Loans and Lease Liabilities (see Notes 15, 16 and 20)	Due to Related Parties	Terms	Conditions
Parent											
Dividends	**2025**		**P2,553,669,610**	**P -**	**P -**	**P -**	**P -**	**P -**	**P -**	**Due and demandable**	**Unsecured**
	2024		1,269,780,469	-	-	-	-	-	-	Due and demandable	Unsecured
Entities under Common Control											
Leases	**2025**	*a*	**1,662,830,063**	**-**	**-**	**834,608**	**-**	**5,785,742,466**	**-**	Due and demandable	Unsecured;
	2024		1,489,152,337	-	-	873,183	-	5,666,129,849	-		no impairment
Purchase of inventories	**2025**		**4,631,154,967**	**-**	**-**	**-**	**944,225,500**	**-**	**-**	**Due and demandable**	**Unsecured**
	2024		4,662,496,369	-	-	-	734,478,746	-	-		
Sale of merchandise	**2025**		**165,006,316**	**-**	**71,885,108**	**-**	**-**	**-**	**-**	Due and demandable	Unsecured;
	2024		228,376,010	-	279,155,948	-	-	-	-		no impairment
Security deposits	**2025**	*a*	**152,246,156**	**-**	**-**	**291,650,725**	**-**	**-**	**-**	Due and demandable	Unsecured;
	2024		25,243,398	-	-	207,547,359	-	105,511	-		no impairment
Management fee	**2025**		**20,776,452**	**-**	**-**	**-**	**-**	**3,161,138**	**-**	**Due and demandable**	**Unsecured**
	2024		22,479,409	-	-	-	-	3,461,542	-		
Fixed asset	**2025**		**1,793,117**	**-**	**-**	**113,349,820**	**-**	**294,161**	**-**	**Due and demandable**	**Unsecured**
	2024		5,242,182	-	-	133,315,395	-	148,661	-		
Loans	**2025**	*c*	**7,533,733**	**-**	**-**	**-**	**-**	**7,533,733**	**-**	**Due and demandable**	
	2024		-	-	-	-	-	-	-		
Expense reimbursement	**2025**		**290,962,468**	**-**	**-**	**64,522,809**	**5,464,714**	**47,433,782**	**-**	**Due and demandable**	**Unsecured**
	2024		417,037,454	-	-	18,568,169	-	39,957,719	-		
Stockholder											
Royalty expense	**2025**	*b*	**77,640,365**	**-**	**-**	**-**	**-**	**-**	**62,103,404**	30 years and	Unsecured
	2024		72,181,209	-	-	-	-	-	57,743,189	subject to renewal	
Leases	**2025**	*a*	**29,692,702**	**-**	**-**	**-**	**-**	**-**	**-**		
	2024		29,667,019	-	-	-	-	-	-		
Other Related Party											
Cash deposits/placements	**2025**		**1,960,156,878**	**5,462,786,061**	**-**	**-**	**-**	**-**	**-**	Due and demandable	Unsecured;
	2024		(413,166,839)	3,502,629,183	-	-	-	-	-		no impairment
Key Management Personnel											
Short-term benefits	**2025**		**311,294,306**	**-**	**-**	**-**	**-**	**-**	**-**		
	2024		227,702,055	-	-	-	-	-	-		
Post-employment benefits	**2025**		**10,290,354**	**-**	**-**	**-**	**-**	**-**	**-**		
	2024		6,399,828	-	-	-	-	-	-		
Total	**2025**			**P5,462,786,061**	**P71,885,108**	**P470,357,962**	**P949,690,214**	**P5,844,165,280**	**P62,103,404**		
Total	2024			P3,502,629,183	P279,155,948	P360,304,106	P734,478,746	P5,709,803,282	P57,743,189		

a. Leases - Group as a Lessee

The Group leases certain stores from related parties. Lease terms range from 3 to 42 years, which are generally renewable based on certain terms and conditions. Rental payments are fixed monthly or per square meter subject to 1.0%-7.0% escalation.

b. License Agreement

On August 15, 2011, the Parent Company entered into a license agreement for the use of trademark and logo. In exchange, the Parent Company pays the owner royalty based on a percentage of sales.

c. Loans

This pertains to loans from Puregold Finance for the Parent Company's employees.

d. Expense Reimbursement

This pertains to utilities, repairs and maintenance, supplies and other operating expenses billed to Parent on behalf of its subsidiaries.

Amounts owed by and owed to related parties are to be settled in cash.

Significant Related Party Transactions and Balances Eliminated During Consolidation

a. Receivables and Sales of the Parent Company from/to the subsidiaries:

	2025	2024
Sales	**P2,534,793**	P3,125,378
Trade receivable	**466,998**	3,125,378

b. Dividends received by the Parent Company from KMC:

	2025	2024
Dividend declared and received	**P2,590,518,809**	P1,290,593,345

25. Other Noncurrent Liabilities

This account consists of:

	Note	**2025**	2024
Retirement benefits liability		**P2,235,922,527**	P2,003,434,701
Accrued fixed assets - net of current	*15*	**89,068**	289,808,552
		P2,236,011,595	P2,293,243,253

a. Retirement Benefits

The Parent Company and its subsidiaries has a funded, noncontributory, defined benefit plan covering all of its permanent employees. Contributions and costs are determined in accordance with the actuarial studies made for the plan. Annual cost is determined using the projected unit credit method. The Group's latest actuarial valuation date is December 31, 2025. Valuations are obtained on a periodic basis.

Salient Provisions of the Retirement Plan
Normal Retirement (Minimum Retirement Law, RA 7641)
The plan provides retirement benefits under Republic Act No. 7641 (the Act) upon compulsory retirement at the age of sixty-five (65) or upon optional retirement at age sixty (60) or more but not more than age sixty-five (65) with at least five (5) years in service. The benefits as required by the Act are equivalent to at least one-half month (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one (1) whole year. The term one-half (1/2) month salary shall mean: (a) 50% of the pay salary; (b) one-twelfth (1/12) of the thirteenth (13th) month pay; and (c) one-twelfth (1/12) cash equivalent of not more than five (5) days of service incentive leaves.

On January 23, 2023, the Parent entity adopted a formal retirement plan with updates on the compulsory retirement benefit and the voluntary retirement benefit scheme. The plan provides retirement benefits upon the compulsory retirement at the age of sixty-five (65) or upon voluntary retirement at age sixty (60) or more but not more than age sixty-five (65) with at least five (5) years in service. This is a multi-employer retirement plan, non-contributory, which provides a retirement benefit ranging from 22.5 days pay up to 45 days pay for every year of service.

The reconciliation of the liability recognized in the consolidated statements of financial position as at December 31 is as follows:

	2025	2024
Present value of defined benefit obligation	**P2,270,014,136**	P2,035,674,814
Fair value of plan assets	**(34,091,609)**	(32,240,113)
Retirement benefits liability	**P2,235,922,527**	P2,003,434,701

The following table shows reconciliation from the opening balances to the closing balances for present value of defined benefit obligation:

	2025	2024
Balance at January 1	**P2,035,674,814**	P2,051,601,544
Included in Profit or Loss		
Current service cost	**240,420,138**	223,241,318
Interest cost	**121,545,231**	115,141,625
	361,965,369	338,382,943
Benefits paid/Transfer to Affiliated Company	**(15,960,174)**	(7,376,461)
Included in Other Comprehensive Income		
Remeasurements gain:		
Actuarial losses (gains) arising from:		
Financial assumptions	**(243,749,040)**	(22,455,648)
Demographic assumptions	**(90,712,655)**	(232,067,563)
Experience adjustments	**222,795,822**	(92,410,001)
	(111,665,873)	(346,933,212)
Balance at December 31	**P2,270,014,136**	P2,035,674,814

The movements in the fair value of plan assets are as follows:

	2025	2024
Beginning of the year	**P32,240,113**	P30,869,172
Interest income	**1,956,975**	1,889,193
Remeasurement loss	**(105,479)**	(518,252)
End of the year	**P34,091,609**	P32,240,113

The movements in cumulative actuarial gains or loss, before income tax effect, recognized in other comprehensive income are as follows:

	2025	2024
Beginning of year	**(P987,552,593)**	(P641,137,633)
Actuarial gain (losses) for the year	**(110,082,665)**	(346,414,960)
Ending balance	**(P1,097,635,258)**	(P987,552,593)

The cumulative actuarial gain or loss, net of income tax effect, amounted to P751.6 million and P751.6 million as at December 31, 2025 and 2024, respectively, which are presented as “Retirement benefits reserve” in the equity section of the consolidated statements of financial position.

The Group’s plan assets as at December 31 consist of the following:

	2025	2024
Debt instruments - government securities	**P10,968,151**	11,936,317
Trust fees payable	**(6,005)**	(6,679)
Cash in banks	**1,841**	205,076
Other receivables	**23,127,622**	20,105,399
	P34,091,609	P32,240,113

On February 17, 2014, the Parent Company entered into a multi-employer retirement plan agreement with a trust group. The Parent Company made an initial cash contribution of P25.0 million pesos.

The Group does not expect to contribute to the plan in 2026.

The following were the principal actuarial assumptions at the reporting date:

	2025	2024
Discount rate	**6.58%**	6.07%
Future salary increases	**8.00%**	8.00%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The weighted average duration of the defined benefit obligation as at December 31, 2025 and 2023 are 21.6 years and 23.0 years, respectively.

Sensitivity Analysis
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

2025

	Increase	**Decrease**
Discount rate (1% movement)	**(P502,049,893)**	**P390,575,250)**
Future salary increase rate (1% movement)	**489,454,469**	**(389,222,624)**

2024

	Increase	Decrease
Discount rate (1% movement)	(P461,510,134)	P355,615,486
Future salary increase rate (1% movement)	447,439,425	(352,900,742)

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk, and market (investment) risk. The Retirement Plan Trustee has no specific matching strategy between the plan assets and the plan liabilities.

The 10-year maturity analysis of the benefit payments:

	2025				
	Carrying Amount	**Contractual Cash Flows**	**Within 1 Year**	**Within 1 - 5 Years**	**Within 5 - 10 Years**
Defined benefit obligation	**P2,270,014,136**	**P546,117,168**	**96,467,070**	**P93,153,749**	**P356,496,349**

	2024				
	Carrying Amount	Contractual Cash Flows	Within 1 Year	Within 1 - 5 Years	Within 5 - 10 Years
Defined benefit obligation	P2,035,674,814	P397,300,687	P82,359,981	P54,304,947	P260,635,759

b. Accrued Fixed Assets

Accrued fixed assets pertains to the remaining obligations for the purchase of a parcel of land, which is payable until 2027. The current portion amounting to P255.6 million and P266.1 million as at December 31, 2025 and 2024 is included in "Trade and other payables" account (see Note 15).

26. Income Taxes

The components of income tax expense are as follows:

	2025	2024	2023
Current tax expense	**P3,479,582,985**	P3,340,384,187	P3,120,096,350
Deferred tax benefit	**(96,619,131)**	(320,632,686)	(502,397,257)
	P3,382,963,854	P3,019,751,501	P2,617,699,093

The reconciliation of the income tax expense computed at the statutory income tax rate to the actual income tax expense as shown in profit or loss is as follows:

	2025	2024	2023
Income before income tax	**P14,719,773,514**	P13,444,110,599	P11,213,220,428
Income tax expense at the statutory income tax rates:			
Regular - 25%	**P4,306,629,611**	P3,672,137,300	P3,159,833,695
Special - 5%	**4,468,351**	1,799,976	1,778,211
Income tax effects of:			
Dividend income exempt from tax	**(654,735,925)**	(326,351,018)	(376,792,451)
Interest income subject to final tax	**(296,697,323)**	(364,157,405)	(321,768,228)
Nontaxable income	**(94,380,156)**	(71,551,336)	(2,026,441)
Nondeductible interest expense	**67,952,339**	90,163,764	77,554,584
Nondeductible other expenses	**40,592,439**	16,399,266	59,705,211
Changes in unrecognized DTA/DTL	**9,134,518**	1,310,954	21,045,611
Other income subject to final tax	**-**	-	(1,631,099)
	P3,382,963,854	P3,019,751,501	P2,617,699,093

Changes in unrecognized DTA/DTL pertains to the unrecognized DTA related to PFRS 16.

The components of the Group's deferred tax assets (DTA), net of deferred tax liabilities (DTL) in respect to the following temporary differences are shown below:

	2025		2024	
	Amount	**DTA (DTL)**	Amount	DTA (DTL)
PFRS 16*	**P12,054,470,054**	**P3,043,095,273**	P11,473,517,165	P2,897,857,051
Retirement benefits liability	**3,304,524,598**	**826,131,150**	2,989,595,449	747,398,862
NOLCO	**39,147,511**	**9,786,878**	41,032,182	10,258,046
Allowance for impairment losses on receivables	**7,462,327**	**1,865,582**	7,462,327	1,865,582
MCIT	**-**	**-**	859,191	859,191
Recognition of DTA due to merger	**389,731**	**97,433**	389,731	97,433
DTA	**15,405,994,221**	**3,880,976,316**	14,512,856,045	3,658,336,165
Fair value of intangible assets from business combination	**(4,376,750,283)**	**(1,094,187,571)**	(4,599,113,528)	(1,149,778,382)
Actuarial gain	**(1,066,299,157)**	**(266,574,789)**	(982,687,883)	(245,671,971)
Accrued rent income	**(31,396,587)**	**(7,849,147)**	(26,421,756)	(6,605,439)
DTL	**(5,474,446,027)**	**(1,368,611,507)**	(5,608,223,167)	(1,402,055,792)
Net	**P9,931,548,194**	**P2,512,364,809**	P8,904,632,878	P2,256,280,373

**Excluding net lease liabilities of PPCI Subic which is subject to SBMA tax rules*

The aggregate current and deferred tax relating to items recognized directly in equity amounted to P3.4 billion and P2.9 billion in 2025 and 2024, respectively.

The realization of these deferred tax assets is dependent upon future taxable income that temporary differences and carry forward benefits are expected to be recovered or applied.

27. Equity

Capital Stock and Additional Paid-in Capital

The Parent Company's authorized, issued and outstanding common shares as at December 31 are as follows:

	2025	2024	2023
Common shares - P1 par value			
Authorized	**3,000,000,000**	3,000,000,000	3,000,000,000
Issued	**2,904,214,086**	2,904,214,086	2,904,214,086
Treasury shares	**(38,627,680)**	(38,627,680)	(38,627,680)
	2,865,586,406	2,865,586,406	2,865,586,406

The initial public offering of the Parent Company's shares with an offer price of P12.5 per share resulted in the issuance of 500,000,000 common shares in 2011. The additional paid-in capital, net of direct transaction costs amounted to P5.2 billion.

On May 28, 2012, the Parent Company issued 766,406,250 of its common shares in exchange for 100% equity interest in Kareila. The fair value of the shares at acquisition date was P21.5 per share. The additional paid-in capital net of direct transaction costs amounted to P15.7 billion.

On January 16, 2019, the Parent Company conducted a P4.7 billion top up placement of 104,300,000 common shares at a price of P45.0 per share. The Parent Company completed the placement upon approval of the BOD. The additional shares were issued on March 5, 2019.

As at December 31, 2025, 2024 and 2023, the Parent Company's share offer price is P38.00, P30.85 and P26.90, respectively.

Treasury Stock
The movement on this account is as follows:

	2025	2024	2023
Balance at beginning and end of year	**38,627,680**	38,627,680	38,627,680

The Group's treasury stock consists of:

	2025	2024	2023
Parent Company's treasury stock	**24,076,471**	24,076,471	24,076,471
Treasury stock due to merger	**14,551,209**	14,551,209	14,551,209
Balance at end of year	**38,627,680**	38,627,680	38,627,680

On February 26, 2013, the SEC approved the application for merger of the Parent Company, PJSI and Gant. As a consideration for the said merger, the Parent Company issued shares of stocks equivalent to 16,911,162 shares at P26.6 per share. As a result, 16,911,006 shares of the total shares issued held by the Parent Company were recognized as treasury stock.

On December 18, 2014, the BOD approved to buy back the Parent Company's shares up to 1,000,000,000 or approximately 30,000,000 shares within one year from the approval or until November 4, 2015. The Parent Company bought 1,025,000 shares with acquisition cost of P37.8 million as treasury stock.

On March 12, 2015, the SEC approved the application of merger of the Parent Company and Company E. As a consideration for the said merger, the Parent Company issued shares of stocks equivalent to 2,045,465 shares at par value. Considering that the ultimate owner of Company E is the Parent Company, the shares issued were recognized as treasury stock.

On November 22, 2017, SEC approved the application of the merger of Parent Company, Goldtempo Group Incorporated, Daily Commodities, Inc., and First Lane Super Traders Co., Inc. As a consideration for the merger, the Parent Company issued shares of stocks equivalent to 14,551,209 shares at P39.0 per share. Considering that the ultimate owner is the Parent Company, the shares issued were recognized as treasury stock.

In 2021, the Company reacquired 1,145,000 of its shares with acquisition cost of P41.3 million as treasury stock.

In 2022, the Company reacquired 2,950,000 of its shares with acquisition cost of P97.0 million as treasury stock.

Retained Earnings

Dividends Declaration

On December 20, 2022, the Group's BOD approved the declaration of a regular dividend of P0.86 per share on record date of January 10, 2023 and payment date of January 20, 2023. The total amount of dividends is P2,464.4 million.

On December 11, 2023, the Group's BOD approved the declaration of a regular dividend of P0.97 per share on record date of December 27, 2023 and payment date of January 18, 2024. The total amount of dividends is P2,779.6 million.

On May 14, 2024, the Group's BOD approved the declaration of a regular dividend of P0.90 per share on record date of May 29, 2024 and payment date of June 21, 2024. The total amount of dividends is P2,579.0 million.

On April 8, 2025, the Group's BOD approved the declaration of regular dividend and special dividend of P1.09 per share and P0.72 per share, respectively. The regular dividend has record date of April 30, 2025 and payment date of May 27, 2025. The special dividend has record date of September 2, 2025 and payment date of September 26, 2025. The total amount of dividends is P5,186.7 million.

On March 31, 2026, the Group's BOD approved the declaration of regular dividend and special dividend of P1.18 per share and P0.79 per share, respectively. The regular dividend has record date of April 17, 2026 and payment date of May 7, 2026. The special dividend has record date of August 17, 2026 and payment date of September 9, 2026. The total amount of dividends is P5,645.21 million.

Appropriation

On December 7, 2025, KMC's BOD approved the appropriation of P29,960.0 million from the current retained earnings as at December 31, 2025, for future store expansion and reverse the previously appropriated retained earnings amounting to P26,120,000,000. The expansion plan includes construction of twenty-eight (28) new warehouses, new distribution center, and other major renovation projects expected to be completed in a period of five (5) years.

On December 2, 2024, KMC's BOD approved the appropriation of P26,120.0 million from the current retained earnings as of December 31, 2024, for future store expansion. The expansion plan includes construction of twenty-six (26) new warehouses, new distribution center, and other renovation projects expected to be completed in a period of five (5) years.

On December 2, 2024, SPI and HPI's BOD approved the appropriation of P450.0 million and P4.0 million from the current retained earnings as of December 31, 2024, for future store expansion and major renovation projects. The expansion plan includes construction of twenty-five (25) new quick service restaurants expected to be completed in a period of five (5) years.

As of December 31, 2024, the Parent Company's BOD approved the appropriation of P15,000.0 million from the current retained earnings for future store expansion and renovations. The expansion plan includes construction of one hundred fifty (150) new stores expected to be completed in a period of five (5) years.

Effect of Merger
On April 3, 2025, the KMC's BOD approved the upstream merger of KMC and PSMT (the "Absorbed Entity"), whereby KMC will be the "Surviving Entity". The merger was subsequently approved by the SEC on November 21, 2025 (the "effective date of the merger"), through the issuance of the Certificate of Filing of the Articles and Plan of Merger. The Absorbed Entity's existence will cease following the stipulations of the Articles and Plan of Merger but its operations shall continue under the Surviving Entity.

Upon the effective date of the merger, the Surviving Entity acquired all the respective assets and assumed all the liabilities of the Absorbed Entity and the former issued in exchange thereof 3,025,336 of its P100 par value common shares to the latter.

The merger resulted in the recognition of an equity reserve amounting to P238.6 million, presented in equity. This reserve represents the net effect of the merger accounted for as a transaction under common control.

28. Segment Information

The Group operates through stores in several locations. The combined financial statements of all stores are reviewed by the Chief Operating Decision Maker on a monthly basis and assesses the Group's profitability and financial position of the whole retail business. The Group is engaged in the retail and wholesale trading of merchandise such as dry goods, food and other merchandise.

Accordingly, management has assessed that the Group, as a whole, is considered as a single business and hence there are no operating segments required to be disclosed under PFRS 8, *Operating Segments.* No single customer contributed 10% or more to the Group's revenue in 2025, 2024 and 2023.

29. Basic/Diluted EPS

Basic/Diluted EPS is computed as follows:

	Note	**2025**	2024	2023
Net income (a)		**P11,336,809,660**	P10,424,359,098	P8,595,521,335
Weighted average number of ordinary shares (b)	*27*	**2,865,586,406**	2,865,586,406	2,865,586,406
Basic/diluted EPS (a/b)		**P3.96**	P3.64	P3.00

As at December 31, 2025, 2024 and 2023, the Group has no dilutive debt or equity instruments.

30. Financial Risk and Capital Management Objectives and Policies

Objectives and Policies
The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Interest Rate Risk
- Foreign Currency Exchange Risk
- Other Market Price Risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

The Group's principal financial instruments include cash and cash equivalents and investments in trading securities. These financial instruments are used to fund the Group's operations and capital expenditures.

The BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. They are responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. All risks faced by the Group are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Group's operations and detriment forecasted results. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit Risk

Credit risk represents the risk of loss the Group would incur if credit customers and counterparties fail to perform their contractual obligations.

Exposure to credit risk is monitored on an ongoing basis. Credit is not extended beyond authorized limits. Credit granted is subject to regular review, to ensure it remains consistent with the customer's credit worthiness and appropriate to the anticipated volume of business.

Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts.

The credit risk for security deposits was considered negligible since these accounts have high probability of collection and there is no current history of default.

Financial information on the Group's maximum exposure to credit risk without considering the effects of collaterals and other risk mitigation techniques is presented below.

	Note	**2025**	2024
Cash in banks and cash equivalents	*4*	**P28,119,635,974**	P24,642,695,852
Receivables - net	*5*	**5,159,183,171**	6,176,776,482
Short-term investments	*7*	**16,880,556,120**	15,256,652,738
Government securities	*7*	**4,623,381,861**	4,579,062,733
Time deposits	*8*	**4,479,225,396**	4,556,715,889
Security deposits*	*14*	**3,234,884,202**	2,809,245,853
		P62,496,866,724	P58,021,149,547

**Included under noncurrent assets.*

The credit quality of the Group's financial assets based on its historical experience is as follows:

	As of December 31, 2025			
	Grade A	**Grade B**	**Grade C**	**Total**
Cash in banks and cash equivalents	**P28,119,635,974**	**P -**	**P -**	**P28,119,635,974**
Receivables - net	**3,517,511,807**	**1,641,671,364**	**-**	**5,159,183,171**
Short-term investments	**16,880,556,120**	**-**	**-**	**16,880,556,120**
Government securities	**4,623,381,861**	**-**	**-**	**4,623,381,861**
Time deposits	**4,479,225,396**	**-**	**-**	**4,479,225,396**
Security deposits*	**3,234,884,202**	**-**	**-**	**3,234,884,202**
	P60,855,195,360	**P1,641,671,364**	**P -**	**P62,496,866,724**

**Included under noncurrent assets.*

	As of December 31, 2024			
	Grade A	Grade B	Grade C	Total
Cash in banks and cash equivalents	P24,642,695,852	P -	P -	P24,642,695,852
Receivables - net	4,211,303,124	1,965,473,358	-	6,176,776,482
Short-term investments	15,256,652,738	-	-	15,256,652,738
Government securities	4,579,062,733	-	-	4,579,062,733
Time deposits	4,556,715,889	-	-	4,556,715,889
Security deposits*	2,809,245,853	-	-	2,809,245,853
	P56,055,676,189	P1,965,473,358	P -	P58,021,149,547

**Included under noncurrent assets.*

The Group has assessed the credit quality of the following financial assets that are neither past due nor impaired as high grade:

a. Cash in bank, cash equivalents and short-term investments were assessed as high grade since these are deposited in reputable banks with good credit standing, which have a low profitability of insolvency and can be withdrawn anytime. The credit quality of these financial assets is considered to be high grade.

b. Trade receivables were classified as standard grade, since these pertain to receivables considered as unsecured from third parties with good paying habits. Non-trade receivables from suppliers relating to rental, display allowance and concession and advances to contractors were assessed as standard grade since these are automatically deducted from the outstanding payables to suppliers and contractors. Advances to employees were assessed as standard grade as these are paid through salary deductions and have a high probability of collections.

c. Financial assets at fair value through profit or loss were assessed as high grade since these are government securities and placed in entities with good favorable credit standing.

d. Security deposits were assessed as high grade since these have a high profitability of collection and there is no history of default.

The Group applies the simplified approach using provision matrix in providing for ECL which permits the use of the lifetime expected loss provision for trade and other receivables. The expected loss rates are based on the Group's historical observed default rates. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. However, given the short period exposed to credit risk, the impact of this macroeconomic factor identified has not been considered significant within the reporting period.

The aging of receivables at the reporting date is as follows:

	2025		2024	
	Gross Amount	**Impairment**	Gross Amount	Impairment
Current	**P3,519,872,828**	**P -**	P4,211,303,124	P -
Past due 1 - 30 days	**1,050,899,049**	**-**	660,629,594	-
Past due 31 - 60 days	**101,473,175**	**-**	415,211,323	-
More than 60 days	**494,400,446**	**7,462,327**	897,094,768	7,462,327
	P5,166,645,498	**P7,462,327**	P6,184,238,809	P7,462,327

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by forecasting projected cash flows and maintaining balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	As at December 31, 2025				
	Carrying Amount	**Contractual Cash Flows**	**1 Year or Less**	**More than 1 Year - 5 Years**	**More than 5 Years**
Financial Liabilities					
Trade and other payables*	**P30,301,923,577**	**P30,301,923,577**	**P30,301,923,577**	**P -**	**P -**
Due to related parties	**62,103,404**	**62,103,404**	**62,103,404**	**-**	**-**
Lease liabilities	**50,521,113,547**	**101,413,780,556**	**4,833,874,190**	**20,458,368,636**	**76,121,537,730**
Long-term loans including current portion**	**11,351,799,519**	**12,879,552,429**	**605,761,100**	**12,273,791,329**	**-**
Accrued fixed assets	**255,728,542**	**400,531,200**	**400,308,733**	**222,467**	**-**
Deposits from tenants***	**296,635,362**	**296,635,362**	**296,635,362**	**-**	**-**

**excluding statutory payables to the government and current portion of accrued fixed assets (see Notes 15 and 25)*
***contractual cash flows include future interest payment*
****disclosed in other current liabilities (see Note 17)*

	As at December 31, 2024				
	Carrying Amount	Contractual Cash Flows	1 Year or Less	More than 1 Year - 5 Years	More than 5 Years
Financial Liabilities					
Trade and other payables*	P26,365,404,166	P26,365,404,166	P26,365,404,166	P -	P -
Due to related parties	57,743,189	57,743,189	57,743,189	-	-
Lease liabilities	43,491,285,821	82,062,080,717	4,466,017,547	17,937,490,129	59,658,573,041
Long-term loans including current portion**	16,656,464,080	19,534,029,299	900,887,829	13,926,853,773	4,706,287,697
Accrued fixed assets	555,925,480	720,956,160	320,424,960	400,531,200	-
Deposits from tenants***	303,610,308	303,610,308	303,610,308	-	-

**excluding statutory payables to the government and current portion of accrued fixed assets (see Notes 15 and 25)*
***contractual cash flows include future interest payment*
****disclosed in other current liabilities (see Note 17)*

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on interest earned on cash deposits in banks and money market placements. The cash deposits and money market placement with variable rates expose the Group to cash flow interest rate risk. The Group is not exposed to interest rate risk on long-term loans with fixed rates which are carried at amortized cost. The Group's policy is to obtain the most favorable interest available and effectively managing the interest rate risk.

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

	2025	2024	2023
Financial assets at amortized cost:			
Cash in banks	**P24,228,811,119**	P18,753,754,097	P16,394,013,918
Money market placements	**3,890,824,855**	5,888,941,755	24,193,734,640
Time deposits	**4,479,225,396**	4,556,715,889	-
Financial assets at fair value through profit or loss:			
Short-term investments	**16,880,556,120**	15,256,652,738	-
Government securities	**4,623,381,861**	4,579,062,733	4,588,450,000
	P54,102,799,351	P49,035,127,212	P45,176,198,558

Sensitivity Analysis

A 2.0% increase in interest rates would have increased equity and net income by P81.2 million, P73.6 million and P67.8 million in 2025, 2024 and 2023, respectively. A 2.0% decrease in interest rates would have had the equal but opposite effect. Assuming a 10.0% interest rate and on the basis that all other variables remain constant.

Foreign Currency Exchange Risk

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign currency risk relates primarily to the Company's foreign currency-denominated monetary assets.

The currencies in which these transactions are primarily denominated are the United States Dollar (USD), Swiss Franc (CHF), and Japanese Yen (JPY).

The following table shows the Company's foreign currency-denominated monetary assets and their Philippine peso (PHP) equivalents as at December 31, 2025 and 2024:

	December 31, 2025			
	USD	**CHF**	**JPY**	**PHP Equivalent**
Foreign currency - denominated monetary assets:				
Cash in banks	**320,523**	**-**	**-**	**18,843,524**
Financial assets at fair value through profit or loss	**116,279,998**	**78,420,150**	**11,035,599,053**	**16,880,556,120**
Total foreign currency - denominated monetary assets	**116,600,521**	**78,420,150**	**11,035,599,053**	**16,899,399,644**

	December 31, 2024			
	USD	CHF	JPY	PHP Equivalent
Foreign currency - denominated monetary assets:				
Cash in banks	358,581	-	-	20,743,907
Financial assets at fair value through profit or loss	205,523,635	-	-	11,889,542,283
Total foreign currency - denominated monetary assets	205,882,216	-	-	11,910,286,190

In translating the foreign currency-denominated monetary assets and monetary liabilities into Philippine peso amounts, the significant exchange rates applied are as follows:

	2025	2024
USD	**58.79**	57.85
CHF	**74.61**	64.55
JPY	**0.38**	0.37

The following table demonstrates sensitivity of cash flows due to changes in foreign exchange rates with all variables held constant.

	December 31, 2025	
	Percentage Increase in Foreign Exchange Rates	**Increase (Decrease) in Income After Income Tax**
USD	**1.62%**	**83,539,083**
CHF	**15.58%**	**683,892,288**
JPY	**2.70%**	**85,003,939**

	December 31, 2024	
	Percentage Increase in Foreign Exchange Rates	Increase (Decrease) in Income after Income Tax
USD	4.48%	400,092,691
CHF	-	-
JPY	-	-

A movement in the opposite direction would increase/decrease income before income tax by the same amount, on the basis that all other variables remain constant. For transactions denominated in United States Dollar (USD), the Group uses the Bankers Association of the Philippines (BAP) rate. For transactions denominated in Swiss Franc (CHF) and Japanese Yen (JPY), the Group uses the Bangko Sentral ng Pilipinas (BSP) rate.

Other Market Price Risk

The Group's market price risk arises from its investments in trading securities carried at fair value. The Group manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

Capital Management

The Group's objectives when managing capital are to increase the value of shareholders' investment and maintain steady growth by applying free cash flow to selective investments. The Group set strategies with the objective of establishing a versatile and resourceful financial management and capital structure.

The Group's President has overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Group's external environment and the risks underlying the Group's business operations and industry.

The Group defines capital as paid-up capital, additional paid-in capital, remeasurements and retained earnings as shown in the consolidated statements of financial position.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed requirements.

Fair Values of Financial Assets and Liabilities

The methods and assumptions used by the Group in estimating the fair value of financial asset and other financial liabilities are:

Cash and Cash Equivalents, Receivables, Trade and Other Payables, Due to Related Parties and Other Current Liabilities

The carrying amounts approximate their fair values due to the relatively short-term maturities of these instruments.

Financial Assets at FVTPL

The fair values are based on observable market inputs for government securities, quoted market prices and short-term investments in an active market for equity securities.

Security Deposits

The carrying amount approximates its fair value as the effect of discounting is not considered material.

Long-term Loans, Lease Liabilities and Accrued Fixed Assets

The carrying amounts approximate their fair values because the difference between the interest rates of these instruments and the prevailing market rates for similar instruments is not considered significant.

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from pricewills).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2025 and 2024, the Group's investments in equity securities classified as financial assets at fair value through profit or loss (FVTPL) are categorized under Level 1 of the fair value hierarchy, while the investments in government securities and short-term investments are classified under Level 2.

31. Impact of Israel-United States-Iran Conflict

The ongoing conflicts in the Middle East during the first quarter of 2026 can have indirect but meaningful effects on the Group. One of the most immediate impacts is on global oil prices, as instability in the region often disrupts supply chains or creates uncertainty in energy markets. Higher fuel costs increase transportation and logistics expenses, raising the cost of moving goods and putting pressure on operating margins or retail prices.

Additionally, the conflict may contribute to broader global economic uncertainty, including inflation, currency fluctuations, and supply chain disruptions. For the Group, this can result in higher procurement costs for both imported and locally sourced goods, particularly those linked to global commodities. Rising prices may also weaken consumer purchasing power, shifting demand toward essential and lower-margin products.

Overall, while these conditions may create cost pressures and affect consumer behavior, the impact on the Group remains indirect and manageable. These factors do not pose a going concern issue, given the Group's stable operations and established position in the Philippine market.

As at March 31, 2026, the Group cannot reasonably determine the quantifiable impact of the ongoing geopolitical situation on its future financial performance or the carrying value of its assets. This is due to the high degree of uncertainty regarding the duration of the conflicts and their ultimate effect on global macroeconomics.

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REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING
WITH THE SECURITIES AND EXCHANGE COMMISSION

The Board of Directors and Stockholders
Puregold Price Club, Inc. and Subsidiaries
900 Romualdez Street
Paco, Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Puregold Price Club, Inc. and Subsidiaries (the "Group") as at and for the years ended December 31, 2025 and 2024, and have issued our report thereon dated April 15, 2026.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculations, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies.

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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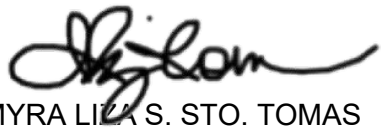
This schedule is presented for the purpose of complying with the Revised Securities Regulation Code (SRC) Rule 68 issued by the Securities and Exchange Commission and is not a required part of the consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the years ended December 31, 2025 and 2024 and no material exceptions were noted.

R.G. MANABAT & CO.



MYRA LIZA S. STO. TOMAS
Partner
CPA License No. 0118513
SEC Accreditation No. 118513-SEC, Group A, valid for five (5) years covering the audit of 2023 to 2027 financial statements
Tax Identification No. 249-271-374
BIR Accreditation No. 08-001987-055-2023
Issued March 10, 2023; valid until March 10, 2026*
PTR No. MKT 10764415
Issued January 5, 2026 at Makati City

**BIR application processed*

April 15, 2026
Makati City, Metro Manila

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PUREGOLD PRICE CLUB, INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS FOR
ALL SECONDARY LICENSEES AND PUBLIC COMPANIES
DECEMBER 31, 2025 AND 2024

	2025	2024
Current Assets	**P91,798,375,335**	P88,957,330,274
Current Liabilities	**34,798,043,757**	30,164,476,927
Current Ratio	**2.64:1.00**	2.95:1.00
Total Liabilities	**P97,265,398,371**	P91,125,401,045
Shareholder's Equity	**102,947,004,084**	96,475,512,672
Debt to Equity Ratio	**0.94:1.00**	0.94:1.00
Total Asset	**P199,973,798,021**	P187,600,913,717
Total Liabilities	**97,265,398,371**	91,125,401,045
Asset to Liability Ratio	**2.06:1.00**	2.06:1.00
Total Assets	**P199,973,798,021**	P187,600,913,717
Shareholder's Equity	**102,708,399,651**	96,475,512,672
Asset to Equity Ratio	**1.95:1.00**	1.94:1.00
Earnings before Interest Expense and Taxes	**17,288,766,586**	P15,202,067,431
Interest Expense	**4,033,662,734**	3,569,959,134
Interest Rate Coverage Ratio	**4.29:1.00**	4:26:1.00
Net Income	**P11,336,809,660**	P10,424,359,098
Average Total Assets	**193,787,355,869**	179,660,718,072
Return on Asset Ratio	**0.06:1.00**	0.06:1.00
Net Income	**P11,336,809,660**	P10,424,359,098
Average Shareholder's Equity	**99,591,956,162**	92,422,696,933
Return on Equity	**0.11:1.00**	0.11:1.00
Gross Profit	**P45,346,732,375**	P39,501,939,453
Net Sales	**242,454,343,991**	219,171,530,016
Gross Profit Ratio	**0.19:1.00**	0.18:1.00
Net Income	**P11,336,809,660**	P10,424,359,098
Net Sales	**242,454,343,991**	219,171,530,016
Net Profit Ratio	**0.05:1.00**	0.05:1.00

R.G. Manabat & Co.

KPMG

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REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING
WITH THE SECURITIES AND EXCHANGE COMMISSION

The Board of Directors and Stockholders
Puregold Price Club, Inc. and Subsidiaries
900 Romualdez Street
Paco, Manila

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Puregold Price Club, Inc. and Subsidiaries (the "Group") as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 included in this Form 17-A, and have issued our report thereon dated April 15, 2026.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements of the Group taken as a whole. The supplementary information included in the following accompanying additional components is the responsibility of the Group's management. Such additional components include:

- Supplementary Schedules of Annex 68-J
- Map of Conglomerate
- Reconciliation of Retained Earnings Available for Dividend declaration of the Company

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

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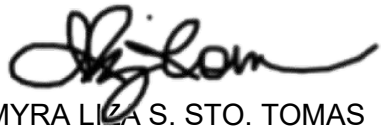
This supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not a required part of the basic consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.



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PUREGOLD PRICE CLUB, INC. AND SUBSIDIARIES
SCHEDULE A. FINANCIAL ASSETS

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at balance sheet date	Income received and accrued
Various banks/Cash and cash equivalents	N/A	P28,119,635,974	P28,119,635,974	P284,718,631
Various banks/Time deposits	N/A	4,479,225,396	4,479,225,396	97,977,166
Various banks/Short-term investments	N/A	16,880,556,120	16,880,556,120	626,487,427
Various customers and suppliers/Receivables - net	N/A	5,159,183,171	5,159,183,171	-
Various lessors/Security deposit	N/A	3,234,884,202	3,234,884,202	-
Bureau of Treasury (BTR)/Government securities	4,588,450,000	4,623,381,861	4,623,381,861	197,774,391
		P62,496,866,724	**P62,496,866,724**	**P1,206,957,615**

PUREGOLD PRICE CLUB, INC. AND SUBSIDIARIES

SCHEDULE B. AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN AFFILIATES).

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
Mr. Lucio L. Co - Director	P94,665	P5,000	(P94,665)	P -	P5,000	P -	P5,000
Various employees	3,542,434	2,815,426	(1,822,836)	-	2,815,426	1,719,598	4,535,024
	P3,637,099	**P2,820,426**	**(P1,917,501)**	P -	**P2,820,426**	**P1,719,598**	**P4,540,024**

PUREGOLD PRICE CLUB, INC. AND SUBSIDIARIES

SCHEDULE C. AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF SEPARATE FINANCIAL STATEMENTS

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
Kareila Management Corporation and Its Subsidiaries	P51,575,804	P2,649,640,983	(P2,642,094,613)	P -	P59,122,174	P -	P59,122,174
Puregold Price Club, Inc.	96,153,955	120,529,801	(122,491,643)	-	94,192,113	-	94,192,113
	P147,729,759	**P2,770,170,784**	**(P2,764,586,256)**	**P -**	**P153,314,287**	**P -**	**P153,314,287**

PUREGOLD PRICE CLUB, INC. AND SUBSIDIARIES
SCHEDULE D. LONG TERM DEBT

Title of Issue and type of obligation	Lender	Outstanding Balance	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Number of Periodic Installments	Final Maturity
Long-term debt	China Banking Corporation	P3,325,000,000	P35,000,000	P3,290,000,000	4.5%	N/A	September 30, 2030
	Development Bank of the Philippines	2,850,000,000	30,000,000	2,820,000,000	4.0%	N/A	September 30, 2027
	Land Bank of the Philippines	1,425,000,000	15,000,000	1,410,000,000	4.0%	N/A	September 30, 2027
	Land Bank of the Philippines	1,425,000,000	15,000,000	1,410,000,000	4.5%	N/A	September 30, 2030
	Metropolitan Bank & Trust Co.	950,000,000	10,000,000	940,000,000	4.0%	N/A	September 30, 2027
	Keb Hana Bank	475,000,000	5,000,000	470,000,000	4.0%	N/A	September 30, 2027
	Shinhan Bank	475,000,000	5,000,000	470,000,000	4.0%	N/A	September 30, 2027
	The Insular Life Assurance Company, Ltd.	475,000,000	5,000,000	470,000,000	4.0%	N/A	September 30, 2027
Totals		**P11,400,000,000**	**P120,000,000**	**P11,280,000,000**			

PUREGOLD PRICE CLUB, INC. AND SUBSIDIARIES

SCHEDULE E. INDEBTEDNESS TO RELATED PARTIES (LONG TERM LOANS FROM RELATED PARTIES)

Name of Related Parties	Balance at beginning of period	Balance at end of period

NOT APPLICABLE

PUREGOLD PRICE CLUB, INC. AND SUBSIDIARIES

SCHEDULE F. GUARANTEES OF SECURITIES OF OTHER ISSUERS

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding (i)	Amount owned by person for which statement is filed	Nature of guarantee

NOT APPLICABLE

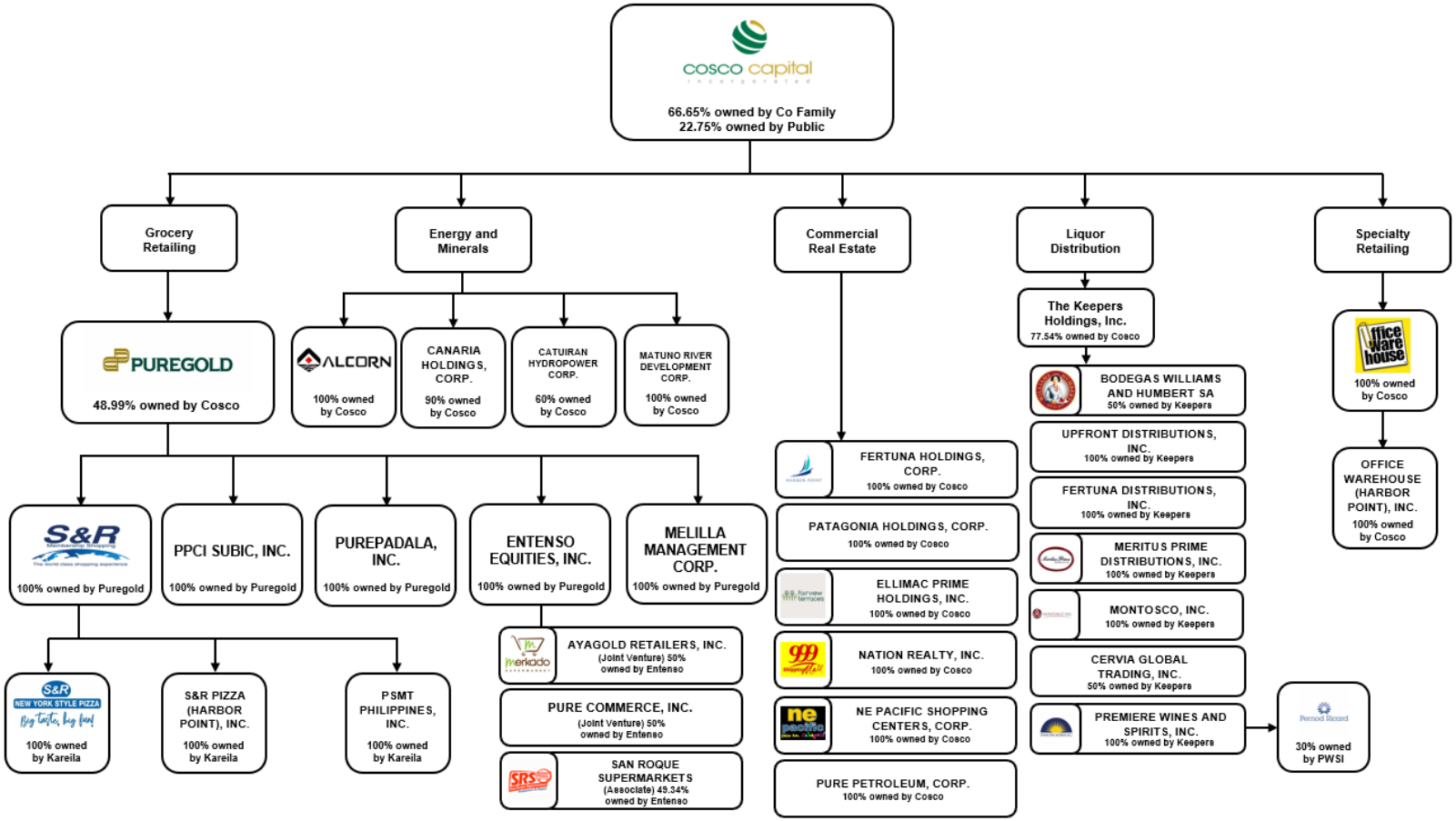
PUREGOLD PRICE CLUB, INC. AND SUBSIDIARIES
SCHEDULE G. CAPITAL STOCK

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of treasury common shares	Number of shares held by affiliates	Directors, officers and employees	Others
Common Shares	**3,000,000**	**2,856,586,406**	**(38,627,680)**	**1,425,418,397**	**453,148,567**	**-**

PUREGOLD PRICE CLUB, INC. AND SUBSIDIARIES

Map of Group of Companies Within which the Company Belongs

As at December 31, 2025



RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025

PUREGOLD PRICE CLUB, INC.
900 Romualdez, Street, Paco, Manila

Unappropriated Retained Earnings, beginning of the reporting period		**P21,661,186,017**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	P -	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	**-**
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(5,213,049,082)	
Retained Earnings appropriated during the reporting period	-	
Effects of restatements or prior-period adjustments	-	
Others (describe nature)	-	**(5,213,049,082)**
Unappropriated Retained Earnings, as adjusted		**16,448,136,935**
Add: Net Income for the current year		**7,890,148,162**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(364,418,926)	
Unrealized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	(45,862,824)	
Unrealized foreign exchange gain of Investment Property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	
Sub-total		**(410,281,750)**

Forward

Add: <u>Category C.2</u>: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	P -	
Realized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized foreign exchange gain of Investment Property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	
Sub-total		**P -**
Add: <u>Category C.3</u>: Unrealized income recognized in profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	286,401,563	
Reversal of previously recorded fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	
Sub-total		**286,401,563**
Adjusted Income		**7,766,267,975**
Add: <u>Category D</u>: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Sub-total		**-**

Forward

Add/Less: Category E: Adjustment related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	P -	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	
Sub-total		**P -**
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividend distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(77,772,454)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set-up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	(97,999,797)	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others (describe nature)	-	
Sub-total		**(175,772,251)**
Total Retained Earnings, end of the reporting period available for dividend		**P24,038,632,659**

PUREGOLD PRICE CLUB, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL
AUDITOR FEE-RELATED INFORMATION
December 31, 2025

	2025	2024
Total Audit Fees	**P7,549,500**	P7,549,500
Non-audit services fees:		
Other assurance services	**-**	-
Tax services	**-**	-
All other services	**-**	-
Total Non-audit Fees	**-**	-
Total Audit and Non-audit Fees	**P7,549,500**	P7,549,500

Audit and Non-audit Fees of Other Related Entities		
Audit fees	**P -**	P -
Non-audit services fees:	**-**	
Other assurance services	**-**	-
Tax services	**-**	-
All other services	**-**	-
Total Audit and Non-audit Fees of Other Related Entities	**P -**	P -