

CERTIFICATION

I, Rosalinda F. Rivera, with office address at 110 E. Rodriguez Jr., Ave., Bagumbayan Quezon City, Corporate Secretary of Robinsons Retail Holdings, Inc. (the "Corporation") with SEC registration number A2000201756, and principal address at the 43rd Floor Robinsons Equitable Tower, ADB Ave., cor. Poveda Street, Ortigas Center, Pasig City, Metro Manila, hereby state under oath that:

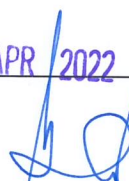
1. On behalf of the Corporation, I have caused this SEC Form 20-IS (Definitive Information Statement for the 2022 Annual Shareholders Meeting of the Corporation) to be prepared;
2. I have read and understood its contents which are true and correct as of my own personal knowledge and/or based on true records;
3. The Corporation will comply with the requirements set forth in SEC Notice May 12, 2021 for a complete and official submission of reports and/or documents through electronic mail;
4. I am fully aware that documents filed online which require pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee; and
5. The e-mail account designated by the Corporation pursuant to SEC Memorandum Circular No. 28, Series of 2020 shall be used by the Corporation in its online submissions to the Corporate Governance and Finance Department of the SEC.

IN WITNESS WHEREOF, I have hereunto set my hand this April 13, 2022 at Quezon City.


ROSALINDA F. RIVERA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 13 APR 2022 at Quezon City, affiant exhibiting to me her SSS ID with No. 33-2484959-1.

Doc. No. 128;
Page No. 27;
Book No. 11;
Series of 2022.


ATTY. GILBERT S. MILLADO, JR.
Roll No. 45039
Notary Public
Until June 30, 2022
110 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City
PTR No. 2463284; January 03, 2022; Quezon City
IBP No. 168679; December 28, 2021; CALMANA
TIN No. 166-215-465
Commission Adm. No. 391 (2019-2020)
MCLE Compliance VI-0027451; June 24, 2019
Commission Extended until June 30, 2022
SC EN BANC B.M. No. 3795

COVER SHEET
For Applications at
COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application

Definitive Information Statement

A 2 0 0 2 0 1 7 5 6

SEC Registration Number

R O B I N S O N S R E T A I L H O L D I N G S , I N C .

(Company's Full Name)

4 3 r d F L O O R R O B I N S O N S E Q U I T A B L E
T O W E R , A D B c o r . P O V E D A S T R E E T ,
O R T I G A S C E N T E R , P A S I G C I T Y , M E T R O
M A N I L A

COMPANY INFORMATION

Company Email Address

corpsec@robinsonsbretail.com.ph

Company's Telephone Number

8 631-12-52

Mobile Number

09988465086

CONTACT PERSON INFORMATION

The designated person MUST be a Director/ Trustee/Partner/Officer/ Resident Agent of the Corporation

Name of Contact Person

Atty. Rosalinda F. Rivera

Email Address

corpsec@robinsonsbretail.com.ph

Telephone Number

8631-12-52

Mobile Number

09988465086

Contact Person's Address

110 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City

To be accomplished by CRMD Personnel

Date

Signature

Assigned Processor

Document I.D.

Received by **Corporate Filing and Records Division (CFRD)** _____

Forwarded to:

<input type="checkbox"/>	Corporate and Partnership Registration Division	_____	_____
<input type="checkbox"/>	Green Lane Unit	_____	_____
<input type="checkbox"/>	Financial Analysis and Audit Division	_____	_____
<input type="checkbox"/>	Licensing Unit	_____	_____
<input type="checkbox"/>	Compliance Monitoring Division	_____	_____

NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS**MAY 13, 2022**

Notice is hereby given that the Annual Meeting of the Shareholders of ROBINSONS RETAIL HOLDINGS, INC. (Annual Meeting) shall be held via remote communication at <https://bit.ly/RRHI2022ASM> on May 13, 2022 at 9:30 A.M.

The Agenda for the Annual Meeting is as follows:

1. Call to Order and Certification of Notice and Quorum
2. Approval of the Minutes of the Annual Meeting of the Shareholders held on May 14, 2021
3. Presentation of the Annual Report and Approval of the Audited Financial Statements for the year ended December 31, 2021
4. Election of the Board of Directors
5. Appointment of the External Auditor
6. Ratification of the acts of the Board of Directors and its committees, officers and management
7. Other Matters
8. Adjournment

Record Date Only shareholders of record as of April 5, 2022 are entitled to notice of, and to vote at, the Annual Meeting.

Attendance and Registration Shareholders may only attend the meeting via remote communication. Shareholders who intend to participate in the Annual Meeting should register by sending an email at corpsec@robinsonsretail.com.ph no later than May 5, 2022 in order to be considered as present.

Quorum For purposes of quorum, the following shareholders shall be deemed present: (1) shareholders who register by May 5, 2022; (2) shareholders who register and vote in absentia by May 5, 2022; and (3) shareholders who submit duly accomplished proxy forms.


Voting Shareholders may vote through the following: (1) by digital ballot, (2) by voting in absentia or (3) by appointing the Chairman of the Annual Meeting as their proxy. To vote by digital ballot and vote in absentia, please register by sending an email and submitting the required documents at corpsec@robinsonsretail.com.ph no later than May 5, 2022. Once the registration is validated, a digital ballot shall be generated for the shareholder who may then proceed to fill out the ballot. To vote by proxy, please submit a duly accomplished proxy form on or before May 5, 2022 either by email to corpsec@robinsonsretail.com.ph or a hard copy to the Office of the Corporate Secretary, 4th Floor, Building A, Robinsons Retail Head Office, 110 E. Rodriguez Jr., Avenue, Libis, Quezon City. We are not soliciting proxies.

The procedure for attending the meeting via remote communication, registration, voting by digital ballot, voting in absentia and voting by proxy are explained in the Information Statement.

Visual and Audio Recording In accordance with SEC guidelines, please be informed that there will be a visual and audio recording of the Annual Meeting.

Electronic Copies An electronic copy of the Information Statement, Management Report, SEC Form 17-A and other related documents are available at <https://www.robinsonsretailholdings.com.ph/investor-relations/2022> under the Annual Reports>Annual Report Documents>2022 tab and at PSE Edge.




Atty. Rosalinda F. Rivera
Corporate Secretary

EXPLANATION OF THE AGENDA ITEMS FOR SHAREHOLDERS' APPROVAL

Approval of the Minutes of the Annual Meeting of the Shareholders held on May 14, 2021

The Minutes of the Annual Meeting of the Shareholders held on May 14, 2021 will be made available to the shareholders before the meeting and will be presented to the shareholders for approval.

Presentation of the Annual Report and Approval of the Audited Financial Statements for the year ended December 31, 2021

The Annual Report and the Audited Financial Statements for the year ended December 31, 2021 will be presented to the shareholders for approval.

Election of Board of Directors

After having undergone the nomination process as conducted by the Corporate Governance and Sustainability Committee, the nominees for election as members of the Board of Directors, including the independent directors, will be presented to the shareholders. The profiles of the nominees shall be provided in the Information Statement to be sent to the shareholders. The members of the Board of Directors of the Corporation shall be elected by plurality vote.

Appointment of External Auditor

The Corporation's external auditor is SyCip Gorres Velayo & Co. and will be nominated for reappointment for the current fiscal year.

Ratification of the acts of the Board of Directors and its committees, officers and management since the last annual meeting

Ratification of the acts of the Board of Directors and its committees, officers and management of the Corporation since the last Annual Shareholders' Meeting up to the current Shareholders' Meeting, as duly recorded in the corporate books and records of the Corporation, will be requested.

Consideration of such other matters as may properly come during the meeting

The comments and questions sent by the shareholders which may be properly taken up in the meeting will be answered and addressed either during the meeting or by e-mail.

WE ARE NOT SOLICITING YOUR PROXY

Shareholders who wish to vote at the Annual Meeting of the Shareholders of **ROBINSONS RETAIL HOLDINGS, INC.** on May 13, 2022, may do so through the following: by digital ballot, by voting in absentia, or by accomplishing the proxy form provided below. The procedure to vote by digital ballot and to vote in absentia shall be sent securely to the shareholders after they have successfully registered.

For shareholders who wish to vote by proxy, please send a scanned copy of the proxy to corpsec@robinsonsretail.com.ph or a hard copy to the Office of the Corporate Secretary, 4th Floor, Robinsons Retail Head Office, 110 E. Rodriguez Jr., Avenue, Libis, Quezon City on or before May 5, 2022.

PROXY

ANNUAL MEETING OF THE SHAREHOLDERS OF ROBINSONS RETAIL HOLDINGS, INC. ON MAY 13, 2022

The undersigned stockholder of **ROBINSONS RETAIL HOLDINGS, INC.** (the "Corporation"), hereby appoints the Chairman of the meeting, as attorney-in-fact and proxy, to represent and vote all shares registered my name at the Annual Meeting of the Shareholders of the Corporation to be held on **May 13, 2022** and adjournments and postponements thereof, for the purpose of acting on the following matters as fully to all intents and purposes as I might do if present and acting in person, and hereby ratifying and confirming all that the said attorney shall lawfully do or cause to be done by virtue of these presents.

1. Approval of the Minutes of the Annual Meeting of the Shareholders held on May 14, 2021.

____ Yes ____ No ____ Abstain

2. Approval of the Audited Financial Statements for the year ended December 31, 2021

____ Yes ____ No ____ Abstain

3. Election of the Board of Directors

	Yes	No	Abstain
1. James L. Go	____	____	____
2. Lance Y. Gokongwei	____	____	____
3. Robina Gokongwei-Pe	____	____	____
4. Ian McLeod	____	____	____
5. Choo Peng Chee	____	____	____
Independent Directors			
6. Antonio L. Go	____	____	____
7. Rodolfo P. Ang	____	____	____
8. Cirilo P. Noel	____	____	____
9. Enrico S. Cruz	____	____	____

4. Appointment of SyCip Gorres Velayo & Co. as External Auditor.

____ Yes ____ No ____ Abstain

5. Ratification of all acts of the Board of Directors and its committees, officers and management since the last Annual Meeting of the Shareholders.

____ Yes ____ No ____ Abstain

6. At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come during the meeting.

____ Yes ____ No ____ Abstain

PRINTED NAME OF STOCKHOLDER

SIGNATURE OF STOCKHOLDER /
AUTHORIZED SIGNATORY

ADDRESS OF STOCKHOLDER

CONTACT NUMBER

DATE

This proxy shall continue until such time as the same is withdrawn through notice in writing delivered to the Corporate Secretary at least three (3) business days before the scheduled meeting on **May 13, 2022**.

A PROXY SUBMITTED BY A CORPORATION SHOULD BE ACCOMPANIED BY A SECRETARY'S CERTIFICATE ON THE SIGNATORY AUTHORIZED TO EXECUTE THE PROXY. IN ADDITION TO SUCH REQUIREMENT FOR CORPORATIONS, A PROXY FORM GIVEN BY A BROKER OR CUSTODIAN BANK IN RESPECT OF SHARES OF STOCK HELD BY SUCH BROKER OR CUSTODIAN BANK FOR THE ACCOUNT OF THE BENEFICIAL OWNER MUST BE ACCOMPANIED BY A CERTIFICATION UNDER OATH STATING THAT THE BROKER OR CUSTODIAN BANK HAS OBTAINED THE WRITTEN CONSENT OF THE BENEFICIAL OWNER.

ROBINSONS RETAIL HOLDINGS, INC. (“Company”)

**PROFILES OF THE NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS
FOR THE YEAR 2022**

1. Name : Lance Y. Gokongwei
Age : 55
Designation : Chairman

Business experience and education:

Mr. Lance Y. Gokongwei is the Chairman of the Company. He is likewise the Chairman of Robinsons Supermarket Corporation and Robinsons Convenience Stores, Inc. He is the President and Chief Executive Officer of JG Summit Holdings, Inc. and Cebu Air, Inc. He is the Chairman of Universal Robina Corporation, Robinsons Land Corporation, Altus Property Ventures, Inc., JG Summit Olefins Corporation, and Robinsons Bank Corporation. He is the Vice Chairman and a Director of Manila Electric Company and a Director of RL Commercial REIT, Inc., Oriental Petroleum and Minerals Corporation, Singapore Land Group Limited, Shakey’s Asia Pizza Ventures, Inc., AB Capital and Investment Corporation, and Endeavor Acquisition Corporation. He is a trustee and the Chairman of the Gokongwei Brothers Foundation, Inc. Mr. Lance Y. Gokongwei received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

2. Name : James L. Go
Age : 82
Designation : Vice Chairman

Business experience and education:

Mr. James L. Go is the Vice Chairman of the Company and the Chairman of JG Summit Holdings, Inc., and Cebu Air, Inc. He is also Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation. He is the Chairman Emeritus of Universal Robina Corporation, Robinsons Land Corporation, JG Summit Petrochemical Corporation and JG Summit Olefins Corporation. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of PLDT, Inc. since November 3, 2011. He is a member of the Technology Strategy and Risk Committees and Advisor of the Audit Committee of the Board of Directors of PLDT, Inc. He was elected a director of Manila Electric Company on December 16, 2013. Mr. James L. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

3. Name : Robina Gokongwei-Pe
Age : 60
Designation : President and Chief Executive Officer

Business experience and education:

Ms. Robina Gokongwei Pe is the President and Chief Executive Officer of the Company. She is also a director of JG Summit Holdings, Inc., Robinsons Land Corporation, Cebu Air, Inc., and Robinsons Bank Corporation. She is a trustee and the secretary of the Gokongwei Brothers Foundation, Inc. and a trustee and Vice Chairman of the Immaculate Concepcion Academy Scholarship Fund. She is also a member of the Xavier School Board of Trustees. She was formerly a member of the University of the Philippines Centennial Commission. She attended the University of the Philippines-Diliman from 1978 to 1981 and obtained a Bachelor of Arts degree (Journalism) from New York University in 1984.

4. Name : Ian McLeod
Age : 63
Designation : Director

Business experience and education:

Mr. Ian McLeod was elected as a director of the Company on November 23, 2018. He was named Group Chief Executive of The Dairy Farm Group in September 2017 (the pan-Asian multi-format retailer), having spent the previous two years as Chief Executive Officer of Southeastern Grocers, the fifth largest supermarket chain in the United States. With over 30 year's retail experience, Ian began his career with Asda (subsequently Wal-Mart) in 1981, where he spent 20 years working in the United Kingdom and Germany. Following this, he moved to Halfords (the UK's leading cycling and motoring retailer) where he became Chief Executive Officer in 2005. In 2008, he moved to Australia as Managing Director of Coles, overseeing 2,200 outlets and 100,000 employees. Whilst there he oversaw fundamental improvements in product quality and value as well as customer service. This resulted in Coles producing substantial increases in both turnover and profits, as well as significant market outperformance. Ian attended the Harvard Business School Advanced Management Program in 1999 and was awarded an Honorary Doctorate in his native Scotland in 2010 for services to Business and Retail.

5. Name : Choo Peng Chee
Age : 61
Designation : Director

Business experience and education:

Mr. Choo Peng Chee was elected as a director of the Company on July 30, 2021. He was appointed CEO DFI Retail North Asia of the DFI Retail Group in August 2021, covering all food retail operations (grocery retail and convenience stores) in Hong Kong,

Macau, China, as well as the convenience format in Singapore. A director of the Dairy Farm Management Services Board since 2013 and also a member of the Executive Board of the DFI Retail Group. He joined the Group in 2000 and was the Chief Executive Officer of Cold Storage, Market Place and Shop N Save in Singapore from 2005 to 2009. He subsequently served as the Chief Executive Officer for Wellcome Hong Kong from 2010, and was appointed as the Regional Director, North Asia (Food) in 2013, and CEO – North Asia & Group Convenience in 2018. He brings with him more than 35 years of retail experience to this role and has an MBA in Retailing from the University of Stirling, Scotland.

6. Name : Antonio L. Go
 Age : 82
 Designation : Independent Director

Business experience and education:

Mr. Antonio L. Go has been an Independent Director of the Corporation since July 4, 2013. He is currently the Chairman of Equicom Savings Bank and ALGO Leasing and Finance, Inc., and MyHealth Ventures Corporation. He is also the Vice-Chairman of Maxicare Healthcare Corporation. He is a Director of Equitable Computer Services Inc., Medilink Network, Inc., Equicom Manila Holdings Inc., Equicom, Inc., Equitable Development Corporation, Pin-An Holdings Corp., Equicom Information Technology, Inc., DDMP REIT, Inc., Maxicare Health Services, Inc., T32 Dental Centre Pte. Ltd. (Singapore), Dental Implant and Maxillofacial Centre Pte. Ltd. (Hong Kong), Mioki Holdings Pte Ltd., Algo Healthcare Holdings Pte. Ltd., Equicom Health Solutions Pte. Ltd., SteelAsia Manufacturing Corporation, Oriental Petroleum and Minerals, Inc., JG Summit Holdings, Inc., and Dito Telecommunity Corporation. He is also a Trustee of the Go Kim Pah Foundation, Equitable Foundation, Inc, and Gokongwei Brothers Foundation, Inc. Mr. Go graduated from Youngstown University, United States with a degree in BS Business Administration. He attended the International Advance Management Program at the International Management Institute, Geneva, Switzerland as well as the Financial Planning/Control program at the ABA National School of Bankard Management, Northwestern University, United States.

7. Name : Rodolfo P. Ang
 Age : 60
 Designation : Independent Director

Business experience and education:

Mr. Rodolfo P. Ang was elected as an independent director of the Corporation on March 9, 2020. He is the Vice President for Administration and Information Systems and an Associate Professor of the School of Management of Ateneo De Manila University. He is the former Dean of the Ateneo Graduate School of Business. He is also an independent director of the Philippine Insurers and Reinsurers Association. He sits on the Board of Trustees of Xavier School. He has served the Commission on Higher Education in various capacities, as a member of the Technical Panel for Business and Management Education, member of the Technical Committee for Business

Administration and Entrepreneurship, and member of the NCR Regional Quality Assessment Team. He obtained his Bachelor of Science Degree in Management (Honors Program) and Bachelor of Arts Degree in Communications from Ateneo De Manila University where he graduated Magna Cum Laude. He received his Master's Degree in Business Administration Major in Finance from Boston College, Carroll Graduate School of Management.

8. Name : Cirilo P. Noel
 Age : 65
 Designation : Independent Director

Business experience and education:

Mr. Cirilo P. Noel was elected as an independent director of the Company on August 12, 2020. He is a lawyer and certified public accountant. Mr. Noel is a member of the Board of Directors of Security Bank Corporation and was appointed Vice Chairman in April 2020. He is likewise a Board member of the following publicly listed companies: Globe Telecom, Inc., San Miguel Foods and Beverage, Inc. and First Philippine Holdings Corporation. He is the Chairman of Palm Concepcion Power Corporation, Juxtapose Ergo Consultus, Inc. and Cofiar Land Corp. He is a member of the Board of St. Luke's Medical Center-Global City since August 2017. He is also a member of the Board of Trustees of St. Luke's Medical Center-Quezon City, St. Luke's Medical Center College of Medicine, and St. Luke's Medical Center Foundation, Inc. He is also currently affiliated with the Makati Business Club, Harvard Law School Association of the Phils., and Harvard Club of the Philippines. He held various positions in SGV & Co. including Chairman (from 2010 to 2017), Managing Partner (from 2009 to 2016), Vice Chairman & Deputy Managing Director (from 2004 to 2009), Head of Tax Division (from 2001 to 2008), and Partner, Tax Services (from 1993 to 2017). He graduated from the University of the East with a Bachelor of Science degree in Business Administration and obtained his Bachelor of Law degree from the Ateneo Law School. He has a Master of Law degree from the Harvard Law School and a Fellow of the Harvard International Tax Program. He attended the AIM Management Development Program.

9. Name : Enrico S. Cruz
 Age : 64
 Designation : Independent Director (Incoming)

Business experience and education:

Mr. Enrico S. Cruz is as an independent director of the following companies: Security Bank Corporation, AREIT Inc., The Keepers Holdings Inc., Maxicare Healthcare Corporation, DITO CME Holdings Inc., SB Capital Investment Corporation and CIBI Information Inc. He was the Chief Country Officer of Deutsche Bank (Manila Branch) from June 2003 to July 2019 and was concurrently the bank's Head of Corporate Finance. He joined Deutsche Bank in July 1995 where he established the Global Markets (GM) franchise in the Philippines. Prior to Deutsche Bank, he was a Senior Vice President at Citytrust Banking Corporation (CTBC), an affiliate of Citibank N.A. He

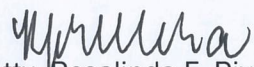
previously served as a Director of the Bankers Association of the Philippines (BAP) in 2003-2007, 2011-2015 and 2017-2019 and was a past president of the Money Market Association of the Philippines. He obtained his B.S. in Business Economics and MBA from the University of the Philippines. He was named by the UP College of Business as a Distinguished Alumnus in 2008 and a Distinguished Alumnus Awardee by the UP School of Economics Alumni Association in 2015.

CERTIFICATE

I, ROSALINDA F. RIVERA, of legal age, Filipino, with office address at the 4th Floor, Building A, Robinsons Retail Head Office, 110 E. Rodriguez Jr., Avenue, Libis, Quezon City, after having been duly sworn in accordance with law, hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of Robinsons Retail Holdings, Inc. (the "Corporation") with principal address at the 43rd Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City, Metro Manila.
2. There are no directors, independent directors or officers of the Corporation who are currently appointed in any government agency or is an employee of any government agency.

Issued on April 1, 2022.


Atty. Rosalinda F. Rivera
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this 01 APR 2022, at Quezon City, Philippines, affiant exhibited to me her SSS I.D. with number 33-2484959-1.

Doc No. 33;
Page No. 08;
Book No. 11;
Series of 2022.


ATTY. GILBERT S. MILLADO, JR.

Roll No. 45039

Notary Public

Until June 30, 2022

110 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City

PTR No. 2463284; January 03, 2022; Quezon City

IBP No. 168679; December 28, 2021; CALMANA

TIN No. 166-215-465

Commission Adm. No. 391 (2019-2020)

MCLE Compliance VI-0027451; June 24, 2019

Commission Extended until June 30, 2022

SC EN RANG B.M. No. 3795

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

☒ Definitive Information Statement

2. Name of Registrant as specified in its charter : **ROBINSONS RETAIL HOLDINGS, INC. ("RRHI" or the "Corporation")**
3. Province, country or other jurisdiction of incorporation or organization : **Philippines**
4. SEC Identification Number : **SEC Registration No. A200201756**
5. BIR Tax Identification Code : **TIN No. 216-303-212-000**
6. Address of principal office : **43rd Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City, Metro Manila**
7. Registrant's telephone number, including area code : **(632) 633-7631**
8. Date, time and place of the meeting of security holders : **May 13, 2022
9:30 am
Via remote communication**
9. Approximate date on which the Information Statement is first to be sent or given to security holders : **April 13, 2022**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on 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 Outstanding (as of March 31, 2022)
Common Stock, ₱1.00 par value	1,494,814,730

11. Are any or all of registrant's securities listed on a Stock Exchange?

Yes ☒

No ☐

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders

Date Time and Place of Meeting : **May 13, 2022**
9:30 am
Via remote communication

Website address
For participation by remote communication : <https://bit.ly/RRHI2022ASM>

Complete Mailing Address of Principal Office : **43rd Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City, Metro Manila**

Approximate date on which the Information Statement is first to be sent or given to security holders : **April 13, 2022**

The report attached to this SEC Form 20-IS (Definitive Information Statement) is the management report to shareholders required under SRC Rule 20 to accompany the SEC Form 20-IS and is hereinafter referred to as the "Management Report".

(a) Disclosure requirements under Section 49 of the Revised Corporation Code

List of Required Information	Reference Material
(1) Description of the voting and vote tabulation procedures used in the previous meeting.	Please refer to page 15 of this Definitive Information Statement and the Minutes of the Annual Meeting of the Shareholders held on May 14, 2021 which may be viewed and/or downloaded at the website of the Corporation at www.robinsonsbretailholdings.com.ph under "Investor Relations – Annual Reports – 2021"
(2) A description of the opportunity given to stockholders to ask questions and a record of the questions asked and answers given in the previous meeting.	Please refer to page 15 of this Definitive Information Statement and the Minutes of the Annual Meeting of the Shareholders held on May 14, 2021 which may be viewed and/or downloaded at the website of the Corporation at www.robinsonsbretailholdings.com.ph under "Investor Relations – Annual Reports – 2021"
(3) The matters discussed and resolutions reached in the previous meeting.	Please refer to page 15 of this Definitive Information Statement and the Minutes of the Annual Meeting of the Shareholders held on May 14, 2021 which may be viewed and/or downloaded at the website of the Corporation at www.robinsonsbretailholdings.com.ph under "Investor Relations – Annual Reports – 2021"
(4) A record of the voting results for each agenda item in the previous meeting.	Please refer to the Minutes of the Annual Meeting of the Shareholders held on May 14, 2021 which may be viewed and/or downloaded at the website of the Corporation at www.robinsonsbretailholdings.com.ph under "Investor Relations – Annual Reports – 2021"
(5) A list of the directors or trustees, officers and stockholders or	Please refer to the Minutes of the Annual Meeting of the Shareholders held on May 14, 2021 which may be

members who attended the previous meeting.	viewed and/or downloaded at the website of the Corporation at www.robinsonsretailholdings.com.ph under "Investor Relations – Annual Reports – 2021"
(6) Information in the interest of good corporate governance and the protection of minority stockholders.	Please refer to the Revised Corporate Governance Manual at the website of the Corporation at https://www.robinsonsretailholdings.com.ph/corporate-governance/
(7) Material information on the current stockholders, and their voting rights.	Please refer to page 6 of this Definitive Information Statement.
(8) A detailed, descriptive, balanced and comprehensible assessment of the Corporation's performance, which shall include information on any material change in the Corporation's business, strategy, and other affairs.	Please refer to SEC Form 17-A (Annual Report) of the Corporation for the fiscal year ended December 31, 2021 which can be accessed at the website of the Corporation at https://www.robinsonsretailholdings.com.ph/investor-relations/
(9) A financial report for the preceding year, which shall include financial statements duly signed and certified in accordance with this Code and the rules the Commission may prescribe, a statement on the adequacy of the corporation's internal controls or risk management systems, and a statement of all external audit and non-audit fees.	<p>Please refer to the attached Audited Financial Statements for the fiscal year ended December 31, 2021.</p> <p>A copy of the SEC Form 17-A (Annual Report) of the Corporation for the fiscal year ended December 31, 2021 can be accessed at the website of the Corporation at https://www.robinsonsretailholdings.com.ph/investor-relations/</p>
(10) An explanation of the dividend policy and the fact of payment of dividends or the reasons for nonpayment thereof.	<p>For the dividend policy, please refer to the disclosure filed by the Corporation with the PSE last March 9, 2020 on the adoption of a new dividend policy which can be found at the website of the Corporation at https://www.robinsonsretailholdings.com.ph/wp-content/uploads/2020/03/PSE-Disclosure-Form-4-30-Material-InformationTransactions-Adoption-of-a-New-Dividend-Policy.pdf</p> <p>For the dividends which have been paid by the Corporation, please refer to page 33- 34 of the Management Report on Part II – Operational And Financial Information, Item 5. Market for Registrant's Common Equity and Related Stockholder Matters, (C) Dividends.</p>
(11) Director profiles which shall include, among others, their qualifications and relevant experience, length of service in the corporation, trainings and continuing education attended, and their board representations in other corporations.	The profiles of the Nominees For Election to the Board of Directors for the Year 2022, can be found in pages i-v (preceding the Definitive Information Statement) and in the Management Report, Item 9. Directors and Executive Officers of the Registrant, pages 55-56

(12) A director attendance report, indicating the attendance of each director at each of the meetings of the board and its committees and in regular or special stockholder meetings.	For the attendance of the directors at the meetings of the Board of Directors held in 2021, please refer to pages 12-13 of this Definitive Information Statement.
(13) Appraisals and performance reports for the board and the criteria and procedure for assessment.	Please refer to pages 12-13 of this Definitive Information Statement and to the Revised Corporate Governance Manual at the website of the Corporation at https://www.robinsonsretailholdings.com.ph/corporate-governance/
(14) A director compensation report prepared in accordance with applicable the rules and regulations	Please refer to the Management Report, Part III Control and Compensation Information, Item 10, executive Compensation found in pages 60-61 and to page 13 -14 of this Definitive Information Statement.
(15) Director disclosures on self-dealings and related party transactions;	Please refer to page 12 of this Definitive Information Statement.
(16) The profiles of directors nominated or seeking election or reelection.	The profiles of the Nominees for Election to the Board of Directors for the Year 2022, can be found in pages i-v (preceding the Definitive Information Statement) and in the Management Report, Item 9. Directors and Executive Officers of the Registrant, pages 54-59

(b) Date of the Annual Meeting

Under Section 1 of Article VI of the By-Laws of the Corporation, the Annual Meeting of the Shareholders shall be held on the last Thursday of May. However, the said provision of the By-Laws also provides that the Board of Directors may, by majority vote and for good cause reset the annual meeting to another date. Pursuant to such authority under the By-Laws, on March 17, 2022 the Board of Directors, by unanimous vote, approved that the 2022 Annual Meeting of the Shareholders of the Corporation be scheduled on May 13, 2022.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Item 2. Rights of Shareholders; Dissenters' Right of Appraisal

The Corporation recognizes the right of all shareholders to be treated fairly and equally whether they are controlling, minority, local or foreign. The Corporation respects the rights of shareholders as provided under the Revised Corporation Code and other laws, and as stated in its Articles of Incorporation and By-Laws.

Any shareholder of the Corporation may exercise his appraisal right against the proposed actions which qualify as instances giving rise to the exercise of such right pursuant to and subject to the compliance with the requirements and procedure set forth under Title X of the Revised Corporation Code of the Philippines.

There are no matters to be acted upon by the shareholders at the Annual Meeting of the Shareholders to be held on May 13, 2022 which would require the exercise of the appraisal right.

Item 3. Interest of Certain Persons in or Opposition to Matters to be acted upon

None of the following persons have any substantial interest, direct or indirect, in any matter to be acted upon other than election to office:

1. Directors or officers of the Corporation at any time since the beginning of the last fiscal year;
2. Nominees for election as directors of the Corporation;
3. Associate of any of the foregoing persons.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Voting securities entitled to be voted at the meeting:

The list of the shareholders of the Corporation as of April 5, 2022, the record date set for the Annual Meeting of the Shareholders, was provided by transfer agent and was filed with the Philippine Stock Exchange (PSE) in accordance with the requirements of the PSE. Based on such list, the Corporation has 1,494,814,730 outstanding shares which are entitled to vote at the Annual Meeting of the Shareholders. Every shareholder shall be entitled to one vote for each share of stock held as of the established record date.

(b) Record date:

The record date set for purposes of determining the shareholders entitled to notice of and to vote at the Corporation's Annual Meeting of Shareholders is April 5, 2022.

Section 9, Article VI of the By-Laws of the Corporation states that, for purposes of determining the shareholders entitled to notice or to vote or be voted for at any meeting of the shareholders or any adjournments thereof, or entitled to receive payment of any dividends or other distribution or allotment of any rights, or for the purpose of any other lawful action, or for making any other proper determination of shareholders, the Board of Directors may provide that the stock and transfer books be closed for a stated period, which shall not be more than sixty (60) days nor less than thirty (30) days before the date of such meeting. In lieu of closing the stock and transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders. A determination of shareholders of record entitled to notice of or to vote or be voted for at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(c) Election of Directors:

Section 1.1, Article II of the By-Laws of the Corporation provides that the directors of the Corporation shall be elected by plurality vote at the annual meeting of the shareholders for that year at which a quorum is present. At each election for directors, every shareholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of candidates.

In accordance with Section 23 of the Revised Corporation Code, shareholders entitled to vote shall have the right to vote the number of shares of stock standing in their own names, as of the record date, based on the books and records of the transfer agent of the Corporation. The said shareholder may: (a) vote such number of shares for as many persons 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 the 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 shareholders as shown in the books and records of the transfer agent of the Corporation multiplied by the whole number of directors to be elected.

(d) Security Ownership of Certain Record and Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Corporation's voting securities as of March 31, 2022

Title of Class	Names and addresses of record owners and relationship with the Company	Name of beneficial owner and relationship with record owner	Citizenship	Number of shares held	% to Total Outstanding
Common	JE Holdings, Inc. 43/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street Ortigas Center, Pasig City (stockholder)	Same as record owner (See note 1)	Filipino	491,299,997	32.87%
Common	GCH Investments Pte Ltd 239 Alexandra Road, Singapore 159930 (stockholder)	Same as record owner (See note 2)	Singaporean	315,309,308	21.09%
Common	PCD Nominee Corporation (Filipino) 37/F Tower 1, The Enterprise Center, Ayala Ave. cor. Paseo de Roxas, Makati City (stockholder)	PDTC Participants and their clients (See note 3)	Filipino	190,171,584	12.72%
Common	PCD Nominee Corporation (Non-Filipino) 37/F Tower 1, The Enterprise Center, Ayala Ave. cor. Paseo de Roxas, Makati City (stockholder)	PDTC Participants and their clients (See note 3)	Non-Filipino	190,111,527	12.71%
Common	Lance Y. Gokongwei 43/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street Ortigas Center, Pasig City (Chairman, Director and stockholder)	Same as record owner	Filipino	91,952,656	6.14%
Common	Robina Gokongwei Pe 110 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City (President and CEO, Director and stockholder)	Same as record owner (See note 4)	Filipino	91,952,654	6.14%

Notes:

1. JE Holdings, Inc. is a company owned by members of the Gokongwei family. Under the By-Laws of JE Holdings, Inc., the President is authorized to represent the Corporation at all functions and proceedings. The incumbent President of JE Holdings, Inc. is Mr. Lance Y. Gokongwei. JE Holdings is the beneficial owner of 6,550,000 shares lodged under PCD Nominee (Filipino).

2. GCH Investments Pte Ltd is a wholly owned member of the Dairy Farm International Holdings Ltd. Group of Companies. GCH Investments Pte Ltd. is the beneficial owner of 123,819,978 shares under their custodian bank and 191,489,360 shares under PCD Nominee (Non -Filipino).
3. PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly-owned by Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current system of the PDTC, only participants (brokers and custodians) are recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares through his participant is the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee.

Out of the PCD Nominee Corporation account, CLSA Philippines, Inc. holds the following shares of the Corporation as of March 31, 2022:

	<u>No. of shares</u>	<u>% to Outstanding</u>
CLSA Philippines, Inc.	123,819,948	8.28%

4. Robina Gokongwei Pe is the beneficial owner of 2,045,808 shares lodged under PCD Nominee (Filipino)

2. Security Ownership of Management as of March 31, 2022

Title of Class	Name of beneficial owner	Position	Amount & nature of beneficial ownership		Citizenship	% to Total
			Direct	Indirect		Outstand
Named Executive Officers (Note 1)						
Common	1. Lance Y. Gokongwei	Director, Chairman	91,952,656	-	Filipino	6.14%
Common	2. Robina Gokongwei-Pe	Director, President and Chief Executive Officer	91,952,654	-	Filipino	6.14%
	Sub-Total		183,905,310	-		12.28%
Other Directors and Executive Officers						
Common	3. James L. Go	Director and Vice Chairman	31,928,005	-	Filipino	2.13%
Common	4. Ian McLeod	Director	1	-	British	*
Common	5. Choo Peng Chee	Director	1	-	Singaporean	*
Common	6. Antonio L. Go	Director (Independent)	1	-	Filipino	*
Common	7. Rodolfo P. Ang	Director (Independent)	1	-	Filipino	*
Common	8. Cirilo P. Noel	Director (Independent)	1	-	Filipino	*
-	9. Mylene A. Kasiban	Chief Financial Officer	-	-	Filipino	-
-	10. Graciela A. Banatao	Treasurer	-	-	Filipino	-
Common	11. Gina R. Dipaling	Investor Relations Officer	1,500	-	Filipino	-
-	12. Gabriel Tagala III	Vice President, Human Resources	-	-	Filipino	-
-	13. Rosalinda F. Rivera	Corporate Secretary	-	-	Filipino	-
Common	14. Gilbert S. Millado, Jr.	General Counsel and Compliance Officer	500	-	Filipino	*
	Sub-Total		31,930,010	-		2.13%
All directors and executive officers as a group unnamed			215,835,320	-		14.44%

Notes:

1. As defined under Part IV (B) (1) (b) of Annex “C” of SRC Rule 12, the “named executive officers” to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of December 31, 2021.

* less than 0.01%

3. Shares owned by foreigners

The total number of shares owned by foreigners as of March 31, 2022 is 505,420,219 common shares.

4. Voting Trust Holders of 5% or more - as of March 31, 2022

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

5. Changes in Control

There has been no change in the control of the Corporation since the beginning of its last fiscal year.

The information as of December 31, 2021 on the section “Security Ownership of Certain Record and Beneficial Owners and Management” are found in Item 11, pages 61 to 63 of the Management Report.

Item 5. Directors and Executive Officers

(a) Directors and Corporate Officers

Information required hereunder is incorporated by reference to the section entitled “Board of Directors and Executive Officers of the Registrant” on Item 9, pages 54 to 59 of the Management Report.

(b) Board Nomination and Election Policy

The Corporate Governance and Sustainability Committee shall oversee the process for the nomination and election of the Board of Directors.

The Corporate Governance and Sustainability Committee shall pre-screen and shortlist all candidates nominated to become members of the Board of Directors in accordance with the list of qualifications and disqualifications as defined in the Corporation’s Corporate Governance Manual with due consideration of the requirements of the Corporation Code, the Securities Regulation Code (“SRC”), the Code of Corporate Governance and relevant SEC Circulars such as the SEC Memorandum Circular No. 16, Series of 2002, the SEC Memorandum Circular No. 19, Series of 2016, as may be amended, relating to the Board of Directors.

The list of the nominees for directors as determined by Corporate Governance and Sustainability Committee shall be final and no other nomination shall be entertained or allowed after the final list of nominees is prepared.

The members of the Corporate Governance and Sustainability Committee of the Corporation are the following:

1. Rodolfo P. Ang - Chairman
2. Roberto R. Romulo⁽⁺⁾
3. Cirilo P. Noel

The following individuals have been nominated for election as directors, including independent directors, at the Annual Meeting of Shareholders on May 13, 2022:

1. James L. Go
2. Lance Y. Gokongwei
3. Robina Gokongwei-Pe
4. Ian McLeod
5. Choo Peng Chee
6. Antonio L. Go (Independent Director)
7. Rodolfo P. Ang (Independent Director)
8. Cirilo P. Noel (Independent Director)
9. Enrico S. Cruz (Incoming Independent Director)

(c) Independent Directors

The Corporation has adopted the provisions of SRC Rule 38 on the nomination and election of independent directors and the Amended By-Laws of the Corporation substantially state the requirements on the nomination and election of independent directors set forth in SRC Rule 38.

Presented below is the Final List of Candidates for Independent Directors:

1. **Antonio L. Go, 82** has been an Independent Director of the Corporation since July 4, 2013. He is currently the Chairman of Equicom Savings Bank and ALGO Leasing and Finance, Inc., and MyHealth Ventures Corporation. He is also the Vice-Chairman of Maxicare Healthcare Corporation. He is a Director of Equitable Computer Services Inc., Medilink Network, Inc., Equicom Manila Holdings Inc., Equicom, Inc., Equitable Development Corporation, Pin-An Holdings Corp., Equicom Information Technology, Inc., DDMP REIT, Inc., Maxicare Health Services, Inc., T32 Dental Centre Pte. Ltd. (Singapore), Dental Implant and Maxillofacial Centre Pte. Ltd. (Hong Kong), Mioki Holdings Pte Ltd., Algo Healthcare Holdings Pte. Ltd., Equicom Health Solutions Pte. Ltd., SteelAsia Manufacturing Corporation, Oriental Petroleum and Minerals, Inc., JG Summit Holdings, Inc., and Dito Telecommunity Corporation. He is also a Trustee of the Go Kim Pah Foundation, Equitable Foundation, Inc, and Gokongwei Brothers Foundation, Inc. Mr. Go graduated from Youngstown University, United States with a degree in BS Business Administration. He attended the International Advance Management Program at the International Management Institute, Geneva, Switzerland as well as the Financial Planning/Control program at the ABA National School of Bankard Management, Northwestern University, United States.
2. **Rodolfo P. Ang, 60** was elected as an independent director of the Corporation on March 9, 2020. He is the Vice President for Administration and Information Systems and an Associate Professor of the School of Management of Ateneo De Manila University. He is the former Dean of the Ateneo Graduate School of Business. He is also an independent director of the Philippine Insurers and Reinsurers Association. He sits on the Board of Trustees of Xavier School. He has served the Commission on Higher Education in various capacities, as a member of the Technical Panel for Business and Management Education, member of the Technical Committee for Business Administration and Entrepreneurship, and member of the NCR Regional Quality Assessment Team. He obtained his Bachelor of Science Degree in Management (Honors Program) and Bachelor of Arts Degree in Communications from Ateneo De Manila University where he graduated Magna Cum Laude. He received his Master's Degree in Business Administration Major in Finance from Boston College, Carroll Graduate School of Management.
3. **Cirilo P. Noel, 65** was elected as an independent director of the Corporation on August 12, 2020. He is a lawyer and certified public accountant. Mr. Noel is a member of the Board of Directors of Security Bank Corporation and was appointed Vice Chairman in April 2020. He is likewise a Board member of the following publicly listed companies: Globe Telecom, Inc., San Miguel Foods and Beverage, Inc. and First Philippine Holdings Corporation. He is the Chairman of Palm Concepcion Power Corporation, Juxtapose Ergo Consultus, Inc. and Cofiar Land Corp. He is a member of the Board of St. Luke's Medical Center-Global City since August 2017. He is also a member of the Board

of Trustees of St. Luke's Medical Center-Quezon City, St. Luke's Medical Center College of Medicine, and St. Luke's Medical Center Foundation, Inc. He is also currently affiliated with the Makati Business Club, Harvard Law School Association of the Phils., and Harvard Club of the Philippines. He held various positions in SGV & Co. including Chairman (from 2010 to 2017), Managing Partner (from 2009 to 2016), Vice Chairman & Deputy Managing Director (from 2004 to 2009), Head of Tax Division (from 2001 to 2008), and Partner, Tax Services (from 1993 to 2017). He graduated from the University of the East with a Bachelor of Science degree in Business Administration and obtained his Bachelor of Law degree from the Ateneo Law School. He has a Master of Law degree from the Harvard Law School and a Fellow of the Harvard International Tax Program. He attended the AIM Management Development Program.

4. **Enrico S. Cruz, 64** will be nominated for election as an independent director of the Corporation on April 27, 2022. He is as an independent director of the following companies: Security Bank Corporation, AREIT Inc., The Keepers Holdings Inc., Maxicare Healthcare Corporation, DITO CME Holdings Inc., SB Capital Investment Corporation and CIBI Information Inc. He was the Chief Country Officer of Deutsche Bank (Manila Branch) from June 2003 to July 2019 and was concurrently the bank's Head of Corporate Finance. He joined Deutsche Bank in July 1995 where he established the Global Markets (GM) franchise in the Philippines. Prior to Deutsche Bank, he was a Senior Vice President at Citytrust Banking Corporation (CTBC), an affiliate of Citibank N.A. He previously served as a Director of the Bankers Association of the Philippines (BAP) in 2003-2007, 2011-2015 and 2017-2019 and was a past president of the Money Market Association of the Philippines. He obtained his B.S. in Business Economics and MBA from the University of the Philippines. He was named by the UP College of Business as a Distinguished Alumnus in 2008 and a Distinguished Alumnus Awardee by the UP School of Economics Alumni Association in 2015.

In accordance with SEC Memorandum Circular No. 5, Series of 2017, the Certifications of Independent Directors executed by the aforementioned candidates for independent directors of the Corporation are attached hereto as Annex "A" (Antonio L. Go), Annex "B" (Rodolfo P. Ang), Annex "C" (Cirilo P. Noel) and Annex "D" (Enrico S. Cruz).

The nominees for Independent Directors were nominated by JE Holdings, Inc. The President of JE Holdings, Inc. is authorized under its By-Laws to represent the corporation at all functions and proceedings. None of the nominees for independent directors of the Corporation are related to JE Holdings, Inc. or to its President.

Under SEC Memorandum Circular No. 19, Series of 2016 (SEC Circular), the SEC allows independent directors the maximum tenure of nine (9) years to sit in the Board of a publicly listed company except in meritorious cases and subject to the affirmative vote of the shareholders representing the majority of the Corporation's total outstanding capital stock. Since Mr. Rodolfo P. Ang and Mr. Cirilo P. Noel were elected as independent directors in 2020, then the tenure of the said independent directors are still within the permissible period under the said SEC recommendation and the Corporation continues to be compliant with the SEC recommended best practices on corporate governance in this regard. With respect to Mr. Antonio L. Go, the said term limit shall be reached on July 3, 2022. Notwithstanding that his term limit has yet to expire, the Corporation is of the view that there is sufficient justification for him to be considered for re-election as an independent director of the Corporation due to the following: (a) he has the qualifications, expertise and skills which enable him to competently and actively participate in the Board discussions, (b) his many years of business experience allow him to provide sound and constructive advice to the Corporation, and (c) his knowledge and understanding of the Corporation's business, operations and organization permit him to share invaluable knowledge and wisdom to management. In accordance with the SEC Circular, should Mr. Antonio L. Go receive the affirmative vote of the shareholders representing majority of the Corporation's total outstanding capital stock for the election then such shall deemed approval by the shareholders for him to serve as an independent director of the Corporation for the ensuing year, as required under the aforementioned SEC Circular.

(d) Significant Employees

The Corporation does not believe that its business is dependent on the services of any particular employee.

(e) Family Relationships

1. Mr. James L. Go is the uncle of Mr. Lance Y. Gokongwei
2. Mr. Lance Y. Gokongwei and Ms. Robina Gokongwei Pe are siblings.

(f) Involvement in Certain Legal Proceedings of Directors and Executive Officers

To the best of the Corporation's knowledge and belief and after due inquiry, none of the Corporation's directors, nominees for election as director, or executive officers, in the past five years up to the date of this report:

1. Have had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a three-year period of that time;
2. Have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses;
3. Have been subjected to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or
4. Have been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC 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.

(g) Certain Relationships and Related Party Transactions

1. Related Party Transactions with Parent Company, Joint Venture Companies and Affiliates

The Corporation, in its regular conduct of business, had engaged in transactions with its ultimate parent company, its joint venture companies, and affiliates. See Note 24 (Related Party Disclosures) of the Notes to the Consolidated Financial Statements as of December 31, 2021 on pages 71 to 72 of the audited consolidated financial statements as of December 31, 2021.

Information on the parent of the Corporation, the basis of control, and the percentage of voting securities owned as of March 31, 2022:

<u>Parent Company</u>	<u>Number of Shares Held</u>	<u>% Held</u>
JE Holdings, Inc.	491,299,997	32.87%

2. Directors Disclosures on Self-Dealing and Related Party Transactions

No transaction, without proper disclosure, was undertaken by the Corporation in which any director, executive officer, or any nominee for election as director was involved or had a direct or indirect material interest.

Directors, officers and employees of the Corporation are required to promptly disclose any business or family-related transactions with the Corporation to ensure that potential conflicts of interest are surfaced and brought to the attention of the management.

(h) Appraisals and Performance Report for the Board

The attendance of the directors at the meetings of the Board of Directors held in 2021 is as follows:

Directors	No. of Meetings Attended/Held	Attendance Percentage
James L. Go	9/9	100%
Lance Y. Gokongwei	9/9	100%
Robina Gokongwei-Pe	9/9	100%
Ian McLeod	9/9	100%
Choo Peng Chee*	3/9	33%
Antonio L. Go	9/9	100%
Roberto R. Romulo+	9/9	100%
Rodolfo P. Ang	9/9	100%
Cirilo P. Noel	9/9	100%

*Mr. Choo Peng Chee was elected as a Director of the Corporation on July 30, 2021

The Board has established committees to assist in exercising its authority in monitoring the performance of the Corporation in accordance with its Revised Corporate Governance Manual, Code of Business Conduct and related SEC Circulars. The Corporate Governance and Sustainability Committee of the Corporation oversee the performance evaluation of the Board and its committees and management.

(i) Information required by Part IV paragraphs (A), (D) (1) and (D) (3) of Annex C, as amended.

There is no director who has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of the shareholders because of a disagreement with the Corporation on any matter relating to the operations, policies or practices of the Corporation.

Item 6. Compensation of directors and executive officers

(a) Summary Compensation Table

The following table sets out the Corporation's Chief Executive Officer and four most highly compensated senior officers for the last three years and projected for 2022.

Name	Position
Robina Gokongwei Pe	President and Chief Executive Officer
Mylene A. Kasiban	Chief Financial Officer
Stanley C. Co	Managing Director – Supermarket Segment
Jovito U. Santos	Group General Manager – Appliances Segment
Stephen M. Yap	Vice President – Chief Information Officer

The aggregate compensation of executive officers and directors of the Corporation and senior officers of certain business segments of the Corporation for the last three years and projected for the year 2022 are as follows:

(in ₱ million)				
ACTUAL	Year	Salaries	Bonuses	Total
President, Managing Director of Supermarket Segment, Chief Financial Officer, Group General Manager – Appliances Segment and Chief Information Officer named above	2018	45.43	3.22	48.65
	2019	48.57	3.45	52.02
	2020	51.67	4.36	56.03
	2021	49.27	4.36	53.59
Aggregate compensation paid to all other general managers, heads for shared services and directors as a group unnamed	2018	89.17	6.93	96.10
	2019	112.74	9.54	122.3
	2020	116.8	9.95	126.76
	2021	127.78	10.89	138.67

PROJECTED 2022 (in ₱ million)	Salaries	Bonuses	Total
President, Managing Director of Supermarket Segment, Chief Financial Officer, Group General Manager – Appliances Segment and Chief Information Officer named above	53.35	4.51	57.86
Aggregate compensation paid to all other general managers, heads for shared services and directors as a group unnamed	137.90	11.66	149.56

(b) Compensation of Directors

1. Standard Arrangements

Other than payment of reasonable per diem as may be determined by the Board for every meeting, there are no standard arrangements pursuant to which the directors are compensated, directly or indirectly, for any services provided as a director.

2. Other Arrangements

There are no other arrangements pursuant to which any of the directors is compensated, directly or indirectly, for any service provided as a director.

The incumbent members of the Remuneration Committee of the Corporation are as follows:

1. Lance Y. Gokongwei (Chairman)
2. Robina Gokongwei Pe
3. James L. Go
4. Ian McLeod
5. Antonio L. Go

(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangement

There are no special employment contracts between the Corporation and the named executive officers.

(d) Warrants and Options Outstanding

There are no outstanding warrants or options held by the Corporation's Chief Executive Officer, the named executive officers, and all officers and directors as a group.

Item 7. Independent Public Accountants

Sycip Gorres Velayo & Co. (SGV & Co.) has acted as the Corporation's independent public accountant. The same accounting firm will be nominated for reappointment for the current fiscal year at the annual meeting of shareholders. The representatives of the principal accountant have always been present at prior year's meetings and are expected to be present at the current year's annual meeting of shareholders. They may also make a statement and respond to appropriate questions with respect to matters for which their services were engaged.

The current handling partner of SGV & Co. has been engaged by the Corporation in 2015 and is expected to be rotated every seven years. Accordingly, a new handling partner shall be assigned to the Corporation this 2022.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no changes in and disagreements with accountants on accounting and financial disclosure.

The incumbent members of the Audit and Risk Oversight Committee of the Corporation are as follows:

1. Antonio L. Go - Chairman
2. Cirilo P. Noel – Vice Chairman

3. Rodolfo P. Ang
4. Choo Peng Chee
5. James L. Go – Advisory Member
6. Robina Gokongwei Pe - Advisory Member

Item 8. None.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Items 9-14. None.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The following are included in the agenda of the Annual Meeting of Shareholders for the approval of the shareholders:

1. Reading and approval of the Minutes of the Annual Meeting of the Shareholders held on May 14, 2021.
2. Presentation of the Annual Report and Approval of the Financial Statements for the year ended December 31, 2021.
3. Election of Board of Directors.
4. Appointment of External Auditor.
5. Ratification of the acts of the Board of Directors and its committees, officers and management.

The matters approved and recorded in the Minutes of the Annual Meeting of the Shareholders last May 14, 2021 are as follows:

1. Approval of the Minutes of the Annual Meeting of the Shareholders held on May 14, 2020;
2. Presentation of the Annual Report and Approval of Financial Statements for the preceding year;
3. Election of Board of Directors;
4. Election of External Auditor;
5. Approval of the Amendment of the Articles of Incorporation;
6. Ratification of all acts of the Board of Directors and its committees, officers and management since the last annual meeting.

The 2021 Annual Meeting of the Shareholders was held via remote communication and was attended by the shareholders, the Board of Directors, and various officers of the Corporation. The shareholders were allowed vote on each agenda item presented to them for approval, with the number of votes approving each agenda item indicated in their respective sections in the Minutes. The shareholders were also given the opportunity through electronic mail to ask questions, express opinion, and make suggestions on various issues related to the Corporation. In compliance with Section 49 of the Revised Corporation Code, the Minutes of the Annual Meeting of the Shareholders held on May 14, 2021 and the 2021 Definitive Information Statement contain the following: (a) a description of the voting and tabulation procedures used in the meeting, (b) a description of the opportunity given shareholders to ask questions and a description of the nature of the questions, (c) matters discussed and resolutions reached and the record of the voting results for each agenda item and (d) a list of the directors and shareholders who attended the meeting. The Minutes of the Annual Meeting of the Shareholders held on May 14, 2021 may be viewed and/or downloaded at the website of the Corporation at www.robinsonsretailholdings.com.ph under “Investor Relations – Annual Reports – 2021”.

Brief description of material matters approved by the Board of Directors and Management and disclosed to the SEC and PSE for ratification by the shareholders:

Date of Board Approval	Description
Feb. 26, 2021	Extension of the Share Buyback Program for an additional Two Billion Pesos (Php 2,000,000,000.00)
March 22, 2021	Notice of Annual Meeting of Stockholders
April 27, 2021	Declaration of a regular cash dividend and a special cash dividend
May 14, 2021	Results of Annual Meeting of Stockholders Results of Organizational Meeting of the Board of Directors Share Buyback Approval of the revisions to the Corporate Governance Manual and adoption of such Corporate Governance Manual, as revised
July 30, 2021	Election of a Director and Appointment of a member of the Audit Committee
Aug. 13, 2021	Creation of the Audit and Risk Oversight Committee Approval of the revisions to the Corporate Governance Manual and adoption of such Corporate Governance Manual, as revised.
Feb. 11, 2022	Extension of the Share Buyback Program for the Additional Amount of One Billion Pesos (P1,000,000,000.00)
Feb. 22, 2022	Acquisition by Robinsons Supermarket Corporation of the remaining 40% stake of Ministop Japan in Robinsons Convenience Stores, Inc. increasing its shareholding from 60% to 100%.

Items 16-18. None.

Item 19. Voting Procedures

(a) The vote required for approval or election:

Pursuant to Article VI, Section 6 of the By-Laws of the Corporation, a majority of the outstanding capital stock, present in person or represented by proxy, shall constitute a quorum at a shareholders' meeting for the election of directors and for the transaction of any business, except in those cases in which the Revised Corporation Code requires the affirmative vote of a greater proportion.

(b) The method by which votes will be counted:

Article VI, Section 7 of the By-Laws of the Corporation provides that at each meeting of the shareholders, every shareholder, in person or by proxy, shall be entitled to vote the number of shares registered in his name which has voting rights upon the matter in question.

Article VI, Section 8 of the By-Laws also provides that shareholders may vote, at all meetings, the number of shares registered in their respective names, either in person or by proxy duly given in writing and duly presented and received by the Secretary for inspection and recording not later than five (5) business days before the time set for the meeting, except such period shall be reduced to one (1) business day for meetings that are adjourned due to lack of quorum. No proxy bearing a signature which is not legally acknowledged by the Secretary shall be honored at the meetings. Proxies shall be valid and effective for five (5) years, unless the proxy provides for a shorter period, and shall be suspended for any meeting wherein the shareholder appears in person.

Article II, Section 1.1 of the By-Laws provides that the directors of the Corporation shall be elected by plurality vote at the annual meeting of the shareholders for that year at which a quorum is present. At each election for directors, every shareholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of candidates.

Sections 23 and 57 of the Revised Corporation Code provides that the Corporation may allow a shareholder to cast his vote *in absentia* via modes which the Corporation shall establish, taking into account the Corporation's scale, number of shareholders or members, structure and other factors consistent with the basic right of corporate suffrage.

The Secretary shall record all the votes and proceedings of the shareholders and of the directors in a book kept for that purpose.

Shareholders may vote through the following: (1) by digital ballot, (2) by voting in absentia or (3) by appointing the Chairman of the Annual Meeting as their proxy. Please refer to Annex E for the guidelines for voting by digital ballot, voting *in absentia* and voting by proxy.

Item 20. Participation of Shareholders by Remote Communication

To ensure the safety and welfare of its shareholders, directors, officers, and employees, the Corporation will allow attendance at the Annual Meeting only by remote communication. The livestream of the meeting shall be viewable at the following web address: <https://bit.ly/RRHI2022ASM>.

In order for the Corporation to properly conduct validation procedures, shareholders who wish to participate via remote communication and be considered as present for purposes of quorum must notify the Corporate Secretary by sending an email to: corpsec@robinsonsonretail.com.ph on or before May 5, 2022.

Please refer to Annex E for the guidelines for participation via remote communication, for registration, for voting *in absentia* and for voting by proxy.

Restriction that Limits the Payment of Dividends on Common Shares

None.

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction.

Not applicable. The shares of the Corporation are listed in the Philippine Stock Exchange.

Additional Information as of March 31, 2022 are as follows:

1. Market Price

<u>2022</u>	<u>High</u>	<u>Low</u>
January 2022	P64.00	P53.85
February 2022	P61.70	P55.00
March 2022	P61.405	P53.80

The market price of the Corporation's common equity as of March 31, 2022 is **P55.55**.

2. The number of shareholders as of record as of March 31, 2022 was 40.

Common shares outstanding as of March 31, 2022 were 1,494,814,730 with a par value of P1.00 per share.

3. List of Top 20 Shareholders of the Corporation as of March 31, 2022

Name of stockholder	Number of shares held	Percent to Total Outstanding
1. JE Holdings, Inc.	491,299,997	32.87%
2. GCH Investments Pte Ltd	315,309,308	21.09%
3. PCD Nominee Corporation (Filipino)	190,171,584	12.72%

Name of stockholder	Number of shares held	Percent to Total Outstanding
4. PCD Nominee Corporation (Non-Filipino)	190,111,527	12.71%
5. Lance Y. Gokongwei	91,952,656	6.15%
6. Robina Gokongwei-Pe	91,952,654	6.15%
7. James L. Go	31,928,005	2.13%
8. RBC-TIG ATF TA#030-172-530113	29,968,949	2.00%
8. Robinson Bank Trust Account No. TA#030-172-530121	29,968,949	2.00%
9. Lisa Y. Gokongwei-Cheng	29,926,449	1.99%
10. Wilfred T. Co	2,027,936	0.13%
11. Lucio W. Yan &/or Clara Y. Yan	100,000	0.01%
12. UP Engineering Research and Development Foundation, Inc.	43,300	0.00%
13. Lisa Y. Gokongwei-Cheng	42,500	0.00%
14. Pacifico B. Tacub	2,000	0.00%
14. Stephen T. Teo &/or Teresita R. Teo	2,000	0.00%
15. Gabrielle Claudia F. Herrera	1,200	0.00%
15. Nadezhda Iskra F. Herrera	1,200	0.00%
15. Joselito C. Herrera	1,200	0.00%
16. Vicente Piccio Mercado	1,000	0.00%
16. John T. Lao	1,000	0.00%
16. Miguel P. Guerrero or Alice T. Guerrero	1,000	0.00%
17. Maria Lourdes Medroso Mercado	600	0.00%
18. Felicitas F. Tacub	100	0.00%
18. Julius Victor Emmanuel D. Sanvictores	100	0.00%
18. Hector A. Sanvictores	100	0.00%
19. Dondi Ron R. Limgenco	11	0.00%
20. Ronald S. Bes	10	0.00%
21. Owen Nathaniel S. Au ITF: Li Marcus Au	5	0.00%
22. Antonio L. Go	1	0.00%
22. Roberto R. Romulo	1	0.00%
22. Joselito T. Bautista	1	0.00%
22. Ian James Winward McLeod	1	0.00%
22. Botschaft N. Cheng or Sevila Ngo	1	0.00%
22. Rodolfo P. Ng	1	0.00%
22. Cirilo P. Noel	1	0.00%
22. Robinson Bank Trust Account No. TA#030-172-530122	1	0.00%
22. Choo Peng Chee	1	0.00%
Total outstanding	1,494,814,730	100.00%

Discussion on compliance with leading practices on corporate governance

a) Evaluation System to Determine Level of Compliance

The Corporate Governance and Sustainability Committee oversees the development and implementation of corporate governance principles and policies. It is tasked with the implementation of a Corporate Governance Framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the Corporation's size, complexity and business strategy, as well as the business and regulatory environment. In addition, this Committee has oversight functions over the evaluation of the performance of the Board and its Committees and Management and ensures that its business processes and practices are consistent with the provisions of the Corporate Governance Manual.

(b) Measures for Compliance

The Corporation complies with its Corporate Governance Manual which contains relevant provisions of the Code of Corporate Governance and submits the required reports in compliance with the rules and regulation of the SEC and the PSE.

SEC Memorandum Circular No. 15, Series of 2017 mandates all listed companies to submit an Integrated Annual Corporate Governance Report (I-ACGR) on May 30 of the following year for every year that such companies remain listed in the PSE, subject to such extension of the date of submission as may be allowed by the SEC. Beginning 2018, the I-ACGR replaced the ACGR and the PSE's Corporate Governance Disclosure Report.

In compliance with SEC Memorandum Circular No. 15 Series of 2017, RRHI submitted its I -ACGR (formerly known as the Annual Corporate Governance Report or the ACGR) for the year 2020 with the SEC and PSE on June 23, 2021 since the SEC extended the deadline for the submission of the I-ACGR. The I-ACGR for the year 2021 is due for submission with the SEC and PSE on May 30, 2022.

(c) Deviation from Corporate Governance Manual

The Compliance Officer of the Company is not aware of any material deviation from the Corporate Governance Manual.

(d) Plans to Improve Corporate Governance

Continuous improvement and monitoring of governance and management policies have been undertaken to ensure that RRHI observes good governance and management practices. This is to assure the shareholders that RRHI conducts its business with the highest level of integrity, transparency and accountability. The Corporation adheres to the principles and practices of good corporate governance, as embodied in its Revised Corporate Governance Manual, Code of Business Conduct and related SEC Circulars.

On August 13, 2021, the Board of Directors approved the latest revisions to the Corporate Governance Manual of the Corporation. The Revised Corporate Governance Manual was filed with Securities and Exchange Commission (SEC) on August 13, 2021. Continuous improvement and monitoring of governance and management policies have been undertaken to ensure that the Corporation observes good governance and management practices. This is to assure the shareholders that the Corporation conducts its business with the highest level of integrity, transparency and accountability.

ROBINSONS RETAIL HOLDINGS, INC., AS REGISTRANT, WILL PROVIDE WITHOUT CHARGE, UPON WRITTEN REQUEST, A COPY OF THE REGISTRANT'S ANNUAL REPORT ON SEC FORM 17-A. SUCH WRITTEN REQUESTS SHOULD BE DIRECTED TO THE OFFICE OF THE CORPORATE SECRETARY, 4th FLOOR, BUILDING A, ROBINSONS RETAIL HEAD OFFICE, 110 E. RODRIGUEZ, JR., AVENUE, LIBIS, QUEZON CITY, METRO MANILA, PHILIPPINES.

(SIGNATURE PAGE FOLLOWS)

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Definitive Information Statement is true, complete and correct. This report is signed on April 13, 2022.

ROBINSONS RETAIL HOLDINGS, INC.

A handwritten signature in dark ink, appearing to be 'R. Gokongwei', written over the printed name.

RUBINA GOKONGWEI PE
President and Chief Executive Officer

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **ANTONIO L. GO**, Filipino, of legal age and a resident of 51 Cambridge Circle, North Forbes Park, Makati City, in accordance with law do hereby declare that:

1. I am a nominee for independent director of Robinsons Retail Holdings, Inc. and have been its independent director since July 4, 2013.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/ Organization	Position/ Relationship	Period Of Service
Equicom Savings Bank	Chairman	Present
ALGO Leasing and Finance, Inc.	Chairman	Present
My Health Ventures Corporation	Chairman	Present
Maxicare Healthcare Corporation	Vice- Chairman/Director	Present
Equitable Computer Services, Inc.	Director	Present
Medilink Network, Inc.	Director	Present
Equicom Manila Holdings, Inc.	Director	Present
Equicom Inc.	Director	Present
Equitable Development Corp.	Director	Present
Pin-An Holdings, Inc.	Director	Present
Equicom Information Technology, Inc.	Director	Present
DDMP REIT, Inc.	Director	Present
Maxicare Health Services, Inc,	Director	Present
T32 Dental Centre Singapore	Director	Present
Dental Implant and Maxillofacial Centre Hongkong	Director	Present
Mioki Holdings Pte. Ltd.	Director	Present
Algo Healthcare Holdings Pte Ltd.	Director	Present
Equicom Health Solutions Pte. Ltd.	Director	Present
SteelAsia Manufacturing Corporation	Director	Present
Oriental Petroleum and Minerals Corporation	Independent Director	Present
United Industrial Corporation Limited (UIC)	Independent Director	Present
JG Summit Holdings, Inc.	Independent Director	Present
Dito Telecommunity Corporation	Director	Present
Go Kim Pah Foundation	Trustee	Present
Equitable Foundation, Inc.	Trustee	Present
Gokongwei Brothers Foundation, Inc.	Trustee	Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Robinsons Retail Holdings, Inc., 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 shareholder of Robinsons Retail Holdings, Inc. 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
N/A	N/A	N/A

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

Offense Charged/ Investigated	Tribunal Or Agency Involved	Status
N/A	N/A	N/A

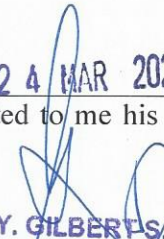
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Robinsons Retail Holdings, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this 24 MAR 2022, at QUEZON CITY.


ANTONIO L. GO
Affiant

SUBSCRIBED AND SWORN to before me this 24 MAR 2022 at QUEZON CITY
affiant personally appeared before me and exhibited to me his Tax Identification No. 100-929-712

Doc No. 463 ;
Page No. 94 ;
Book No. 1 ;
Series of 2022.


ATTY. GILBERT S. MILLADO, JR.
Roll No. 45039
Notary Public
Until June 30, 2022
110 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City
PTR No. 2463284; January 03, 2022; Quezon City
IBP No. 166679; December 28, 2021; CALMANA
TIN No. 166-215-465
Commission Adm. No. 391 (2019-2020)
MCLE Compliance VI-0027451; June 24, 2019
Commission Extended until June 30, 2022
SC EN BANC B.M. No. 3795

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **RODOLFO P. ANG**, Filipino, of legal age and a resident of 29 6th Street, New Manila, Quezon City, in accordance with law do hereby declare that:

1. I am a nominee for independent director of Robinsons Retail Holdings, Inc. and have been its independent director since March 9, 2020.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/ Organization	Position/ Relationship	Period of Service
Ateneo De Manila University	Associate Professor Vice President for Administration and Information Systems	1998 to Present
Clear Sky Developers, Inc.	Managing Director	2000 to Present
Clear Stream Developers, Inc.	Managing Director	2003 to Present
Manila Merchants Food Industries, Inc.	Managing Director	1991 to Present
Montalban Food Merchants, Inc.	Managing Director	2009 to Present
Mountain Dragon Food Merchants, Inc.	Managing Director	2016 to Present
Valley Dragon Food Merchants, Inc.	Managing Director	2019 to Present
Lakeshore Dragon Food Merchants, Inc.	Managing Director	2019 to Present
Golden Sky Foods Corporation	Managing Director	2000 to Present
Golden Dawn Foods Corporation	Managing Director	2001 to Present
Golden Rain Foods Corporation	Managing Director	2003 to Present
Golden Mist Foods Corporation	Managing Director	2003 to Present
Golden Sunrise Foods Corporation	Managing Director	2006 to Present
Tanauan Food Merchants, Inc.	Managing Director	2005 to Present
Perla Compania De Seguros, Inc.	Independent Director	2006 to Present
Philippine Insurers and Reinsurers Association	Independent Director	Present
International Association of Jesuit Business Schools	Director	2008 to Present
Center for Strategic Reforms, Philippines	Vice President	2019 to Present
Jollibee Franchisees' Association	Member	1991 to Present
Xavier School, Inc.	Trustee	1999 to 2001; 2007 to Present
Fr. Barbero Foundation for PGH Charity Patients	Trustee Chairman of the Board	2005 to Present 2015 to Present
ERDA Foundation and ERDA Tech Foundation	Trustee Vice Chairman	2007 to Present 2012 to Present
San Jose Seminary	Trustee	2011 to Present
Commission on Higher Education	Member, Technical Committee on Business Administration and Entrepreneurship	2008 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Robinsons Retail Holdings, Inc., 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 shareholder of Robinsons Retail Holdings, Inc. 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
N/A	N/A	N/A

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

Offense Charged/ Investigated	Tribunal Or Agency Involved	Status
N/A	N/A	N/A

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Robinsons Retail Holdings, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this _____, at _____.


RODOLFO P. ANG
Affiant

SUBSCRIBED AND SWORN to before me this _____ at _____,
affiant personally appeared before me and exhibited to me his Tax Identification No. 107-266-967.

Doc No. _____;
Page No. _____;
Book No. _____;
Series of 2022.

ATTY. GILBERT S. MILLADO, JR.
Roll No. 45039
Notary Public
Until June 30, 2022
110 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City
PTR No. 2463284; January 03, 2022; Quezon City
IBP No. 168679; December 28, 2021; CALMANA
TIN No. 166-215-465
Commission Adm. No. 391 (2019-2020)
MCLE Compliance VI-0027451; June 24, 2019
Commission Extended until June 30, 2022
SC EN BANC B.M. No. 3795

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **CIRILO P. NOEL**, Filipino, of legal age and a resident of 817 Gamao Street, Ayala Alabang Village, Muntinlupa City 1780, in accordance with law do hereby declare that:

1. I am a nominee for independent director of Robinsons Retail Holdings, Inc. and have been its independent director since August 12, 2020.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/ Organization	Position/ Relationship	Period of Service
Juxtapose Ergo Consultus Inc.	Chairman	Present
Palm Concepcion Power Corporation	Chairman	Present
Cofiar Land Corp.	Chairman	Present
Security Bank Corporation	Vice Chairman	Present
Globe Telecom, Inc.	Independent Director	Present
San Miguel Foods and Beverage, Inc.	Independent Director	Present
First Philippine Holdings Corporation	Independent Director	Present
Eton Properties, Inc.	Director	Present
Transnational Diversified Group Holdings, Inc.	Director	Present
LH Paragon Group, Golden ABC	Director	Present
Amber Kinetics Holding Co. PTE LTD	Director	Present
St. Luke's Medical Center	Trustee	Present
St. Luke's Medical Center College of Medicine	Trustee	Present
St. Luke's Medical Center Foundation, Inc.	Trustee	Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Robinsons Retail Holdings, Inc., 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 shareholder of Robinsons Retail Holdings, Inc. 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
N/A	N/A	N/A

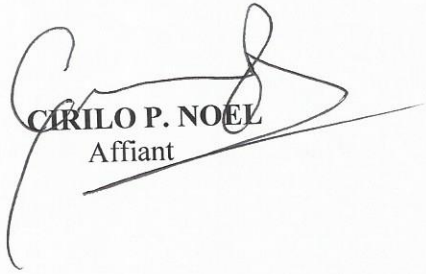
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding:

Offense Charged/ Investigated	Tribunal Or Agency Involved	Status
N/A	N/A	N/A

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of Robinsons Retail Holdings, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this 18 MAR 2022, at QUEZON CITY.


CIRILO P. NOEL
Affiant

SUBSCRIBED AND SWORN to before me this 18 MAR 2022 at QUEZON CITY,
affiant personally appeared before me and exhibited to me his Tax Identification No. 102-093-013

Doc No. 422 ;
Page No. 86 ;
Book No. 1 ;
Series of 2022.

ATTY. GILBERT S. MILLADO, JR.
Roll No. 45039
Notary Public
Until June 30, 2022
110 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City
PTR No. 2463284; January 03, 2022; Quezon City
IBP No. 168679; December 28, 2021; CALMANA
TIN No. 166-215-465
Commission Adm. No. 391 (2019-2020)
MCLE Compliance VI-0027451; June 24, 2019
Commission Extended until June 30, 2022
SC EN BANC B.M. No. 3795

CERTIFICATION OF INDEPENDENT DIRECTORS

I, ENRICO S. CRUZ, Filipino, of legal age and a resident of 37 Radish Street, Valle Verde 5, Pasig City, in accordance with law do hereby declare that:

1. I am a nominee to be an independent director of Robinsons Retail Holdings, Inc.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/ Organization	Position/ Relationship	Period of Service
Security Bank Corporation	Independent Director	Present
AREIT Inc.	Independent Director	Present
The Keepers Holdings Inc.	Independent Director	Present
Maxicare Healthcare Corporation	Independent Director	Present
DITO CME Holdings Inc.	Independent Director	Present
SB Capital Investment Corporation	Vice Chairman/Independent Director	Present
CIBI Information Inc.	Independent Director	Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Robinsons Retail Holdings, Inc., 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 shareholder of Robinsons Retail Holdings, Inc. 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
N/A	N/A	N/A

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

Offense Charged/ Investigated	Tribunal Or Agency Involved	Status
N/A	N/A	N/A

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Robinsons Retail Holdings, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this 18 MAR 2022, at QUEZON CITY.



ENRICO S. CRUZ
Affiant

SUBSCRIBED AND SWORN to before me this 18 MAR 2022 at QUEZON CITY,
affiant personally appeared before me and exhibited to me his Tax Identification No. 106-968-932.

Doc No. 419 ;
Page No. 85 ;
Book No. 1 ;
Series of 2022.


ATTY. GILBERT S. MILLADO, JR.

Roll No. 45039

Notary Public

Until June 30, 2022

110 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City

PTR No. 2463284; January 03, 2022; Quezon City

IBP No. 166679; December 28, 2021; CALMANA

TIN No. 166-215-465

Commission Adm. No. 391 (2019-2020)

MCLE Compliance VI-0027451; June 24, 2019

Commission Extended until June 30, 2022

SC EN BANC B.M. No. 3795

**ANNUAL MEETING OF THE SHAREHOLDERS OF
ROBINSONS RETAIL HOLDINGS, INC.
MAY 13, 2022 at 9:30 A.M.**

GUIDELINES FOR ATTENDANCE VIA REMOTE COMMUNICATION, REGISTRATION AND VOTING

A. ATTENDANCE VIA REMOTE COMMUNICATION

Shareholders as of April 5, 2022 ("Shareholder/s"), the record date set for the Annual Meeting of the Shareholders of Robinsons Retail Holdings, Inc. ("Corporation"), may attend the Annual Meeting by accessing the following link: <https://bit.ly/RRHI2022ASM>. The meeting shall be broadcast via Microsoft Teams, which may be accessed either on the web browser or on the Microsoft Teams app. Those who wish to view the broadcast may sign in using any Microsoft account or may join the stream anonymously.

B. REGISTRATION

1. Shareholders who intend to participate in the Annual Meeting should register by sending an email at corpsec@robinsonsretail.com.ph in order to be considered as present and provide the following supporting documents:
 - a. For individual Shareholders:
 - i. Government-issued identification (ID) of the Shareholder;
 - ii. For Shareholders with joint accounts: A scanned copy of an authorization letter signed by all Shareholders, identifying who among them is authorized to cast the vote for the account.
 - iii. If shares are held through a broker, a certification from the broker stating the name of the beneficial owner and the number of shares held by such beneficial owner.
 - b. For corporate Shareholders:
 - i. Secretary's Certificate authorizing the designated representative to vote the shares owned by the corporate Shareholders;
 - ii. Government-issued identification (ID) of the designated representative.
 - iii. If shares are held through a broker, a certification from the broker stating the name of the beneficial owner and the number of shares owned by such beneficial owner.

Registration shall be open from April 18, 2022 to May 5, 2022.

2. Registration shall be validated by the Office of the Corporate Secretary in coordination with the Stock Transfer Agent of the Corporation. Once the registration of the Shareholder has been successfully validated, the Shareholder shall be officially registered for the Annual Meeting.

C. QUORUM

For purposes of quorum, only the following Shareholders shall be counted as present:

1. Shareholders who have registered by sending an email at corpsec@robinsonsretail.com.ph no later than May 5, 2022.
2. Shareholders who have registered by sending an email at corpsec@robinsonsretail.com.ph and voted *in absentia* by May 5, 2022.
3. Shareholders who have sent their proxies no later than May 5, 2022.

D. VOTING

In order to vote at the Annual Meeting of the Corporation, Shareholders have the following options:

1. BY DIGITAL BALLOT

Shareholders who opt to vote by digital ballot should register by sending an email at corpsec@robinsonsjretail.com.ph and provide the following supporting documents:

- a. For individual Shareholders:
 - i. Government-issued identification (ID) of the Shareholder;
 - ii. For Shareholders with joint accounts: A scanned copy of an authorization letter signed by all Shareholders, identifying who among them is authorized to cast the vote for the account.
 - iii. If shares are held through a broker, a certification from the broker stating the name of the beneficial owner and the number of shares held by such beneficial owner.
- b. For corporate Shareholders:
 - i. Secretary's Certificate authorizing the designated representative to vote the shares owned by the corporate Shareholders;
 - ii. Government-issued identification (ID) of the designated representative.
 - iii. If shares are held through a broker, a certification from the broker stating the name of the beneficial owner and the number of shares owned by such beneficial owner.

Registration shall be open from April 18, 2022 to May 5, 2022.

Registration shall be validated by the Office of the Corporate Secretary in coordination with the Stock Transfer Agent of the Corporation. Once the registration of the Shareholder has been successfully validated, the Shareholder shall be officially registered for the Annual Meeting and a digital ballot shall be generated for the Shareholder which shall be sent to the email address used by the Shareholder for registration.

The registered Shareholder may then proceed to fill out the ballot by voting Yes, No, or Abstain for the items in the agenda which are for approval of the Shareholders. The vote is considered cast for all the registered Shareholder's shares.

Once voting on the agenda items has been completed, the registered Shareholder is encouraged to review the votes before submitting the ballot. The Shareholder can then proceed to submit the accomplished ballot by clicking the 'Submit' button. Once the ballot has been submitted, votes may no longer be changed. Multiple submissions of the digital ballot under the same Shareholder for the same shares shall be invalidated.

Voting thru digital ballot shall be open from April 18, 2022 to May 5, 2022.

2. VOTING *IN ABSENTIA*

Shareholders who opt to vote *in absentia* should register by sending an email at corpsec@robinsonsjretail.com.ph and provide the following supporting documents:

- a. For individual Shareholders:
 - iv. Government-issued identification (ID) of the Shareholder;
 - v. For Shareholders with joint accounts: A scanned copy of an authorization letter signed by all Shareholders, identifying who among them is authorized to cast the vote for the account.
 - vi. If shares are held through a broker, a certification from the broker stating the name of the beneficial owner and the number of shares held by such beneficial owner.
- b. For corporate Shareholders:
 - vii. Secretary's Certificate authorizing the designated representative to vote the shares owned by the corporate Shareholders;
 - viii. Government-issued identification (ID) of the designated representative.

- ix. If shares are held through a broker, a certification from the broker stating the name of the beneficial owner and the number of shares owned by such beneficial owner.

Registration shall be open from April 18, 2022 to May 5, 2022.

Registration shall be validated by the Office of the Corporate Secretary in coordination with the Stock Transfer Agent of the Corporation. Once the registration of the Shareholder has been successfully validated, the Shareholder shall be officially registered for the Annual Meeting and a digital ballot shall be generated for the Shareholder which shall be sent to the email address used by the Shareholder for registration.

The registered Shareholder may then proceed to fill out the ballot by voting Yes, No, or Abstain for the items in the agenda which are for approval of the Shareholders. The vote is considered cast for all the registered Shareholder's shares.

Once voting on the agenda items has been completed, the registered Shareholder is encouraged to review the votes before submitting the ballot. The Shareholder can then proceed to submit the accomplished ballot by clicking the 'Submit' button. Once the ballot has been submitted, votes may no longer be changed. Multiple submissions of the digital ballot under the same Shareholder for the same shares shall be invalidated.

Voting *in absentia* shall be open from April 18, 2022 to May 5, 2022.

3. VOTING BY PROXY

Shareholders may opt to vote by appointing the Chairman of the Annual Meeting as their proxy and provide voting instructions. A copy of the proxy form may be found and downloaded from the website of the Corporation at www.robinsonsonretailholdings.com.ph. Please send a scanned copy of the duly accomplished proxy form on or before May 5, 2022 either by email to corpsec@robinsonsonretail.com.ph or a hard copy to the Office of the Corporate Secretary, 4th Floor, Building A, Robinsons Retail Head Office, 110 E. Rodriguez Jr., Avenue, Libis, Quezon City. We are not soliciting proxies.

E. TABULATION OF VOTES

The Office of the Corporate Secretary shall tabulate all votes received and an independent third party will validate the results. During the meeting, the Secretary shall report the votes received and inform the shareholders if the particular agenda item is carried or disapproved. The total number of votes cast for each item for approval under the agenda will be shown on the screen.

F. CONSENT TO DATA COLLECTION AND PROCESSING

Shareholders who register and vote either by digital ballot and *in absentia* are hereby deemed to have given their consent to the collection, use, storing, disclosure, transfer, sharing and general processing of their personal data by the Corporation and by any other relevant third party for purposes of registration and voting by digital ballot and *in absentia* for the Annual Meeting and for such other related purposes.

G. QUESTIONS

Questions and comments on the Annual Meeting and the items in the Agenda may be sent to corpsec@robinsonsonretail.com.ph. Questions or comments received on or before May 5, 2022 may be responded to during the Annual Meeting. Any questions not answered during the meeting shall be answered via email.

MANAGEMENT REPORT
(FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021)

INFORMATION REQUIRED BY THE SEC PURSUANT TO SRC RULE 20

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

(A) Business Development

Robinsons Retail Holdings, Inc. was incorporated on February 4, 2002. The primary purpose of the Company and its subsidiaries is to engage in the business of trading goods, commodities and merchandise of any kind. The Company was listed at the Philippine Stock Exchange on November 11, 2013.

Robinsons Retail Holdings, Inc. (RRHI) is one of the leading multi-format retail groups in the Philippines. With over 40 years of retail experience, it possesses a deep understanding of Philippine consumers and enjoys market leading positions across its major business segments. Since the opening of its first Robinsons Department Store in Metro Manila in 1980, RRHI has successfully expanded into five business segments, entering into the supermarket business in 1985, the Do-It-Yourself (DIY) business in 1994, the convenience store and specialty store businesses in 2000, and the drugstore business in 2012. It also launched Robinsons Townville, a chain of community malls in 2015, which are located in residential areas to bring its products closer and its services more convenient to its customers.

RRHI operates one of the broadest ranges of retail formats of any retail group in the Philippines and, accordingly, is well-positioned to capture emerging consumer markets and take advantage of the continuing macroeconomic growth in the Philippines, particularly the increase in disposable income and higher consumption of the broad middle-income segment, its key target market.

RRHI operates its supermarkets, department stores, consumer electronics and appliances stores, big box hardware stores, and community malls namely Robinsons Supermarket, the Marketplace, Shopwise, Robinsons Easymart, Robinsons Department Store, Robinsons Appliances, Robinsons Builders, and Robinsons Townville.

The company's other store formats are under well-known international brands, namely Handyman Do it Best, True Value, Toys "R" Us, Ministop, Daiso Japan; Pet Lovers Centre and No Brand, and beauty brands Benefit, Shiseido, and Elizabeth Arden. RRHI also operates trusted domestic brands, such as Savers Appliances, Southstar Drug, Rose Pharmacy, TGP and mass merchandise store Super50.

In 2018, the Company acquired 100% of grocery retailer Rustan Supercenters, Inc., from Mulgrave Corporation B.V (MCBV), a wholly-owned subsidiary of DFI (formerly Dairy Farm International Holdings, Ltd.) It also engaged in a franchise license agreement with Singapore-based Pet Lovers Centre in its foray into pet retail. Adding to its investments in technology, the Company, through a subsidiary, also invested in Growsari, an online platform that caters to sari-sari store owners.

In 2019, RRHI was appointed exclusive franchisee for Korean grocery store No Brand and skincare Scentence of E-Mart in South Korea. RRHI also opened Super50 in the same year, a one-price concept store, in partnership with Pesotree.

In 2020, RRHI, through its subsidiary, SSDI acquired 100% of Rose Pharmacy, Inc. which operates over 300 stores strategically located in Visayas and Mindanao.

In 2021, the Company invested in Edamama, an online start-up that focuses on products for mothers and babies. It also entered the hard discount retailer space through its investment in HD Retail Holding Pte. Ltd. (“HDR”), operator of hard discount store O!Save. The investment was made through RRHI subsidiary, New Day Ventures Limited. RRHI currently has 24.25% stake in HDR and a seat in its Board of Directors, along with three institutional investors with equal stake in the business. The Company also acquired 20.0% ownership interest in GoTyme Bank Corporation (GoTyme). GoTyme’s principal activity is to carry on and engage in the business of a digital bank.

The Company launched the Robinsons Rewards Loyalty program in May 2013. The loyalty program allows members to collect and redeem points across the Robinsons formats, is intended to increase customer loyalty and also to enhance the Company’s brand image through a physical card, and a mobile app launched in 2019. Robinsons Rewards enables the Company to gather data on customer profiles in terms of their demographics, purchasing patterns, and product preferences through data analytics, all the while safeguarding consumer data and privacy. Starting January 1, 2020, the management and operation of the loyalty program was transferred to Data Analytics, Ventures, Inc. (DAVI), a related party.

In 2020, RRHI accelerated its ecommerce initiatives by launching its own ecommerce sites, namely gorobinsons.ph, southstardrug.com.ph and robinsonsappliances.com.ph. GoRobinsons serves is envisioned to be the Company’s virtual mall, and currently houses 11 banners as of 2021, including all its Supermarket banners, Robinsons Department Store, No Brand, Handyman Do It Best, True Value, Toys ‘R’ Us, Shiseido and Southstar Drug.

A number of the company’s formats also engage in e-commerce through partnerships with major third-party e-commerce players, such as Lazada, Shopee, Metromart, Pickaroo, GrabMart and GrabFood.

The Company has not been into any bankruptcy, receivership or similar proceedings since its incorporation.

Acquisitions by RRHI’s subsidiaries

On November 23, 2018, RRHI acquired 100% stake in Rustan Supercenters, Inc., operator of food retail banners The Marketplace, Rustan’s Supermarket, Shopwise (hypermarket), Shopwise Express, and Wellcome.

On February 27, 2018, RI and Pesotree incorporated Super50, a company engaged in the business of retail and wholesale goods with paid-up capital amounting to ₱30.0 million. RI’s ownership interest in Super50 is 51.0%.

On February 22, 2018, RHMI incorporated RLSI, with a total subscription amounting to ₱62.50 million, of which, ₱50.00 million was paid. RLSI is primarily engaged in the business of trading goods, commodities and merchandise of any kind.

On October 16, 2020, RRHI, through its subsidiary South Star Drug, Inc., acquired 100% stake in Rose Pharmacy, Inc., a leading drugstore chain in Visayas and Mindanao, from Mulgrave Corporation B.V (MCBV), a wholly-owned subsidiary of Dairy Farm International Holdings, Ltd.

The percentage contribution to the Company's revenues for each of the three years ended December 2019, 2020, and 2021 by each of the Company's business segments after elimination are as follows:

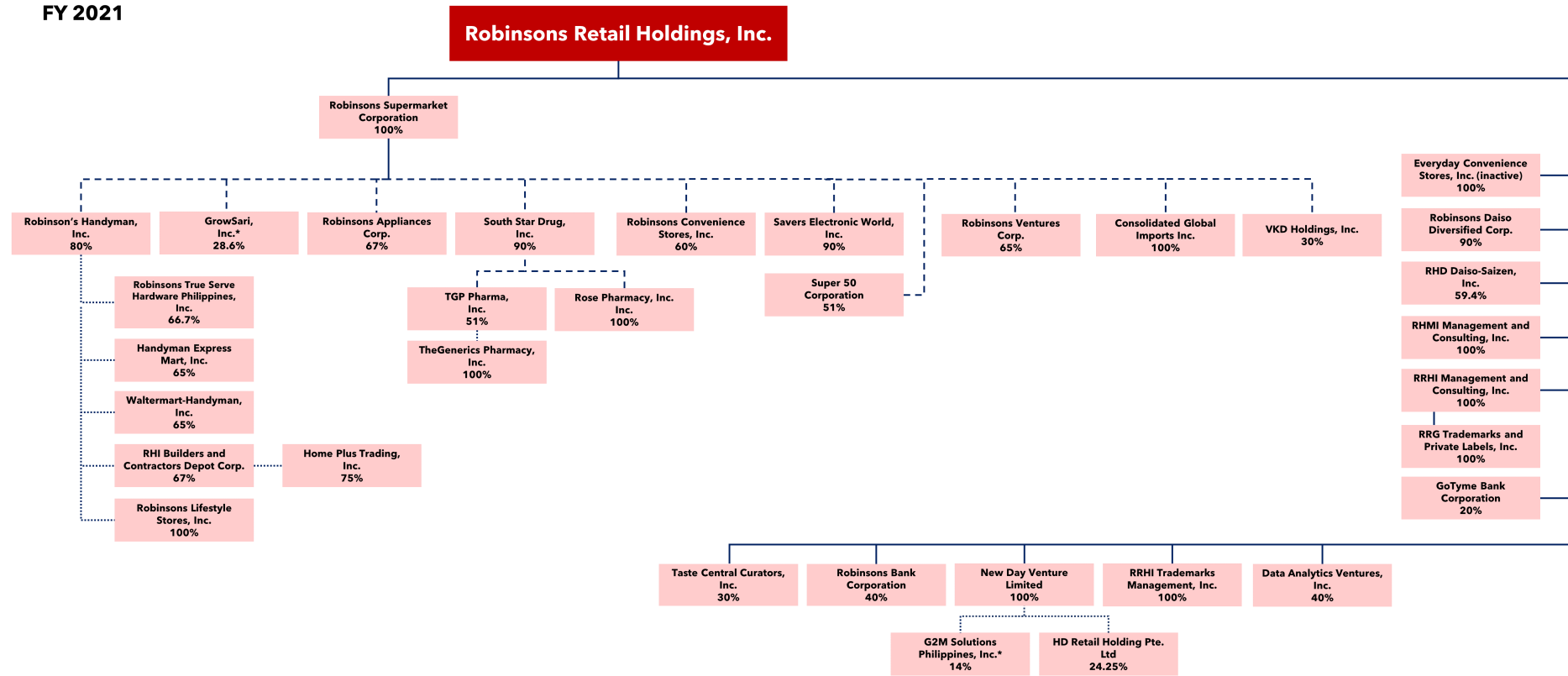
	For the years ended December 31		
	2019	2020	2021
Supermarket	54.3%	62.3%	57.8%
Department store	11.1%	5.6%	6.1%
DIY Store	8.8%	7.5%	7.5%
Convenience store	4.1%	3.2%	3.2%
Drug store	10.9%	12.6%	17.4%
Specialty segment	10.8%	8.8%	8.0%

The Company ended 2021 with 2,208 stores with total gross floor area of 1.51 million square meters.

(B) Business of Issuer

The industry segments where the Company and its subsidiaries and affiliates operate are summarized below:

FY 2021



*Represent notes with conversion rights

(a) Description of the Registrant

(i) **Principal Products and Services.** The Company's core retail operations has six business segments — supermarkets, department stores, DIY stores, convenience stores, drug stores and specialty stores:

- *Supermarkets.* Targeting the broad middle to upper income market, the supermarkets are operated under the banners Robinsons Supermarket (mainstream supermarket), The Marketplace (premium), Shopwise (hypermarket) and Robinsons Easymart (minimart). The Company also operates Korean grocery store, No Brand.

Robinsons Supermarket is the first major supermarket chain in the Philippines specifically positioned with a focus on health and wellness, which is its key point of differentiation from competitors. Robinsons Supermarket actively encourages consumers to adopt a healthy lifestyle by promoting a wide range of high-quality health and wellness products. It also partnered with the Food and Nutrition Research Institute of the Philippines ("FNRI"), which evaluates and accredits the nutritional contents of all food products following the internationally-accepted CODEX Standards of Nutrition Classification. It also partners with the Best Fresh suppliers with proven expertise, resources and nationwide retail capability to ensure a consistent supply of high quality and nutritional fresh food products at affordable prices.

Offering value for money options, the Supermarket Segment carries its own private labels such as Robinsons (formerly Robinsons Supersavers) and Healthy You. It also carries private labels sourced through its partnership with DFI, including Meadows, Southdale Farm, Simply Living, French Cellars, and Winemakers Reserve, among others.

- *Department Stores.* The department stores are operated under the Robinsons Department Store (RDS) brand name and offer a large selection of both local and international branded products that are grouped into five categories: (i) toys, children's apparel and accessories, (ii) homes, snacks and stationery; (iii) shoes, bags, luggage and sportswear, (iv) ladies' apparel and accessories, beauty and intimate apparel; and (v) men's apparel, accessories and furnishings. RDS is focused on catering to middle-income customers and approximately 86.8% of Robinsons Department Stores' sales for 2021 are on consignment basis.
- *DIY Stores.* The DIY stores are operated under the brand names Handyman Do it Best and True Value, of which the Companies are cooperative member-retailers in the Philippines from these US DIY brands and the big box formats under Robinsons Builders (rebranded from A.M. Builders' Depot) and De Oro Pacific Home Plus, which were acquired in 2014 and 2016, respectively. Each brand has its own specialized positioning, with Handyman Do it Best focused on affordable, high quality DIY and home improvement products; True Value positioned as an up market lifestyle home center; and Robinsons Builders/Home Plus focused on home builders. In 2021, around 54.0% of DIY store segment revenue was derived from sales of consigned merchandise.
- *Convenience Stores.* The Company is the exclusive Philippine master franchisee of Ministop Japan. Ministop began operations in the Philippines in 2000 and is a franchise of Ministop Co. Ltd., one of the largest convenience store chains in Japan. Revenue is generated through selling of merchandise to franchisees. Ministop's key strength is its ability to provide fresh and ready-to-eat food for its customers.

- **Drugstores.** In July 2012, wholly-owned subsidiaries of RRHI RSC and Robinsons Inc. (now merged in RSC) each acquired a 45% interest in South Star Drug, Inc.(SSDI). The acquisition represents a 90% interest on the shares of stock of SSDI. South Star Drug carries a wide range of prescription and over-the-counter pharmaceutical products together with a range of food, personal care and other products. On May 17, 2016, SSDI acquired 51.00% of TGP Pharma, Inc. On October 16, 2020, SSDI acquired 100% of Rose Pharmacy, Inc.
- **Specialty Stores.** Currently, the Company operates eight formats of specialty stores, namely: 1) toys and juvenile products retail under Toys “R” Us; 2) consumer electronics and appliances stores operated under Robinsons Appliances and Savers Appliances) beauty brands Shiseido, Benefit, Elizabeth Arden; 4) mass merchandise stores under Daiso Japan and Super50; and 6) pet retail under Pet Lovers Centre.

The Company, as of end of 2021 has 2,208 stores, consisting of 286 supermarkets (including No Brand), 52 department stores, 227 DIY stores, 456 convenience stores, 899 drugstores and 288 specialty stores. This excludes 2,030 TGP franchised stores.

- (ii) **Significant Subsidiaries.** As of December 31, 2021, Robinsons Retail Holdings, Inc. (RRHI) has eight wholly-owned subsidiaries and eighteen partly-owned subsidiaries in which RRHI’s ownership allows it to exercise control, all of which are consolidated with the Group’s financial statements.

Key details of each of RRHI’s subsidiary companies are set forth below.

1. **Robinson’s Supermarket Corporation.** Robinson’s Supermarket Corporation (RSC) was incorporated in the Philippines and registered with the SEC on August 21, 1990. RSC is 100% owned by RRHI. RSC’s principal business is to engage in the business of buying, selling, distributing and marketing at wholesale and retail.
2. **Robinson’s Handyman, Inc.** Robinson’s Handyman, Inc. (RHMI) was incorporated in the Philippines and registered with the SEC on June 15, 1994 primarily to engage in the business of trading goods, commodities and merchandise of any kind. RHMI is 80% owned by RSC.
3. **Robinsons True Serve Hardware Philippines, Inc.** Robinsons True Serve Hardware Philippines, Inc. (RTSHPI) was incorporated in the Philippines and registered with the SEC on February 19, 2007, primarily to engage in general hardware business, both retail and wholesale. The Company started commercial operations on March 1, 2007. RTSHPI is 66.67% owned by RHMI.
4. **Walmart-Handyman, Inc.** Waltermart-Handyman, Inc. (WHI) was incorporated in the Philippines and registered with the SEC on July 15, 1996 primarily to engage in the business of trading goods, commodities and merchandise of any kind. WHI is 65% owned by RHMI.
5. **Handyman Express Mart, Inc.** Handyman Express Mart, Inc. (HEMI) was incorporated in the Philippines and registered with the SEC on April 13, 2000. The Company is engaged in the business of trading goods, commodities and merchandise of any kind. HEMI is 65% owned by RHMI

6. ***RHI Builders and Contractors Depot Corp.*** RHI Builders and Contractors Depot Corp. (RHIB) was incorporated in the Philippines and registered with the SEC on May 7, 2014. The Company is engaged in the business of trading goods, commodities and merchandise of any kind. RHIB is 67% owned by RHMI.
7. ***Homeplus Trading Depot, Inc.*** was incorporated in the Philippines and registered with the SEC on May 4, 2016. The Company is engaged in the business of trading goods, commodities and merchandise of any kind. HPTDI is 75% owned by RHIB.
8. ***Robinsons Appliances Corp.*** Robinsons Appliances Corp. (RAC) was registered with the SEC on August 21, 2000. RAC's principal business is to engage in the business of trading goods such as appliances on wholesale or retail basis. RAC is 67% owned by RSC.
9. ***Robinsons Convenience Stores, Inc.*** Robinsons Convenience Stores, Inc. (RCSI) was registered with the SEC on March 15, 2000. Its primary purpose is to engage in the business of acquiring and granting licenses and/or rights to proprietary marks, trademarks, trade names, patents, copyrights, know-how, technology, processes, methods, techniques, devises, systems and the like. The Company is also engaged in the business of trading of goods, such as food and non-food, on a wholesale basis. RCSI is 60% owned by RSC.
10. ***South Star Drug, Inc.*** South Star Drug, Inc (SSD) is a trading company incorporated and registered with the SEC on November 24, 2003. Its primary purpose is to carry on the business of pharmacy, selling all kinds of drugs, medicines, medical equipments, and all other items. SSDI is 90% owned by RSC.
11. ***Rose Pharmacy, Inc.*** Rose Pharmacy Inc. (RPI) was incorporated and registered with the SEC on December 13, 1974 primarily to engage in the business of trading medical and pharmaceutical goods, on either wholesale or retail basis. RPI is 100% owned by SSDI, a 90% owned subsidiary of RRHI.
12. ***TGP Pharma, Inc.*** - TGP Pharma, Inc. (TGPI) was incorporated and registered with the SEC on September 15, 2010. TGPI is 51% owned by South Star Drug Inc., a 90% owned subsidiary of RRHI. TGPI's principal business is to engage in the trading of goods such as pharmaceutical products, food supplements, cosmetics and general merchandise on wholesale or retail basis.
13. ***The Generics Pharmacy Inc.*** - The Generics Pharmacy Inc. (TPI) was incorporated and registered with the SEC on February 27, 2007. The Company is 100% owned by TGP Pharma Inc. TPI's principal business is to engage in the trading goods such as pharmaceutical products, food supplements, cosmetics and general merchandise on wholesale or retail basis.

14. **Everyday Convenience Stores, Inc.** Everyday Convenience Stores, Inc. (ECSI), wholly owned by RRHI and was incorporated in the Philippines and registered with the SEC on August 8, 2000. Its primary purpose is to engage in the business of trading goods, commodities and merchandise of any kind.
15. **Robinsons Daiso Diversified Corp.** Robinsons Daiso Diversified Corp. (RDDC) is a domestic corporation organized under the laws of the Philippines to engage in the business of retail and wholesale of goods. The Company was incorporated and registered with the SEC on July 16, 2008. The Company started commercial operations on April 29, 2009. RDDC is 90% owned by RRHI.
16. **RHD Daiso-Saizen, Inc.** RHD Daiso-Saizen, Inc. (RHDDS) was organized and registered with the SEC on November 29, 2011. The primary purpose of the Company is to engage in the business of trading of goods such as food and non-food on wholesale basis and acquiring and franchising licenses, and/or rights to propriety marks. RHDDS is 59.40% owned by RRHI.
17. **Robinsons Ventures Corporation.** Robinsons Ventures Corporation was incorporated and registered with the SEC on August 5, 1996 to engage in the business of trading goods, commodities wares and merchandise of any kind and description. The Company is a majority owned subsidiary of Robinsons Supermarket Corporation.
18. **RHMI Management and Consulting, Inc.** RHMI Management and Consulting, Inc. was incorporated on May 27, 2013. Its primary purpose is to provide client companies, individuals, businesses or organizations, professional management advise and subject matter expertise in areas of finance, taxation, information technology, human capital, procurement, supply chain and others except management of funds, securities, portfolios, and other similar assets of the managed company or entities. The Company is wholly owned by RRHI. As of December 31, 2020, The Company has not yet started commercial operations.
19. **RRHI Management and Consulting, Inc.** RRHI Management and Consulting, Inc. was incorporated on May 27, 2013. Its primary purpose is to provide client companies, individuals, businesses or organizations, professional management advise and subject matter expertise in areas of finance, taxation, information technology, human capital, procurement, supply chain and others except management of funds, securities, portfolios, and other similar assets of the managed company or entities. The Company is wholly owned by RRHI. As of December 31, 2020, the Company has not yet started commercial operations.
20. **RRG Trademarks and Private Labels, Inc.** RRG Trademarks and Private Labels, Inc. was incorporated on May 23, 2013. Its primary purpose is to engage in the management and franchise of trademarks, brands and labels in the retail sector, provided, it shall not engage in the management of funds, securities, portfolios, and other similar assets of the managed company or entities. The Company is wholly owned by RRHI. As of

December 31, 2020, the Company has not yet started commercial operations.

21. **RRHI Trademarks Management, Inc.** RRHI Trademarks Management, Inc. was incorporated on May 23, 2013. Its primary purpose is to engage in the management and franchise of trademarks, brands and labels in the retail sector, provided, it shall not engage in the management of funds, securities, portfolios, and other similar assets of the managed company or entities. The Company is wholly owned by RRHI.
 22. **Savers Electronic World, Inc.** Savers Electronic World, Inc. (SEWI), was incorporated and registered with the SEC on March 4, 2015. Its primary purpose is to engage in the business of trading goods such as appliances on wholesale or retail basis. Its primary competence is institutional sales. SEWI is 90% owned by RSC.
 23. **New Day Ventures Limited.** The Parent Company acquired New Day Ventures Limited to engage in business of investment holding.
 24. **Robinsons Lifestyle Stores, Inc.** Robinsons Lifestyle Stores, Inc. (RLSI) was incorporated and registered with the SEC on February 22, 2018. Its primary purpose is to engage in the business and wholesale of goods. RLSI is 100% owned by RHMI.
 25. **Super50 Corporation.** Super50 Corporation was incorporated and registered with the SEC on March 23, 2018. Its primary purpose is to engage in the business and wholesale of goods. Super 50 is 51% owned by RSC.
 26. **Consolidated Global Imports, Inc.** The company was incorporated and registered with the SEC on July 9, 2002. Its primary purpose is to engage in the business of trading goods such as food and non-food on wholesale/retail basis. It is 100% owned by RSC.
- (iii) **Foreign Sales.** The Company has no record of foreign sales as it is not exporting any of its merchandise abroad.
- (iv) **Distribution Methods.** The Company relies significantly on distributors, third-party service providers and the distribution networks of its multinational suppliers for transportation, warehousing and the delivery of products to its stores. The majority of its merchandise is delivered to the distribution centers by its suppliers and from the distribution centers to its stores by third-party service providers.

The Company manages a strong and efficient supply chain that features just-in-time delivery. Many of its distribution centers employ a cross-docking system, where all non-perishable goods received from suppliers are sorted, consolidated and dispatched to the stores in Metro Manila within one to five days, and within three to ten days of their receipt in Visayas and Mindanao,

depending on the business segment. This reduces stocking requirements and permits the faster delivery of products.

Some of its business segments, such as the supermarket, DIY and specialty stores (particularly toys and juvenile products), also employ a stock operation system equipped to handle high turnover and bulk items. For example, the supermarket segment implements a stock operation system for all top-tier vendors. An average of two weeks inventory of goods is ordered to be stocked and stored in the warehouse.

Distribution planners make daily plans for replenishment and delivery of the goods to stores to ensure that stores do not run out of the key items supplied by the top-tier vendors. With the stock operation system, the distribution centers are able to supply the stores regularly with top-selling SKUs with expediency at low inventory carrying cost.

The Company engages third-party service providers to provide trucking and shipping services to ensure timely delivery of merchandise from distribution centers to stores across the Philippines. Some suppliers also deliver products directly to the stores.

To operate its large-scale business efficiently and effectively, its operations are supported by advanced information technology systems. Its world-class management information systems include a merchandise management system Blue Yonder (formerly JDA Software Group Inc.), and an advanced ARC merchandise analytics solutions system from Manthan Systems, Pvt. Ltd and a Retail Data Lake in AWS. These systems allow the Company to analyze and optimize merchandise performance, make proactive decisions on its day-to-day operations and provide the ability to quickly and efficiently respond to changes in customer trends.

The Company uses warehouse management systems to ensure on-time delivery and sufficient stock in stores, thus optimizing inventory levels across its distribution centers and store network. Further, the Company utilizes financial and asset management systems from SAP AG.

The Company also deploys its Point of Sale System through NCR StoreLine. The Company also uses SPA from Manthan Systems, which has a sophisticated supplier portal system that allows them to collaborate with its suppliers. Through this system, suppliers may have access to its database providing them with the ability to manage their own inventory, ensure high service levels and facilitate more targeted marketing activities.

Lastly, the Company operates its own e-commerce websites, primarily GoRobinsons and the websites of its drugstore and appliances banners. The Company leverages on its extensive store network which serve as order fulfillment centers. The concierge model relies on third party delivery services with exclusive riders to bring items directly to the customer.

- (v) **New Products and Services.** In May 2013, the Company introduced the Robinsons Rewards Card, a loyalty card that allows holders to redeem accrued

points across its retail formats. As of the end of 2021, Go Rewards Cards was already accepted in most of the Company's formats except TGP. The Go Rewards loyalty program is a powerful tool to increase customer retention across all formats and was launched as a mobile app platform in 2018. Starting January 1, 2020, the management and operation of the loyalty programme has been transferred to DAVI, a related party.

In 2018, RRHI signed franchise license agreement with Pet Lovers Centre Ltd for the retailing of pet products and services. It also entered a joint venture to launch mass merchandise store Super50.

In 2019, RRHI, through a subsidiary, signed franchise license agreement with EMart of Korea to operate stand-alone hard discount store No Brand and skin care store Scentence inside Robinsons Department Store – Beauty Section.

In 2020, RRHI, through a subsidiary, acquired Rose Pharmacy, Inc., a leading drugstore chain in Visayas and Mindanao, from Mulgrave Corporation B.V (MCBV), a wholly-owned subsidiary of Dairy Farm International Holdings, Ltd. In the same year, the Company also launched its own e-commerce websites, primarily GoRobinsons.ph and the online selling platforms of its drugstore and appliances banners.

- (vi) **Competition.** The Company competes principally with national and international operators retail chains in the Philippines, such as SM Investments, Puregold Price Club Inc., Metro Retail Stores Group, Ace Hardware, Mercury Drug Corporation, 7-Eleven, among others. Each of these competitors competes with the Company on the basis of product selection, product quality, acquisition or development of new brands, customer service, price, store location, presence in e-commerce space, or a combination of these factors.
- **Supermarkets.** The Philippine food retail market continues to be competitive.. The Supermarket Segment primarily competes with modern retail operators, including hypermarkets, supermarkets, convenience stores and local grocery stores, on the basis of location, store ambiance, presentation, price, supply chain and additional benefits such as loyalty programs. Its main competitors are SM Retail, Puregold Price Club and Metro Retail Stores Group. Similar to the Company's supermarket banners these retail chains have an established presence in the Philippines and continue to open supermarkets in the same cities, and often in the same neighborhoods where the Company has opened or intend to open its supermarkets. With The Marketplace and Shopwise from its acquisition of RSCI , RRHI's position as the third largest grocery retail player is enhanced and offers new prospects for synergies and differentiation given a wide assortment of premium products that specifically targets an insulated affluent market.
 - **Department stores.** The Philippines' department stores industry is dominated by a few operators. RDS competes with major department store operators such as SM Retail, Metro Retail Stores Group, Landmark and Rustan's on the basis of location, brand recognition, store image, presentation, price, understanding of fashion trends and market demand and value-added customer services. Each of the competing department store chains has an established presence

in the Philippines and has the same target market of middle and upper middle-income consumer segments.

- *DIY stores.* The market for DIY and related products in the Philippines is highly competitive and fragmented. Retailers are largely classified into stand-alone big-box operators, mall-based DIY retailers and traditional hardware retailers.

For the mall-based formats Handyman Do it Best and True Value, the Company believes that its direct competitor is Ace Hardware, which has comparable scale of operations. They compete with Ace Hardware primarily on the basis of product selection, price, promotions and customer service.

For the big-box hardware format, Robinsons Builders and Home Plus have a strong presence in the Visayas and Cagayan de Oro and it is directly competing against Citi Hardware which has a strong foothold in Visayas and Mindanao. Robinsons Builders and Home Plus also compete with Wilcon Depot. Wilcon's network is concentrated in Metro Manila and Luzon, but it has begun to expand farther south of the Philippines, with stores in Cebu, Negros, Iloilo, Agusan del Norte, Davao and in other provinces.

The Company broadly competes on the basis of pricing, delivery, brand recognition, quality, after sales services and availability of products.

- *Convenience stores.* Ministop faces direct competition from other chains of convenience stores, supermarkets and other retail outlets. With respect to their ready-to-eat products, Ministop also competes with other providers of these products, such as fast-food restaurants.

The Company's primary convenience store competitors are 7-Eleven, Alfamart, Family Mart and Lawson. Philippine Seven Corp, the operator of the 7-Eleven chain, is the largest convenience store chain in the Philippines. Alfamart, operated by the SM Group, offers similar goods and services in 24/7 minimart format. Mercury Drug also competes in the CVS space, as it is shifting its merchandise mix to include more daily essentials and impulse buy products alongside its primary pharmacy business. Some Mercury Drug stores also operate 24/7.

The Company competes primarily on the basis of store location and product assortment and quality.

- *Drugstores.* The drugstore industry in the Philippines is intensely competitive and highly regulated. Southstar Drug and Rose Pharmacy primarily competes with other retail drug store chains, such as Mercury Drug and Watsons. TGP likewise competes with Generika Drugstore and small independent pharmacies.
- *Specialty stores.* Toys "R" Us. Toys "R" Us is the second largest toys retailer after Toy Kingdom. Toys "R" Us competes with Toy Kingdom on the basis of its strong brand name and store recognition. With its line of affordable but quality private labels and

exclusive products, Toys “R” Us offers a complete and differentiated product offering to its shoppers.

Robinsons Appliances and Savers Appliances. Robinsons Appliances directly competes with other major consumer electronics and appliances retailers in the Philippines, both online and offline. With 86 stores strategically located nationwide, the banners provide quick, convenient access to a wide range of home appliances and consumer electronics, with varied payment, installation and delivery options for customers. The same product assortment and delivery scope is also made available online through www.robinsonsappliances.com.ph.

Savers Appliances likewise competes with major appliances retailers. Savers Appliances is a fast-growing appliance retailer and distributor providing a wide assortment of top tier brands in prominent retail shops in Metro Manila, North and Central Luzon, serving a broad consumer base from the aspirational to the affluent market. Driven by its tagline “We Give You More”, Savers Appliances caters to institutional clients requiring various consumer and commercial capacity appliance products such as system air-conditioning, refrigeration and ventilating equipment supported by delivery, installation, and after sales services. It also operates its own e-commerce platform, saversappliances.com.ph.

Mass Merchandise. Daiso Japan and Japan Home Center are currently the major players in the one-price discount stores operators in the Philippines. New competitors include Miniso and Mumuso, which share a similar target market through Japanese-style merchandise and store branding. With the company’s exclusive partnership with Daiso Industries Co. Ltd. of Japan, the stores are able to offer a broad range of authentic Daiso merchandise that boasts of product quality and aesthetic appeal at affordable prices starting at P88. On the other hand, Super50 competes at a lower price point, which is at P50.

Beauty Division. The Beauty Market (cosmetics and skin care) in the Philippines is very dynamic, with each retailer racing against each other for variety and a strong commercial presence. Competition is likewise coming from large international beauty companies which are setting up stand-alone stores in major malls aside from locating inside department stores (for example, MAC, Clinique, Lancome, Dior).

Pet Lovers Centre. Pet Lovers Centre competes with other pet retailers, such as Pet Express, and Dogs and the City, in terms of services and assortment, primarily pet supplies.

- (vii) **Suppliers.** Revenue is derived substantially from direct sales and sales of consigned merchandise, and the success depends on the ability to retain and attract new suppliers and consignors on favorable terms. The sourcing of products is dependent, in part, on the relationships with the suppliers. The Company maintains long-standing working relationships with a broad range of national and multinational suppliers and distributors across all business segments. The Company believes that the business as a whole is not dependent on any single supplier.

Supermarkets. With over 2,000 regular suppliers as of 2021, Robinsons Supermarket's supplier base is diversified between local suppliers such as San Miguel Corp. and Universal Robina Corporation (URC) and multinational corporations such as Nestle Philippines, Unilever and Procter & Gamble. Robinsons Supermarket's top five suppliers together accounted for 25.0%, 24.5% and 23.8% of the net sales in 2019, 2020 and 2021, respectively.

Department Stores. For outright sales, Robinson Department Store sources and sells its own direct-purchase merchandise in its stores. Most of its outright sales consist of beauty and personal care, household merchandise and children's apparel. RDS' outright sales include a private label named Essentials that carries paper products. It has also strengthened sourcing for home and children's departments, thus adding more offerings to customers. As of 2021, Unilever, L'Oreal, Mondelez Phils., Procter & Gamble, Brandlines (Nivea) and Johnson & Johnson were some of RDS' largest outright sales suppliers.

DIY Stores. For outright sales, the Company sources the DIY and other products at favorable terms primarily from large-scale local suppliers and from over 500 foreign vendors accredited by Do it Best Corporation and True Value. For the big-box format, it also sources its tiles, sanitary wares, wood, among others, from foreign vendors based in the Asia-Pacific region.

Convenience Stores. To effectively satisfy customer preferences, the Company has established working relationships with over 240 regular suppliers as of 2021. The supplier base is diversified from large local suppliers such as Globe, URC and San Miguel Corp; smaller local suppliers for Ministop's ready-to-eat and private label products; to multinational corporations such as Coca Cola, Phillip Morris Phils and Unilever Phils. Ministop selects its suppliers using a number of criteria, including customer preferences, suppliers' capacity to serve all Ministop stores, product assortment and quality, brand reputation, business plans and budgets and compliance with Ministop's commercial principles.

Drugstores. Southstar Drug and Rose Pharmacy source pharmaceutical products from over 380 suppliers and distributors. Southstar Drug and Rose Pharmacy's top five largest pharmaceutical suppliers accounted for 35% and 73% of the total purchases in 2021, respectively. The Company only accepts products which are FDA-certified in the Philippines and ensures that the products it carries come from reputable and known manufacturers and companies. The Company sources non-pharmaceutical products from over 300 established suppliers and providers.

TGP. TGP sources generic and branded medicines from established distributors and toll-manufacturers that produce private label generic medicines for the Company. TGP selects its partners using a number of criteria, including quality, affordability and capacity to serve the Company's demands. All products are FDA-certified in the Philippines to ensure that the medicines are compliant with the prescribed standards of the regulatory agency. TGP's top five largest suppliers constitutes 44.9% of the total purchases in 2021.

Specialty stores.

Toys “R” Us. The Toys “R” Us private labels and exclusives, as well as importations (done through indentors/consolidators, which provide a differentiated offering), are directly sourced through the Toys “R” Us regional buying office where orders are consolidated to ensure that products are sourced at the lowest costs and margins are maximized. The Company also partners with local suppliers for locally developed merchandise both on outright or consignment.

Robinsons Appliances and Savers Appliances. Durability, energy efficiency and strong service network are among the top requirements of customers in choosing consumer electronics and home appliances. Robinsons Appliances and Savers Appliances partner with global brands with focus on providing smart, innovative, aesthetically appealing, and user-friendly appliances and gadgets for personal and commercial use. Notable global brand favorites of customers include Samsung, LG, Sony, Panasonic, Carrier, Sharp Electrolux, Whirlpool, TCL and Haier. Community relations is also a priority engagement for both Robinsons Appliances and Savers Appliances. Brands and partners present in both online and offline stores activate joint community programs with various advocacies including financial literacy for homemakers and entrepreneurs, technical advancement for students, appliance relief support for calamity-stricken areas, appliance and gadget support for select local institutions, and others. In partnership with the Gokongwei Brothers Foundation, these programs will soon evolve organically to further enhance after sales support and community relations.

Beauty Division. As the country’s exclusive franchisee of the international brands it carries, RRHI-Beauty stores source their physical merchandise from legitimate distributors of its labels Shiseido, Benefit and Elizabeth Arden.

Mass Merchandise. Daiso Japan’s one price point merchandise is composed of various items that have been evaluated and manufactured with the Japanese standards of Daiso Industries Co., Ltd. The stores are supplied primarily by the principal company, as well as approved international and local partners/suppliers.. This ensures quality and the authenticity of the store’s diverse product range. Grounded on the pillars of variety, quality, and uniqueness, Daiso stores are home to practical and collectible home and kitchen products, utensils, office supplies, snacks, and beauty essentials. Super50 sources from various suppliers of quality goods sold at an affordable price point.

Pet Lovers Centre: As the country’s exclusive franchisee of the Singaporean brand, the store sources their physical merchandise from legitimate distributors of its labels.

- (viii) **Dependence upon single or few suppliers or customers.** The Company believes that its business as a whole is not dependent on any single supplier. The Company’s five largest suppliers accounted at estimated 13.8% of consolidated net sales in 2021. The Company does not rely a single or few customers but to the buying public in general.








- (ix) **Transactions with related parties.** In the ordinary course of business, the Company engages in a variety of transactions with related parties. The Company is controlled by the Gokongwei Family. Members of the Gokongwei Family also serve as directors and executive officers. Certain members of the Gokongwei Family are also major shareholders of JG Summit Holdings, Inc. The most significant transactions with the Gokongwei Family include leasing retail stores in the shopping malls owned by Robinsons Land Corporation (RLC), a company controlled by the Gokongwei Family. The Company policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

The Company rents a significant number of its stores, commercial centers and office buildings from RLC and its affiliates. Members of the Company, including primarily Robinsons Supermarket and Ministop, sourced significant amount of their products from URC.

- (x) **Patents, Trademarks, Licenses, Franchises, Concessions or Labor Contract.**

Following are the marks of the subsidiaries of RRHI as of December 31, 2021:

Supermarket Trademarks

Name of Trademark	Symbol of Trademark
1. ROBINSONS SUPERMARKET	
2. HEALTHY YOU	
3. NATURE`S PURE	
4. BREEDER`S CHOICE DOG FOOD	
5. ROBINSONS EASYMART	
6. ROBINSONS SELECTIONS	
7. JAYNITH'S SUPERMART	
8. ROBINSONS TOWNVILLE	
9. ROBINSONS PRIVATE LABEL	
10. HEALTHY YOU	

11. SHOPWISE



12. SHOPWISE EXPRESS



13. SUREBUY



14. SUREBUY PREMIUM



15. BENNY'S



16. FRESH PICKS



17. PIZZAYOLO



18. THE GOOD LIFE YOU CAN AFFORD

The good life you can afford

19. WISE CARD



20. WISE CARD ELITE



21. CHICKEN CORNER



22. MONGOLIAN STIR FRY BY SHOPWISE



Department Store Trademarks

Name of Trademark

Symbol of trademark

1. EXECUTIVE BY ROBINSONS



2. PLAYGROUND



3. PORTSIDE

PORTSIDE

4. NITELITES

nitelites

5. BRIDGET`S CLOSET

bridget's closet

6. HOME ESSENTIALS

HOME
ESSENTIALS

7. B+ACTIVE

B+active

8. ALL ABOUT KIDS

all about
KiDs

9. RAFAEL

R A F A E L

10. GRAB A TEE

grab.a.tee

11. NEVER BEEN KISSED

Never Been Kissed

12. JUMPING BEANS

jumping beans

13. SIMPLY ME

simply me

14. PUNKBERRY

punkberry

15. SUN KISSED

Sun Kissed

16. MARJOLAINE

marjolaine

17. LIBERTE

Liberté

18. STELLA

STELLA

19. TED MOSS

Ted MOSS

20. VANITY

Vanity

Vanity

21. PORTSIDE ACTIVE

PORTSIDE
Active

22. MALEBOX

male|box

23. BELLA

BELLA

24. BOTTOMS UP

bottoms up!

25. WORKSHOP

workshop

26. RAFAEL SCRIPT



27. TED MOSS ACCESSORIES



28. LOCKSAC



29. TAB



30. CONQUEST



31. BRITISH POLO



DIY Store Trademarks

Name of Trademark

Symbol of trademark

1. ROBINSONS HANDYMAN



2. THUNDER



3. HIGH GEAR



4. WISHY WASHY



5. BOW WOW



6. SUPER CHOW



7. BATH BASICS



8. ROBINSONS BUILDERS



9. TRUE HOME

TRUE HOME

10. BIANCA

Bianca

11. BLANCO

BLANCO

12. A.M BUILDERS DEPOT



13. ICONO



14. ICONO PREMIO



15. ICONO CLASSICO



16. IMAGO

imago

17. DE ORO PACIFIC HOME PLUS



18. CAT CHEW



19. MODERN HOME



Convenience Store Trademarks

Name of Trademark

Symbol of trademark

1. CHILLZ



2. UNCLE JOHN'S FRIED CHICKEN



3. MY SUNDAE



4. MY CHOICE



5. KARIMAN



6. HOTCHIX

HOTCHIX

7. EATS TO GO

**EATS
TO GO**

8. MY SUNDAE NEW RENDITION

MY SUNDAE

9. UNCLE JOHN'S FC NEW RENDITION

**Uncle
John's**
Fried Chicken

Drug Store Trademarks

Name of Trademark	Symbol of trademark
1. SOUTH STAR DRUG	southstar drug [®]
2. SOUTH STAR DRUG MAPAGKAKATIWALAANG TUNAY	South Star Drug MAPAGKAKATIWALAANG TUNAY
3. MANSON DRUG TUNAY AT MURA ANG GAMOT	manson drug Tunay at mura ang gamot
4. TGP – THE GENERICS PHARMACY	TGP THE GENERICS PHARMACY
5. THE GENERICS PHARMACY	THE GENERICS PHARMACY
6. THE GENERICS PHARMACY MABISA NA MATIPID PA	THE GENERICS PHARMACY MABISA NA MATIPID PA
7. BASTA GENERICS, THE GENERICS PHARMACY	BASTA GENERICS, THE GENERICS PHARMACY
8. TGP THE GENERICS PHARMACY MABISA NA, MATIPID PA!	TGP THE GENERICS PHARMACY MABISA NA, MATIPID PA!
9. TGP WITH LOGO	TGP THE GENERICS PHARMACY
10. TGP+ THE GENERICS PHARMACY	TGP⁺ THE GENERICS PHARMACY

11. ROSE PHARMACY



12. ROSE PHARMACY



13. ROSE + CLINIC



14. ROSE XPRESS DELIVERY



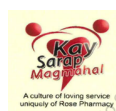
15. ROSE PHARMACY



16. ROSE PHARMACY



17. KAY SARAP MAGMAHAL A Culture of Loving Service Uniquely of Rose Pharmacy



Specialty Store Trademarks

Name of Trademark

Symbol of trademark

1. ROBINSONS APPLIANCES



2. ROBINSONS SPECIALTY STORES, INC.



3. SAIZEN



4. SAVER'S APPLIANCES



Others

Name of Trademark

Symbol of trademark

1. R



2. R ROBINSONS RETAIL HOLDINGS, INC



3. ROBINSONS SHOP CARD
4. Fit & Fun Wellness Buddy Run
5. Wellness Moms
6. We Love Wellness
7. Healthier Days Start Here
8. I Love Wellness
9. Robinsons Wallet
10. #EasyOnThePlastic
11. Easymart Rays
12. Take It Easy
13. Your Store for Everyday Needs
14. Go Chicken
15. Tindahan
16. Curated Home
17. 19. Fit Kids



FIT&FUN
WELLNESS BUDDY RUN



WE LOVE
WELLNESS

HEALTHIER
DAYS START
HERE

I LOVE WELLNESS

Robinsons Wallet

#EasyOnThePlastic



Take it Easy.

Your Store for Everyday Needs!



Tindahan.



CURATED HOME



- (xi) **Government Approvals.** The Company and all its subsidiaries have obtained all permits, licenses and approvals from national and local government units and other government agencies necessary to lease store spaces and operate the same.

As a retailer, the Company and its subsidiaries are subject to the following laws and regulations: a) The Retail Trade Liberalization Act; b) The Food, Drug and Cosmetics Act; c) The Consumer Act; d) The Meat Inspection Code; e) The Price Act; f) The Philippine Food Fortification Act; g) The Comprehensive Dangerous Drugs Act; h) The Pharmacy Law; i) The Generics Act and j) The Philippine Labor Code.

- (xii) **Effects of Existing or Probable Governmental Regulations on the Business.** The Group operates its businesses in a highly regulated environment. These businesses depend upon permits issued by the government authorities or agencies for their operations. The suspension or revocation of such permits could materially and adversely affect the operation of these businesses.

- (xiii) **Research and Development**

None during the year.

- (xiv) **Cost and Effects of Compliance with Environmental Laws.** Operators of retail stores with total store areas (including parking) of over 10,000 square meters (sqm) and/or operators of supermarkets with food stalls are required to obtain an Environment Compliance Certificate (ECC) for each store prior to commencement of business to certify that the operation will not pose an unacceptable environmental impact. Operators of supermarkets may also apply for and secure a Certificate of Non-Coverage (CNC) which exempts them from securing an ECC for their projects.

The Company must obtain a Philippine Department of Environment and Natural Resources (DENR) identification number from the regional office of the Philippine Environmental Management Bureau (EMB) to dispose of hazardous waste. In the absence of an identification number, the Company may be penalized with a fine ranging from ₱600 to ₱4,000.

- (xv) **Employees.** As of December 31, 2021, the Group had 20,535 employees. The Company anticipates that it will have approximately 23,261 employees within the next 12 months for the planned store openings in 2022. The Company's management believes that good labor relations generally exist throughout the operating companies. The Company has experienced no material work stoppages or strikes in the past three years. The Company currently has no labor union or any collective bargaining agreement with any group of employees.

- (xvi) **Risks**

1. The Company may experience difficulty in implementing its growth strategy brought about by unsuccessful future store openings, unsuccessful expansion through acquisition and failure of existing stores to benefit from the current favorable retail environment. In addition, new stores may place a greater burden on its existing resources and adversely affect its business as it faces the risk of market saturation brought about by increased competition from other retail companies in the Philippines.

2. The Company depends on RLC and other mall operators for the development of parts of its business and leases all of its premises, thus it may not be able to continue to renew these leases or to enter into new leases in favorable locations on acceptable terms thereby exposing the Company to risks relating to the leasing and sub-leasing of any of its stores as well as portions of its supermarket space.
3. The Company's retail business depends on its ability to source and sell the appropriate mix of products to suit the changing consumer preferences and relies on services rendered by independent contractors that may not always meet its requirements for quality or be available or completed within its budget. Also the success of its business depends in part on its ability to develop and maintain good relationships with its current and future suppliers and consignors. Likewise, the success of its business depends in part on its ability to develop and maintain good relationships with its franchisors and/or licensors. Thus, a deterioration of the value of its brand names and trademarks may have a material adverse effect on its business.
4. The Company operates in a regulated industry and its business is affected by the development and application of regulations in the Philippines. Continued compliance with, and any changes in, environmental laws and regulations may adversely affect its results of operations and financial condition. The Company may fail to fulfill the terms of licenses, permits and other authorizations, or fail to renew them on expiration. The Company may face difficulty in hiring sufficient numbers of pharmacists to meet the demands of its drug store operations due to shortage of registered pharmacists in the Philippines thereby facing the risk of not being able to operate new drug store or be forced to close existing ones. Product liability claims in respect of defective goods sold in its stores and food safety and food-borne illness concerns could adversely affect its reputation and its financial prospects. Likewise, the sale of counterfeit products may affect its reputation and profitability. On the other hand, its senior citizen, persons with disability and similar discounts for purchases of prescribed medicines and prime commodities may be subject to abuse or unchecked fraudulent practices by unqualified customers.
5. The Company is exposed to certain risks in connection with the substantial use of cash in its operations. Damage to or other potential losses involving its assets may not be covered by insurance. Its business, financial performance and results of operations are subject to seasonality. The Company relies on dividends and distributions from its subsidiaries to fund its cash and financing requirements.
6. The Company is controlled by the Gokongwei Family and its interests may differ significantly from the interests of other shareholders as its business and operations are dependent upon key executives. The Company is party to a large number of related party transactions and its operating results and financial condition are affected by a significant minority shareholding in Robinsons Bank.
7. Its operations are concentrated in the Philippines, and therefore any downturn in general economic conditions in the Philippines could have a material adverse impact on its business operations. Any political instability in the Philippines may adversely affect its business operations. Continued terrorist activities and high-profile violent crime in the Philippines could destabilize the country, adversely affecting its business environment and the occurrence of natural disasters or other

catastrophes, severe weather conditions, or outbreaks of contagious diseases may materially adversely affect the Philippine economy and disrupt its operations.

8. Future changes in the value of the Philippine Peso against the U.S. dollar and other currencies may adversely affect its results of operations
9. Government mandated measures such as lockdowns due to COVID 19 pandemic created significant volatility across the business of the group. This resulted to both temporary and permanent store closures.

Item 2. Properties. Commercial spaces for all of retail establishments from various entities across the Philippines are leased by the Company. The lease rates and terms for these commercial spaces follow standard market rates and practices for similar businesses. The following table is illustrative of the rates paid per region.

Region	Rental Scheme	Lease Rate	Term
Metro Manila	Fixed	P105 to P1,628 per sqm	1-25 years
	% to sales	1.5% to 11.20% of sales	1-25 years
	Fixed or % to sales, whichever is higher	P174 to P1,826 per sqm or 2.0% to 7.9% of sales	1-15 years
	Fixed plus % to Sales	P125 to 3,816 per sqm plus 1.25% to 5.0% of sales	1-19 years
Luzon (outside Metro Manila)	Fixed	P55 to P1,390 per sqm	1-25 years
	% to sales	2.00% to 7.20% of sales	1-17 years
	Fixed or % to sales, whichever is higher	P105 to P750 per sqm or 2.0% to 5.0% of sales	1-19 years
	Fixed plus % to sales	P125 to P1,390 per sqm plus 1.0% to 3.00% of sales	1-17 years
Visayas	Fixed	P90.00 to P1,034 per sqm	1-25 years
	% to sales	2.00% to 7.20% of sales	1-15 years
	Fixed or % to sales, whichever is higher	120 to 900 per sqm or 2% to 6% of sales	1-15 years
	Fixed plus % to sales	125 to 2,648 per sqm plus 1.0% to 6.00%	1-15 years
Mindanao	Fixed	P183 to P1,034 per sqm	1-25 years

% to sales	2.00% to 7.20% of sales	1-15 years
Fixed or % to sales, whichever is higher	P122 to P900 per sqm or 2.0%-5.5% of sales	1-15 years
Fixed plus % to sales	P125 to P739 per sqm plus 1.0% to 3.0% of sales	1-5 years

Supermarket. The following table sets out the location, number of stores and gross selling space of the Company's supermarkets that are leased as of December 31, 2021.

	No. of stores	Gross Selling Area in sqm
<i>Metro Manila</i>	124	262,594
<i>Luzon</i>	110	247,038
<i>Visayas</i>	36	108,450
<i>Mindanao</i>	16	56,895
Total	286	674,977

Department stores. The following table sets out the location, number of stores and gross selling space of the Company's department stores that are leased as of December 31, 2021.

	No. of stores	Gross Selling Area in sqm
<i>Metro Manila</i>	11	126,823
<i>Luzon</i>	20	125,292
<i>Visayas</i>	12	88,433
<i>Mindanao</i>	9	64,311
Total	52	404,859

DIY Stores. The following table sets out the location, number of stores and gross selling space of DIY stores as of December 31, 2021, all of which are under a lease agreement:

	No. of stores	Gross Selling Area in sqm
<i>Metro Manila</i>	66	58,316
<i>Luzon</i>	92	65,629
<i>Visayas</i>	45	43,814
<i>Mindanao</i>	24	25,909
Total	227	193,668

Convenience Stores. The following table sets out the location, number of stores and gross selling space of Ministop stores as December 31, 2021, all of which are under a lease agreement:

	No. of stores	Gross Selling Area in sqm
<i>Metro Manila</i>	282	21,440
<i>Luzon</i>	154	11,785
<i>Visayas</i>	20	1,266

<i>Mindanao</i>	–	–
Total	456	34,491

Drug Stores. The following table sets out the number of South Star Drug and Rose Pharmacy stores by region as December 31, 2021, all of which are under a lease agreement:

	No. of stores	Gross Selling Area in sqm
<i>Metro Manila</i>	119	8,850
<i>Luzon</i>	378	35,755
<i>Visayas</i>	266	22,318
<i>Mindanao</i>	136	10,923
Total	899	77,846

Specialty Stores. The following table sets out the number of stores of *Robinsons Appliances and Savers Appliances* stores, *Toys “R” Us* stores (including the *Toy “R” Us Toybox* sections located in RDS stores), *Daiso Japan* stores, international fashion specialty retail and beauty brand formats as of December 31, 2021, all of which are under a lease agreement:

	No. of stores	Gross Selling Area in sqm
<i>Metro Manila</i>	88	40,048
<i>Luzon</i>	132	60,141
<i>Visayas</i>	39	17,343
<i>Mindanao</i>	29	12,126
Total	288	129,658

Item 3. Legal Proceedings. As of December 31, 2021, neither the Company nor any of its subsidiaries or affiliates or any of their properties is engaged in or a subject of any material litigation, claims or arbitration either as plaintiff or defendant, which could be expected to have a material effect on its financial position and the Company is not aware of any facts likely to give rise to any proceedings which would materially and adversely affect business or operations.

Item 4. Submission of Matters to a Vote of Security Holders. There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant’s Common Equity and Related Stockholder Matters

(A) Principal Market or Markets Where the Registrant’s Common Equity is Traded

The common stock of the Company is listed on the Philippine Stock Exchange.

STOCK PRICES

2022

	High	Low
January 2022	64.00	53.85
February 2022	62.00	53.55

2021

	High	Low
First Quarter	66.45	51.00
Second Quarter	57.20	48.50
Third Quarter	57.95	48.50
Fourth Quarter	68.40	51.80

2020

	High	Low
First Quarter	58.95	54.35
Second Quarter	65.75	62.00
Third Quarter	68.00	64.50
Fourth Quarter	66.65	65.00

2019

	High	Low
First Quarter	89.70	78.00
Second Quarter	80.35	68.85
Third Quarter	81.70	74.80
Fourth Quarter	80.00	72.00

2018

	High	Low
First Quarter	₱101.80	₱83.80
Second Quarter	92.00	76.50
Third Quarter	89.00	77.50
Fourth Quarter	81.8	70

2017

	High	Low
First Quarter	₱83.95	₱72.70
Second Quarter	89.20	75.50
Third Quarter	105.00	82.60
Fourth Quarter	108.10	89.95

(B) Holders

The number of shareholders of record as of December 31, 2021 was 42. Common shares outstanding as of December 31, 2021 were 1,512,010,200.

List of Top 20 stockholders as of December 31, 2021

Name of stockholder	Number of shares held	Percent to Total Outstanding
1. JE Holdings, Inc.	491,299,997	32.49%
2. GCH Investments Pte Ltd	315,308,689	20.85%

Name of stockholder	Number of shares held	Percent to Total Outstanding
3. PCD Nominee Corporation (Filipino)	219,006,808	14.48%
4. PCD Nominee Corporation (Non-Filipino)	178,471,773	11.80%
5. Lance Y. Gokongwei	91,952,655	6.08%
6. Robina Gokongwei-Pe	91,952,654	6.08%
7. James L. Go	31,928,005	2.11%
8. RBC-TIG ATF TA#030-172-530113	29,968,949	1.98%
8. Robinson Bank Trust Account No. TA#030-172-530121	29,968,949	1.98%
9. Lisa Y. Gokongwei-Cheng	29,926,449	1.98%
10. Wilfred T. Co	2,027,936	0.13%
11. Lucio W. Yan &/or Clara Y. Yan	100,000	0.01%
12. UP Engineering Research and Development Foundation, Inc.	43,300	0.00%
13. Lisa Y. Gokongwei-Cheng	42,500	0.00%
14. Pacifico B. Tacub	2,000	0.00%
14. Stephen T. Teo &/or Teresita R. Teo	2,000	0.00%
15. Gabrielle Claudia F. Herrera	1,200	0.00%
15. Nadezhda Iskra F. Herrera	1,200	0.00%
15. Joselito C. Herrera	1,200	0.00%
16. Vicente Piccio Mercado	1,000	0.00%
16. John T. Lao	1,000	0.00%
16. Miguel P. Guerrero or Alice T. Guerrero	1,000	0.00%
17. Maria Lourdes Medroso Mercado	600	0.00%
18. Felicitas F. Tacub	100	0.00%
18. Julius Victor Emmanuel D. Sanvictores	100	0.00%
18. Hector A. Sanvictores	100	0.00%
19. Dondi Ron R. Limgenco	11	0.00%
20. Ronald S. Bes	10	0.00%
21. Owen Nathaniel S. Au ITF: Li Marcus Au	5	0.00%
22. John L. Gokongwei, Jr.	1	0.00%
22. Antonio L. Go	1	0.00%
22. Roberto R. Romulo	1	0.00%
22. Joselito T. Bautista	1	0.00%
22. Ian James Winward McLeod	1	0.00%
22. Choo Peng Chee	1	0.00%
22. Botschaft N. Cheng or Sevila Ngo	1	0.00%
22. Rodolfo P. Ng	1	0.00%
22. Cirilo P. Noel	1	0.00%
22. Robinson Bank Trust Account No. TA#030-172-530122	1	0.00%
Total outstanding	1,512,010,200	100.00%

(C) Dividends

On April 27, 2021, the Company's Board of Directors (BOD) approved the declaration of a regular cash dividend in the amount of ₱0.83 per share and a special cash dividend in the amount of ₱ 1.00 per share from the unrestricted retained earnings of the Company as of December 31, 2020 to all stockholders of record as of May 20, 2021 and payable on June 10, 2021.

On May 13, 2020, the Company's Board of Directors (BOD) approved the declaration of a cash dividend in the amount of ₱1.00 per share from the unrestricted retained earnings of the Company as of December 31, 2019 to all stockholders of record as of June 3, 2020 and payable on June 30, 2020.

On May 30, 2019, the Company's Board of Directors (BOD) approved the declaration of a cash dividend in the amount of ₱0.72 per share from the unrestricted retained earnings of the Company as of December 31, 2018 to all stockholders of record as of June 20, 2019 and payable on July 12, 2019.

(D) Restriction that Limits the Payment of Dividends on Common Shares

None

(E) Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction.

None

Item 6. Management's Discussion and Analysis or Plan of Operation

December 31, 2021 vs December 31, 2020

Consolidated Results of Operations

(Amounts in Million Pesos)

Robinsons Retail Holdings, Inc. recorded net income of ₱4,850 million for the twelve months ended December 31, 2021, an increase of 39.2% as compared to ₱3,486 million for the twelve months ended December 31, 2020. Net income attributable to parent amounted to ₱4,528 million for the twelve months ended December 31, 2021, an increase of 40.8% vs. 2020 driven mainly by the recovery from the negative economic effects of the pandemic.

Consolidated net sales increased by 1.5% from ₱151,070 million for the twelve months ended December 31, 2020 to ₱153,327 million for the twelve months ended December 31, 2021. The increase in sales was driven by the strong performance of the drugstore segment, recovery of the department store segment and positive contributions of do-it-yourself (DIY), convenience store and specialty stores. Rose Pharmacy contributed for a full year at ₱8,155 million for 2021 compared to ₱1,187 million for two months in 2020.

Blended same store sales growth (SSSG) was -4.9% for the full year 2021. Supermarket segment posted -8.7% SSSG for the year, while the drugstore segment recorded flat SSSG same as last year. The department store segment posted 8.7% due to strong performance in the 4th quarter of the year due to the holiday season and easing of restrictions. Specialty segment posted SSSG of 6.0% this year coming from a low base of -28.0% last year. This was primarily driven by strong performance in appliances and toys. Meanwhile, aggregate online sales rose to 3.6% of total RRHI sales for the year compared to only 1.1% last year.

Gross profit margin was at 23.0% for the year driven by higher vendor supports and better product mix across segments.

Operating expenses grew by 4.5% as of December 31, 2021. In 2020, the Group implemented cost containment measures to cushion the impact of weakened sales performance with OPEX declining

70bps as % of sales, partially mitigating the 100bps gross margin compression. Full year EBITDA margin increased by 3.0% to 8.6% of sales driven by margins. EBIT increased by 20bps to 4.0% of sales. Net income attributable to equity holders of the parent company increased by 40.8% to ₱4,528 million in 2021 driven by recovery in EBIT, forex gains and increase in earnings from associate.

COVID-19 Impact, Risks and Mitigation

On March 16, 2020, the President of the Philippines issued Proclamation No. 929 declaring a state of calamity throughout the Philippines due to COVID 19 which resulted to the imposition of an Enhanced Community Quarantine throughout Luzon starting midnight of March 16, 2020 until May 16, 2020 when quarantine restrictions were relaxed, save for a reimposition of MECQ in Metro Manila and nearby provinces in the 1st 2 weeks of August 2020.

In January to April 2021, GCQ was imposed in some areas including Metro Manila. This was replaced by MECQ from April 12 to April 30, 2021 for Metro Manila and neighboring areas such as Bulacan, Cavite, Laguna, Batangas and for some areas in the provinces. The president ordered a small lifting of quarantine regulations in NCR and the province of Bulacan on June 14, as the two areas were shifted to GCQ with “some restrictions” from June 16 to 30, 2021. On July 7, the president has approved returning NCR and 29 other locations in the country to the usual GCQ status till the end of the month, after their previous COVID-19 quarantine classification expired on July 15.

The government’s pandemic task team has agreed to lower NCR and Laguna from ECQ to MECQ commencing August 21, 2021.

The government approved placing Metro Manila and Laguna under MECQ from August 21 to 31, 2021. By the end of August, the Government announced that the National Capital Region, Bataan, and Laguna will remain under MECQ from September 1 to 7, 2021, with the same additional restrictions.

In the same month, the COVID-19 Alert Levels System was tested in NCR. It’s a new system of quarantine categories that applies to entire cities, municipalities, or regions.

This method is made up of five alert levels and the granular lockdown technique, which is a two-week micro-level quarantine for regions declared “critical zones” by local government units (LGUs). Starting September 8, 2021 until the end of the month, Metro Manila shifted back to GCQ. Metro Manila was placed under Alert Level 4 on September 16, 2021 enforcing granular lockdowns only in vital sectors. By the end of September, the Government placed 11 regions under MECQ until October 15, 2021, while 25 areas went under GCQ with heightened restrictions until the end of the month.

On October 13, 2021 the IATF approved the recommendation to reduce the alert level in NCR from alert level 4 to alert level 3 until October 31, 2021. On November 4, 2021 the Government approved the de-escalation of NCR from alert level 3 to alert level 2.

The Group has recognized the health and business risks posed by the virus to the general public and the need to join the collective effort in mitigating the spread of COVID-19. In the face of this global crisis, the Group remains collected and vigilant as it operates and maintains mitigation efforts to help safeguard the health and safety of its employees and customers.

Segment Operations

- (i) **Supermarket.** The Supermarket segment continued to account for the largest share in the Group's sales, EBIT and EBITDA. Full year consolidated net sales of the whole supermarket segment was at ₱88,630 million, 5.8% lower than last year. Full year SSSG was at -8.7% given the heavy pantry loading in 2020 when the lockdowns started in mid-March, aggressive expansion of both online and offline competitors and ongoing renovations in key Shopwise and The Marketplace stores. Meanwhile, online sales amounted to 3.7% of total sales.

Gross margins expanded by 60bps to 21.5% for the year, attributable to the stronger advertising support for category promotions, higher business advancement support for new stores, increased revenues from new product listings. The gains in gross margins trickled down to EBITDA margins that expanded by 10 bps to 8.4%.

- (ii) **Department Stores.** Robinsons Department Store has shown strong performance in 4Q with net sales growth of 24.3% to ₱4,169 million, bringing full year net sales to ₱9,326 million up by 10.4% Year on Year. Total e-commerce sales accounted for 1.4% of sales. 4th quarter SSSG surged to 21.3%, lifting year-end SSSG to 8.7%. The improvement in SSSG is mainly driven by the increase in mall foot traffic due to easing of restrictions during the holiday season. All categories, especially Home, delivered strong performances.

Gross margin jumped by 200bps to 29.3% in the 4th quarter due to better category mix, reversing the decline seen in the first nine months, with full year gross margins up by 30bps to 29.9%. OPEX has also declined by 14.7% and 3.7% in 4th quarter and year end, respectively driven by cost cutting measures. As a result, EBITDA margins accelerated by 910bps to 14.4% for 4th quarter and 330bps to 6.6% for the year.

- (iii) **Convenience stores.** Full year net sales amounted to ₱4,915 million. E-commerce sales rose to 2.7% of sales from 0.9% 2020. SSSG in the first quarter was -33.4%, given the NCR Bubble Cluster in March, but improved from the second quarter to the 4th quarter, narrowing the full year SSSG to -9.6%. Sales from commercial areas, where 54.0% of our stores are located, showed signs of recovery with mid to high digit SSSG for the 4th quarter.

Gross margin and royalty income expanded to 35.4% in 2021 driven by the increase in commission income and DC allowance. Commissions from value-added services such as telco services, bills payments, cash-ins are gaining traction accounting for 1.5% of sales from 0.9% in 2020. EBITDA margin declined by 70bps to 5.9% in 2021 as OPEX grew with the conversion of several franchised stores to direct stores.

- (iv) **Drug Stores.** Net sales of the drugstore segment reached ₱26,668 million, up by 39.9%. E-commerce sales grew to 4.4% of sales.

SSSG ended flattish for the year. First quarter SSSG was exceptionally low as it was coming from a high base in the same period in 2020. The strong performance in the last 3 quarters negated the 18.7% decline in the 1st quarter, with higher demand for anti-diabetes, respiratory and cardiovascular products, as well as fever and flu medicines.

Blended gross margins increased by 50bps to 19.5% versus full year 2020 lifted by the continued alignment of trading terms and other supply chain synergies between Southstar Drug and Rose Pharmacy.

EBITDA margin still declined by 70bps to 8.6% given the full year impact of Rose Pharmacy. Excluding Rose Pharmacy, EBITDA margin improved 10bps versus 2020.

- (v) **DIY Stores.** The DIY segment's full year net sales increased by 1.3% to ₱11,502 million, supported by the e-commerce sales which grew 2.5x, contributing to 3.7% of sales. SSSG at 1.3%, lifted by the strong performance of the small appliances, tools and cleaning supplies categories.

Gross margins were down by 90bps to 31.6% due to more promotional events this year. Softer sales and higher OPEX compressed EBITDA margins to 13.5%.

- (vi) **Specialty Stores Segment.** The specialty segment net sales declined by 7.4% to ₱12,287 million due to the closure of the fashion segment and the reclassification of Growsari and No Brand to the supermarket segment. On a like-for-like basis, excluding Growsari and No Brand in 2020, net sales grew by 5.6%. Meanwhile, e-commerce sales grew 63% and accounted for 3.0% of sales. Full-year SSSG was at 6.0% with all specialty store formats contributing positive SSSG.

Blended gross margin rose by 400bps to 24.6%, mainly driven by the better sales mix from the appliance business. This translated to EBITDA margin expansion by 150bps to 7.9%.

Financial Position

As of December 31, 2021, the Group's balance sheet showed consolidated assets of ₱134,234 million.

Cash and cash equivalents as of December 31, 2021 is at ₱16,170 million. Net cash provided by operating activities totaled ₱7,184 million. Net cash spent from investing activities amounted to ₱270 million. Excluding the impact of PFRS 16, net cash spent from financing activities amounted to ₱7,957 million of which ₱1,850 million came from net loan payments with ₱3,147 million payment of dividends and ₱2,801 million to buy back treasury shares.

Trade and other receivables decreased by 15.2% from ₱3,144 million to ₱2,667 million as of December 31, 2021.

Debt and equity instrument financial assets declined by ₱2,306 million or 16.6% for the full year 2021 due to redemptions during the period.

Trade and other payables decreased from ₱23,363 million to ₱21,216 million as of December 31, 2021 mainly driven by tempered purchases and spending. Current loans payable decreased by ₱1,850 million due to loan payments.

Stockholder's equity stood at ₱76,513 million as of December 31, 2021.

December 31, 2020 vs December 31, 2019

Consolidated Results of Operations (Amounts in Million Pesos)

In 2019, the Group adopted Philippine Financial Reporting Standards (PFRS) 16-Leases in accounting for its operating leases where the Group is the lessee. The Group recognized an asset representing right of use of the leased property (ROU) and a liability for lease payments (Lease Liability). The effects of the new standard for both 2020 and 2019 results are as follows:

	Period Ended December 31					
Financial Summary <i>(Amount in million Pesos except EPS)</i>	2020		2019		% Change	
	Under PFRS 16 (A)	Under Previous Standard (B)	Under PFRS 16, As Restated (C)	Under Previous Standard (D)	2020 (A) vs. 2019 (C)	2020 (B) vs. 2019 (D)
<u>Consolidated Statement of Comprehensive Income Data</u>						
Sales- net of sales discounts and returns	151,070.3	151,070.3	162,915.7	162,915.7	-7.3%	-7.3%
Cost of merchandise sold	118,172.3	118,172.3	125,734.5	125,734.5	-6.0%	-6.0%
Operating expenses	28,736.7	29,530.2	32,123.2	32,761.2	-10.5%	-9.9%
Interest expense	2,326.3	146.4	2,578.5	300.7	-9.8%	-51.3%
Income before income tax	4,418.9	5,805.2	6,109.6	7,749.3	-27.7%	-25.1%
Provision for income tax	933.3	1,349.2	1,559.3	2,091.7	-40.1%	-35.5%
Net income	3,485.6	4,456.1	4,550.3	5,657.7	-23.4%	-21.2%
Net income attributable to Parent Company	3,216.6	4,132.1	3,918.6	4,907.8	-17.9%	-15.8%
EPS	2.05	2.63	2.49	3.11	-17.8%	-15.4%
<u>Consolidated Statement of Cash Flow Data</u>						
Net cash provided by (used in) operating activities	7,614.4	3,679.8	12,049.0	7,606.8	-36.8%	-51.6%
Net cash provided by (used in) investing activities	(4,937.2)	(4,937.2)	1,817.8	1,817.8	-371.6%	-371.6%
Net cash used in financing activities	(1,644.6)	2,290.0	(8,359.8)	(3,917.7)	-80.3%	-158.5%
<u>Consolidated Statement of Financial Position Data</u>						
Total assets	141,596.2	115,874.9	137,866.1	111,055.5	2.7%	4.3%
Total liabilities	64,005.9	36,678.5	61,339.7	33,421.7	4.3%	9.7%
Total stockholder's equity	77,590.2	79,196.3	76,526.4	77,633.8	1.4%	2.0%

Robinsons Retail Holdings, Inc. recorded net income at ₱3,486 million for the twelve months ended December 31, 2020, a decrease of 23.4% as compared to ₱4,550 million for the twelve months ended December 31, 2019. Without the impact of PFRS 16, net income would have been ₱4,456 million, this year vs. ₱5,658 million last year. Net income attributable to parent amounted to ₱3,217 million for the twelve months ended December 31, 2020, a decline of 17.9% vs. same period last year as business performance was affected mainly by the negative economic effects of the pandemic.

Consolidated net sales decreased by 7.3% from ₱162,916 million for the twelve months ended December 31, 2019 to ₱151,070 million for the twelve months ended December 31, 2020. Sales were impacted by the temporary closure of the stores considered non-essential during the Enhanced Community Quarantine (ECQ) imposed by government starting March 17, 2020. Majority of the Company's stores across all formats resumed operations only in May 16, 2020 following relaxed quarantine restrictions save for a reimposition of MECQ in Metro Manila and nearby provinces in the 1st 2 weeks of August. Since then, operating hours have been shortened and foot traffic is down due to the negative economic effects of the pandemic such as a) higher unemployment rate; b) decline in OFW remittances; c) slump in tourism activity; and d) easing of government subsidy. Excluding Rose Pharmacy, net sales declined 8.0% year-on-year to ₱149,884 million.

Blended same store sales growth (SSSG) was -15.6% for the fourth quarter of 2020 and -8.9% for the full year 2020. Supermarket segment posted 7.7% SSSG for the year, while the drugstore segment recorded flat SSSG given the high base effect of 9.9% SSSG last year. The rest of the formats registered negative SSSG mainly due to the lockdowns imposed by government and

ordinances prohibiting individuals below 15 and above 65 years old to go out. Convenience stores were closed because of the closure of offices and schools where the stores are located due to work-from-home and remote learning setups, respectively. Strict curfew hours for extended periods during the different phases of quarantine also affected foot traffic and store operating hours.

Meanwhile, aggregate online sales rose to 1.4% of total RRHI sales in the fourth quarter compared to only 0.2% in the first quarter of the year. It reached ₱1.6 billion in 2020, registering a threefold increase and accounting for 1.1% of total sales from 0.4% the previous year.

Gross profit margin was at 22.4% in the fourth quarter, mainly due to the consolidation of lower margin business of Rose Pharmacy. Due to the lack of scale, Rose Pharmacy does not yet enjoy the same margins as Southstar Drug, but aligning trade margins will be a priority similar to the margins gained from the consolidation of Robinsons Supermarket and Rustan. Excluding Rose Pharmacy, gross margin increased by 30bps to 22.7% in the fourth quarter, with full year down by 100bps to 21.8% in line with expectations of 50-100bps gross margin compression mainly driven by sales decline in higher margin discretionary formats.

The Group implemented cost containment measures to cushion the impact of weakened sales performance with OPEX declining 70bps as % of sales, partially mitigating the 100bps gross margin compression. Full year EBITDA margin was down by only 50bps to 8.5% due to lower store productivity from reduced operating hours and low foot traffic, despite efficiencies from the integration of Rustan in the Supermarket business. Net income attributable to equity holders of the parent company declined by 17.9% to ₱3,217 million in 2020.

COVID-19 Impact, Risks and Mitigation

On March 16, 2020, the President of the Philippines issued Proclamation No. 929 declaring a state of calamity throughout the Philippines due to COVID 19 which resulted to the imposition of an Enhanced Community Quarantine throughout Luzon starting midnight of March 16, 2020 until May 16, 2020 when quarantine restrictions were relaxed save for a reimposition of MECQ in Metro Manila and nearby provinces in the 1st 2 weeks of August.

The Group has recognized the health and business risks posed by the virus to the general public and the need to join the collective effort in mitigating the spread of COVID-19. In the face of this global crisis, the Group remains collected and vigilant as it operates and maintains mitigation efforts to help safeguard the health and safety of its employees and customers.

Segment Operations

- (vii) **Supermarket.** The Supermarket segment continued to account for the largest share in the Group's sales, EBIT and EBITDA. Full year consolidated net sales of the whole supermarket segment was at ₱94,121 million, 6.3% higher than last year. This was despite the slowdown in the fourth quarter where SSSG eased to -2.3% caused mainly by the decline in consumer purchasing power and increasing competition from social commerce and online grocery platforms. Full year SSSG, however, still ended at a robust 7.7% given the strong pandemic-induced sales in the first 3 quarters. Fourth quarter online sales amounted to 1.4% of total sales while full year online sales breached the ₱1.0 billion mark, representing 1.1% of total Group sales and 3.1% of the sales of all 58 stores offering online grocery service.

Gross margins expanded by 110bps to 22.2% in the fourth quarter, driven by the recovery in back end margins or other income, narrowing the decline for the full year by 10bps to 20.9%. EBITDA margin declined by 30bps to 8.3% in the fourth quarter but expanded by 50bps to 8.3% for the full year due to the cost-efficiencies from the integration for Rustan, rent discounts and better DC cost recovery.

- (viii) **Department Stores.** Robinsons Department Store's net sales were down 45.2% to ₱3,354 million in the fourth quarter, with full-year net sales at ₱8,451 million. The categories with the least decline were: a) home (-33%) driven by kitchenware, small appliances and storage (-19%); b) sports accessories (-24%); c) men's undergarments (-37%); d) health & beauty (-39%); and e) infants (-41%) driven by accessories (-27%). Online sales, including call & collect/delivery (We Shop for You) increased 7x from the previous year.

Although SSSG for the quarter was still weak at -45.6%, this was an improvement from the -59.0% and -79.6% recorded in the third and second quarters, respectively. Full year SSSG was at -52.0% mainly due to the low foot traffic and drop in back-to-school sales due to the shift to online classes and increased competition from online shops.

Despite the 50bps decline to 27.3% in the fourth quarter, gross margin for 2020 was up by 190bps at 29.6% benefiting from higher DC fees that started in the last quarter of 2019 and improvement in category mix. Fourth quarter EBITDA margins was at 5.3%, an improvement from the 1.5% recorded in the third quarter, with full year EBITDA margins at 3.3%.

- (ix) **Convenience stores.** Ministop system-wide sales at ₱1.4 billion in the fourth quarter was a decline of 45.4% year-on-year, but an improvement from the -47.0% in the third quarter. Full year system-wide sales and merchandise sales were at ₱6.4 billion and ₱4.8 billion, respectively. Total e-commerce sales for the fourth quarter rose to 1.3% of sales from 0.8% in the first quarter with the increased traction from our delivery tie-up with Grabfood and Grabmart (particularly for ready-to-eat food) under the new normal. Average daily sales continue to improve month-on-month in the fourth quarter as we aggressively expanded our assortment and recovery in ready-to-eat food sales. Fourth quarter SSSG slightly improved although still weak at -38.9% from -44.3% in the third quarter. Full year SSSG was at -31.8% as approximately 60% of our store network are located in BPO and commercial districts which were the most challenged with FY SSSG at -42% and -39%, respectively.

Gross profit and royalty income margin dipped 90bps to 34.2% in 2020 due to higher number of company owned stores. Meanwhile, EBITDA margin for the fourth quarter was lifted by the steep decline in operating costs advancing by 490bps to 8.3%, including substantial rental discounts being negotiated. This was a turnaround from the negative EBITDA margin registered in the fourth quarter, bringing full year EBITDA margin at 6.6%.

- (x) **Drug Stores.** Net sales of the drugstore segment grew significantly by 14.8% to ₱5,390 million in the fourth quarter and 7.8% to ₱19,059 million in 2020 mainly due to the two-month consolidation of Rose Pharmacy. Excluding Rose Pharmacy, net sales increased by 1.1% to ₱17,872 million for the full year. The contribution of online sales increased to 0.7% in the fourth quarter from only 0.3% in the second quarter when the site started. Southstar Drug registered negative SSSG for the fourth quarter due to the

following: a) high base effect of 7.4% in 2019 from the meningococemia scare, rapid progression of dengue in the country, and flu outbreak; and b) lower demand for prescription medicines due to less people visiting hospitals. Meanwhile, 2020 SSSG was flat.

Blended gross margins declined by 170bps to 16.8% in the fourth quarter and 30bps to 19.0% for the full year, impacted by the consolidation of the lower margin business of Rose Pharmacy. Excluding Rose Pharmacy, gross margins increased by 10bps to 19.4%.

Rose Pharmacy recorded higher operating cost which dragged down consolidated EBITDA margin by 10bps to 9.1% in 2020. Excluding Rose Pharmacy, EBITDA margin of the drugstore segment rose by 30bps to 9.7% in 2020.

- (xi) **DIY Stores.** The DIY segment posted ₱3,651 million in net sales for the fourth quarter, down 8.9% from the same period last year. Full year net sales reached ₱11,358 million, 21% lower year-on-year. Total ecommerce sales reached 1.5% of sales in 2020 from 0.3% last year. Fourth quarter SSSG at -11.7% was a vast improvement from the 49.8% decline in the second quarter and 18.6% decline in the third quarter due to a slightly better mall footfall towards the end of the year. Full year SSSG ended at -23.4%. Categories with the least decline were cleaning (-6.7%), pet food (-11.6%) and Lawn and Garden (-13.6%).

Gross margins contracted by 170bps to 29.1% in the fourth quarter due to mark downs to flush out old inventories, but was maintained at 32.5% level in 2020 supported by the gains achieved in the first nine months. OPEX as % of sales improved by 80bps, partially mitigating the decline in gross margin, with EBITDA margin down by 70bps to 14.6% in the fourth quarter. Year-end EBITDA margin compressed by 70bps to 15.6%.

- (xii) **Specialty Stores Segment.** The specialty segment contributed ₱4,073 million in the fourth quarter, bringing full year 2020 net sales to ₱13,271 million, down by 31.2%. The decline in sales was due to shorter operating time as quarantines and LGU lockdowns remained in effect. By format, the consumer appliances and electronics format contributed 61% of total specialty sales, followed by Daiso and Growsari with 12%, Toys R Us with 11%, and the balance from fashion & beauty, Super50, No Brand and Pet Lovers. Fast fashion stores are being closed down since 2018 with the last store to be closed in April 2021. As such, no new inventory were purchased for the whole year of 2020.

SSSG of the specialty segment was at -27.6% in the fourth quarter. Holiday season lifted sales in December but was not enough to offset weakness in prior quarters. Full year SSSG was at -28.0%. E-commerce for 2020 rose to 1.8% of sales from 0.7% last year.

Gross margins shrank to 19.8% in the fourth quarter and 20.6% for the year. Margins for appliances remained compressed in the last quarter of 2020, partially offset by margin improvement from the toys segment. EBITDA margin fell to 6.4% in 2020 due to the challenged SSSG.

Financial Position

As of December 31, 2020, after the impact of the new accounting standard PFRS 16-Leases, the Group's balance sheet showed consolidated assets of ₱141,596 million. Without the impact of the new standard, consolidated assets amounted to ₱116,558 million.

Cash and cash equivalents as of December 31, 2020 is at ₱21,338 million. Net cash provided by operating activities excluding the impact of PFRS 16 totaled ₱3,679 million. Net cash spent from investing activities amounted to ₱4,937 million, ₱4,333 million of which pertains to the acquisition of Rose Pharmacy. Excluding the impact of PFRS 16, net cash provided by financing activities amounted to ₱2,290 million of which ₱4,950 million came from net loan proceeds offset by ₱1,921 million payment of dividends and ₱793 million to buy back treasury shares.

Trade and other receivables decreased by 18.7% from ₱3,865 million to ₱3,144 million as of December 31, 2020.

Debt and equity instrument financial assets declined by ₱926 million or 6.2% for the full year 2020 due to redemptions during the period.

Trade and other payables decreased from ₱25,102 million to ₱23,363 million as of December 31, 2020 mainly driven by tempered purchases and spending. Current loans payable increased by ₱4,950 million to augment working capital.

Stockholder's equity stood at ₱77,590 million as of December 31, 2020.

December 31, 2019 vs December 31, 2018

Consolidated Results of Operations

(Amounts in Million Pesos)

In 2019, the Group adopted Philippine Financial Reporting Standards (PFRS) 16, Leases in accounting for its operating leases where the Group is the lessee. The Group recognized an asset representing right of use of the leased property (ROU) and a liability for lease payments (lease Liability).

	Years Ended December 31			% Change	
	2019		2018		
	Under PFRS 16 (A)	Under Previous Standard (B)	Under Previous Standard ('C)	2019 (A) vs. 2018 (C)	2019 (B) vs. 2018 (C)
Financial Summary (Amount in million Pesos except EPS)					
<u>Consolidated Statement of Comprehensive Income Data</u>					
Sales- net of sales discounts and returns	162,915.7	162,915.7	132,680.5	22.8%	22.8%
Cost of merchandise sold	125,734.5	125,734.5	102,845.4	22.3%	22.3%
Operating expenses	32,123.2	32,761.2	25,631.4	25.3%	27.8%
Interest expense	2,578.5	300.7	159.1	1521.0%	89.0%
Income before income tax	6,109.6	7,749.3	7,597.2	-19.6%	2.0%
Provision for income tax	1,559.3	2,091.7	1,772.0	-12.0%	18.0%
Net income	4,550.3	5,657.7	5,825.1	-21.9%	-2.9%
Net income attributable to Parent Company	3,918.6	4,907.8	5,107.3	-23.3%	-3.9%
EPS	2.49	3.11	3.65	-31.8%	-14.6%
<u>Consolidated Statement of Cash Flow Data</u>					
Net cash from operating activities	12,049.0	7,606.8	9,087.1	32.6%	-16.3%
Net cash provided by (used in) investing activities	1,817.8	1,817.8	(6,373.8)	-128.5%	-128.5%
Net cash used in financing activities	(8,359.8)	(3,917.7)	(2,494.7)	235.1%	57.0%
<u>Consolidated Statement of Financial Position Data</u>					
Total assets	137,866.1	111,055.5	107,777.1	27.9%	3.0%
Total liabilities	61,339.7	33,421.7	35,072.9	74.9%	-4.7%
Total stockholder's equity	76,526.4	77,633.8	72,704.2	5.3%	6.8%

Robinsons Retail Holdings, Inc. recorded net income at ₱4,550 million for the twelve months ended December 31, 2019, a decrease of 22% as compared to ₱5,825 million for the twelve months ended December 31, 2018. Without the impact of PFRS 16, net income would be ₱5,658 million, a 2.9% decrease compared to last year. The decrease was largely due to one-offs in 2019. Net income attributable to parent amounted to ₱3,919 million for the twelve months ended December 31, 2019 after impact of PFRS 16. Without its impact, net income attributable to parent amounted to ₱4,908 million, a decrease of 3.9% as compared to ₱5,107 million for the twelve months ended December 31, 2018.

Consolidated net sales increased by 22.8% from ₱132,681 million for the twelve months ended December 31, 2018 to ₱162,916 million for the twelve months ended December 31, 2019. The robust revenue growth was largely due to the full year sales contribution of the stores that opened in 2018 as well as strong same stores sales growth. Royalty, rent and other income also increased from ₱2,422 million to ₱2,740 million, a growth of 13.1%, due to higher royalty fee income of the convenience store segment.

Gross profit for the twelve months ended December 31, 2019 amounted to ₱37,181 million, 24.6% higher than ₱29,835 million for the twelve months ended December 31, 2018. The increase was attributed to higher sales and full year contribution of RSCI.

Operating expenses grew by 25.3% from ₱25,631 million to ₱32,123 million for the twelve months ended December 31, 2019 after the impact of PFRS 16. Without the new standard, operating expenses amount to ₱32,761, an increase of 27.8% due to higher expenses and accelerated store network expansion.

Earnings before interests and taxes (EBIT) grew by 17.7% from ₱7,798 million to ₱6,626 million for the twelve months ended December 31, 2019 after impact of PFRS 16. Without the new standards, EBIT grew by 8.1% to ₱7,160 million. As a percentage of sales, EBIT before PFRS 16 is at 4.4% this year versus 5.0% last year due to faster increase in operating expenses as a percentage of sales.

Other income and charges (before PFRS 16) decreased by 39% from ₱971 million to ₱589 million for the twelve months ended December 31, 2019 primarily due to interest expense and one offs in 2019.

Interest expense recognized due to lease liability amounted to ₱2,278 million. Amortization expense on Right of Use assets meanwhile amounted to ₱3,804 million for the year 2019.

Earnings before interests, taxes, depreciation, amortization (EBITDA) and other non-cash items expanded by 62.7% from ₱9,021 million for the twelve months ended December 31, 2018 to ₱14,678 million for the twelve months ended December 31, 2019 after impact of PFRS 16. Without the new standards, EBITDA for the year 2019 amounted to ₱10,236 million. As percentage of sales, this is 6.3% this year versus 6.8% last year.

Segment Operations

- (xiii) **Supermarket.** The Supermarket segment continued to account for the largest share in the group's sales, EBIT and EBITDA for the full year ended 2019. Supermarket generated net sales of ₱88,515 million for the twelve months ended December 31, 2019 expanding by 42% from ₱62,362 million sales registered in 2018. The increase includes a full year consolidation of Rustan's. The growth was driven by the store expansion this year with the addition of 12 new stores to 176 Robinsons supermarket stores and 87 Rustan's stores acquired in 2018 and further boosted by sustained performance of existing stores and strong same store sales growth of 3.6%.

Gross profit expanded to ₱18,612 million, 52.7% higher than last year's ₱12,189 million. As a percentage to sales, gross profit margin grew by 150 bps to 21% this year versus 19.5% last year as a result of the higher margin business of Rustan's.

Without impact of PFRS 16, EBIT reached ₱3,344 million for the twelve months ended December 31, 2019, 16.6% growth from ₱2,868 in the same period last year. Likewise, EBITDA, without impact of the new standards, expanded by 28% to ₱4,968 million for the full year 2018 against ₱3,883 million in 2018. As a percentage to sales, EBITDA declined by 60 bps at 5.6% in 2019 compared to 6.2% in 2018.

- (xiv) **Department Stores.** Robinsons Department Store (RDS) sales for the year ended December 31, 2019 grew 1.5% from last year's ₱17,781 million to this year's ₱18,040 million.

This resulted to a gross margin of ₱4,989 million for 2018 against ₱4,769 million for the same period last year. As percentage of sales, this is 90bps higher than last year. The increase in sales contributed to the improved margins for the year.

Without the impact of PFRS 16, RDS generated EBITDA of ₱977 million for the year December 31, 2019, an increase of 6.1% against ₱921 million in the same period last year.

- (xv) **Convenience stores.** The convenience stores segment registered a system-wide sales and merchandise sales of ₱9,794 million and ₱6,744 million, respectively for the period ended December 31, 2019, a 8.0% and 9.2% increase from ₱9,065 million and ₱6,177 million for the same period last year. The increase in sales is attributed to the acceleration of same store sales growth of 3.2% in 2019.

Other income which mainly consists of royalty fee is at ₱1,847 million this year. Royalty fee is computed as a percentages of system-wide gross profit and accounts for the bulk of the total other income. Gross margin and other income is 450bps lower from 39.6% last year to 35.1% this year.

Before impact of PFRS 16, Convenience stores recorded a negative EBIT of ₱36 million this year versus last year's ₱101 million. EBITDA generated for 2019 is at ₱267 million, a decline of 21.9% versus ₱340 million of the same period last year.

- (xvi) **Drug Stores.** The drug store segment registered net sales of ₱17,685 million as of December 31, 2019, representing a growth of 11.8% from last year's net sales of ₱15,824 million. The growth was mainly driven by the segment's healthy same store sales growth and sales contribution of new stores.

Gross profit expanded by 11.1% from ₱3,077 million in 2018 to ₱3,419 million this year. Gross profit as a percentage of sales shrank by 10 bps to 19.3% in 2019 against 19.4% last year.

Before impact of PFRS 16, EBIT as of December 31, 2019 reached ₱1,203 million, an increase of 12.3% from last year's ₱1,071 million. Likewise, EBITDA also grew by 12.7% from ₱1,192 million in 2018 to ₱1,344 million this year. As a percentage of sales, EBITDA increased 10bps from 7.5% last year to 7.6% this year.

- (xvii) **DIY Stores.** Net sales grew by 3.4% from ₱13,905 million to ₱14,383 million for the year ended December 31, 2018 and December 31, 2019, respectively.

The sales lift was driven primarily by same store sales growth of 2.5%.

Gross profit increased by 5.2% to 4,675 million for the year ended December 31, 2019 from ₱4,445 million in the same period last year. As a percentage to sales, gross profit is 50bps higher at 32.5% compared to 32.0% last year.

Without the impact of PFRS 16, with operating expenses increasing at a higher pace than the growth in gross profit, EBIT grew by 2.0% at ₱1,223 million for the year ended December 31, 2019 versus ₱1,199 million in same period last year. EBITDA, without the impact of the new accounting standard grew only by 2.7% to ₱1,467 million for the year 2019 against ₱1,428 million for the same period in 2018.

- (xviii) **Specialty Stores Segment.** The net sales of the Specialty Stores segment increased by 6.0% from ₱18,200 million to ₱19,283 million for the twelve months ended

December 31, 2018 and December 31, 2019, respectively. The Specialty segment has 376 stores in 2019 lower by 11 net stores compared to 387 stores last year.

The gross profit meanwhile increased by 3.5% from ₱4,797 million to ₱4,966 million for the period.

For the year ended December 31, 2019, without impact of new standards, the Specialty Stores segment generated an EBITDA of ₱1,262 million, a decrease of 1.7% from last year's EBITDA of ₱1,283 million.

Financial Position

In 2019, the Company adopted PFRS 16, leases which resulted in recognition of right of use asset (ROU) of ₱26,317 million and lease liability of ₱28,053 million. As of December 31, 2019, after the impact of the new accounting standards, the Company's balance sheet showed consolidated assets of ₱137,866 million, which is 28% higher than the total consolidated assets of ₱107,777 million as of December 31, 2018. Without the new standards, consolidated assets amounted to ₱111,056 or 3.0% higher compared to last year.

Cash and cash equivalents increased from ₱14,788 million as of December 31, 2018, to ₱20,293 million as of December 31, 2019. Before the impact of PFRS 16, Net cash generated from operating activities totaled ₱7,607 million. Net cash in investing activities amounted to ₱1,818 million, ₱3,346 million of which was used to acquire properties and equipment and net proceeds of ₱5,583 from available-for-sale investments. Net cash spent from financing activities amounted to ₱3,995 million.

Trade and other receivables increased by 21.9% from ₱3,172 million to ₱3,865 million as of December 31, 2019.

Available for Sale financial assets declined by 24.8% for 2019 due to redemptions during the year. Investment in associates meanwhile increased by 15.1% primarily due to new investments and increase in share of fair value in AFS of associates.

Trade and other payables increased from ₱24,577 million to ₱25,102 million as of December 31, 2019.

Current loans payable decreased as a result of avancement and payments during the year amounting to ₱915 million and ₱3,075 million, respectively.

Stockholder's equity grew from ₱72,704 million as of December 31, 2018, to ₱76,526 million as of December 31, 2019. Without PFRS 16, the stockholder's equity will be ₱77,634 million. The new accounting standards resulted to a decline of 1.4% in total stockholder's equity due to decline in net income by ₱1,107 million.

Material Changes in the 2021 Financial Statements

(Increase/decrease of 5% or more versus 2020)

Consolidated Statements of Comprehensive Income-Year Ended December 31, 2021 versus year ended December 31, 2020

(in millions)	December 31 2021	December 31 2020	Growth
SALES- net of sales discounts and returns	153,327	151,070	1.5%
COST OF MERCHANDISE SOLD	118,101	118,172	-0.1%
GROSS PROFIT	35,226	32,898	7.1%
ROYALTY, RENT AND OTHER REVENUE	870	1,618	-46.2%
GROSS PROFIT INCLUDING OTHER REVENUE	36,096	34,516	4.6%
OPERATING EXPENSES	(30,037)	(28,737)	4.5%
OTHER INCOME (CHARGES)			
Interest income	447	677	-34.0%
Foreign currency exchange gain (loss) - net	230	(171)	-234.8%
Dividend income	77	27	181.3%
Equity in net earnings of an associate	292	197	48.6%
Interest expense	(1,961)	(2,326)	-15.7%
Others	125	236	-47.2%
	(790)	(1,361)	-41.9%
INCOME BEFORE INCOME TAX	5,269	4,419	19.2%
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	1,122	1,423	-21.1%
Deferred	(704)	(489)	43.8%
	419	933	-55.1%
NET INCOME	4,850	3,486	39.2%
OTHER COMPREHENSIVE INCOME	25	75	-66.8%
TOTAL COMPREHENSIVE INCOME	4,875	3,560	36.9%

7.1% increase in Gross Profit

The increase is due to higher vendor supports and better product mix.

46.2% decrease in royalty, rent and other income

Primarily due to lower royalty income from convenience stores segment caused by COVID 19 pandemic.

4.5% increase in operating expenses

Primarily due to lower expenses last year from containment measures to cushion impact of Covid-19.

34.0% decrease in interest income

Caused by disposal of available for sale investment.

234.8% decrease in foreign currency exchange loss

Primarily due to higher forex rates of USD to Peso.

181.3% increase in dividend income

Primarily due to additional investment in financial instruments on equity securities.

48.6% increase in earnings from associate

Increase caused by equity in earnings in Rbank.

15.7% decrease in interest expense

Decrease during the year is primarily due to lower interest expense of lease liability recognized.

47.2% decrease in other charges

This is due to lower one-off other income for the period

21.1% decrease in provision for income tax-current

Due to higher tax credits of the subsidiaries and impact of CREATE Law.

43.8% decrease in provision for income tax-deferred

Due deferred tax impact of PFRS 16, excess MCIT and CREATE Law

39.2% increase in net income

Due to forex gains, increase earnings from associates and lower income tax rate due to CREATE Law.

66.8% decrease in other comprehensive income

Primarily due to marked-to-market movements in the fair value of debt and equity instrument financial assets.

Consolidated Statements of Financial Position - December 31, 2021 versus December 31, 2020

(in millions)	December 31 2021	December 31 2020	Growth
ASSETS			
Current Assets			
Cash and cash equivalents	16,170	21,338	-24.2%
Trade and other receivables	2,667	3,144	-15.2%
Merchandise inventories	25,090	22,234	12.8%
Other current assets	2,989	2,656	12.6%
Total Current Assets	46,916	49,373	-5.0%
Noncurrent Assets			
Debt and equity instrument financial assets	11,626	13,932	-16.6%
Property and equipment	17,620	18,174	-3.0%
Right-of-use assets	22,639	25,038	-9.6%
Investment in associates	8,896	8,585	3.6%
Intangible assets	22,672	22,673	0.0%
Deferred tax assets - net	1,350	1,532	-11.9%
Retirement plan asset	53	26	106.4%
Other noncurrent assets	2,462	2,265	8.7%
Total Noncurrent Assets	87,318	92,224	-5.3%
	134,234	141,596	-5.2%
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	21,216	23,363	-9.2%
Short-term loans payable	7,734	9,584	-19.3%
Lease liabilities - current portion	2,965	2,715	9.2%
Income tax payable	229	352	-35.0%
Other current liabilities	382	255	49.8%
Total Current Liabilities	32,526	36,269	-10.3%
Noncurrent Liabilities			
Lease liabilities - net of current portion	22,868	24,613	-7.1%
Deferred tax liabilities - net	2,026	2,550	-20.5%
Retirement obligation	302	575	-47.5%
Total Noncurrent Liabilities	25,196	27,737	-9.2%
Total Liabilities	57,722	64,006	-9.8%
Equity			
Capital stock	1,576	1,576	0.0%
Additional paid-in capital	40,768	40,768	0.0%
Treasury stock	(3,616)	(810)	346.4%
Other comprehensive income	443	434	1.9%
Equity reserve	(995)	(995)	0.0%
Retained earnings			0.0%
Appropriated	23,966	27,853	-14.0%
Unappropriated	9,827	4,226	132.6%
Total equity attributable to equity holders of the Parent Company	71,969	73,052	-1.5%
Non-controlling interest in consolidated subsidiaries	4,544	4,538	0.1%
Total Equity	76,513	77,590	-1.4%
	134,234	141,596	-5.2%

24.2% decrease in cash and cash equivalents

Primarily from operations and redemption of available for sale investments.

15.2% decrease in trade and other receivables

Due to collections for the period.

12.8% increase in merchandise inventories

Due to increased volume of inventories from higher store network versus last year.

12.6% increase in other current assets

Due to higher creditable withholding tax.

16.6% decrease in Available for Sale Investment

Decline is due to redemptions during the year.

9.6% decrease in Right-of-use assets

Decline is due to amortization during the year

11.9% decrease in deferred tax asset-net

Primarily due to DTA from impact of PFRS 16 and impact of CREATE Law.

106.4% increase in retirement plan asset

Increase is due to the contribution to the retirement fund.

8.7% increase in other non-current asset

Caused by increase in security deposits and construction bonds

9.2% decrease in payables

The decrease is caused by payments of payable for the year.

19.3% decrease in Loans

Decline is caused by payment of loans for the period.

5.5% decrease in lease liability

Decline is due to rental payments offset by accretion of interest expense.

35.0% decrease in income tax payable

Decrease in income tax payable is due to higher tax credits and impact of CREATE Law.

20.5% decrease in deferred tax liability

Caused by the impact of CREATE Law.

47.5% decrease in net retirement obligation

Increase is due to the contribution to the retirement fund..

346.4% increase in treasury stock

This is caused by share buyback of the Company for the period.

5.3% increase in retained earnings

Movement is due to net income during the year, net of dividends declared.

Key Performance Indicators

A summary of RRHI's key performance indicators follows:

Key Performance Indicators	2021	2020	2019
	<i>(in millions)</i>		
Net sales	153,327.4	151,070.3	162,916.5
EBIT	6,059.5	5,779.4	7,798.2
EBITDA	13,147.2	12,766.5	14,678.0
Core Net Earnings	3,801.4	2,710.8	4,053.5
	<i>Ratios</i>		
Liquidity ratio:			
Current ratio	1.44	1.36	1.42
Profitability ratio:			
Gross profit margin	0.23	0.22	0.23
Debt to equity ratio	0.75	0.82	0.80
Asset to equity ratio	1.75	1.82	1.80
Interest rate coverage ratio	3.09	2.48	3.02

The manner in which the Company calculates the above key performance indicators is as follows:

Key Performance Indicators

Net sales	= Gross sales net of VAT, less sales returns and allowances and sales discounts
EBIT	= Operating income
EBITDA	= Operating income add depreciation and amortization expense.
Core Net Earnings	= Net income less equity in net earnings of an associate less interest income on bond investments less unrealized foreign currency exchange gain (loss)
Current ratio	= Total current assets over current liabilities
Operating margin	= Operating income over net sales
Debt to equity ratio	= Total liability over total equity
Asset to equity ratio	= Total assets over total equity
Interest coverage ratio	= EBIT over interest expense

The Company pursued its efforts in converting the proceeds from its IPO into acquisition of investments and network expansion. The Company does not expect any liquidity problems that may arise in the near future.

Trends, Events or Uncertainties that have had or that are reasonably expected to affect revenues and income

- a.) The Philippine retail industry has experienced strong growth in recent years, primarily due to robust domestic economic growth as well as the population's growing desire to upgrade their lifestyles. However, market concentration of the Philippines' store-based retailing industry remains relatively low, with only a few major retail chain operators having a sizeable presence. The leading incumbent domestic retailers have created high barriers to entry based on their nationwide network of stores, brand equity as well as deep understanding of the market. In addition, foreign retail presence is also relatively limited as foreign entry was highly regulated until 2000.

As one of the most underpenetrated markets in Asia, the Philippine store-based retail industry presents strong growth potential in the foreseeable future. Similarly, total retail space per capita in the Philippines is behind that of other emerging Asian economies such as China, Thailand, Malaysia and Vietnam.

Penetration level of the modern retail format is currently low in the Philippines, with only a few major retail chains. Small traditional sari-sari stores remain the dominant channel for the entire grocery retail market, especially in lower-tier cities where the level of economic activity does not yet justify significant development by the larger retail chains. Sari-sari, which means "variety", indicates the wide array of grocery products sold by these small shops, which are prevalent, both in urban and rural areas. In provincial areas, the absence of supermarket chains and independent small grocers highlights the importance of sari-sari stores as the primary source of grocery products including packaged food, home care, and beauty and personal care, especially among the lower-income population.

With the rapid emergence of modern retail formats driven by increasing affluence in urban areas as well as the creation of a wider pool of higher-income consumers in provincial cities, the proportion of sales from traditional retail formats is expected to gradually decline and replaced by successful large-scale modern retailers.

On March 16, 2020, the President of the Philippines issued Proclamation No. 929 declaring a state of calamity throughout the Philippines due to COVID 19 which resulted to the imposition of an Enhanced Community Quarantine throughout Luzon starting midnight of March 16, 2020 until April 12, 2020.

The effects of the pandemic continued into 2021, albeit with meaningful signs of recovery in daily business operations which became apparent especially in the fourth quarter of the year. While foot traffic and consumer mobility were affected during periods of community lockdowns, consumers and business alike adapted to the changing conditions and the new normal. Compared to 2020, there were less periods of stringent quarantines, which allowed for more operating days for RRHI's discretionary formats. 2021 also saw the rollout of COVID-19 vaccination programs across local government units and corporations. This aided in better performance across RRHI's businesses, as vaccinated individuals allowed for better mobility and rising consumer confidence.

The pandemic affected the Company's strategic pivots towards accelerated e-commerce operations and digitalization. While brick and mortar stores still constitute the significantly larger proportion of sales. RRHI believes in the relevance of e-commerce to serve the rising omnichannel consumer, even in a post-COVID reality.

RRHI continues to monitor the pandemic, as the virus may still result into variants that can harm consumers industry. However, RRHI is cautiously optimistic that it will be able to remain resilient to further disruptions caused by COVID-19, as a greater proportion on the population is inoculated with primary, secondary and booster shots through government-led programs, and safety measures continue to be implemented across the various aspects of operations.

Given the dynamic nature of these circumstances, the related impact on the Group's results of operations, cash flows, liquidity and financial condition could not be reasonably estimated at this time and will be reflected in the Group's 2021 financial statements.

- b.) Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.**

Not Applicable

- c.) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entries or other persons created during the reporting period.**

The Group has various contingent liabilities from legal cases arising from the ordinary course of business which are either pending decision by courts or are currently being contested by the Group, the outcome of which are not presently determinable.

In the opinion of the management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have material adverse effect in the Group's financial position and results of operations.

- d.) Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures.**

The Company does not have any material commitments for capital expenditures.

Item 7. Financial Statements

The Consolidated financial statements are filed as part of this report.

Item 8. Changes and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with the external auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Company and its subsidiaries.

(A) External Audit Fees and Services

Audit and Audit - Related Fees

The following table sets out the aggregate fees billed to the Company and its subsidiaries for the last two years for professional services rendered by SyCip, Gorres Velayo & Co.,

	2021	2020	2019
Audit and Audit-Related Fees			
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	₱8,712,640	₱9,407,440	₱8,788,422
Professional Fees related to the Initial Public Offering	None	None	None
Tax Fees	None	None	None
All Other Fees	98,560	430,000	370,370
Total	₱8,811,200	₱9,837,440	₱9,158,792

Other fees pertain to agreed-upon procedures performed by the external auditors for the Company for calendar years 2021, 2020 and 2019.

No other service was provided by the external auditors for the Company for the calendar years 2021, 2020 and 2019.

Prior to the commencement of the audit, the Audit and Risk Oversight Committee discusses with the external auditor the nature, scope and expenses of the audit. It likewise evaluates and determines the non-audit work, if any, of the external auditor, and periodically review the proportion of non-audit fees paid to the external auditor to the Company's overall consultancy expenses. The Committee shall evaluate if the non-audit work will create a potential conflict of interest and shall disallow any non-audit work that will conflict with the duties of the external auditor or may pose a threat to its independence.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

(A) Board of Directors and Executive Officers of the Registrant

Currently, the Board consists of nine members, of which four are independent directors. The table below sets forth certain information regarding the members of our Board.

DIRECTORS

Name	Age	Position	Citizenship
Lance Y. Gokongwei	55	Chairman	Filipino
James L. Go	82	Vice-Chairman	Filipino
Robina Gokongwei-Pe	60	President and Chief Executive Officer	Filipino
Ian McLeod	63	Director	British
Choo Peng Chee	61	Director	Singaporean
Antonio L. Go*	82	Independent Director	Filipino
Roberto R. Romulo**	83	Independent Director	Filipino
Rodolfo P. Ang	60	Independent Director	Filipino
Cirilo P. Noel	65	Independent Director	Filipino

* He is not related to any of the other directors

**Amb. Roberto R. Romulo passed away on January 23, 2022

All of the above directors have served their respective offices since May 14, 2021 except for Mr. Choo Peng Chee who has been an independent director of the Company since July 30, 2021. There are no other directors who resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of the stockholders for any reason whatsoever.

Messrs. Antonio L. Go, Roberto R. Romulo(+), Rodolfo P. Ang and Cirilo P. Noel are the independent directors of the Company.

The table below sets forth certain information regarding our executive officers.

Name	Age	Position	Citizenship
Mylene A. Kasiban	52	Chief Financial Officer and Chief Risk Officer	Filipino
Gina R. Dipaling	56	Investor Relations Officer	Filipino
Gabriel Tagala III	53	Vice President, Human Resources	Filipino
Graciela A. Banatao	46	Treasurer	Filipino
Rosalinda F. Rivera	51	Corporate Secretary	Filipino
Gilbert S. Millado, Jr.	48	General Counsel and Compliance Officer	Filipino

A brief description of the directors and executive officers' business experience and other directorships held in other reporting companies are provided as follows:

James L. Go is the Vice Chairman of the Company and the Chairman of JG Summit Holdings, Inc., and Cebu Air, Inc. He is also Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation. He is the Chairman Emeritus of Universal Robina Corporation, Robinsons Land Corporation, JG Summit Petrochemical Corporation and JG Summit Olefins Corporation. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of PLDT, Inc. since November 3, 2011. He is a member of the Technology Strategy and Risk Committees and Advisor of the Audit Committee of the Board of Directors of PLDT, Inc. He was elected a director of Manila Electric Company on December 16, 2013. Mr. James L. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

Lance Y. Gokongwei is the Chairman of the Company. He is likewise the Chairman of Robinsons Supermarket Corporation and Robinsons Convenience Stores, Inc. He is the President and Chief Executive Officer of JG Summit Holdings, Inc. and Cebu Air, Inc. He is the Chairman of Universal Robina Corporation, Robinsons Land Corporation, Altus Property Ventures, Inc., JG Summit Olefins Corporation, and Robinsons Bank Corporation. He is the Vice Chairman and a Director of Manila Electric Company and a Director of RL Commercial REIT, Inc., Oriental Petroleum and Minerals Corporation, Singapore Land Group Limited, Shakey's Asia Pizza Ventures, Inc., AB Capital and Investment Corporation, and Endeavor Acquisition Corporation. He is a trustee and the Chairman of the Gokongwei Brothers Foundation, Inc. Mr. Lance Y. Gokongwei received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

Robina Gokongwei Pe is the President and Chief Executive Officer of the Company. She is also a director of JG Summit Holdings, Inc., Robinsons Land Corporation, Cebu Air, Inc., and Robinsons Bank Corporation. She is a trustee and the secretary of the Gokongwei Brothers Foundation, Inc. and a trustee and Vice Chairman of the Immaculate Concepcion Academy Scholarship Fund. She is also a member of the Xavier School Board of Trustees. She was formerly a member of the University of the Philippines Centennial Commission. She attended the University of the Philippines-Diliman from 1978 to 1981 and obtained a Bachelor of Arts degree (Journalism) from New York University in 1984.

Ian McLeod was elected as a director of the Company on November 23, 2018. He was named Group Chief Executive of The Dairy Farm Group in September 2017 (the pan-Asian multi-format retailer), having spent the previous two years as Chief Executive Officer of Southeastern Grocers, the fifth largest supermarket chain in the United States. With over 30 year's retail experience, Ian began his career with Asda (subsequently Wal-Mart) in 1981, where he spent 20 years working in the United Kingdom and Germany. Following this, he moved to Halfords (the UK's leading cycling and motoring retailer) where he became Chief Executive Officer in 2005. In 2008, he moved to Australia as Managing Director of Coles, overseeing 2,200 outlets and 100,000 employees. Whilst there he oversaw fundamental improvements in product quality and value as well as customer service. This resulted in Coles producing substantial increases in both turnover and profits, as well as significant market outperformance. Ian attended the Harvard Business School Advanced Management Program in 1999 and was awarded an Honorary Doctorate in his native Scotland in 2010 for services to Business and Retail.

Choo Peng Chee was elected as a director of the Company on July 30, 2021. He was appointed CEO DFI Retail North Asia of the DFI Retail Group in August 2021, covering all food retail operations (grocery retail and convenience stores) in Hong Kong, Macau, China, as well as the convenience format in Singapore. A director of the Dairy Farm Management Services Board since 2013 and also a member of the Executive Board of the DFI Retail Group. He joined the Group in 2000 and was the Chief Executive Officer of Cold Storage, Market Place and Shop N Save in Singapore from 2005 to 2009. He subsequently served as the Chief Executive Officer for Wellcome Hong Kong from 2010, and was appointed as the Regional Director, North Asia (Food) in 2013, and CEO – North Asia & Group Convenience in 2018. He brings with him more than 35 years of retail experience to this role and has an MBA in Retailing from the University of Stirling, Scotland.

Antonio L. Go has been an Independent Director of the Corporation since July 4, 2013. He is currently the Chairman of Equicom Savings Bank and ALGO Leasing and Finance, Inc., and MyHealth Ventures Corporation. He is also the Vice-Chairman of Maxicare Healthcare Corporation. He is a Director of Equitable Computer Services Inc., Medilink Network, Inc., Equicom Manila Holdings Inc., Equicom, Inc., Equitable Development Corporation, Pin-An Holdings Corp., Equicom Information Technology, Inc., DDMP REIT, Inc., Maxicare Health Services, Inc., T32 Dental Centre Pte. Ltd. (Singapore), Dental Implant and Maxillofacial Centre Pte. Ltd. (Hong Kong), Mioki Holdings Pte Ltd., Algo Healthcare Holdings Pte. Ltd., Equicom Health Solutions Pte. Ltd., SteelAsia Manufacturing Corporation, Oriental Petroleum and Minerals, Inc., JG Summit Holdings, Inc., and Dito Telecommunity Corporation. He is also a Trustee of the Go Kim Pah Foundation, Equitable Foundation, Inc, and Gokongwei Brothers Foundation, Inc. Mr. Go graduated from Youngstown University, United States with a degree in BS Business Administration. He attended the International Advance Management Program at the International Management Institute, Geneva, Switzerland as well as the Financial Planning/Control program at the ABA National School of Bankard Management, Northwestern University, United States.

Roberto R. Romulo ⁽⁺⁾ has been an independent director of the Company since July 4, 2013. He is the Chairman of AIG Philippines Insurance Inc., Medilink Network Inc., Nationwide Development Corporation, and Romulo Asia Pacific Advisory. He is currently a board member of Equicom Savings Bank, Philippine Long Distance Telephone Co. and Maxicare Healthcare Corporation. He is a Member of the Board of Counselors of McLarty Associates (formerly Kissinger McLarty Associates). He is the Chairman Emeritus of Zuellig Family Foundation and is the Chairman of other non-profit organizations, namely, Carlos P. Romulo Foundation for Peace and Development and Asia Europe Foundation of the Philippines. He joined government service in June 1989 when he was appointed Ambassador to Belgium, Luxembourg and the Commission of the European Communities. In 1992, he was appointed Secretary of Foreign Affairs. In 1995, he rejoined the private sector and was elected as Chairman of PLDT, and Vice-Chair of San Miguel International. He was Chairman of Interpharma Investments Ltd. (Zuellig Pharma) from 1997 to 2007. He was also a board member of United Industrial Corporation Limited from January 2003 to April 2010 and of Singapore Land Limited from January 2003 to August 2014. He graduated with a Bachelor of Arts degree (Political Science) from Georgetown University, Washington, D.C. and a Bachelor of Laws degree from Ateneo de Manila University.

Rodolfo P. Ang was elected as an independent director of the Corporation on March 9, 2020. He is the Vice President for Administration and Information Systems and an Associate Professor of the School of Management of Ateneo De Manila University. He is the former Dean of the Ateneo Graduate School of Business. He is also an independent director of the Philippine Insurers and Reinsurers Association. He sits on the Board of Trustees of Xavier School. He has served the Commission on Higher Education in various capacities, as a member of the Technical Panel for Business and Management Education, member of the Technical Committee for Business Administration and Entrepreneurship, and member of the NCR Regional Quality Assessment Team. He obtained his Bachelor of Science Degree in Management (Honors Program) and Bachelor of Arts Degree in Communications from Ateneo De Manila University where he graduated Magna Cum Laude. He received his Master's Degree in Business Administration Major in Finance from Boston College, Carroll Graduate School of Management.

Cirilo P. Noel was elected as an independent director of the Corporation on August 12, 2020. He is a lawyer and certified public accountant. Mr. Noel is a member of the Board of Directors of Security Bank Corporation and was appointed Vice Chairman in April 2020. He is likewise a Board member of the following publicly listed companies: Globe Telecom, Inc., San Miguel Foods and Beverage, Inc. and First Philippine Holdings Corporation. He is the Chairman of Palm Concepcion Power Corporation, Juxtapose Ergo Consultus, Inc. and Cofiar Land Corp. He is a member of the Board of St. Luke's Medical Center-Global City since August 2017. He is also a member of the Board of Trustees of St. Luke's Medical Center-Quezon City, St. Luke's Medical Center College of Medicine, and St. Luke's Medical Center Foundation, Inc. He is also currently affiliated with the Makati Business Club, Harvard Law School Association of the Phils., and Harvard Club of the Philippines. He held various positions in SGV & Co. including Chairman (from 2010 to 2017), Managing Partner (from 2009 to 2016), Vice Chairman & Deputy Managing Director (from 2004 to 2009), Head of Tax Division (from 2001 to 2008), and Partner, Tax Services (from 1993 to 2017). He graduated from the University of the East with a Bachelor of Science degree in Business Administration and obtained his Bachelor of Law degree from the Ateneo Law School. He has a Master of Law degree from the Harvard Law School and a Fellow of the Harvard International Tax Program. He attended the AIM Management Development Program.

Rosalinda F. Rivera has been the Corporate Secretary of the Company since June 2013. In 2020, she assumed the role of Corporate Secretary for all the subsidiaries of the Company. She was the Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, and Robinsons

Land Corporation from 2003 up to 2020. Prior to joining the JG Group in 2002, she was a Senior Associate at Puno and Puno Law Offices. She received a degree of Juris Doctor from the Ateneo de Manila University School of Law and a Masters of Law degree in International Banking from the Boston University School of Law.

(i) **Officers**

James L. Go, see “i. Directors”.

Robina Y. Gokongwei-Pe, see “i. Directors”.

Mylene A. Kasiban, is the Chief Financial Officer (CFO) of the Company since May 2016. She has more than 15 years of experience as a CFO in country and regional capacities for multinational companies such as Mondelez, The Hershey Company and Johnson and Johnson. Mylene is a Certified Public Accountant and graduated Cum Laude with a Bachelor of Science in Accounting and Economics from St. Scholastica's College. She has a Masters in Business Administration from the University of Bath, UK and a Post Graduate Diploma in Financial Strategy from the Said Business School, University of Oxford.

Graciela A. Banatao, is the Company Treasurer. She graduated Cum Laude with a Bachelors Degree in Accountancy from St. Paul University (Tuguegarao City) in 1996 and became a Certified Public Accountant in the same year. She started her career in Sycip, Gorres and Velayo (SGV) as account-in-charge in 1996 and has a total of 19 years experience in treasury and accounting from companies such as SGV, Questronix Corporation, Abbott Laboratories and Universal Robina Corporation. She joined the Robinsons Retail group in 2014.

Rosalinda F. Rivera has been the Corporate Secretary of the Company since June 2013. In 2020, she assumed the role of Corporate Secretary for all the subsidiaries of the Company. She was the Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, and Robinsons Land Corporation from 2003 up to 2020. Prior to joining the JG Group in 2002, she was a Senior Associate at Puno and Puno Law Offices. She received a degree of Juris Doctor from the Ateneo de Manila University School of Law and a Masters of Law degree in International Banking from the Boston University School of Law.

Gina R. Dipaling is the Vice-President for Corporate Planning and Investor Relations Officer for the Company. She was an Investment Research Analyst and Director for two decades at various multinational stock brokerage firms before joining the Gokongwei Group in 2010. She started as Corporate Planning Manager and IR Director at JG Summit and was promoted and transferred to Robinsons Retail in 2013. She is a graduate of BS Mathematics Cum Laude at Silliman University and a masters degree candidate on MS Statistics at the University of the Philippines Diliman.

Gabriel D. Tagala III is the Vice-President for Human Resources of the Company, joining the Company 2017. He was previously the Human Resources Director for Southeast Asia, Branded Consumer Foods Group, of Universal Robina Corporation. He received a Bachelor of Arts degree from San Sebastian College.

Atty. Gilbert S. Millado Jr., is the General Counsel, Assistant Corporate Secretary, and Compliance Officer of the Company and the General Counsel and Corporate Secretary of all subsidiaries under

the Company. He was previously the Corporate Legal Counsel of RLC from 2003 to 2012. He also served as the Corporate Legal Counsel of the Araneta Properties from 2000 to 2003. He received a Bachelor of Laws degree from Far Eastern University and was admitted to the Philippine Bar in 2000.

(B) Significant Employees

The Company does not believe that its business is dependent on the services of any particular employee.

(C) Family Relationships

- a. Mr. James L. Go is the uncle of Mr. Lance Y. Gokongwei.
- b. Mr. Lance Y. Gokongwei and Ms. Robina Gokongwei-Pe are siblings.

(D) Involvement in certain Legal Proceedings of Directors and Executive Officers

As of December 31, 2021, and to the best of the Company's knowledge and belief and after due inquiry, none of the Company's directors, nominees for election as director, or executive officers, in the past five years up to the date of this report: (i) have had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a three-year period of that time; (ii) have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offences; (iii) have been subjected to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or (iv) been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC 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.

Item 10. Executive Compensation

Key management personnel of the Group include the President and Chief Operating Officer.

(A) Summary Compensation Table

The following table sets out the Company's chief operating officer and four most highly compensated senior officers for the last three years and projected for the ensuing year (2022).

Name	Position
Robina Y. Gokongwei-Pe.....	President and Chief Executive Officer
Mylene A. Kasiban.....	Chief Financial Officer
Stanley C. Co.....	Managing Director – Supermarket Segment
Jovito U. Santos.....	Group General Manager – Appliances Segment
Stephen M. Yap.....	Vice President – Chief Information Officer

The aggregate compensation of executive officers and directors of the Company for last year and projected for the year 2022 are as follows:

ACTUAL

	Year	Salaries	Bonuses (in ₱ million)	Total
President, Managing Director of Supermarket Segment, Chief Financial Officer, Group General Manager of Appliances Segment and Chief Information Officer named above	2018	45.43	3.22	48.65
	2019	48.57	3.45	52.02
	2020	51.67	4.36	56.03
	2021	49.27	4.36	53.59
Aggregate compensation paid to all other general managers, heads for shared services and directors as a group unnamed	2018	89.17	6.93	96.10
	2019	112.74	9.54	122.3
	2020	116.8	9.95	126.76
	2021	127.78	10.89	138.67

(B)

PROJECTED 2022 (in ₱ million)			
	Salaries	Bonuses	Total
President, Managing Director of Supermarket Segment, Chief Financial Officer, Group General Manager of Appliances Segment and Chief Information Officer named above	53.35	4.51	57.86
Aggregate compensation paid to all other general managers, heads for shared services and directors as a group unnamed	137.90	11.66	149.56

(C) Standard Arrangements

Other than payment of reasonable per diem as may be determined by the Board for every meeting, there are no standard arrangements pursuant to which the directors are compensated, directly or indirectly, for any services provided as a director.

(D) Other Arrangements

There are no other arrangements pursuant to which any of the directors is compensated, directly or indirectly, for any service provided as a director.

(E) Terms and Conditions of any Employment Contract or any Compensatory Plan or Arrangement between the Company and the Executive Officers

Not applicable.

(F) Outstanding Warrants or Options Held by the Company's CEO, the Executive Officers and Directors.

Not applicable.

Item 11. Security Ownership of Certain Record and Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners holding more than 5% of the Company's voting securities as of December 31, 2021

As of December 31, 2021, the Company knows no one who beneficially owns in excess of 5% of the Company's common stock except as set forth in the table below.

Title of Class	Names and addresses of record owners and relationship with the Company	Name of beneficial owner and relationship with record owner	Citizenship	Number of shares held	% to Total Outstanding
Common	JE Holdings, Inc. 43/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street Ortigas Center, Pasig City (stockholder)	Same as record owner (See note 1)	Filipino	491,299,997	32.49%
Common	GCH Investments Pte Ltd 239 Alexandra Road, Singapore 159930 (stockholder)	Same as record owner (See note 2)	Singaporean	315,308,689	20.85%
Common	PCD Nominee Corporation (Filipino) 37/F Tower 1, The Enterprise Center, Ayala Ave. cor. Paseo de Roxas, Makati City (stockholder)	PDTC Participants and their clients (See note 3)	Filipino	219,006,808	14.48%
Common	PCD Nominee Corporation (Non-Filipino) 37/F Tower 1, The Enterprise Center, Ayala Ave. cor. Paseo de Roxas, Makati City (stockholder)	PDTC Participants and their clients (See note 3)	Non-Filipino	178,471,773	11.80%
Common	Lance Y. Gokongwei 43/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street Ortigas Center, Pasig City (Chairman, Director and stockholder)	Same as record owner	Filipino	91,952,655	6.08%
Common	Robina Gokongwei Pe 110 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City (President and CEO, Director and stockholder)	Same as record owner	Filipino	91,952,654	6.08%

Notes:

1. JE Holdings, Inc. is a company owned by members of the Gokongwei family. Under the By-Laws of JE Holdings, Inc., the President is authorized to represent the Corporation at all functions and proceedings. The incumbent President of JE Holdings, Inc. is Mr. Lance Y. Gokongwei.
2. GCH Investments Pte Ltd is a wholly owned member of the Dairy Farm International Holdings Ltd. Group of Companies.
3. PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly-owned by Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current PDTC system, only participants (brokers and custodians) will be recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares through his participant will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee.

Out of the PCD Nominee Corporation account, CLSA Philippines, Inc., Deutsche Bank Manila, holds the following shares of the Corporation as of December 31, 2021:

	<u>No. of shares</u>	<u>% to outstanding shares</u>
CLSA Philippines, Inc.	123,819,948	8.18%

Voting instructions may be provided by the beneficial owners of the shares.

(A) Security Ownership of Management as of December 31, 2021

Title of Class	Name of beneficial owner	Position	Amount & nature of beneficial ownership		Citizenship	% to Total Outstanding
			Direct	Indirect		
Named Executive Officers (Note 1)						
Common	1. Lance Y. Gokongwei	Director, Chairman	91,952,655	-	Filipino	6.08%
Common	2. Robina Gokongwei-Pe	Director, President and Chief Executive Officer	91,952,654	-	Filipino	6.08%
	Sub-Total		183,905,309	-		12.16%
Other Directors and Executive Officers						
Common	3. James L. Go	Director and Vice Chairman	31,928,005	-	Filipino	2.11%
Common	4. Ian McLeod	Director	1	-	British	*
Common	5. Choo Peng Chee	Director	1	-	Singaporean	*
Common	6. Antonio L. Go	Director (Independent)	1	-	Filipino	*
Common	7. Roberto R. Romulo(+)	Director (Independent)	1	-	Filipino	*
Common	8. Rodolfo P. Ang	Director (Independent)	1	-	Filipino	*
Common	9. Cirilo P. Noel	Director (Independent)	1	-	Filipino	*
-	10. Mylene A. Kasiban	Chief Financial Officer	-	-	Filipino	-
-	11. Graciela A. Banatao	Treasurer	-	-	Filipino	-

Title of Class	Name of beneficial owner	Position	Amount & nature of beneficial ownership		Citizenship	% to Total Outstanding
			Direct	Indirect		
Common	12. Gina R. Dipaling	Investor Relations Officer	1,500	-	Filipino	-
-	13. Gabriel Tagala III	Vice President, Human Resources	-	-	Filipino	-
-	14. Rosalinda F. Rivera	Corporate Secretary	-	-	Filipino	-
Common	15. Gilbert S. Millado, Jr.	General Counsel and Compliance Officer	500	-	Filipino	*
-	16. Stanley Co	Managing Director Supermarket Segment	-	-	Filipino	-
-	17. Jovito Santos	Group General Manager Appliances Segment	-	-	Filipino	-
-	18. Stephen M. Yap	Vice President Chief Information Officer	-	-	Filipino	-
Sub-Total			<u>31,930,011</u>	-		<u>2.11%</u>
All directors and executive officers as a group unnamed			<u>215,835,320</u>	-		<u>14.27%</u>

Notes:

As defined under Part IV (B) (1) (b) of Annex “C” of SRC Rule 12, the “named executive officers” to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of December 31, 2021.

(B) Voting Trust Holders of 5% or more - as of December 31, 2021

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

Changes in Control

As of December 31, 2021, there has been no change in the control of the Corporation since the beginning of its last fiscal year.

Item 12. Certain Relationships and Related Transactions

See Note 24 (Related Party Transactions Disclosures) of the Notes to Consolidated Financial Statements.

The Company and its subsidiaries and affiliates, in their regular conduct of business, have engaged in transactions with each other and with other affiliated companies, consisting principally of sales and purchases at market prices and advances made and obtained.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

Corporate Objectives

Robinsons Retail Holdings, Inc. aims to retain its position as the second-largest multi-format retailer in the Philippines catering to the broad middle market. It plans to expand its store network across its retail formats with focus on regions outside of Metro Manila where modern retail penetration is still low. Aside from organic expansion, part of its strategy is to participate in the market's consolidation by entering into mergers and acquisitions in existing and complementary retail formats. Robinsons Retail targets consistent sales growth while improving margins to ensure sustainability of operations.

Dividend Policy

On March 9, 2020, the Board of Directors of the Company approved the adoption of a new dividend policy effective 2020. Under the dividend policy, the Company shall implement an annual cash dividend payout ratio of forty percent (40%) of its audited consolidated net income for the preceding fiscal year subject to compliance with the requirements of applicable laws and regulations, the terms and conditions of its outstanding loan facilities and the absence of circumstances which may restrict the payment of such amount of dividends, including, but not limited to, instances wherein the Company proposes to implement and undertake major projects and developments through its subsidiaries. There can be no guarantee that the Company will pay any dividends in the future.

Discussion on Compliance with Leading Practice on Corporate Governance

(a) Evaluation System to Determine Level of Compliance

The Corporate Governance and Sustainability Committee oversees the development and implementation of corporate governance principles and policies. It is tasked with the implementation of a Corporate Governance Framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as the business and regulatory environment. In addition, this Committee has oversight functions over the evaluation of the performance of the Board and its Committees and Management and ensures that its business processes and practices are consistent with the provisions of the Corporate Governance Manual.

(b) Measures for Compliance

The Company complies with its Corporate Governance Manual which contains relevant provisions of the Code of Corporate Governance. RRHI submitted the following documents in compliance with the rules and regulation of the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE):

Document	Submitted to	Date of Submission
2013 Annual Corporate Governance Report (ACGR)	Securities and Exchange Commission (SEC)	May 30, 2014

2014 Annual Corporate Governance Report (ACGR)	Securities and Exchange Commission (SEC)	January 20, 2015 (uploaded in the Company website)
2014 Corporate Governance Guidelines Disclosure Survey	The Philippine Stock Exchange, Inc. (PSE)	March 27, 2015
Revised Corporate Governance Manual	Securities and Exchange Commission (SEC)	July 16, 2015
2015 Annual Corporate Governance Report (ACGR)	Securities and Exchange Commission (SEC)	January 31, 2016 (uploaded in the Company website)
2015 Corporate Governance Guidelines Disclosure Survey	The Philippine Stock Exchange, Inc. (PSE)	March 31, 2016
2016 Annual Corporate Governance Report (ACGR)	Securities and Exchange Commission (SEC)	January 10, 2017 (uploaded in the Company website)
2016 Corporate Governance Guidelines Disclosure Survey	The Philippine Stock Exchange, Inc. (PSE)	March 31, 2017
Revised Corporate Governance Manual	Securities and Exchange Commission (SEC)	May 31, 2017
2017 Integrated Annual Corporate Governance Report (I-ACGR)	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	May 30, 2018
2018 Integrated Annual Corporate Governance Report (I-ACGR)	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	May 30, 2019
2019 Integrated Annual Corporate Governance Report (I-ACGR)	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	June 1, 2020
2020 Integrated Annual Corporate Governance Report (I-ACGR)	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	June 23, 2021
Revised Corporate Governance Manual	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	May 14, 2021
Revised Corporate Governance Manual	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	August 13, 2021

SEC Memorandum Circular No. 15, Series of 2017 mandates all listed companies to submit an Integrated Annual Corporate Governance Report (I-ACGR) on May 30 of the following year for every year that such companies remain listed in the PSE, subject to such extension of the date of submission as may be allowed by the SEC. Beginning 2018, the I-ACGR replaced the ACGR and the PSE's Corporate Governance Disclosure Report.

In compliance with SEC Memorandum Circular No. 15 Series of 2017, RRHI submitted its I-ACGR (formerly known as the Annual Corporate Governance Report or the ACGR) for the year 2020 with the SEC and PSE on June 23, 2021 since the SEC extended the deadline for the submission of the I-ACGR.

(c) Deviation from Corporate Governance Manual

The Compliance Officer of the Company is not aware of any material deviation from the Corporate Governance Manual.

(d) Plans to Improve Corporate Governance

Continuous improvement and monitoring of governance and management policies have been undertaken to ensure that RRHI observes good governance and management practices. This is to assure the shareholders that RRHI conducts its business with the highest level of integrity, transparency and accountability.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

List of Corporate Disclosures / Replies to SEC letters
Under SEC Form 17-C
January 1, 2021 to December 31, 2021

Date of Disclosure	Description
Jan. 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27, 28 and 29, 2021	Share Buy-back Transactions
Feb. 1, 2, 3, 4, 5, 8, 9, 10, and 11, 2021	Share Buy-back Transactions
Feb. 15, 2021	Changes in the Shareholdings of Mr. Lance Y. Gokongwei and Ms. Robina Gokongwei Pe as Directors and Principal Officers of RRHI Share Buy-back Transactions Press release – “Statement on the Disposition by Mr. Lance Y. Gokongwei of Shares of Robinsons Retail Holdings, Inc.”
Feb. 16, 2021	Press release entitled “GoRobinsons.ph adds Handyman and No Brand to E-commerce Portfolio” Share Buy-back Transactions
Feb. 17, 18, 19, 22, 23, and 24, 2021	Share Buy-back Transactions
Feb. 26, 2021	Extension of the Share Buyback Program for an additional Two Billion Pesos (Php 2,000,000,000.00) Press release entitled “Robinsons Retail Net Sales Hits Php151 billion in 2020 as E-commerce Sales Rise” Share Buy-back Transactions
March 1, 2, 3, 4 and 5, 2021	Share Buy-back Transactions

March 8, 2021	Press release entitled “Robinsons Retail Holdings, Inc. (RRHI) to buyback additional P2.0 billion worth of shares” Share Buy-back Transactions
March 9, 10, 11, 12, 15, 16, 17, 18, and 19, 2021	Share Buyback
March 22, 2021	Notice of Annual Meeting of Stockholders Share Buy-back Transactions
March 23, 24, 25, 26, 29, 30, and 31 2021	Share Buy-back Transactions
April 5, 6, 7, 8, 12, 13, 14, 15, 16, 19, 20, 21, 22, 23, and 26 2021	Share Buy-back Transactions
April 27, 2021	Declaration of a regular cash dividend and a special cash dividend Share Buy-back Transactions
April 17, 20, 21, 22, 23, 24, 27, and 28 2021	Share Buyback Transactions
April 28, 2021	Share Buy-back Transactions
April 29, 2021	Press release entitled “Robinsons Retail Net Income Reaches P945m in 1Q2021; E-commerce Sales Continues to Grow” Share Buy-back Transactions
April 30, 2021	Share Buy-back Transactions
May 3, 4, 5, 6, 7, 10, 11 and 12, 2021	Share Buy-back Transactions
May 14, 2021	Results of Annual Meeting of Stockholders Results of Organizational Meeting of the Board of Directors Share Buyback Approval of the revisions to the Corporate Governance Manual and adoption of such Corporate Governance Manual, as revised Share Buy-back Transactions
June 17, 18, 21, 23, 24, 25, 28 29, and 30 , 2021	Share Buy-back Transactions
July 2, 5, 6, 7, 8, 9, 12, 13, 14, 15, 16, 19, 21, 22, 23, 26, 27, and 28, 2021	Share Buy-back Transactions
July 30, 2021	Election of a Director and Appointment of a member of the Audit Committee
Aug. 4, 2021	Press release entitled “Robinsons Retail Registers Sales and Net Income Improvement in 2Q2021”
Aug. 9, 10, 11, and 12, 2021	Share Buy-back Transactions
Aug. 13, 2021	Creation of the Audit and Risk Oversight Committee Approval of the revisions to the Corporate Governance Manual and adoption of such Corporate Governance Manual, as revised Share Buy-back Transactions
Aug. 16, 17, 19, 20, 23, 24, 25, 26, 27 and 31, 2021	Share Buy-back Transactions

Sept. 1, 2, 3, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 2021	Share Buy-back Transactions
Sept. 20, 2021	Press release entitled “Robinsons Retail Opens 870th Drugstore” Share Buy-back Transactions
Sept. 21 and 22 2021	Share Buy-back Transactions
Sept. 23, 2021	Press release entitled “Robinsons Retail Appoints New Managing Director for Supermarket Segment” Share Buy-back Transactions
Sept. 24, 27, 28, 29, and 30, 2021	Share Buy-back Transactions
Oct. 1, 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27, 28, and 29 2021	Share Buy-back Transactions
Nov. 2, and 3 2021	Share Buy-back Transactions
Nov. 4, 2021	Press release entitled “Robinsons Retail Net Income up 38.7% in 3Q2021”
Nov. 9, 10, 11, 12, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26 and 29, 2021	Share Buy-back Transactions
Dec. 1, 2, 3, 6, 7, 9, 10 and 13, 2021	Share Buy-back Transactions
Dec. 14, 2021	Dissolution of Non Operating Subsidiaries of Robinsons Retail Holdings, Inc. Share Buy-back Transactions
Dec. 15, 16, 17, 20, 21, 22, 23, 24, 27, 28, 29 and 31, 2021	Share Buy-back Transactions

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

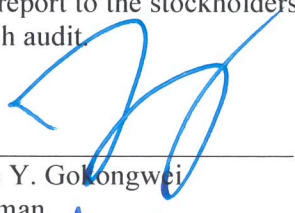
The management of **Robinsons Retail Holdings, Inc. and Subsidiaries** is responsible for all information and representations contained in the financial statements for the years ended **December 31, 2021, 2020 and 2019**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

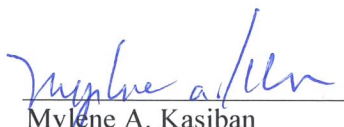
The Board of Directors is responsible for overseeing the Company's financial reporting process.


The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Sycip Gorres Velayo & Co., the independent auditors and appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



Lance Y. Gokongwei
Chairman

Robina Gokongwei Pe
President & Chief Executive Officer

Mylene A. Kasiban
Chief Financial Officer

Graciela A. Banatao
Treasurer

Signed this 28th day of March 2022.

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S.

SUBSCRIBED AND SWORN TO before me, a Notary Public, personally appeared and exhibiting to me the following:

NAME	COMPETENT EVIDENCE OF IDENTITY	DATE/PLACE ISSUED
LANCE Y. GOKONGWEI	PD870174A	NOVEMBER 11, 2016
ROBINA GOKONGWEI-PE	0003-786094-5	QUEZON CITY
MYLENE KASIBAN	D04-97-108-149	SEPTEMBER 11, 2019
GRACIELA BANATAO	D06-06-255-881	PASIG CITY

Known to me and to me known to be the same persons who executed the foregoing instrument, and they acknowledged to me that the same is their free and voluntary act and deed, and the free and voluntary act and deed of the corporations they respectively represent.

This Document consists of 2 pages including this page where the acknowledgement is written, to which the Annexes have been attached. Each page of this agreement has been signed by the parties and their instrumental witnesses and sealed with my notarial seal.

WITNESS MY HAND AND SEAL on the date and at the place hereinabove mentioned.

Doc No.: 492
Page No.: 100
Book No.: 1
Series of 2022.

ATTY. GILBERT S. MILLADO, JR.

Roll No. 45039

Notary Public

Until June 30, 2022

110 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City

PTR No. 2463284; January 03, 2022; Quezon City

IBP No. 168679; December 28, 2021; CALMANA

TIN No. 166-215-465

Commission Adm. No. 391 (2019-2020)

MCLE Compliance VI-0027451; June 24, 2019

Commission Extended until June 30, 2022

SC EN RANG B.M. No. 3795

28 MAR 2022

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

R	O	B	I	N	S	O	N	S		R	E	T	A	I	L		H	O	L	D	I	N	G	S	,		I	N	C	
.		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S													

Principal Office (No./Street/Barangay/City/Town/Province)

4	3	r	d		F	l	o	o	r	,		R	o	b	i	n	s	o	n	s		E	q	u	i	t	a	b	l
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Form Type

A	A	C	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

corpsec@robinsonretail.com.ph

Company's Telephone Number

8635-0751

Mobile Number

0998-8465-086

No. of Stockholders

42

Annual Meeting (Month / Day)

Last Thursday of May

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Mylene A. Kasiban

Email Address

Mylene.Kasiban@
robinsonretail.ph

Telephone Number/s

8635-0751 local
214

Mobile Number

0998 840 4227

CONTACT PERSON'S ADDRESS

43rd Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda Sts., Ortigas Center, Pasig City, Metro 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



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Robinsons Retail Holdings, Inc.
43rd Floor, Robinsons Equitable Tower
ADB Avenue corner Poveda Sts., Ortigas Center
Pasig City, Metro Manila

Opinion

We have audited the consolidated financial statements of Robinsons Retail Holdings, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, 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, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have 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 year. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Existence and completeness of inventory

The Group's inventories amounted to ₱25.09 billion which comprise 19% of its total assets as of December 31, 2021, as disclosed in Note 9 of the consolidated financial statements. The Group has 2,208 company-owned stores and warehouses throughout the country as of December 31, 2021. We focused on this area since inventories are material to the consolidated financial statements and are located in various sites across the country.

Audit Response

We obtained an understanding of the inventory management process which includes inventory count procedures. We assessed and tested the relevant inventory controls, and observed the conduct of the inventory count procedures for selected stores and warehouses and performed test counts. We traced the results of the test counts to the inventory compilation to determine if the inventory compilation reflects actual inventory count results. We also traced the last documents used for shipping, receiving, and transfers which were obtained during the inventory count observation to the accounting records of sales and purchases. We reviewed the reconciliation of the valued physical inventory compilation with the general ledger account balances and tested the reconciling items. We reviewed the roll forward or roll backward procedures performed by management and on a sampling basis, we tested the transactions from the date of inventory count to reporting date.

Impairment assessment of trademarks and goodwill

Under PFRS, the Group is required to annually test for impairment the amount of trademarks with indefinite useful lives and goodwill. As of December 31, 2021 and 2020, the Group's trademarks and goodwill arising from business combinations amounted to ₱7.92 billion and ₱14.75 billion, respectively, which are significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and estimation and is based on assumptions which are subject to higher level of estimation uncertainty due to the current economic conditions which have been impacted by the coronavirus pandemic, specifically gross margins, revenue growth and discount rates for value-in-use calculation and selected comparable entities for EV/EBITDA (enterprise value/earnings before interest, taxes, depreciation and amortization) multiple.

The Group's disclosures about trademarks and goodwill are included in Notes 5, 14 and 19 of the consolidated financial statements.



Audit Response

We involved our internal specialist in evaluating the methodologies and the assumptions used and performed a recalculation of the value-in-use and EV/EBITDA multiple provided. For value in use, we compared the key assumptions used, such as revenue growth rate against the historical performance of the CGU, industry/market outlook and other relevant external data, taking into consideration the impact associated with coronavirus pandemic. We tested the parameters used in the determination of the discount rate against market data. For EV/EBITDA, we assessed if the selected comparable entities obtained by the Group closely represent each cash generating unit to which the goodwill is allocated.

We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amounts of trademarks and goodwill.

Other Information

Management is responsible for the other information. The other information comprises the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of the auditor's 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 PFRSs, 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.



Auditor's Responsibilities for the Audit 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 auditor's 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 PSAs 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.

As part of an audit in accordance with PSAs, 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 auditor's 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 auditor's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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 audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 auditor's report is
Wenda Lynn M. Loyola.

SYCIP GORRES VELAYO & CO.



Wenda Lynn M. Loyola

Partner

CPA Certificate No. 109952

Tax Identification No. 242-019-387

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 109952-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-117-2022, January 20, 2022, valid until January 19, 2025

PTR No. 8854316, January 3, 2022, Makati City

March 28, 2022



ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7 and 27)	₱16,170,113,685	₱21,338,418,561
Trade and other receivables (Notes 8, 24 and 27)	2,666,782,371	3,144,095,464
Merchandise inventories (Note 9)	25,089,664,818	22,234,439,282
Other current assets (Note 10)	2,989,394,827	2,655,714,261
Total Current Assets	46,915,955,701	49,372,667,568
Noncurrent Assets		
Debt and equity instrument financial assets (Notes 11 and 27)	11,625,932,652	13,931,757,447
Property and equipment (Note 12)	17,620,046,547	18,173,764,218
Right-of-use assets (Note 28)	22,639,146,437	25,038,299,389
Investment in associates (Note 13)	8,896,140,540	8,584,762,373
Intangible assets (Notes 14 and 19)	22,672,126,571	22,672,884,904
Deferred tax assets - net (Note 25)	1,349,858,212	1,531,779,268
Retirement plan asset (Note 23)	52,783,819	25,576,541
Other noncurrent assets (Notes 15 and 27)	2,462,292,120	2,264,691,275
Total Noncurrent Assets	87,318,326,898	92,223,515,415
	₱134,234,282,599	₱141,596,182,983
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 16, 24 and 27)	₱21,215,751,761	₱23,363,164,229
Short-term loans payable (Notes 17 and 27)	7,734,000,000	9,584,000,000
Lease liabilities - current portion (Note 28)	2,965,059,293	2,714,936,166
Income tax payable	228,549,613	351,704,061
Other current liabilities (Note 27)	382,355,834	255,281,634
Total Current Liabilities	32,525,716,501	36,269,086,090
Noncurrent Liabilities		
Lease liabilities - net of current portion (Note 28)	22,867,675,695	24,612,504,568
Deferred tax liabilities - net (Note 25)	2,026,461,753	2,549,824,361
Retirement obligation (Note 23)	301,711,029	574,533,710
Total Noncurrent Liabilities	25,195,848,477	27,736,862,639
Total Liabilities	57,721,564,978	64,005,948,729
Equity (Note 18)		
Capital stock	1,576,489,360	1,576,489,360
Additional paid-in capital	40,768,202,897	40,768,202,897
Treasury stock	(3,616,057,963)	(810,018,635)
Other comprehensive income (Notes 11, 13 and 23)	442,697,037	434,295,080
Equity reserve	(995,284,977)	(995,284,977)
Retained earnings		
Appropriated	23,965,752,847	27,852,852,847
Unappropriated	9,827,278,268	4,225,869,025
Total equity attributable to equity holders of the Parent Company	71,969,077,469	73,052,405,597
Non-controlling interest in consolidated subsidiaries	4,543,640,152	4,537,828,657
Total Equity	76,512,717,621	77,590,234,254
	₱134,234,282,599	₱141,596,182,983

See accompanying Notes to Consolidated Financial Statements.



ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2021	2020	2019
SALES - Net of sales discounts and returns (Notes 6, 20 and 24)	₱153,327,360,466	₱151,070,260,790	₱162,915,687,301
COST OF MERCHANDISE SOLD (Notes 6 and 9)	118,101,349,532	118,172,338,279	125,734,533,662
GROSS PROFIT (Note 6)	35,226,010,934	32,897,922,511	37,181,153,639
ROYALTY, RENT AND OTHER REVENUE (Notes 6, 24 and 29)	869,963,952	1,618,219,672	2,740,181,024
GROSS PROFIT INCLUDING OTHER REVENUE (Note 6)	36,095,974,886	34,516,142,183	39,921,334,663
OPERATING EXPENSES (Notes 21, 22, 23, 28 and 29)	(30,036,523,571)	(28,736,744,849)	(32,123,178,669)
OTHER INCOME (CHARGES)			
Interest income (Notes 6, 7 and 11)	446,828,491	676,545,269	1,015,573,149
Equity in net earnings in associates (Notes 6 and 13)	292,071,188	196,514,026	104,749,733
Dividend income (Notes 6 and 11)	76,941,788	27,347,725	100,315,156
Foreign currency exchange gains (loss) - net (Note 6)	230,024,576	(170,615,372)	(134,619,196)
Interest expense (Notes 6, 17 and 28)	(1,960,893,202)	(2,326,256,810)	(2,578,499,847)
Others (Notes 11, 14, 19 and 28)	124,654,828	235,944,534	(196,094,467)
	(790,372,331)	(1,360,520,628)	(1,688,575,472)
INCOME BEFORE INCOME TAX (Note 6)	5,269,078,984	4,418,876,706	6,109,580,522
PROVISION FOR INCOME TAX (Note 25)			
Current	1,122,465,120	1,422,672,062	2,056,973,505
Deferred	(703,827,609)	(489,409,753)	(497,680,792)
	418,637,511	933,262,309	1,559,292,713
NET INCOME	4,850,441,473	3,485,614,397	4,550,287,809
OTHER COMPREHENSIVE INCOME			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of debt securities at fair value through other comprehensive income (FVOCI) (Note 11)	(217,722,523)	168,422,421	769,066,737
Share in change in fair value of debt financial assets in associates (Note 13)	(453,700,424)	95,150,278	411,345,068
Share in change in translation adjustment in associates (Note 13)	19,914,747	34,967,113	3,656,329
Cumulative translation adjustment	29,386,402	(56,091,667)	(40,371,837)
Income tax effect	108,632,686	(39,035,217)	(124,500,419)

(Forward)



	Years Ended December 31		
	2021	2020	2019
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity securities at FVOCI (Note 11)	₱367,118,057	₱20,836,500	₱67,083,500
Share in actuarial gain (losses) on retirement obligation in associates (Note 13)	(745,075)	840,628	(8,190,337)
Remeasurement gain (losses) on retirement obligation (Note 23)	345,526,680	(181,971,717)	(364,536,075)
Income tax effect	(173,604,904)	32,263,492	111,817,924
	24,805,646	75,381,831	825,370,890
TOTAL COMPREHENSIVE INCOME	₱4,875,247,119	₱3,560,996,228	₱5,375,658,699
Net income attributable to:			
Equity holders of the Parent Company	₱4,527,833,319	₱3,216,636,348	₱3,918,623,046
Non-controlling interest in consolidated subsidiaries	322,608,154	268,978,049	631,664,763
	₱4,850,441,473	₱3,485,614,397	₱4,550,287,809
Total comprehensive income attributable to:			
Equity holders of the Parent Company	4,536,235,276	₱3,319,269,860	₱4,755,279,388
Non-controlling interest in consolidated subsidiaries	339,011,843	241,726,368	620,379,311
	₱4,875,247,119	₱3,560,996,228	₱5,375,658,699
Basic/Diluted Earnings Per Share (Note 26)	₱2.95	₱2.05	₱2.49

See accompanying Notes to Consolidated Financial Statements.



ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Total Equity Attributable to Equity Holders of the Parent Company							Non-controlling Interest in Consolidated Subsidiaries	
	Capital Stock (Note 18)	Additional Paid-in Capital (Note 18)	Treasury Stock (Note 18)	Other Comprehensive Income (Loss) (Notes 11, 13, and 23)	Equity Reserve (Note 18)	Retained Earnings		(Note 18)	Total
						Appropriated (Note 18)	Unappropriated (Note 18)		
For the Year Ended December 31, 2021									
Balance at beginning of year	₱1,576,489,360	₱40,768,202,897	(₱810,018,635)	₱434,295,080	(₱995,284,977)	₱27,852,852,847	₱4,225,869,025	₱73,052,405,597	₱77,590,234,254
Net income	—	—	—	—	—	—	4,527,833,319	4,527,833,319	4,850,441,473
Other comprehensive income	—	—	—	8,401,957	—	—	—	8,401,957	24,805,646
Total comprehensive income	—	—	—	8,401,957	—	—	4,527,833,319	4,536,235,276	4,875,247,119
Purchase of treasury shares	—	—	(2,806,039,328)	—	—	—	—	(2,806,039,328)	(2,806,039,328)
Dividends declared (Note 18)	—	—	—	—	—	—	(2,813,524,076)	(2,813,524,076)	(3,146,724,424)
Appropriations	—	—	—	—	—	888,500,000	(888,500,000)	—	—
Reversal of appropriations	—	—	—	—	—	(4,775,600,000)	4,775,600,000	—	—
Balance at end of year	₱1,576,489,360	₱40,768,202,897	(₱3,616,057,963)	₱442,697,037	(₱995,284,977)	₱23,965,752,847	₱9,827,278,268	₱71,969,077,469	₱76,512,717,621
For the Year Ended December 31, 2020									
Balance at beginning of year	₱1,576,489,360	₱40,768,202,897	₱—	₱272,839,305	(₱989,776,800)	₱26,944,852,847	₱3,548,986,390	₱72,121,593,999	₱76,526,396,610
Net income	—	—	—	—	—	—	3,216,636,348	3,216,636,348	3,485,614,397
Other comprehensive income	—	—	—	102,633,512	—	—	—	102,633,512	75,381,831
Total comprehensive income	—	—	—	102,633,512	—	—	3,216,636,348	3,319,269,860	3,560,996,228
Capital contribution of non-controlling interest	—	—	—	—	—	—	—	—	200,000,000
Purchase of treasury shares	—	—	(810,018,635)	—	—	—	—	(810,018,635)	(810,018,635)
Dividends declared (Note 18)	—	—	—	—	—	—	(1,572,931,450)	(1,572,931,450)	(1,881,631,772)
Transfer of actuarial loss on retirement obligation	—	—	—	58,822,263	—	—	(58,822,263)	—	—
Disposal of a subsidiary	—	—	—	—	(5,508,177)	—	—	(5,508,177)	(5,508,177)
Appropriations	—	—	—	—	—	948,000,000	(948,000,000)	—	—
Reversal of appropriations	—	—	—	—	—	(40,000,000)	40,000,000	—	—
Balance at end of year	₱1,576,489,360	₱40,768,202,897	(₱810,018,635)	₱434,295,080	(₱995,284,977)	₱27,852,852,847	₱4,225,869,025	₱73,052,405,597	₱77,590,234,254
For the Year Ended December 31, 2019									
Balance at beginning of year	₱1,576,489,360	₱40,768,202,897	₱—	(₱563,817,037)	(₱970,435,361)	₱24,151,852,847	₱3,558,435,683	₱68,520,728,389	₱72,704,167,999
Net income	—	—	—	—	—	—	3,918,623,046	3,918,623,046	4,550,287,809
Other comprehensive loss	—	—	—	836,656,342	—	—	—	836,656,342	825,370,890
Total comprehensive income (loss)	—	—	—	836,656,342	—	—	3,918,623,046	4,755,279,388	5,375,658,699
Acquisition of non-controlling interest	—	—	—	—	(19,341,439)	—	—	(19,341,439)	(68,947,368)
Dividends declared (Note 18)	—	—	—	—	—	—	(1,135,072,339)	(1,135,072,339)	(1,484,482,720)
Appropriations	—	—	—	—	—	3,186,000,000	(3,186,000,000)	—	—
Reversal of appropriation	—	—	—	—	—	(393,000,000)	393,000,000	—	—
Balance at end of year	₱1,576,489,360	₱40,768,202,897	₱—	₱272,839,305	(₱989,776,800)	₱26,944,852,847	₱3,548,986,390	₱72,121,593,999	₱76,526,396,610

See accompanying Notes to Consolidated Financial Statements.



ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱5,269,078,984	₱4,418,876,706	₱6,109,580,522
Adjustments for:			
Depreciation and amortization (Notes 6, 12, 14, 21 and 28)	7,087,772,782	6,987,147,534	6,879,793,222
Interest expense (Notes 6, 17 and 28)	1,960,893,202	2,326,256,810	2,578,499,847
Retirement expense (Notes 22 and 23)	283,797,024	184,997,443	192,082,476
Provision for inventory obsolescence (Note 9)	61,815,286	123,976,912	7,377,588
Provision for (reversal of) expected credit losses (Notes 8 and 11)	7,931,961	91,213,750	(6,173,028)
Loss on impairment of assets (Notes 10, 12, 14 and 15)	—	371,618,243	15,046,221
Changes in fair value of debt instruments at fair value through profit or loss (FVTPL) (Note 11)	—	547,120	(18,936,056)
Gain on disposal of a subsidiary (Note 19)	—	(58,900,769)	—
Gain on sale of debt instruments at FVOCI (Note 11)	(21,902,517)	(2,305,843)	(7,655,666)
Dividend income (Notes 6 and 11)	(76,941,788)	(27,347,725)	(100,315,156)
Unrealized foreign currency exchange loss (gain) - net (Note 6)	(230,024,576)	170,615,372	134,619,196
Equity in net earnings in associates (Notes 6 and 13)	(292,071,188)	(196,514,026)	(104,749,733)
Interest income (Notes 6, 7 and 11)	(446,828,491)	(676,545,269)	(1,015,573,149)
COVID-19 rent concessions and gain on derecognition of lease liability (Note 28)	(841,561,003)	(1,711,637,199)	—
Operating income before working capital changes	12,761,959,676	12,001,999,059	14,663,596,284
Decrease (increase) in:			
Trade and other receivables	299,206,452	708,043,559	(419,271,938)
Merchandise inventories	(2,917,040,822)	(1,161,167,314)	(1,182,238,583)
Other current assets	(333,680,566)	361,662,515	152,411,971
Increase (decrease) in:			
Trade and other payables	(2,010,029,332)	(2,788,688,367)	482,279,221
Other current liabilities	127,074,200	(11,963,668)	(12,598,703)
Other noncurrent liabilities	—	—	(152,155,543)
Net cash flows generated from operations	7,927,489,608	9,109,885,784	13,532,022,709
Interest received	440,950,303	667,047,012	1,052,577,024
Retirement contributions and benefits paid (Note 23)	(238,300,305)	(395,352,456)	(438,934,567)
Income tax paid, including creditable withholding taxes	(945,692,716)	(1,767,169,604)	(2,096,686,222)
Net cash flows provided by operating activities	7,184,446,890	7,614,410,736	12,048,978,944

(Forward)



	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Investment in associates (Note 13)	(P453,837,730)	(P411,832,152)	(P519,600,000)
Debt and equity instrument financial assets (Note 11)	(2,250,616,149)	(2,751,866,909)	(1,761,156,662)
Property and equipment (Note 12)	(2,456,934,404)	(1,867,821,170)	(3,346,395,390)
Proceeds from disposals of debt and equity instrument financial assets (Note 11)	5,011,709,237	3,623,828,843	7,344,882,499
Dividends received (Note 11)	76,941,788	27,347,725	100,315,156
Acquisitions from non-controlling interest (Notes 2 and 18)	—	—	(68,947,368)
Acquisition through business combination - net of cash received (Note 19)	—	(4,081,314,515)	—
Proceeds from disposal of a subsidiary, net of tax	—	199,671,350	—
Decrease (increase) in other noncurrent assets	(197,600,845)	324,804,291	68,725,044
Net cash flows provided by (used in) investing activities	(270,338,103)	(4,937,182,537)	1,817,823,279
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loan availments (Notes 17 and 30)	3,550,000,000	9,450,000,000	915,000,000
Additional investments from non-controlling interest (Notes 2 and 18)	—	200,000,000	—
Interest paid (Notes 17 and 30)	(159,266,022)	(146,433,977)	(300,683,731)
Purchase of treasury shares	(2,801,153,087)	(792,720,459)	—
Dividends paid (Notes 18 and 30)	(3,146,724,424)	(1,920,805,654)	(1,456,975,501)
Lease payments (Notes 28 and 30)	(4,130,853,486)	(3,934,601,315)	(4,442,136,373)
Payment of loans (Notes 17 and 30)	(5,400,000,000)	(4,500,000,000)	(3,075,000,000)
Net cash flows used in financing activities	(12,087,997,019)	(1,644,561,405)	(8,359,795,605)
EFFECTS OF FOREIGN EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	5,583,356	12,837,814	(2,133,278)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,168,304,876)	1,045,504,608	5,504,873,340
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	21,338,418,561	20,292,913,953	14,788,040,613
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	P16,170,113,685	P21,338,418,561	P20,292,913,953

See accompanying Notes to Consolidated Financial Statements.



ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Robinsons Retail Holdings, Inc., (herein referred to as either “RRHI” or the “Parent Company”) is a stock corporation organized under the laws of the Philippines. The Parent Company was registered with the Philippine Securities and Exchange Commission (SEC) on February 4, 2002. The Parent Company’s common stock was listed with the Philippine Stock Exchange (PSE) on November 11, 2013, the Parent Company’s initial public offering (IPO).

The primary purpose of the Parent Company and its subsidiaries (herein referred to as “the Group”) is to engage in the business of trading goods, commodities and merchandise of any kind.

As of December 31, 2021, the Parent Company is 32.49% owned by JE Holdings, Inc., 26.28% owned by PCD Nominee Corporation, 20.85% by Dairy Farm International Holdings, Ltd. through its subsidiary GCH Investments Pte. Ltd., and the rest by the public.

The registered office address and principal place of business of the Parent Company is at 43rd Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda Sts., Ortigas Center, Pasig City, Metro Manila.

2. Basis of Preparation

Basis of Preparation

The consolidated financial statements have been prepared under the historical cost basis, except for financial assets at FVTPL, financial assets at FVOCI and plan assets, which are measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), the Parent Company’s functional and presentation currency. All amounts are rounded to the nearest peso unless otherwise indicated.

Statement of Compliance

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

Basis of Consolidation

The consolidated financial statements as of December 31, 2021 and 2020 and for each of the three (3) years in the period ended December 31, 2021 represent the consolidation of the financial statements of RRHI and the following subsidiaries directly and indirectly owned by the Parent Company.

Investee Companies	Effective Percentages of Ownership					
	2021		2020		2019	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Robinson’s Supermarket Corporation (RSC)	100.00%	—	100.00%	—	100.00%	—
Consolidated Global Imports, Inc. (CGII)	—	100.00%	—	—	—	—
Robinsons Appliances Corp. (RAC)	—	67.00%	—	67.00%	—	67.00%
Robinsons Ventures Corporation (RVC)	—	65.00%	—	65.00%	—	—
Robinsons Convenience Stores, Inc. (RCSI/Ministop)	—	60.00%	—	60.00%	—	—
Savers Electronic World, Inc. (SEWI)	—	90.00%	—	90.00%	—	—
Super50 Corporation (Super50)	—	51.00%	—	51.00%	—	—
Jose M. Barretto, Sr. Holdings Corporation (JMBHC)	—	—	—	100.00%	—	—

(Forward)



Investee Companies	Effective Percentages of Ownership					
	2021		2020		2019	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
South Star Drug, Inc. (SSDI)	—	90.00%	—	90.00%	—	45.00%
TGP Pharma, Inc. (TGPPI)	—	45.90%	—	45.90%	—	45.90%
TheGenerics Pharmacy Inc. (TPI)	—	45.90%	—	45.90%	—	45.90%
Rose Pharmacy, Inc. (RPI)	—	90.00%	—	90.00%	—	—
Robinson's Handyman, Inc. (RHMI)	—	80.00%	—	80.00%	—	80.00%
Handyman Express Mart, Inc. (HEMI)	—	52.00%	—	52.00%	—	52.00%
Walmart-Handyman, Inc. (WHI)	—	52.00%	—	52.00%	—	52.00%
Robinsons True Serve Hardware Philippines, Inc. (RTSHPI)	—	53.33%	—	53.33%	—	53.33%
RHI Builders and Contractors Depot Corp. (RHIB)	—	53.60%	—	53.60%	—	53.60%
Home Plus Trading Depot, Inc. (HPTDI)	—	40.20%	—	40.20%	—	40.20%
Robinsons Lifestyle Stores, Inc. (RLSI)	—	80.00%	—	80.00%	—	80.00%
Angeles Supercenter, Inc. (ASI)	—	—	—	—	—	100.00%
Everyday Convenience Stores, Inc. (ECSI)	100.00%	—	100.00%	—	100.00%	—
Robinsons Daiso Diversified Corp. (RDDC)	90.00%	—	90.00%	—	90.00%	—
RHD Daiso-Saizen, Inc. (RHDDS)	59.40%	—	59.40%	—	59.40%	—
RHMI Management and Consulting, Inc.	100.00%	—	100.00%	—	100.00%	—
RRHI Management and Consulting, Inc.	100.00%	—	100.00%	—	100.00%	—
RRG Trademarks and Private Labels, Inc.	100.00%	—	100.00%	—	100.00%	—
RRHI Trademarks Management, Inc. (RRHI-TMI)	100.00%	—	100.00%	—	100.00%	—
New Day Ventures Limited (NDV Limited)	100.00%	—	100.00%	—	100.00%	—
Rustan Supercenters, Inc. (RSCI)	—	—	—	—	100.00%	—
Robinson's, Incorporated (RI)	—	—	—	—	100.00%	—
Robinsons Ventures Corporation (RVC)	—	—	—	—	—	65.00%
Robinsons Toys, Inc. (RTI)	—	—	—	—	—	100.00%
Robinsons Convenience Stores, Inc. (RCSI/Ministop)	—	—	—	—	—	60.00%
South Star Drug, Inc. (SSDI)	—	—	—	—	—	45.00%
TGP Pharma, Inc. (TGPPI)	—	—	—	—	—	45.90%
TGP Franchising Corp. (TFC)	—	—	—	—	—	—
TheGenerics Pharmacy Inc. (TPI)	—	—	—	—	—	45.90%
Robinsons Gourmet Food and Beverages, Inc. (RGFBI)	—	—	—	—	—	100.00%
Savers Electronic World, Inc. (SEWI)	—	—	—	—	—	90.00%
Chic Centre Corporation (CCC)	—	—	—	—	—	100.00%
Super50 Corporation (Super50)	—	—	—	—	—	51.00%

All subsidiaries are incorporated in the Philippines and the functional currency is the Philippine Peso (₱) except for NDV Limited which is incorporated in British Virgin Islands (BVI) and the functional currency is US Dollar (\$).

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31, 2021 and 2020. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee if, and only if, the Parent Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Parent Company's voting rights and potential voting rights



The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one (1) or more of the three (3) elements of control. Subsidiaries are consolidated from the date of acquisition, being the date on which the Parent Company obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full consolidation.

NCI represent the portion of profit or loss and net assets in subsidiaries not held by the Parent Company and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the equity holders of the Parent Company.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any difference between the amount by which the NCI are adjusted and the fair value of the consideration paid or received is recognized directly in equity as "Equity reserve" and attributed to the owners of the Parent Company. If the Parent Company loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any NCI
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the Parent Company's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate.

Investments and Acquisitions

On June 15, 2021, RSC acquired 250,000 common shares, representing 100% ownership of CGII for a total consideration of ₱23.68 million. Net assets of CGII at the date of acquisition amounted to ₱23.82 million. CGII is in the business of retail and wholesale of goods.

In December 2021, RSC acquired 30% ownership in VKD Holdings, Inc. (VHI) for a total consideration ₱40.87 million. VHI is a holding of a company whose principal activity is to engage in business of holding, selling and assigning, transfer and exchange of real property and personal property of any kind.

On December 28, 2021, the Parent Company acquired 20.0% ownership interest in GoTyme Bank Corporation (GoTyme) or 200 million shares for a total consideration amounting to ₱200.00 million or ₱1.00 per share. GoTyme's principal activity is to carry on and engage in the business of a digital



bank. GoTyme is incorporated in the Philippines. Accordingly, the Group accounted the investment in GoTyme under investment in associates (Note 13).

On June 3, 2021, NDV acquired 24.25% ownership interest in HD Retail Holding Pte. Ltd. (HD Retail) or 7,275 shares for a total consideration amounting to ₱179.07 million or ₱24,615.00 per share. HD Retail's principal activity is to operate as a hard discount store. HD Retail is incorporated in Singapore. Accordingly, the Group accounted the investment in HD Retail as an investment in an associate (Note 13).

On November 9, 2020, RSC acquired 100% ownership of JMBHC for a total consideration amounting to ₱411.77 million. JMBHC's only asset is related to land leased out to RSCI (Note 12).

On October 30, 2020, SSDI acquired 100% ownership interest on the shares of stock of RPI for ₱4.33 billion. RPI was incorporated in the Philippines and is primarily engaged in the business of trading medical and pharmaceutical goods, on either wholesale or retail basis (Note 19).

On February 17, 2020, the BOD of RSC approved the sale of 100% of the shares of stocks owned in CCC for a total consideration of ₱230.00 million (Note 19).

On November 4, 2019, RI purchased 18,947,368 RCSI shares from Ministop Co.,Ltd for a consideration of ₱18.95 million. As a result of the transaction, RI's ownership interest in RCSI increased from 59.05% to 60.00% (Note 18).

On April 3, 2019, an NCI sold its 33% ownership interest in ASI to RSC. As a result of the transaction, RSC's ownership interest in ASI increased from 67% to 100% (Note 18).

On February 1, 2019, the Board of Directors (BOD) and stockholders of TGPPI and TFC representing at least 2/3 vote of the outstanding capital stock of the companies approved the plan of merger between the companies with TGPPI as the surviving company. The Plan of Merger was approved by the SEC on July 22, 2019 and was implemented on August 1, 2019.

On November 23, 2018, RRHI acquired 100.00% ownership in RSCI, a company engaged in the business of food retailing (Notes 18 and 19).

On November 23, 2018, RRHI subscribed 40% ownership interest in Data Analytics Ventures, Inc. (DAVI) of which ₱0.40 million was paid. DAVI's principal activities include building a digital rewards program and creating a robust data infrastructure and analytics business. Accordingly, the Group accounted the investment in DAVI under investment in associates (Note 13). In 2020 and 2019, RRHI made additional capital infusion to DAVI amounting to ₱192.00 million and ₱239.60 million, respectively (Note 13).

On September 20, 2018, RRHI made an investment in G2M Solutions Philippines Pte. Ltd. (G2M) amounting to ₱160.65 million through convertible note which will provide the RRHI 14.90% ownership interest upon conversion of the note. The terms of the agreement entitled RRHI to one (1) out of three (3) board seats and participation to board key decisions. G2M is providing neighborhood sundry stores enablement platform and software in the Philippines. Accordingly, the Group accounted the investment in G2M under investment in associates (Note 13). In 2021 and 2020, the Group made additional cash infusion to G2M amounting to ₱33.89 million and ₱219.83 million, respectively (Note 13).



On August 28, 2018, Mitsubishi sold its entire ownership interest (12%) in RCSI to RI and Ministop; 161,052,632 shares to RI and 78,947,367 shares to Ministop. As a result of the transaction, RI's ownership interest in RCSI increased from 51.0% to 59.05% while Ministop ownership increased from 36.9% to 40.9% (Note 18).

On August 16, 2018, RSC made an investment in GrowSari, Inc. (GrowSari) amounting to ₱105.00 million through convertible note which will provide the RSC 28.60% ownership interest upon conversion of the note. The terms of the agreement also provide technical information and entitled RSC to two (2) out of seven (7) board seats and participation to board key decisions. GrowSari is engaged in selling wholesale goods to sari sari business owners. Accordingly, the Group accounted the investment in GrowSari as investment in associates (Note 13).

On July 12, 2018, RRHI made additional capital infusion in RBC amounting to ₱1.20 billion to meet the ₱15.0 billion minimum capital required by the Bangko Sentral ng Pilipinas for a bank to operate a network of over 100 branches (Note 13).

On February 27, 2018, RI and an NCI incorporated Super50, a company engaged in the business of retail and wholesale goods with paid-up capital amounting to ₱30.0 million. RI's ownership interest in Super50 is 51.0% (Note 18).

On February 22, 2018, RHMI incorporated RLSI, with a paid-up capital amounting to ₱50.00 million. RLSI is primarily engaged in the business of trading goods, commodities and merchandise of any kind.

Mergers

On April 12, 2021, the BOD and stockholders of JMBHC and RSC approved the Plan of Merger with RSC as the surviving company. The merger was approved by the stockholders representing at least 2/3 vote of the outstanding capital stock of the companies. On July 9, 2021, the SEC approved the Plan of Merger.

On March 4, 2019, the BOD and stockholders of RSC, RI, RTI and RGFBI approved the Plan of Merger of the companies with RSC as the surviving company. The merger was approved by the stockholders representing at least 2/3 vote of the outstanding capital stock of the companies. On September 30, 2019, the SEC approved the Plan of Merger between RSC, RI and RGFBI with RSC as the surviving entity effective January 1, 2020.

On October 21, 2019, the BOD and stockholders of RSC, ASI, RSSI and RSCI approved the plan of merger of the companies with RSC as the surviving company. The merger was approved by the stockholders representing at least 2/3 vote of the outstanding capital stock of the companies. On June 17, 2020, the SEC approved the Plan of Merger between RSC, ASI, RSSI and RSCI with RSC as the surviving entity effective July 1, 2020.

3. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except that the Group applied for the first time certain pronouncements, which are effective for annual periods beginning on or after January 1, 2021. Adoption of these pronouncements did not have a significant impact on the Group's financial position or performance unless otherwise indicated.



- Amendment to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*

The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted.

The Group adopted the amendment beginning April 1, 2021.

The Group has applied the practical expedient to all rent concessions that meet the above conditions. Please refer to Note 28 for the impact of the amendments.

- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Group shall also disclose information about:

- The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The Group adopted the amendments beginning January 1, 2021. The amendments have no significant impact on the consolidated financial statements.



Standards Issued But Not Yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect the future adoption of the said pronouncements to have a significant impact on its financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.



- *Annual Improvements to PFRSs 2018-2020 Cycle*

- Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.



The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification



The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. The standard will have no impact on the consolidated financial statements.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

Deferred Effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.



On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes 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.

The amendments will have no significant impact on the Group's financial position or performance.

4. Summary of Significant Accounting Policies

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group concluded that it is acting as principal in all its revenue arrangements. The Group recognized revenue from the following major sources:

- Sale of goods to retail customers, including the related loyalty programme and warranties granted under local legislation. Sale of goods include food, beverage, grocery items, fashion items (e.g. shoes, bags, clothing, cosmetics), household items, home improvement products, consumer electronics and appliances, toys, and prescription and over-the-counter pharmaceutical products;
- Sale of merchandise to franchisees;
- Franchise revenue under Ministop and TGP franchise agreements;
- Royalty fees

Sale of Goods - Retail Customers

The Group sells goods directly to customers through its own retail outlets and through its own e-commerce platform and in partnership with major e-commerce players in the country.

For sale of goods through retail outlets revenue is recognized when the control of the goods has transferred to the customer, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

For e-commerce sales, revenue is recognized when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location.

Under the Group's standard contract terms for sale to retail customers (from both retail outlet and e-commerce sales), customers have a right of return within seven (7) days. The right of return is not a separate performance obligation and is not considered in establishing the transaction price since right of return entitles the customer to exchange the product bought for another product of the same type, quality, condition and price (for example, one color or size for another).

Sale of Goods - Wholesale Market

The Group also sell goods in the wholesale market. Sales are recognized when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales



contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

The sale of goods to the wholesale market often includes volume discounts based on current purchases. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

A receivable is recognized when the goods are shipped to the customer's specific location as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sale of Loyalty Points and Gift Checks

In 2019, the Group operates a loyalty programme where retail customers accumulate points for purchases made at any participating retail outlets and partner establishments that can be redeemed against any future purchases at any participating retail outlets and partner establishments, subject to a minimum number of points obtained. The Group also sells gift checks at face value which can be used to redeem goods.

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 and gift checks at the time of the initial sales transaction. Revenue from the loyalty points and gift checks are recognized when the points are redeemed by the customer. Revenue for loyalty points and gift checks that are not expected to be redeemed is recognized in proportion to the pattern of rights exercised by customers.

Starting January 1, 2020, the management and operation of the loyalty programme has been transferred to DAVI, a related party. With the new arrangement, the Group concluded that it only acts as an agent of DAVI and recognizes revenue relating to loyalty points on a net basis.

Sale of Merchandise - Franchisees

For sale of merchandise to franchisees, revenue is recognized when control of the goods has transferred to the franchisees, being at the point the goods are delivered to the franchisees. Delivery occurs when the goods have been shipped to the franchisee's specific location.

Franchise Revenue

The Group's franchise agreement includes payment of non-refundable upfront fee. The revenue from non-refundable upfront fees is recognized on a straight-line basis over the period the franchisee has access to the license (the term of the franchise agreement). Continuing franchise fees in exchange for the franchise right granted over the term of the franchise agreement are recognized as revenue when the subsequent sale of merchandise by the franchisees occurs.

Royalty Fee

Royalty fee is recognized every month based on the percentage of gross profit of the franchisees.

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).



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 its obligation under the contract.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of a product or service to a customer.

Financial Instruments - Initial Recognition and Subsequent Measurement

Financial Assets

The Group recognizes a financial asset in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument.

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in case not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL



Financial Assets at Amortized Cost (Debt Instruments). The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- 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.

Financial assets at amortized cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognized in the consolidated statement of comprehensive income when the asset is derecognized, modified or impaired.

As of December 31, 2021 and 2020, the Group's financial assets at amortized cost includes cash and cash equivalents, trade receivables and refundable security deposits included under 'Other noncurrent assets'.

FVOCI (Debt Instruments). The Group measures debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- 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.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI in the consolidated statement of comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to profit or loss in the consolidated statement of comprehensive income.

As of December 31, 2021 and 2020, the Group's debt instruments at FVOCI includes investments in quoted debt instruments.

Financial Assets Designated at FVOCI (Equity Instruments). Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation and Disclosure* are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category.

Financial Assets at FVTPL. Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.



Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in profit or loss in the consolidated statement of comprehensive income.

As of December 31, 2021 and 2020, the Group's financial assets at FVTPL includes investments in debt instruments which contain loss absorption feature.

Impairment of Financial Assets

The Group recognizes an allowance for ECLs for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The ECL allowance is based on the credit losses expected to arise on a 12-month duration if there has been no significant increase in credit risk of the financial asset since origination (12-month ECL). Otherwise if a significant increase in credit risk is observed, then the ECL estimation is extended until the end of the life of the financial asset (Lifetime ECL). The 12-month ECL represents the losses that result from default events on a financial asset which may happen within 12 months after the reporting date. The Lifetime ECL on the other hand represents the losses that result from default events on a financial asset which may happen over its life. Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Financial instruments subject to the ECL methodology are categorized into three stages:

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk since initial recognition. Entities are required to recognize 12-month ECL for stage 1 financial instruments. In assessing whether credit risk has increased significantly, entities are required to compare the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.
- Stage 2 is comprised of all non-impaired financial instruments which have experienced a significant increase in credit risk since initial recognition. Entities are required to recognize lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12-month ECL.
- Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a financial instrument or a portfolio of financial instruments. The ECL model requires that lifetime ECL be recognized for impaired financial instruments, which is similar to the requirements under PAS 39 for impaired financial instruments.

A default is considered to have occurred when (a) there is a breach of financial covenants by the counterparty; or (b) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group). Irrespective of the analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.



At each reporting date, the Group shall assess whether the credit risk on a loan or credit exposure has increased significantly since initial recognition. Group's assessment of significant increase in credit risk involves looking at quantitative element and qualitative element. The quantitative element is being looked through statistical models or credit ratings process or scoring process that captures certain information which the Group shall consider as relevant in assessing changes in credit risk. The Group may also look at the number of notches downgrade of credit risk rating or certain thresholds for the probabilities of default being generated from statistical models to determine whether significant increase in credit risk has occurred subsequent to initial recognition date.

Credit exposures shall be transferred from Stage 1 to Stage 2 if there is significant increase in credit risk from initial recognition date. Exposures shall be classified as Stage 2 if (a) the exposure have potential weaknesses, based on current and/or forward-looking information, that warrant management's close attention. Said weaknesses, if left uncorrected, may affect the repayment of these exposures; (b) If there are adverse or foreseen adverse economic or market conditions that may affect the counterparty's ability to meet the scheduled repayments in the future.

Exposures shall be transferred from Stage 3 (non-performing) to Stage 1 (performing) when there is sufficient evidence to support their full collection. Such exposures should exhibit both the quantitative and qualitative indicators of probable collection prior to their transfer. Quantitative indicator is characterized by payments made within an observation period. Qualitative indicator pertains to the results of assessment of the borrower's financial capacity.

ECLs are generally measured based on the risk of default over one of two different time horizons, depending on whether there has been significant increase in credit risk since initial recognition. ECL calculations are based on the following components:

- Probability-of-default (PD) - an estimate of the likelihood that a borrower will default on its obligations over the next 12 months for Stage 1 or over the remaining life of the credit exposure for Stages 2 and 3.
- Loss-given-default (LGD) - an estimate of the loss arising in case where defaults occur at a given time. It is based on the difference between the contractual cash flow due and those that the Group would expect to receive, including from any collateral.
- Exposure-at-default (EAD) - an estimate of the exposure at a future/default date taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdown on committed facilities and accrued interest from missed payments.

Forward-looking information shall be considered in estimating/determining the 12-month and lifetime PD, LGD and EAD depending on the credit exposure.

ECL measurement is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Experienced credit judgment is essential in assessing the soundness of forward-looking information and in ensuring that these are adequately supported. Forward-looking macroeconomic information (e.g. inflation rate and consumer price index) and scenarios shall consider factors that may affect the general economic or market conditions in which the Group operates.



For trade receivables and contract assets, the Group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted by forward-looking factors specific to the debtors and economic environment.

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument.

The Group's debt instruments at FVOCI comprise solely of quoted bonds that are graded in the top investment category by the S&P and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the S&P both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

For other debt financial instruments e.g., cash and cash equivalents and security deposits ECLs the Group applies the general approach. Therefore, the Group track changes in credit risk at every reporting date.

Financial Liabilities

Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL and other financial liabilities at amortized cost. The initial measurement of financial liabilities, except for designated at FVPL, includes transaction costs.

As of December 31, 2021 and 2020, the financial liabilities of the Group are classified as other financial liabilities.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Other Financial Liabilities. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through amortization process.

This accounting policy relates primarily to the Group's Trade and other payables, Short-term loans, Lease liabilities and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable and retirement obligation).

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.



Derecognition of Financial Assets and Liabilities

Financial Asset

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognized where:

- the right to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through' arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either; (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained the risk and rewards of the asset but has transferred the control of the asset.

Where the Group has transferred its right to receive cash flows from an asset but has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Fair Value Measurement

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 measurement 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 absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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 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 (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. 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 net realizable value (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 inventory to its present location and condition.

NRV is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. In the event that NRV is lower than cost, the decline shall be recognized as an expense in the consolidated statement of comprehensive income.

Investment in Associates

Associates are entities in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of investee, but is not control or joint control over those policies. Investment in associates is accounted for under the equity method of accounting.

Under the equity method, the investment in associates is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the associates, less any impairment in value. The profit or loss reflects the share of the results of the operations of the associates reflected a "Equity in net earnings of associates" under "Other income (charges)" in the consolidated statement of comprehensive income. Goodwill relating to associate is included in the carrying amount of the investment and is not amortized. The Group's share in the investees' post acquisition movements in the investees' equity reserves is recognized directly in equity. Profit and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associate and for unrealized losses to the extent that there is no evidence of impairment of the assets transferred. Dividends received are treated as a reduction of the carrying value of the investment.



The Group discontinues applying the equity method when the investment associates is reduced to zero (0). Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the associates. When the associates subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the associates and the Group are identical and associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on the Group's investment in associates. The Group determines at each reporting date whether there is any objective evidence that the investment in associates is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value and recognizes the amount under "Other expenses" in the consolidated statement of comprehensive income.

Upon loss of significant influence over the associates, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associates upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in the consolidated statement of comprehensive income.

Business Combination and Goodwill

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the Group accounts for the combination using those provisional values. The Group recognizes any adjustments to those provisional values as a result of completing the initial accounting within twelve (12) months of the acquisition date as follows: (i) the carrying amount of the identifiable asset, liability or contingent liability that is recognized or adjusted as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date; (ii) goodwill or any gain recognized shall be adjusted by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted; and (iii) comparative information presented for the periods before the initial accounting for the combination is complete shall be presented as if the initial accounting has been completed from the acquisition date.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the Group will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PFRS 9 either in profit or loss or as a change to OCI. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.



Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as bargain purchase gain.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating unit (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is allocated should:

- represent the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- not be larger than an operating segment determined in accordance with PFRS 8, *Operating Segments*.

Impairment is determined by assessing the recoverable amount of the CGU (or group of CGUs), to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the CGU retained. If the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the acquirer shall recognize immediately in the consolidated statement of comprehensive income any excess remaining after reassessment.

Combination of Entities under Common Control

Business combinations under common control are those in which all of the combining entities or businesses are controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations are accounted for using the acquisition method except for business combinations under common control in which an accounting similar to pooling of interest method accounted for prospectively from the acquisition date as allowed under PIC Q&A 2012-01. Under the prospective pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets and liabilities, at the date of the combination. No new goodwill is recognized. The adjustments made, if any, are only to the extent to harmonize accounting policies within the Group. The difference between the book value of net asset acquired and the consideration paid or transferred is recognized in equity, under "Equity reserve". The profit and loss of the acquirees are consolidated from the acquisition date. Comparative periods are not restated.

Acquisition of Assets

When assets are acquired, through corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents an acquisition of a business. When such an acquisition is not judged to be an acquisition of a business, it is not treated as a business combination. Rather, the cost to acquire the entity is allocated between the identified assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred tax arises.



Property and Equipment

Property and equipment, except land are carried at cost less accumulated depreciation and amortization and accumulated impairment in value, if any. Land is carried at cost less any impairment in value. The initial cost of property and equipment comprises its purchase price, including any directly attributable costs of bringing the asset to its working condition and location for its intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Construction in-progress (CIP) are transferred to the related "Property and equipment" account when the construction or installation and related activities necessary to prepare the property and equipment for their intended use are completed, and the property and equipment are ready for service. CIP is not depreciated until such time when the relevant assets are completed and available for use.

Depreciation and amortization is computed using the straight-line method over the estimated useful lives (EUL) of the assets. Leasehold improvements are amortized over the EUL of the improvements or the term of the related lease, whichever is shorter.

The EUL of property and equipment in general are as follow:

	Years
Building and other equipment	20 - 25
Leasehold improvements	6 - 10
Store furniture and fixtures	5 - 10
Office furniture and fixtures	5 - 10
Transportation equipment	5 - 10
Computer equipment	3 - 10

The assets' useful lives and the depreciation and amortization method are reviewed periodically to ensure that the period and the method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of comprehensive income in the period the item is derecognized.

The assets' residual values, useful lives and methods of depreciation and amortization are reviewed and adjusted, if appropriate, at each financial year-end.

Fully depreciated and amortized property and equipment are maintained in the accounts until these are no longer in use.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed as either finite or indefinite.



Intangible assets with finite lives are amortized over the EUL and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Licenses

The Group acquired the license to use the brand and operate its stores. The license shall be amortized using the straight-line method over a period of ten (10) years. The amortization of the license is recorded in the consolidated statement of comprehensive income under “Operating expenses” account.

Trademarks

Trademarks, which were acquired through business combinations in 2012 (SSDI), 2015 (SEWI), 2016 (TGPPI), 2018 (RSCI) and 2020 (RPI) were recognized at fair value at the date of acquisition and assessed to have indefinite useful lives. Following initial recognition, the trademarks are carried at cost and subject to annual impairment testing.

Franchise

The Group acquired the franchise to use the brand and operate its stores. The franchise shall be amortized using the straight-line method over a period of ten (10) years. The amortization of the franchise is recorded in the consolidated statements of comprehensive income under “Operating expenses” account.

Impairment of Nonfinancial Assets

This accounting policy primarily applies to the Group’s property and equipment, ROU assets, investment in associates and intangible assets.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU’s fair value less costs to sell, and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, taking into consideration the impact of the coronavirus pandemic. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly-traded subsidiaries or other available fair value indicators.



Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognized in equity up to the amount of any previous revaluation.

For nonfinancial assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. 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. That 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. Such reversal is recognized in the consolidated statement of comprehensive income.

The following criteria are also applied in assessing impairment of specific assets:

Investment in Associates

After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in associates. The Group determines at each reporting date whether there is any objective evidence that the investment in associates is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount and the carrying value of the investment in associates and recognizes the difference in the consolidated statement of comprehensive income.

Impairment Testing of Goodwill and Trademarks

Goodwill and trademarks are reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

The Group performed its annual impairment test for the years ended December 31, 2021 and 2020. The CGU are concluded to be the entire entities acquired by the Group. The impairment testing may be performed at any time in the annual reporting period, but it must be performed at the same time every year and when circumstances indicate that the carrying amount is impaired. The impairment testing also requires an estimation of the recoverable amount, which is the net selling price or value-in-use of the CGU to which the goodwill and intangibles are allocated.

The most recent detailed calculation made in a preceding period of the recoverable amount of the CGU may be used for the impairment testing for the current period provided that:

- The assets and liabilities making up the CGU have not changed significantly from the most recent calculation;
- The most recent recoverable amount calculation resulted in an amount that exceeded the carrying amount of the CGU by a significant margin; and
- The likelihood that a current recoverable amount calculation would be less than the carrying amount of the CGU is remote based on an analysis of events that have occurred and circumstances that have changed since the most recent recoverable amount calculation.

Impairment is determined for goodwill and trademarks by assessing the recoverable amount of the CGU (or group of CGU) to which the goodwill and trademarks relate. Where the recoverable amount of the CGU (or group of CGU) is less than the carrying amount of the CGU (or group of CGU) to which goodwill and trademarks have been allocated, an impairment loss is recognized immediately in



the consolidated statement of comprehensive income. Impairment loss recognized for goodwill and trademarks shall not be reversed in future periods.

Retirement Cost

Defined Benefit Plan

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting date reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- (a) service cost;
- (b) net interest on the net defined benefit liability or asset; and
- (c) remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss in the consolidated statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss in the consolidated statement of comprehensive income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in the consolidated statement of comprehensive income subsequent periods.

Retirement plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Retirement plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.



Value-Added Taxes (VAT)

Input tax represents the VAT paid on purchases of goods and services that the Group can apply against any future liability for output VAT on sale of goods and services subjected to VAT. The input VAT can also be recovered as tax credit under certain circumstances and can be applied against future income tax liability of the Group upon approval of the BIR. Input VAT is stated at its estimated NRV. Output VAT pertains to the 12.0% tax due on the local sale of goods by the Group.

If at the end of any taxable month, the output VAT exceeds the input VAT, the outstanding balance is included under "Trade and other payables" account. If the input VAT exceeds the output VAT, the excess shall be carried over to the succeeding months and included under "Other current assets".

Creditable Withholding Taxes (CWT)

CWT included under other current assets are attributable to taxes withheld by third parties arising from the sale of goods, rental fees and other services and will be applied against future taxes payable.

Income Tax

Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax

Deferred tax is provided, using the balance sheet liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward of unused tax credits from excess MCIT and NOLCO 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 income will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period 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.

Deferred tax relating to items recognized outside the consolidated statement of comprehensive income is recognized outside the consolidated statement of comprehensive income. Deferred tax items are recognized in correlation to the underlying transaction either in the consolidated statement of comprehensive income or 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.



Capital Stock

Capital stock is measured at par value for all shares issued. When the Group issues shares in excess of par, the excess is recognized as additional paid-in capital (APIC) (Note 18). Incremental costs incurred directly attributable to the issuance of new shares are treated as deduction from APIC. If APIC is not sufficient, the excess is charged against retained earnings.

Equity Reserve

Equity reserve consist of equity transactions other than capital contributions, such as equity transactions arising from transactions with NCI and combination or entities under common control.

Retained Earnings

Retained earnings represent accumulated earnings of the Group less dividends declared and any adjustment arising from application of new accounting standards, policies or correction of errors applied retroactively. It includes the accumulated equity in undistributed earnings of consolidated subsidiaries which are not available for dividends until declared by subsidiaries. Appropriated retained earnings are those that are restricted for store expansion. Unappropriated retained earnings are those that can be allocated for specific purposes and can be distributed as dividend (Note 18).

Other Comprehensive Income (OCI)

OCI are items of income and expense that are not recognized in profit or loss in the consolidated statement of comprehensive income for the year in accordance with PFRS. The Group's OCI pertains to unrealized gains or losses arising from debt instruments financial assets which can be recycled to profit or loss in the consolidated statement of comprehensive income and equity instruments financial assets which cannot be recycled to profit or loss and remeasurement gain or losses on retirement obligation.

Treasury Shares

Treasury shares are own equity instruments which are reacquired, recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation, if reissued, is recognized in APIC (Note 18). Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to APIC to the extent of the specific or average APIC when the shares were issued and to retained earnings for the remaining balance. The retained earnings account is restricted to payment of dividends to the extent of the cost of treasury shares.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. The arrangement is assessed for whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and ROU assets representing the right to use the underlying assets.

ROU assets. The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and



estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term as follows:

	Years
Land	10-25
Warehouses	10-15
Store spaces	6-10
Office spaces	6-10
Building	10

ROU assets are presented separately in the consolidated statement of financial position and are also subject to impairment test.

Lease liabilities. At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Lease liabilities (current and noncurrent) are presented separately in the consolidated statement of financial position.

Short-term leases and leases of low-value assets. The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value (e.g. ₱250,000 or below). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as Lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of comprehensive income. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.



Foreign Currency Transactions

Transactions in foreign currencies are initially recorded in the Group's functional currency using the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency using the Bankers Association of the Philippines (BAP) closing rate prevailing at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the prevailing closing exchange rate as of the date of initial transaction.

Financial statements of consolidated foreign subsidiaries which are considered foreign entities are translated into the presentation currency of the Parent Company (Peso) at the closing exchange rate at end of reporting period and their statements of income are translated using the monthly weighted average exchange rates for the year. The exchange differences arising from the translation are taken directly to a separate component of equity (under cumulative translation adjustment). On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the consolidated statement of comprehensive income.

Earnings Per Share (EPS)

Basic EPS is computed by dividing net income for the year applicable to common stock by the weighted average number of common shares issued and outstanding during the year, adjusted for any subsequent stock dividends declared.

Diluted EPS is calculated by dividing the net income for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The calculation of diluted EPS does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on EPS.

The Parent Company does not have any potential dilutive ordinary shares for the years ended December 31, 2021, 2020 and 2019 (Note 26).

Provisions

Provisions are recognized only when the following conditions are met: (a) there exists a present obligation (legal or constructive) as a result of a past event; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments 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 an interest expense in profit or loss. Provisions are reviewed at each reporting period and adjusted to reflect the current best estimate.



Contingencies

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

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for resource allocation and assessing performance of the operating segment, has been identified as the President. The nature of the operating segment is set out in Note 6.

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 reflected in the consolidated financial statements. Post year-end events that are non-adjusting events are disclosed in the consolidated financial statements when material.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with PFRSs requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

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:

Determination of Acquisition of Group of Assets as a Business in Accordance with PFRS 3

Management uses judgment in assessing if the group of assets and liabilities acquired would constitute a business. In accordance with PFRS 3, business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. Management assessed that the acquisition of RPI constitute a business while the acquisition of JMBHC constitute a purchase of an asset.

Determination of lease term of contracts with renewal and termination options - Company as a lessee

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination option (eg. construction of significant leasehold improvements). After the commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.



Right to Access - Performance Obligation Satisfied Over Time

The Group considered the following in assessing whether the non-refundable upfront franchise fee is a right to access the Ministop and TGP licenses: (a) the franchisee reasonably expects that the entity will undertake activities that will significantly affect the license to which the customer has rights (i.e. the characters); (b) the rights granted by the franchise agreement directly expose the franchisee to any positive or negative effects of the Group's activities because the franchise agreement requires the customer to use the latest characters; and (c) even though the franchisees may benefit from those activities through the rights granted by the franchise agreement, they do not transfer a good or service to the customer as those activities occur.

The Group concludes that non-refundable upfront franchise fee is a payment to provide the franchisees with access to the Ministop and TGP licenses as it exists throughout the franchise period. Consequently, the entity accounts for the upfront franchise fee as a performance obligation satisfied over time.

Determination if Consideration Received from Suppliers is Not Distinct

The Group in the ordinary course of business received consideration from suppliers for product placements (e.g. slotting fees) and other programs. The Group determines that the consideration received from the suppliers is not in exchange for a distinct good or service that transfers to the supplier because of the following considerations:

- the standalone selling price of the good or service for which the consideration is received cannot be reasonably estimated; and
- the supplier does not obtain control of the goods or service.

Under PFRS 15, considerations received from the suppliers under normal trade agreements are treated as only one performance obligation and the considerations received are deducted to cost of merchandise sold.

Accounting for Investment in GrowSari and G2M through Convertible Note

The Group has investments in GrowSari, Inc. and G2M Solutions Philippines Pte. Ltd. through convertible note which will provide the Group 28.60% and 14.90% ownership interest, respectively, upon conversion of the note. The Group assessed that it has significant influence as evidenced by provision of technical information, board seats and service agreement in the term sheet. Thus, the investments are accounted for as investments in associates.

Determination of Control

The Group determined that it has control over its investees by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns.

The following were also considered:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual agreements; and
- The Group's voting rights and potential voting rights.

Contingencies

The Group is currently involved in certain legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material adverse effect on the Group's financial



position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (Note 31).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverability of Goodwill and Trademarks

In the course of the Group's business combinations, goodwill and trademarks were acquired (Note 14). These assets have indefinite useful lives.

The Group performed its annual impairment test as at December 31, 2021 and 2020. The recoverable amounts of the CGUs have been determined based on value in use (VIU) and enterprise value or earnings before interest, taxes, depreciation and amortization (EV/EBITDA) multiple calculations.

As of December 31, 2021 and 2020, below are the CGUs from which trademarks with indefinite useful life are allocated and tested for annual impairment:

	Basis	Amount
RSCI	VIU	₱3,205,411,607
SSDI	VIU	1,566,917,532
RPI	VIU	1,514,575,531
TGPPI	VIU	1,264,098,435
SEWI	VIU	364,914,493
		₱7,915,917,598

As of December 31, 2021 and 2020, below are the CGUs from which goodwill is allocated and tested for annual impairment:

	Basis	2021	2020
RSCI	VIU	₱9,109,386,061	₱9,109,386,061
RPI	EV/EBITDA	2,343,614,826	—
TGPPI	EV/EBITDA	1,281,428,830	1,281,428,830
SSDI	EV/EBITDA	745,887,131	745,887,131
SEWI	VIU	715,103,869	715,103,869
Eurogrocer Corporation	EV/EBITDA	199,870,222	199,870,222
RHIB	VIU	145,655,320	145,655,320
RTSHPI	EV/EBITDA	85,161,468	85,161,468
Jayniths Supermarket	EV/EBITDA	71,732,435	71,732,435
HPTDI	VIU	30,000,000	30,000,000
GNC Pharma Corp.	EV/EBITDA	23,250,000	23,250,000
		₱14,751,090,162	₱12,407,475,336

Value In Use

The recoverable amount of some CGU has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the demand for products and services, taking into consideration the impact of the coronavirus pandemic.



The pre-tax discount rate applied to cash flow projections is 5.76% to 11.40% in 2021 (8.63% to 10.68% in 2020) and cash flows beyond the five-year period are extrapolated using a 1.00% to 5.00% in 2021 growth rate (1.00% to 5.00% in 2020) that is the same as the long-term average growth rate for the respective industries. As a result of this analysis, management concluded that the goodwill and trademarks are not impaired.

The calculation of value in use of the CGUs is most sensitive to the following assumptions:

- Gross margins
- Discount rate
- Price inflation
- Growth rates used to extrapolate cash flows beyond the forecast period

Gross Margins

Gross margins are based on average values achieved in one (1) to five (5) years preceding the beginning of the budget period. These are increased over the budget period for anticipated efficiency improvements. A 24.0% to 30.0% gross margin per annum was applied. A decreased demand can lead to a decline in gross margin.

Discount Rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Price Inflation

Forecast price inflation which impacts the forecast for operating expenses lies within a range of 2.25% to 6.00% in 2021 and 2020. If price increases greater than the forecast price inflation and the Group is unable to pass on or absorb these increases through efficiency improvements, then the Group will have to recognize an impairment.

Growth Rate Estimates

Rates are based on published industry research. A reduction in the long-term growth rate would result in impairment.

EV/EBITDA Multiple

The Group utilized the use of EV/EBITDA multiple in the impairment testing of its goodwill from the acquisitions of some of its subsidiaries wherein the Group obtained and selected comparable entities which closely represent each entity from which goodwill was acquired. The characteristics taken into account include, among others, the geographical area where the comparable resides, nature of business or operations of the comparable entities and economic environment from which the comparable entities operate.



As such, the Group has selected EV/EBITDA multiples limited to retail entities in the Philippines as the management of the Group believes that these entities reasonably represent each acquired entity after carefully taking into account the future viability of the assumptions used and ability of each entity to attain such position in the future as it relates to the overall growth in the industry and in the country.

In 2021 and 2020, the Group used the EV/EBITDA multiple ranging from 8.10 to 9.40 and 10.69 to 11.20 multiples, respectively, for impairment testing of goodwill and concluded and satisfied that goodwill from the acquired entities are not impaired.

In 2020, the Group impaired goodwill related to acquisition of BSRI amounting to ₱83.32 million (Note 14).

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain estimates based on the Group credit worthiness.

Provision for ECL of Trade and Other Receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrated the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Provision for expected credit losses in 2021, 2020 and 2019 amounted to ₱7.93 million, ₱91.21 million and nil, respectively. As of December 31, 2021 and 2020, allowance for expected credit losses on trade and other receivables amounted to ₱20.27 million and ₱29.09 million, respectively.

As of December 31, 2021 and 2020, the carrying value of the Group's trade and other receivables amounted to ₱2.67 billion and ₱3.14 billion, respectively (Note 8).

Estimating NRV of Merchandise Inventories

The Group carries merchandise inventory at NRV whenever the utility of it becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels, losses 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 price or cost directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at reporting date.

Provision for inventory obsolescence amounted to ₱61.82 million in 2021, ₱123.98 million in 2020 and ₱7.38 million in 2019.



Merchandise inventories amounted to ₱25.09 billion and ₱22.23 billion as of December 31, 2021 and 2020, respectively (Note 9).

Evaluation of Impairment of Nonfinancial Assets

The Group reviews property and equipment, ROU assets, investment in associates and intangible assets with definite lives for impairment of value.

The Group estimates the recoverable amount as the higher of the fair value less cost to sell and value in use. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect property and equipment, investment in associates and intangible assets.

The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model, taking into consideration the impact of the coronavirus pandemic. The cash flows are derived from the budget for the next five (5) years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

In 2021, 2020 and 2019, the Group recognized impairment on assets amounting to nil, ₱338.15 million and ₱65.93 million, respectively (Notes 12, 14 and 15).

As of December 31, 2021 and 2020, the carrying value of the Group's property and equipment amounted to ₱17.62 billion and ₱18.17 billion, respectively (Note 12), ROU assets amounted to ₱22.64 billion and ₱25.04 billion, respectively (Note 28), investment in associates amounted to ₱8.90 billion and ₱8.58 billion, respectively (Note 13) and trademarks and franchise with definite useful life amounted to ₱5.12 million and ₱5.88 million, respectively (Note 14).

Retirement and Other Benefits

The determination of the obligation and cost of retirement and other benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 23, and include, among others, discount rate and salary rates increase.

As of December 31, 2021, the carrying value of the retirement plan amounted to ₱52.78 million asset and ₱301.71 million obligation. As of December 31, 2020 the carrying value of the retirement plan amounted to ₱25.58 million asset and ₱574.53 million obligation.

Recoverability of Deferred Tax Assets

The Group reviews the carrying amounts of deferred taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Management has determined based on business forecast of succeeding years that there is enough taxable income against which recognized deferred tax assets will be realized.

As of December 31, 2021, and 2020, the Group has deferred tax assets amounting ₱1.35 billion and ₱1.53 billion, respectively. Unrecognized deferred tax assets amounted to ₱140.55 million and ₱145.37 million as of December 31, 2021 and 2020, respectively (Note 25).



Determining Whether the Loyalty Points and Gift Checks Provide Material Rights to Customers

The Company has a loyalty points program which allows customers to accumulate points that can be redeemed for future purchases at any of the Group's retail outlets and participating stores, subject to a minimum number of points obtained. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The Group also has gift checks which can be redeemed for future purchases at any of the Group's retail outlets.

Starting January 1, 2020, the management and operation of the loyalty programme has been transferred to DAVI, a related party. Management assessed that they are agent with the new arrangement and that DAVI has the primary responsibility to fulfill the related services attached to the points.

As of December 31, 2021 and 2020, contract liabilities arising from gift checks amounted to ₱230.04 million and ₱164.01 million, respectively (Note 16). Contract liabilities are classified under "Trade and other payables".

Determination of Fair Values of Identifiable Assets and Liabilities

In the process of determining the goodwill in relation to the Group's acquisition of a subsidiary, management uses estimates and assumptions in determining the fair value of identifiable assets and liabilities of the subsidiary. Management is required to use a suitable discount rate and determine the present of value of cash flows. While the Group believes that the assumptions used are reasonable and appropriate, these estimates and assumptions can materially affect the consolidated financial statements. The goodwill and the share in the fair values of identifiable assets and liabilities of RPI are disclosed in Note 19 to the consolidated financial statements.

COVID-19 Pandemic

The impact of COVID-19 to the Group's business operations relates to any potential interruptions or disruptions. The operations in the Philippines remain fully operational with disruptions on non-essential businesses due to travel and mobility restrictions imposed by the government.

To ensure ongoing impacts of COVID-19 have been appropriately reflected in the Group's consolidated financial statements, the Group has assessed the impact of COVID-19 on its assets and liabilities:

- The forecast used for impairment testing include the Group's best estimates of the potential future impact from COVID-19 pandemic.
- Collectability of accounts with corporate customers and franchisees continues to be closely monitored. A material change in the provision for impairment of trade receivables and due from franchisee has not been identified.
- The Group has also considered the increased uncertainty in determining key assumptions within the assessment of future taxable income of the entities of the Group upon which recognition of deferred tax assets is assessed, including forecast of revenue and expenses, among others.

The Group continues to monitor the risks and the ongoing impacts from COVID-19 on its business.



6. Operating Segments

Business Segment

The business segment is determined as the primary segment reporting format as the Group's risks and rates of return are affected predominantly by each operating segment.

Management monitors the operating results of its operating segments separately for the purpose of making decision about resource allocation and performance assessment. Group financing (including interest income, dividend income and interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. The Group evaluates performance based on earnings before interest and taxes, and earnings before interest and taxes, depreciation and amortization. The Group does not report its results based on geographical segments because the Group operates only in the Philippines.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Cost and expenses exclude interest, taxes, depreciation and amortization.

The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the consolidated statement of financial position which is in accordance with PFRSs.

The Group derives its revenue from the following reportable units:

- *Supermarket Division*

The supermarket division operates under seven (7) formats with the acquisition of Rustan Supercenters, Inc. in 2018. It has Robinsons Supermarket, Robinsons Easymart, Robinsons Selections, The Marketplace, Shopwise, Wellcome, Jaynith's Supermarket and No Brand. Robinsons Supermarket is a major supermarket chain in the country that focuses on health and wellness. It also offers fresh food products at competitive prices and actively encourages consumers to adopt a healthy lifestyle by providing a wide range of high quality health and wellness products. Such products are given a specifically allocated section within each of the supermarkets and are made highly visible to consumers. For the year ended December 31, 2021, the Korean hard discount store No Brand was reclassified to the supermarket division as it offers mostly grocery and food products to consumers.

- *Department Store Division*

Robinsons Department Store (RDS) offers a large selection of local and international brands that are grouped into categories such as shoes, bags and accessories (including beauty and personal care), ladies' and men's wear, children's wear, household items and others. RDS is focused on catering to middle-income customers.

- *Do-It-Yourself (DIY) Division*

The five (5) DIY brands Handyman Do it Best, True Value, True Home, Robinsons Builders and Home Plus have grown to have a reputation of quality and dependability in the Philippine retail market, as well as being aggressive in terms of expansion among mall and big box hardware and home improvement centers in the country. The DIY segment aims to cover the Philippine landscape with more branches in key commercial centers to promote self-reliance among do-it yourselfers, as well as offer a wide selection of construction materials for contractors and builders.



- *Convenience Store Division*

Ministop is a 24 - hour convenience store chain and is a franchise of Ministop Co. Ltd. - Japan (Ministop), one of the largest convenience store chains in Japan. The store carries a wide assortment of merchandise and an extensive selection of ready to eat products.

- *Drug Store Division*

The Drug Store segment operates three (3) formats namely: South Star Drug, Rose Pharmacy and TGP which primarily offer high quality pharmaceutical drugs, which constitutes to over a thousand reputable branded and affordable options including TGP's house brands for generic medicines. The segment's other major product categories are staged milk and non-pharmaceutical selections, which include a vast array personal care items, food and beverage, and other convenience store grocery items.

- *Specialty Store Division*

The Specialty Store format is the lifestyle arm of the Group. It is committed to bringing a diverse spectrum of products and services to the Philippine market. The segment operates five (5) formats of specialty stores, namely: 1) toys and juvenile products retail under Toys "R" Us; 2) consumer electronics and appliances stores operated under Robinsons Appliances and Savers Appliance, 3) beauty retail, 4) mass merchandise stores under Daiso Japan, Arcova and Super50, 5) pet retail under Pet Lovers Centre.



2021

	Supermarket Division	Department Store Division	DIY Division	Convenience Store Division	Drug Store Division	Specialty Store Division	Parent Company	Intersegment Eliminating Adjustments	Consolidated
Segment net sales	₱88,630,077,985	₱9,325,871,483	₱11,501,454,806	₱4,915,270,576	₱26,667,779,983	₱12,286,905,633	₱—	₱—	₱153,327,360,466
Intersegment net sales	—	—	—	—	—	—	—	—	—
Total net sales	88,630,077,985	9,325,871,483	11,501,454,806	4,915,270,576	26,667,779,983	12,286,905,633	—	—	153,327,360,466
Segment cost of merchandise sold	69,599,738,506	6,534,305,589	7,868,830,480	3,385,060,464	21,454,378,901	9,259,035,592	—	—	118,101,349,532
Intersegment cost of merchandise sold	—	—	—	—	—	—	—	—	—
Total cost of merchandise sold	69,599,738,506	6,534,305,589	7,868,830,480	3,385,060,464	21,454,378,901	9,259,035,592	—	—	118,101,349,532
Gross profit	19,030,339,479	2,791,565,894	3,632,624,326	1,530,210,112	5,213,401,082	3,027,870,041	—	—	35,226,010,934
Segment other income	417,536,601	23,756,375	—	208,662,201	128,794,407	91,214,368	—	—	869,963,952
Intersegment other income	193,224,934	—	—	—	—	—	—	(193,224,934)	—
Total other income	610,761,535	23,756,375	—	208,662,201	128,794,407	91,214,368	—	(193,224,934)	869,963,952
Gross profit including other income	19,641,101,014	2,815,322,269	3,632,624,326	1,738,872,313	5,342,195,489	3,119,084,409	—	(193,224,934)	36,095,974,886
Segment operating expenses	12,180,795,774	2,171,058,698	2,053,009,680	1,446,703,566	2,991,461,978	2,063,075,195	42,645,898	—	22,948,750,789
Intersegment operating expenses	—	29,514,375	24,901,442	—	51,494,076	87,315,041	—	(193,224,934)	—
Total operating expenses	12,180,795,774	2,200,573,073	2,077,911,122	1,446,703,566	3,042,956,054	2,150,390,236	42,645,898	(193,224,934)	22,948,750,789
Earnings before interest, taxes and depreciation and amortization	7,460,305,240	614,749,196	1,554,713,204	292,168,747	2,299,239,435	968,694,173	(42,645,898)	—	13,147,224,097
Depreciation and amortization	3,414,446,057	670,983,537	1,023,781,910	502,699,702	597,033,260	878,828,316	—	—	7,087,772,782
Earnings (loss) before interest and taxes	4,045,859,183	(56,234,341)	530,931,294	(210,530,955)	1,702,206,175	89,865,857	(42,645,898)	—	6,059,451,315
Interest income	9,882,549	2,172,751	9,167,434	305,781	3,481,001	3,510,299	418,308,676	—	446,828,491
Equity in net earnings of an associate	—	—	—	—	—	—	292,071,188	—	292,071,188
Dividend income	—	—	—	—	—	—	76,941,788	—	76,941,788
Foreign exchange gain (loss) - net	(7,892,053)	3,468,817	(1,980)	—	(98,525)	637,345	233,910,972	—	230,024,576
Interest expense	(1,025,671,764)	(166,920,441)	(251,637,592)	(98,699,716)	(224,995,193)	(192,968,496)	—	—	(1,960,893,202)
Others	43,415,802	—	30,654,285	11,394,979	1,238,517	16,048,729	21,902,516	—	124,654,828
Income before income tax	₱3,065,593,717	(₱217,513,214)	₱319,113,441	(₱297,529,911)	₱1,481,831,975	(₱82,906,266)	₱1,000,489,242	₱—	₱5,269,078,984
Assets and liabilities									
Segment assets	₱45,298,686,353	₱6,935,262,324	₱10,671,724,178	₱3,512,907,430	₱18,539,760,317	₱8,759,187,778	₱25,927,959,709	₱14,588,794,510	₱134,234,282,599
Investment in subsidiaries - at cost	4,614,291,927	3,679,182,333	—	—	—	—	24,132,839,151	(32,426,313,411)	—
Total segment assets	₱49,912,978,280	₱10,614,444,657	₱10,671,724,178	₱3,512,907,430	₱18,539,760,317	₱8,759,187,778	₱50,060,798,860	(₱17,837,518,901)	₱134,234,282,599
Total segment liabilities	₱26,067,894,563	₱7,451,408,924	₱5,195,263,432	₱2,486,357,810	₱10,741,771,385	₱4,773,750,644	₱1,494,635,677	(₱489,517,457)	₱57,721,564,978
Other segment information:									
Capital expenditures	₱1,473,084,609	₱360,334,721	₱118,807,383	₱63,538,577	₱316,145,558	₱125,023,556	₱—	₱—	₱2,456,934,404



2020

	Supermarket Division	Department Store Division	DIY Division	Convenience Store Division	Drug Store Division	Specialty Store Division	Parent Company	Intersegment Eliminating Adjustments	Consolidated
Segment net sales	₱94,121,288,564	₱8,450,525,571	₱11,357,701,521	₱4,811,079,503	₱19,058,775,778	₱13,270,889,853	₱—	₱—	₱151,070,260,790
Intersegment net sales	—	—	—	—	—	—	—	—	—
Total net sales	94,121,288,564	8,450,525,571	11,357,701,521	4,811,079,503	19,058,775,778	13,270,889,853	—	—	151,070,260,790
Segment cost of merchandise sold	74,496,606,972	5,951,862,621	7,668,439,716	4,088,783,407	15,429,375,991	10,537,269,572	—	—	118,172,338,279
Intersegment cost of merchandise sold	—	—	—	—	—	—	—	—	—
Total cost of merchandise sold	74,496,606,972	5,951,862,621	7,668,439,716	4,088,783,407	15,429,375,991	10,537,269,572	—	—	118,172,338,279
Gross profit	19,624,681,592	2,498,662,950	3,689,261,805	722,296,096	3,629,399,787	2,733,620,281	—	—	32,897,922,511
Segment other income	449,865,663	19,849,634	—	922,266,746	173,820,873	52,416,756	—	—	1,618,219,672
Intersegment other income	107,946,940	—	—	—	—	—	—	(107,946,940)	—
Total other income	557,812,603	19,849,634	—	922,266,746	173,820,873	52,416,756	—	(107,946,940)	1,618,219,672
Gross profit including other income	20,182,494,195	2,518,512,584	3,689,261,805	1,644,562,842	3,803,220,660	2,786,037,037	—	(107,946,940)	34,516,142,183
Segment operating expenses	12,362,894,148	2,209,248,027	1,898,036,532	1,326,876,172	1,990,712,816	1,915,334,553	46,495,067	—	21,749,597,315
Intersegment operating expenses	—	27,239,860	18,757,090	—	42,750,397	19,199,593	—	(107,946,940)	—
Total operating expenses	12,362,894,148	2,236,487,887	1,916,793,622	1,326,876,172	2,033,463,213	1,934,534,146	46,495,067	(107,946,940)	21,749,597,315
Earnings before interest, taxes and depreciation and amortization	7,819,600,047	282,024,697	1,772,468,183	317,686,670	1,769,757,447	851,502,891	(46,495,067)	—	12,766,544,868
Depreciation and amortization	3,286,552,797	745,931,227	956,139,304	584,095,430	477,888,321	936,540,455	—	—	6,987,147,534
Earnings before interest and taxes	4,533,047,250	(463,906,530)	816,328,879	(266,408,760)	1,291,869,126	(85,037,564)	(46,495,067)	—	5,779,397,334
Interest income	38,462,463	5,925,894	25,324,940	831,064	13,302,989	14,156,333	578,541,586	—	676,545,269
Equity in net earnings of an associate	(47,345,883)	—	—	—	—	—	243,859,909	—	196,514,026
Dividend income	—	—	—	—	—	—	27,347,725	—	27,347,725
Foreign exchange gain (loss) - net	9,445,408	3,127,934	—	—	105,424	58	(183,294,196)	—	(170,615,372)
Interest expense	(1,263,446,584)	(178,795,472)	(275,583,930)	(127,449,171)	(214,360,317)	(266,536,880)	(84,456)	—	(2,326,256,810)
Others	559,317,948	(70,927,508)	—	—	—	(256,550,085)	4,104,179	—	235,944,534
Income before income tax	₱3,829,480,602	(₱704,575,682)	₱566,069,889	(₱393,026,867)	₱1,090,917,222	(₱593,968,138)	₱623,979,680	₱—	₱4,418,876,706
Assets and liabilities									
Segment assets	₱47,041,826,708	₱6,586,613,349	₱10,788,240,150	₱3,800,112,679	₱17,810,789,079	₱9,667,597,347	₱30,206,428,685	₱15,694,574,986	₱141,596,182,983
Investment in subsidiaries - at cost	4,590,607,224	3,879,212,333	—	—	—	—	21,632,839,151	(30,102,658,708)	—
Total segment assets	₱51,632,433,932	₱10,465,825,682	₱10,788,240,150	₱3,800,112,679	₱17,810,789,079	₱9,667,597,347	₱51,839,267,836	(₱14,408,083,722)	₱141,596,182,983
Total segment liabilities	₱31,101,571,095	₱6,611,816,732	₱5,539,935,910	₱2,498,415,783	₱11,086,105,648	₱5,935,268,621	₱229,079,840	₱1,003,755,100	₱64,005,948,729
Other segment information:									
Capital expenditures	₱1,130,319,183	₱174,896,526	₱139,939,413	₱160,874,438	₱182,119,695	₱79,671,915	₱—	₱—	₱1,867,821,170



2019

	Supermarket Division	Department Store Division	DIY Division	Convenience Store Division	Drug Store Division	Specialty Store Division	Parent Company	Intersegment Eliminating Adjustments	Consolidated
Segment net sales	₱88,514,715,048	₱18,039,637,214	₱14,382,541,311	₱6,744,155,713	₱17,684,834,470	₱17,549,803,545	₱—	₱—	₱162,915,687,301
Intersegment net sales	—	—	—	—	—	1,733,507,154	—	(1,733,507,154)	—
Total net sales	88,514,715,048	18,039,637,214	14,382,541,311	6,744,155,713	17,684,834,470	19,283,310,699	—	(1,733,507,154)	162,915,687,301
Segment cost of merchandise sold	69,902,996,664	11,317,374,859	9,707,107,667	6,223,507,105	14,266,050,062	14,317,497,305	—	—	125,734,533,662
Intersegment cost of merchandise sold	—	1,733,507,154	—	—	—	—	—	(1,733,507,154)	—
Total cost of merchandise sold	69,902,996,664	13,050,882,013	9,707,107,667	6,223,507,105	14,266,050,062	14,317,497,305	—	(1,733,507,154)	125,734,533,662
Gross profit	18,611,718,384	4,988,755,201	4,675,433,644	520,648,608	3,418,784,408	4,965,813,394	—	—	37,181,153,639
Segment other income	635,713,065	66,708,741	—	1,846,781,976	184,814,712	6,162,530	—	—	2,740,181,024
Intersegment other income	151,042,982	16,190,774	—	—	—	—	—	(167,233,756)	—
Total other income	786,756,047	82,899,515	—	1,846,781,976	184,814,712	6,162,530	—	(167,233,756)	2,740,181,024
Gross profit including other income	19,398,474,431	5,071,654,716	4,675,433,644	2,367,430,584	3,603,599,120	4,971,975,924	—	(167,233,756)	39,921,334,663
Segment operating expenses	12,487,678,031	3,696,369,137	2,304,072,907	1,790,025,263	1,898,210,428	3,019,707,906	47,321,775	—	25,243,385,447
Intersegment operating expenses	13,880,355	45,259,787	32,015,211	—	48,500,765	27,577,638	—	(167,233,756)	—
Total operating expenses	12,501,558,386	3,741,628,924	2,336,088,118	1,790,025,263	1,946,711,193	3,047,285,544	47,321,775	(167,233,756)	25,243,385,447
Earnings before interest, taxes and depreciation and amortization	6,896,916,045	1,330,025,792	2,339,345,526	577,405,321	1,656,887,927	1,924,690,380	(47,321,775)	—	14,677,949,216
Depreciation and amortization	3,235,289,418	729,798,334	1,016,146,334	590,493,211	385,963,873	922,102,052	—	—	6,879,793,222
Earnings before interest and taxes	3,661,626,627	600,227,458	1,323,199,192	(13,087,890)	1,270,924,054	1,002,588,328	(47,321,775)	—	7,798,155,994
Interest income	83,324,817	40,772,404	73,211,287	17,696,102	26,660,346	29,503,503	774,657,635	(30,252,945)	1,015,573,149
Equity in net earnings of an associate	(53,622,712)	—	—	—	—	—	158,372,445	—	104,749,733
Dividend income	—	—	—	—	—	—	100,315,156	—	100,315,156
Foreign exchange gain (loss) - net	(1,849,148)	—	—	—	—	—	(132,770,048)	—	(134,619,196)
Interest expense	(1,402,546,324)	(218,541,965)	(312,547,186)	(81,939,518)	(224,246,955)	(325,963,626)	(42,967,218)	30,252,945	(2,578,499,847)
Others	(153,000,603)	—	—	—	—	(75,858,614)	32,764,750	—	(196,094,467)
Income before income tax	₱2,133,932,657	₱422,457,897	₱1,083,863,293	(₱77,331,306)	₱1,073,337,445	₱630,269,591	₱843,050,945	₱—	₱6,109,580,522
Assets and liabilities									
Segment assets	₱48,077,501,547	₱6,990,849,907	₱10,791,258,928	₱3,961,746,250	₱10,326,202,964	₱12,596,289,253	₱32,367,134,542	₱12,755,086,922	₱137,866,070,313
Investment in subsidiaries - at cost	2,840,607,224	3,907,012,333	—	—	—	—	21,632,839,151	(28,380,458,708)	—
Total segment assets	₱50,918,108,771	₱10,897,862,240	₱10,791,258,928	₱3,961,746,250	₱10,326,202,964	₱12,596,289,253	₱53,999,973,693	(₱15,625,371,786)	₱137,866,070,313
Total segment liabilities	₱30,658,205,176	₱5,681,493,878	₱5,854,617,277	₱2,356,267,743	₱6,029,724,180	₱8,766,432,844	₱170,329,510	₱1,822,603,095	₱61,339,673,703
Other segment information:									
Capital expenditures	₱1,459,447,307	₱333,015,880	₱461,289,318	₱474,754,257	₱141,239,470	₱476,649,158	₱—	₱—	₱3,346,395,390



The revenue of the Group consists mainly of sales to external customers through its retail and e-commerce channels. There were no inter-segment revenue arising from purchase arrangements in 2021 and 2020. In 2019, inter-segment revenue arising from purchase arrangements amounted to ₱1.73 billion was eliminated on consolidation.

No operating segments have been aggregated to form the above reportable segments.

Capital expenditures consist of additions to property and equipment arising from current acquisitions and those acquired through business combinations plus any adjustments made in the fair values of the acquired property and equipment.

The Group has no significant customer which contributed to 10.00% or more to the revenue of the Group.

7. Cash and Cash Equivalents

This account consists of cash on hand and in banks and cash equivalents amounting to ₱16.17 billion and ₱21.34 billion as of December 31, 2021, and 2020, respectively.

Cash in banks earns interest at the respective bank deposit rates. Cash equivalents are made for varying periods of one (1) to three (3) months, depending on the immediate cash requirements of the Group, and earn annual interest at the respective short-term investment rates that ranges from 0.10% to 0.70%, 0.12% to 3.20% and 0.80% to 5.40% in 2021, 2020 and 2019, respectively.

Interest income arising from cash in banks and cash equivalents amounted to ₱44.50 million, ₱163.56 million and ₱292.85 million in 2021, 2020 and 2019, respectively.

8. Trade and Other Receivables

This account consists of:

	2021	2020
Trade (Notes 24 and 27)	₱2,023,826,043	₱2,423,558,010
Nontrade (Notes 24 and 27)	567,232,378	710,519,575
Due from franchisees (Notes 27 and 29)	95,989,313	39,106,088
	2,687,047,734	3,173,183,673
Less allowance for impairment losses (Notes 27 and 29)	20,265,363	29,088,209
	₱2,666,782,371	₱3,144,095,464

Trade receivables are noninterest-bearing and are generally on a one (1) to thirty (30) days' term.

Nontrade receivables include receivable from insurance companies amounting to ₱56.38 million and ₱100.71 million as of December 31, 2021, and 2020, respectively. The remaining balance consists of operational advances, receivable from lessees and interest receivable arising from short-term investments.



Movement in the allowance for impairment losses is as follows:

	2021	2020
Balance at beginning of year	₱29,088,209	₱79,335,269
Provision for impairment losses (Note 21)	3,278,945	92,943,700
Reversals and write-off	(12,101,791)	(143,190,760)
Balance at end of year	₱20,265,363	₱29,088,209

9. Merchandise Inventories

The rollforward analysis of this account follows:

	2021	2020
Balance at beginning of year	₱22,234,439,282	₱19,810,252,511
Acquisition through business combination (Note 19)	—	1,386,996,369
Deconsolidation of a subsidiary (Note 19)	—	(210,675,616)
Add purchases - net of purchase discounts and allowances	121,111,258,780	119,563,958,796
Cost of goods available for sale	143,345,698,062	140,550,532,060
Less Cost of merchandise sold	118,101,349,532	118,172,338,279
Allowance for inventory obsolescence	154,683,712	143,754,499
Balance at end of year	₱25,089,664,818	₱22,234,439,282

The cost of merchandise inventories charged to the consolidated statements of comprehensive income amounted to ₱118.10 billion, ₱118.17 billion and ₱125.73 billion in 2021, 2020 and 2019, respectively.

Movements in the allowance for shrinkage, obsolescence and other losses is as follows:

	2021	2020
Balance at beginning of year	₱143,754,499	₱24,954,805
Provisions	61,815,286	123,976,912
Write-off	(50,886,073)	(5,177,218)
Balance at end of year	₱154,683,712	₱143,754,499

There are no merchandise inventories pledged as security for liabilities as of December 31, 2021 and 2020.

10. Other Current Assets

This account consists of:

	2021	2020
Input VAT - net	₱1,633,710,699	₱1,790,435,301
Prepayments	1,355,684,128	865,278,960
	₱2,989,394,827	₱2,655,714,261



Input VAT will be applied against output VAT in the succeeding periods. In 2020, the Group written-off prepayments amounting to ₱33.47 million.

Prepayments consist of advance payments for insurance, taxes and utilities.

11. Debt and Equity Instrument Financial Assets

The Group's debt and equity instrument financial assets classified as FVOCI and FVTPL which are carried at fair value is as follows:

		2021	2020
Debt securities			
FVOCI with recycling	(a)	₱7,881,508,445	₱12,695,937,447
FVTPL	(b)	143,392,265	—
		8,024,900,710	12,695,937,447
Equity securities at FVOCI without recycling		3,601,031,942	1,235,820,000
		₱11,625,932,652	₱13,931,757,447

Debt Securities

- a. The Group's debt securities consist of Peso and Dollar-denominated bond securities with fixed coupon rate per annum ranging from 3.68% to 7.88% and term of five (5) to ten (10) years.

Rollforward analysis of debt securities at FVOCI with recycling as of December 31, 2021 and 2020 follows:

	2021	2020
Amortized cost:		
At beginning of year	₱12,504,536,668	₱13,457,645,945
Additions	109,130,000	2,751,866,909
Disposals	(4,989,806,720)	(3,518,027,065)
Foreign exchange gain (loss)	100,354,091	(186,949,121)
At end of year	7,724,214,039	12,504,536,668
Amortization of discount (premium) on debt securities	40,743,914	(147,525,252)
Change in fair value of financial assets:		
At beginning of year	344,153,803	175,731,382
Changes in fair value recognized in OCI	(178,700,687)	166,416,166
Transfer to profit or loss	(39,021,836)	2,006,255
At end of year	126,431,280	344,153,803
Allowance for expected credit losses	(9,880,788)	(5,227,772)
	116,550,492	338,926,031
	₱7,881,508,445	₱12,695,937,447

- b. The Group's debt securities at FVTPL as of December 31, 2021 amounting to ₱143.39 million pertain to investments in Edamama Pte. Ltd. and Wholselect Technology Pte. Ltd. through Simple Agreement for Future Equity (SAFE).

The Group's debt securities at FVTPL as of December 31, 2019 pertain to Metrobank Basel III Tier 2 Notes and BDO Tier 2 Notes with fixed interest rate of 5.38% and 5.19%, respectively. The notes will mature on June 27, 2024 and March 10, 2020, respectively.



On January 7, 2020, BDO Unibank, Inc. (BDO) exercised its right to redeem its notes on March 10, 2020. The note is redeemed for cash at redemption price.

On February 13, 2019, the BOD of Metropolitan Bank & Trust Company (Metrobank) approved to exercise the call option on the subordinated debt on June 27, 2019.

	2021	2020
At beginning of year	₱—	₱100,547,120
Additions	143,392,265	—
Disposals	—	(100,000,000)
Changes in fair value recognized in profit or loss	—	(547,120)
	₱143,392,265	₱—

In 2021, 2020 and 2019, the Group recognized gain on disposal of debt instrument financial assets amounting to ₱21.90 million, ₱2.31 million and ₱7.66 million, respectively.

Interest income arising from debt instrument financial assets amounted to ₱402.33 million, ₱512.99 million and ₱722.72 million in 2021, 2020 and 2019, respectively.

Accretion of interest pertains to the amortization of interest income resulting from the difference of the carrying value and face value of debt instrument financial assets.

Equity Securities

Quoted equity securities pertain to investment in stocks listed in the PSE. The Group elected to classify irrevocably its listed equity investments under FVOCI as it intends to hold these investments for the foreseeable future.

Rollforward analysis of equity securities at FVOCI without recycling for the years ended December 31, 2021 and 2020 follows:

	2021	2020
Cost:		
At beginning of year	₱1,197,500,000	₱1,197,500,000
Additions	1,998,093,885	—
	3,195,593,885	1,197,500,000
Change in fair value of equity instrument financial assets:		
At beginning of year	38,320,000	17,483,500
Changes in fair value	367,118,057	20,836,500
At end of year	405,438,057	38,320,000
	₱3,601,031,942	₱1,235,820,000

Dividend income earned by the Group amounted to ₱76.94 million in 2021, ₱27.35 million in 2020 and ₱100.32 million in 2019.



Fair value changes on debt and equity instrument financial assets attributable to the equity holders of the Parent Company follow:

	2021	2020
Balances at the beginning of year	₱383,178,928	₱193,920,007
Change in fair value during the year - OCI	188,417,370	187,252,666
Transfers to profit or loss	(39,021,836)	2,006,255
Balances at the end of year	₱532,574,462	₱383,178,928



12. Property and Equipment

2021

	Land	Building and Other Equipment	Leasehold Improvements	Store Furniture and Fixtures	Office Furniture and Fixtures	Transportation Equipment	Computer Equipment	Total
Cost								
At beginning of year	₱1,056,774,298	₱2,795,679,695	₱17,841,698,056	₱11,355,963,198	₱3,382,416,501	₱220,323,998	₱3,825,430,248	₱40,478,285,994
Additions	—	199,846,903	963,404,971	258,448,544	636,375,034	4,836,993	394,021,959	2,456,934,404
Disposals and reclassifications	—	3,511,471	(590,874,181)	(294,818,362)	57,216,437	17,615,420	(14,002,925)	(821,352,140)
At end of year	1,056,774,298	2,999,038,069	18,214,228,846	11,319,593,380	4,076,007,972	242,776,411	4,205,449,282	42,113,868,258
Accumulated depreciation and amortization								
At beginning of year	—	984,398,333	10,220,178,910	6,783,376,525	1,613,428,602	163,767,271	2,324,335,055	22,089,484,696
Depreciation and amortization (Note 21)	—	128,841,284	1,397,602,816	646,237,634	459,876,707	14,283,111	354,550,229	3,001,391,781
Disposals and reclassifications	—	92,960,538	(739,833,186)	(179,035,415)	31,832,453	773,553	(18,789,789)	(812,091,846)
At end of year	—	1,206,200,155	10,877,948,540	7,250,578,744	2,105,137,762	178,823,935	2,660,095,495	24,278,784,631
Allowance for impairment losses								
At beginning and end of year	—	20,608,826	97,266,540	80,584,720	2,296,986	61,458	14,218,550	215,037,080
	₱1,056,774,298	₱1,772,229,088	₱7,239,013,766	₱3,988,429,916	₱1,968,573,224	₱63,891,018	₱1,531,135,237	₱17,620,046,547

2020

	Land	Building and Other Equipment	Leasehold Improvements	Store Furniture and Fixtures	Office Furniture and Fixtures	Transportation Equipment	Computer Equipment	Total
Cost								
At beginning of year	₱609,382,477	₱2,824,802,243	₱17,447,361,600	₱11,154,763,381	₱3,149,458,471	₱225,023,573	₱3,464,917,442	₱38,875,709,187
Additions	404,831,821	14,093,138	618,705,325	202,391,992	251,208,657	2,882,768	373,707,469	1,867,821,170
Additions from business combination (Note 19)	—	—	111,994,455	83,301,487	22,663,434	685,868	25,252,631	243,897,875
Deconsolidation of a subsidiary (Note 19)	—	(81,841,649)	(2,384,079)	(22,145,276)	(3,510,444)	(5,516,223)	(4,393,993)	(119,791,664)
Disposals and reclassifications	42,560,000	38,625,963	(333,979,245)	(62,348,386)	(37,403,617)	(2,751,988)	(34,053,301)	(389,350,574)
At end of year	1,056,774,298	2,795,679,695	17,841,698,056	11,355,963,198	3,382,416,501	220,323,998	3,825,430,248	40,478,285,994
Accumulated depreciation and amortization								
At beginning of year	—	892,682,843	9,020,506,194	6,264,851,638	1,181,512,097	152,602,792	1,998,225,491	19,510,381,055
Depreciation and amortization (Note 21)	—	127,011,907	1,415,088,632	667,552,116	464,909,002	15,757,701	344,056,088	3,034,375,446
Deconsolidation of a subsidiary (Note 19)	—	(47,193,262)	(1,145,160)	(17,709,505)	(3,009,721)	(3,883,532)	(3,037,506)	(75,978,686)
Disposals and reclassifications	—	11,896,845	(214,270,756)	(131,317,724)	(29,982,776)	(709,690)	(14,909,018)	(379,293,119)
At end of year	—	984,398,333	10,220,178,910	6,783,376,525	1,613,428,602	163,767,271	2,324,335,055	22,089,484,696
Allowance for impairment losses								
At beginning of year	—	—	49,567,673	25,882,986	—	—	349,273	75,799,932
Provision for impairment losses	—	20,608,826	47,698,867	54,701,734	2,296,986	61,458	13,869,277	139,237,148
At end of year	—	20,608,826	97,266,540	80,584,720	2,296,986	61,458	14,218,550	215,037,080
	₱1,056,774,298	₱1,790,672,536	₱7,524,252,606	₱4,492,001,953	₱1,766,690,913	₱56,495,269	₱1,486,876,643	₱18,173,764,218



On November 9, 2020, RSC acquired 100% ownership of JMBHC for a total consideration amounting to ₱411.77 million. JMBHC's only asset is related to land leased out to RSCI. The transaction is treated as an acquisition of assets. On July 9, 2021, JMBHC was merged with RSC, the surviving entity.

In 2021 and 2020, the Group disposed property and equipment with net book value of ₱9.26 million and ₱10.06 million, respectively. Allowance for impairment losses pertain to closing of non-performing stores. Cost of fully depreciated property and equipment still in use amounted to ₱10.59 billion and ₱10.40 billion as of December 31, 2021 and 2020, respectively.

There are no property and equipment pledged as security for liabilities as of December 31, 2021 and 2020.

13. Investment in Associates

This account consists of investments in shares of stocks as follow (Note 2):

	2021	2020
RBC	₱7,683,280,929	₱7,624,214,187
TCCI	257,340,548	298,919,850
DAVI	147,723,845	283,959,037
G2M	406,154,409	377,669,299
GoTyme	200,000,000	—
HD Retail	160,775,321	—
VHI	40,865,488	—
	₱8,896,140,540	₱8,584,762,373

The details of the investment in common stock of RBC follow:

	2021	2020
Shares of stock - at equity:		
At beginning and end of year	₱5,950,238,902	₱5,950,238,902
Accumulated equity in net earnings:		
Balance at beginning of year	1,606,623,011	1,232,788,244
Equity in net earnings	493,597,494	373,834,767
Balance at end of year	2,100,220,505	1,606,623,011
Share in fair value changes of financial assets of RBC:		
Balance at beginning of year	89,472,302	(5,677,976)
Share in fair value changes of financial assets at FVOCI	(453,700,424)	95,150,278
Balance at end of year	(364,228,122)	89,472,302
Share in translation loss adjustments:		
Balance at beginning of year	(9,383,496)	(44,350,609)
Share in translation adjustments	19,914,747	34,967,113
Balance at end of year	10,531,251	(9,383,496)

(Forward)



	2021	2020
Share in remeasurement losses on retirement obligation:		
Balance at beginning of year	(P12,736,532)	(P13,577,160)
Share in remeasurement loss on retirement obligation	(745,075)	840,628
Balance at end of year	(13,481,607)	(12,736,532)
	P7,683,280,929	P7,624,214,187

RBC is incorporated in the Philippines and is engaged in commercial and thrift banking whose principal activities include deposit-taking, lending, foreign exchange dealing and fund transfers or remittance servicing. The Group has 40.00% ownership in RBC.

Summarized financial information of RBC follows:

	2021	2020
Total assets	P179,821,507,669	P151,215,387,210
Total liabilities	161,348,226,459	132,889,772,851

	2021	2020	2019
Net income	P1,233,993,734	P934,586,917	P681,018,202
Other comprehensive income (loss)	(1,134,251,060)	237,875,695	1,028,362,670

The consolidated statements of comprehensive income follow:

	2021	2020	2019
Total operating income	P9,512,327,791	P8,790,116,183	P4,992,311,801
Total operating expenses and tax	8,278,334,057	7,855,529,266	4,311,293,599
Net income	1,233,993,734	934,586,917	681,018,202
Other comprehensive income (loss)	(1,134,251,060)	237,875,695	1,028,362,670
Total comprehensive income	99,742,674	1,172,462,612	1,709,380,872
Group's share of profit for the year	P493,597,494	P373,834,767	P272,407,281

The reconciliation of the net assets of RBC to the carrying amounts of the interest in RBC recognized in the consolidated financial statements follows:

	2021	2020
Net assets of RBC	P18,486,127,758	P18,338,460,903
Proportionate ownership in the associate	40%	40%
Total share in net assets	7,394,451,103	7,335,384,361
Carrying amount of the investment	7,683,280,929	7,624,214,187
Difference	P288,829,826	P288,829,826

The difference is attributable to the commercial banking license and goodwill.



Fair value changes on financial assets and remeasurement losses on retirement obligation of associates attributable to the equity holders of the Parent Company follows:

	2021	2020
Changes in fair value of financial assets of associates:		
Balances at the beginning of year	(P45,596,592)	(P101,711,653)
Change in fair value during the year	(345,067,736)	56,115,061
Balances at end of year	(390,664,328)	(45,596,592)
Remeasurement losses on retirement obligation of associates:		
Balances at the beginning of year	(15,649,364)	(16,489,992)
Remeasurement loss during the year	(745,075)	840,628
Balances at end of year	(16,394,439)	(15,649,364)
	(P407,058,767)	(P61,245,956)

TCCI

On December 13, 2017, the Parent Company acquired 20.00% ownership interest in TCCI or 1.00 million shares for a total consideration amounting to P125.00 million or P25.00 per share. On March 28, 2019, the Parent Company acquired additional 875,011 common shares representing 10% ownership interest for a total consideration amounting to P280.00 million. Ownership interest of the Parent Company in TCCI as of December 31, 2021 and 2020 is 30%. TCCI is incorporated in the Philippines and is the operator of BeautyMNL, an e-commerce site.

Carrying value of TCCI's investment as of December 31, 2021 and 2020 amounted to P257.34 million and P298.92 million, respectively. Details follow:

	2021	2020
Shares of stock - at equity:		
Balance at beginning and end of year	P405,000,000	P405,000,000
Accumulated equity in net earnings:		
Balance at beginning of year	(106,080,150)	(78,310,153)
Equity in net loss	(41,579,302)	(27,769,997)
Balance at end of year	(147,659,452)	(106,080,150)
	P257,340,548	P298,919,850

DAVI

On November 16, 2018, the Parent Company subscribed 40% ownership interest in DAVI of which P0.40 million was paid in 2018. DAVI's principal activities include processing, managing and analyzing data. DAVI is incorporated in the Philippines. On June 5, 2020, RRHI made additional capital infusion to DAVI amounting to P192.00 million.



Carrying value of DAVI's investment as of December 31, 2021 and 2020 amounted to ₱147.72 million and ₱283.96 million, respectively. Details follow:

	2021	2020
Shares of stock - at equity:		
Balance at beginning of year	₱432,000,000	₱240,000,000
Additional investment (Note 2)	—	192,000,000
Balance at end of year	432,000,000	432,000,000
Accumulated equity in net earnings:		
Balance at beginning of year	(148,040,963)	(48,649,384)
Equity in net loss	(136,235,192)	(99,391,579)
Balance at end of year	(284,276,155)	(148,040,963)
	₱147,723,845	₱283,959,037

G2M

On September 20, 2018, the Parent Company made an investment in G2M amounting to ₱160.65 million through convertible note which will provide the Parent Company 14.90% ownership interest upon conversion of the note. The terms of the agreement also provide and entitled the Parent Company to one (1) out of three (3) board seats. G2M is principally engaged in the business of providing neighborhood sundry stores enablement platform and software in the Philippines. G2M is incorporated in Singapore. On September 16, 2020, the Parent Company assigned its investment in G2M to NDV. In 2021 and 2020, the Group made additional cash infusion to G2M amounting to ₱33.90 million and ₱219.83 million, respectively.

Carrying value of G2M's investment as of December 31, 2021 and 2020 amounted to ₱406.15 million and ₱377.67 million, respectively. Details follow:

	2021	2020
Shares of stock - at equity:		
Balance at beginning of year	₱380,482,581	₱160,650,429
Additional investment (Note 2)	33,895,680	219,832,152
Balance at end of year	414,378,261	380,482,581
Accumulated equity in net earnings:		
Balance at beginning of year	(2,813,282)	—
Equity in net loss	(5,410,570)	(2,813,282)
Balance at end of year	(8,223,852)	(2,813,282)
	₱406,154,409	₱377,669,299

GoTyme

On December 28, 2021, the Parent Company acquired 20.0% ownership interest in GoTyme or 200 million shares for a total consideration amounting to ₱200.0 million or ₱1.0 per share. GoTyme's principal activity is to carry on and engage in the business of a digital bank. GoTyme is incorporated in the Philippines. Carrying value of GoTyme's investment as of December 31, 2021 amounted to ₱200.00 million.

HD Retail

On June 3, 2021, NDV acquired 24.25% ownership interest in HD Retail or 7,275 shares for a total consideration amounting to ₱179.07 million or ₱24,615.00 per share. HD Retail's principal activity is to operate as a hard discount store. HD Retail is incorporated in Singapore. NDV's share in the net loss of HD Retail for 2021 amounted to ₱18.30 million. Carrying value of HD Retail's investment as of December 31, 2021 amounted to ₱160.78 million.



VHI

In December 2021, RSC acquired 30% ownership in VKD Holdings, Inc. (VHI) for a total consideration ₱40.87 million. VHI is a holding of a company whose principal activity is to engage in business of holding, selling and assigning, transfer and exchange of real property and personal property of any kind. Carrying value of VHI's investment as of December 31, 2021 amounted to ₱40.87 million.

Growsari

On August 16, 2018, RSC made an investment in GrowSari amounting to ₱105.00 million through convertible note which will provide the Company 28.60% ownership interest upon conversion of the note. The terms of the agreement also provide technical information and entitled the Company to two (2) out of seven (7) board seats. GrowSari is engaged in selling wholesale goods to sari sari business owners. GrowSari is incorporated in the Philippines.

Carrying value of Growsari's investment as of December 31, 2021 and 2020 amounted to nil, respectively. Details follow:

	2021	2020
Shares of stock - at equity:		
At beginning and end of year	₱105,000,000	₱105,000,000
Accumulated equity in net earnings:		
Balance at beginning of year	(105,000,000)	(57,654,117)
Equity in net loss	—	(47,345,883)
Balance at end of year	(105,000,000)	(105,000,000)
	₱—	₱—

As of December 31, 2021, total assets and total liabilities of the associates except RBC amounted to ₱5.49 billion and ₱3.00 billion, respectively. As of December 31, 2020, total assets and total liabilities of the associates except RBC amounted to ₱2.82 billion and ₱2.42 billion, respectively. In 2021, 2020 and 2019, net loss of the associates except RBC amounted to ₱1,047.21 million, ₱545.43 million and ₱217.95 million, respectively.

14. Intangible Assets

This account consists of:

	2021	2020
Goodwill (Note 19)	₱14,751,090,162	₱14,751,090,162
Trademarks (Note 19)	7,915,917,598	7,915,917,598
Franchise	5,118,811	5,877,144
	₱22,672,126,571	₱22,672,884,904



Goodwill

The Group's goodwill as of December 31, 2021 and 2020 pertains to the excess of the acquisition cost over the fair value of the net assets of acquired subsidiaries which also represents separate CGUs. Details follow (Note 19):

	2021	2020
RSCI (Note 19)	₱9,109,386,061	₱9,109,386,061
RPI (Note 19)	2,343,614,826	2,343,614,826
TGPPI	1,281,428,830	1,281,428,830
SSDI	745,887,131	745,887,131
SEWI	715,103,869	715,103,869
EC	199,870,222	199,870,222
RHIB	145,655,320	145,655,320
RTSHPI	85,161,468	85,161,468
JRMC	71,732,435	71,732,435
HPTDI	30,000,000	30,000,000
GPC	23,250,000	23,250,000
	₱14,751,090,162	₱14,751,090,162

In 2020, the goodwill related to the acquisition of BSRI amounting to ₱83.32 million was impaired.

Trademarks

The trademarks were acquired through business combinations and were recognized at fair value at the date of acquisition. Details follow:

	2021	2020
RSCI (Note 19)	₱3,205,411,607	₱3,205,411,607
RPI (Note 19)	1,514,575,531	1,514,575,531
SSDI	1,566,917,532	1,566,917,532
TGPPI	1,264,098,435	1,264,098,435
SEWI	364,914,493	364,914,493
	₱7,915,917,598	₱7,915,917,598

Included in the trademarks acquired through acquisition of RSCI in 2018 is the right to use a brand and trademark for a period of almost five (5) years. In 2020, the Group impaired the remaining value of trademarks amounting to ₱115.59 million.

Franchise

On July 29, 2014, Costa International Limited granted the Group the development and operating rights to carry on the Costa business in the Philippines. The development agreement includes a development fee, 60.00% of which is payable upon execution of the agreement and the remaining 40.00% is payable one (1) year after the date of the agreement, and a service fee equal to a certain percentage of sales. As of December 31, 2018, the Group has franchise amounting to ₱16.73 million. In 2019, the Group wrote off the remaining value of its franchise amounting to ₱15.05 million due to permanent store closure.

On January 10, 2018, Pet Lovers Centre International Pte. Ltd, granted the Group the right to develop its business including its trademarks, system, manuals and image in the Philippines for ₱7.58 million. The Group started Pet Lovers Centre operations in October 2018. The franchise shall be amortized using straight-line method over a period of ten (10) years.



The rollforward analysis of the franchise follows:

	2021	2020
Beginning balance	₱5,877,144	₱6,635,499
Amortization (Note 21)	(758,333)	(758,355)
	₱5,118,811	₱5,877,144

15. Other Noncurrent Assets

This account consists of:

	2021	2020
Security and other deposits	₱2,376,771,232	₱2,199,111,643
Construction bonds	85,520,888	65,579,632
	₱2,462,292,120	₱2,264,691,275

Security and other deposits mainly consist of advances for the lease of stores which are refundable at the end of the lease term.

16. Trade and Other Payables

This account consists of:

	2021	2020
Trade	₱13,236,213,592	₱14,704,322,104
Nontrade (Note 24)	6,765,084,789	7,608,841,130
Others	1,214,453,380	1,050,000,995
	₱21,215,751,761	₱23,363,164,229

Trade payables are noninterest-bearing and are normally settled on forty-five (45) to sixty (60) in days' term arising mainly from purchases of merchandise inventories for resale.

Nontrade payables consist mainly of liabilities/obligations payable to nontrade suppliers, contract liabilities and due to related parties.

Others mainly consist of taxes and licenses payable.

Contract Liabilities

The Group identified its gift check outstanding, accrued customer loyalty rewards and deferred revenue, recorded under nontrade payables, as contract liabilities as of December 31, 2021 and 2020. These represent the Group's obligation to provide goods or services to the customers for which the Group has received consideration from the customers. Substantially, all of the contract liabilities at year-end will be recognized as revenue in the following year.

	2021	2020
Gift check outstanding	₱230,037,442	₱164,006,567
Deferred revenue	13,450,713	13,450,713
	₱243,488,155	₱177,457,280



Below is the rollforward of contract liabilities as December 31, 2021 and 2020:

	2021	2020
At January 1	₱177,457,280	₱287,054,130
Deferred during the year	494,858,621	405,660,600
Transferred to DAVI	—	(118,434,504)
Recognized as revenue during the year	(428,827,746)	(396,822,946)
At December 31	₱243,488,155	₱177,457,280

17. Short-term Loans Payable

Details of short-term loans follow:

	2021	2020
Balance at beginning of year	₱9,584,000,000	₱4,634,000,000
Availments	3,550,000,000	9,450,000,000
Payments	(5,400,000,000)	(4,500,000,000)
	₱7,734,000,000	₱9,584,000,000

The balances of short-term loans of the subsidiaries are as follows:

	2021	2020
SSDI	₱3,609,000,000	₱4,109,000,000
RSC	2,000,000,000	4,200,000,000
RCSI	970,000,000	770,000,000
RPI	450,000,000	—
RHDDS	400,000,000	400,000,000
RDDC	200,000,000	—
SUPER50	50,000,000	—
RHIB	30,000,000	55,000,000
HPTD	25,000,000	50,000,000
	₱7,734,000,000	₱9,584,000,000

- a.) SSDI's short-term loans payable consist of loans availed from local commercial banks at interest rates of 2.40%-3.45% per annum in 2021 and 3.45%-5.40% per annum in 2020. In 2020, SSDI availed short-term loans amounting to ₱3.65 billion. In addition, SSDI paid ₱500 million and ₱1.47 billion in 2021 and 2020, respectively. The short-term loans payable of SSDI as of December 31, 2021 and 2020 amounted to ₱3.61 billion and ₱4.11 billion, respectively.
- b.) RSC's short-term loans payable consist of loans availed from a local commercial bank at interest rates of 2.25%-3.45% per annum in 2021 and 2.90% per annum in 2020. In 2021 and 2020, RSC availed short-term loans amounting to ₱2.0 billion and ₱4.20 billion, respectively. In 2021 and 2020, RSC paid ₱4.20 billion and ₱300 million, respectively. The short-term loans payable of RSC as of December 31, 2021 and 2020 amounted to ₱2.0 billion and ₱4.20 billion, respectively.
- c.) RCSI's short-term loans payable consist of loans availed from a local commercial bank at interest rates of 2.25%-3.45% per annum in 2021 and 3.10% - 4.50% per annum in 2020. In 2021 and 2020, RCSI availed short-term loan amounting to ₱850.0 million and ₱770.0 million, respectively. In addition, RCSI paid ₱650 million in 2021. The short-term loans payable as of December 31, 2021 and 2020 amounted to ₱970.0 million and ₱770.0 million, respectively.



- d.) RPI's short-term loans payable consists of loans availed from a local commercial bank at an interest rate of 2.25%-3.45% per annum in 2021. No payment of short-term loan was made during the year. The short-term loans payable as of December 31, 2021 and 2020 amounted to ₱450.0 million and nil, respectively.
- e.) RHDDS's short-term loans payable consist of a loan availed from a local commercial bank at an interest rates of 2.40%-3.10% per annum in 2021 and 3.10%-5.50% per annum in 2020. No payment of short-term loan were made in 2021 and 2020. The short-term loans payable as of December 31, 2021 and 2020 amounted to ₱400.0 million.
- f.) RDDC's short-term loans payable consists of loans availed from a local commercial bank at an interest rate of 2.40%-2.50% per annum in 2021. No payment of short-term loan was made during the year. The short-term loans payable as of December 31, 2021 and 2020 amounted to ₱200.0 million and nil, respectively.
- g.) SUPER50's short-term loans payable consists of loans availed from a local commercial bank at an interest rate of 2.4% per annum in 2021. No payment of short-term loan was made during the year. The short-term loans payable as of December 31, 2021 and 2020 amounted to ₱50.0 million and nil, respectively.
- h.) RHIB's short-term loans payable consists of loans availed from a local commercial bank at an interest rate of 2.25%-3.45% per annum in 2021 and 3.10%-5.50% per annum in 2020. In 2021 and 2020, RHIB paid ₱25.0 million and nil, respectively. The short-term loans payable as of December 31, 2021 and 2020 amounted to ₱30.0 million and ₱55.0 million, respectively.
- i.) HPTD's short-term loans payable consist of loans availed from local commercial banks at an interest rates of 2.25%-3.45% per annum in 2021 and 3.10%-5.50% per annum in 2020. In 2021 and 2020, HPTD paid ₱25.0 million and nil, respectively. The short-term loans payable as of December 31, 2021 and 2020 amounted to ₱25.0 million and ₱50.0 million, respectively.

Total interest expense charged to operations amounted to ₱159.27 million, ₱146.43 million and ₱300.68 million in 2021, 2020 and 2019, respectively.

The above loans are not subject to any loan covenants. In addition, there are no loan modification or deferral during the year.

18. Equity

Capital Stock

The details of this account follow:

	2021		2020		2019	
	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares
Common stock - ₱1 par value						
Authorized shares	₱2,000,000,000	2,000,000,000	₱2,000,000,000	2,000,000,000	₱2,000,000,000	2,000,000,000
Issued shares	1,576,489,360	1,576,489,360	1,576,489,360	1,576,489,360	1,576,489,360	1,576,489,360
Outstanding shares	1,563,460,430	1,512,010,200	1,563,460,430	1,563,460,430	1,576,489,360	1,576,489,360
Treasury shares	3,616,057,963	64,479,160	810,018,635	13,028,930	—	—



Registration Track Record

On November 11, 2013, the Parent Company listed with the Philippine Stock Exchange (PSE) its common stock wherein it offered 484,750,000 shares to the public at ₱58.00 per share. All shares were sold. Of the total shares sold, 18,871,950 shares were subsequently reacquired by the Parent Company at ₱58.00 per share or an aggregate cost of ₱1,094.57 million. The Parent Company incurred transaction costs incidental to the IPO amounting ₱745.65 million, charged against “Additional paid-in capital”.

On December 9, 2014, the Parent Company sold its treasury shares at ₱69.0 per share or ₱1,309.06 million, incurring transaction costs amounting to ₱8.22 million.

On November 23, 2018, the Parent Company issued 191,489,360 new common shares for the acquisition of RSCI (Notes 1 and 19). The market value of the share amounted to ₱72.05 per share on November 23, 2018. Transaction cost related to the issuance of new shares amounted to ₱64.50 million.

On October 14, 2021, RRHI applied with the PSE the listing of 191,489,360 shares, that was issued to MCBV in 2018, for a total transaction cost of ₱20.00 million. The PSE approved the listing on January 26, 2022.

Treasury stock

On March 9, 2020, the Parent Company’s BOD authorized the buy-back of RRHI’s common shares of up to ₱2.0 billion. The repurchased shares are presented under ‘Treasury stock’ account in the consolidated statement of changes in equity.

On February 26, 2021, the BOD of the Parent Company agreed to extend the share buyback program for an additional amount of ₱2.0 billion to improve shareholder value. This will be on top of the ₱2.0 billion share buyback approved last March 9, 2020.

The program will be implemented in the open market through the trading facilities of the PSE and will be supervised by the President and Chief Executive Officer and Chief Financial Officer, as authorized by the BOD.

As of December 31, 2021 and 2020, RRHI has repurchased 64.48 million shares for ₱3,616.06 million and 13.03 million shares for ₱810.02 million, respectively, under the buyback program. Under the Revised Corporation Code, a stock corporation can purchase or acquire its own shares provided that it has unrestricted retained earnings to cover the shares to be purchased or acquired.

Equity Reserve

Details of equity reserve follow:

	2021	2020	2019
Acquisition of additional shares from non-controlling interest			
Beginning	(₱995,284,977)	(₱995,284,977)	(₱975,943,538)
Additions/Deductions	—	—	(19,341,439)
	(₱995,284,977)	(₱995,284,977)	(₱995,284,977)
Acquisition of subsidiary under common control			
Beginning	—	5,508,177	5,508,177
Additions/Deductions	—	(5,508,177)	—
	₱—	₱—	₱5,508,177



Acquisition of a Subsidiary under Common Control

On June 15, 2021, RSC acquired 250,000 common shares, representing 100% ownership of CGII for a total consideration of ₱23.68 million. Net assets of CGII at the date of acquisition amounted to ₱23.82 million. CGII is in the business of retail and wholesale of goods.

On October 3, 2016, RI acquired 28,800 common shares, representing 100% ownership of Chic Centre Corporation for a total consideration of ₱27.80 million. Net assets of Chic Centre Corporation at the date of acquisition amounted to ₱33.34 million. As a result of the combination of the entities, the difference between the consideration paid for the acquisition and the net assets acquired amounting to ₱5.51 million is accounted for as “Equity reserve”. On February 17, 2020, the BOD of RSC approved the sale of 100% of the shares of stocks owned in CCC for a total consideration of ₱230.00 million.

Acquisition of Additional Shares from a Non-Controlling Shareholder

On November 4, 2019, RI acquired additional 18,947,368 common shares, representing 0.95% of RCSI from a non-controlling shareholder for ₱18.95 million. As a result of the acquisition, RI then holds 60.00% interest in RCSI. The Group recognized equity reserve from the acquisition amounting to ₱1.36 million included in “Equity reserve” representing the excess consideration paid for the carrying amount of the non-controlling interest.

On April 3, 2019, RSC acquired additional 1,650,000 common shares, representing 33% of ASI from a non-controlling shareholder for ₱50.00 million. As a result of the acquisition, RSC then holds 100.00% interest in ASI. The Group recognized equity reserve from the acquisition amounting to ₱17.98 million included in “Equity reserve” representing the excess consideration paid for the carrying amount of the non-controlling interest.

On August 28, 2018, RI acquired additional 161,052,632 common shares, representing 8.05% of RCSI from a non-controlling shareholder for ₱85.36 million. As a result of the acquisition, RI then holds 59.05% interest in RCSI. The Group recognized equity reserve from the acquisition amounting to ₱51.46 million included in “Equity reserve” representing the excess of carrying amount of the non-controlling interest acquired over consideration paid.

On December 5, 2014, RSC acquired additional 2,500,000 common shares, representing 25%, of RHMI from a non-controlling shareholder for ₱1.45 billion. As a result of the acquisition, RSC then holds 80% interest in RHMI.

The Group recognized equity reserve from the acquisition amounting to ₱1.02 billion included in “Equity reserve” in the consolidated statements of changes in equity representing the excess of consideration paid over the carrying amount of the non-controlling interest acquired. The equity reserve from the acquisition will only be recycled to the consolidated statements of comprehensive income in the event that RSC will lose its control over RHMI.

In 2015, the total consideration was adjusted from ₱1.45 billion to ₱1.48 billion. The difference is recognized as an adjustment to equity reserve. Of the total amount, ₱1.31 billion was received and settled in 2014. The remaining balance was fully settled in cash in 2015.

Retained Earnings

The income of the subsidiaries and accumulated equity in net income of the associates that are recognized in the consolidated statements of comprehensive income are not available for dividend declaration unless these are declared by the subsidiaries and associates. The accumulated earnings of subsidiaries included in retained earnings amounted to ₱25.44 billion and ₱22.69 billion as of December 31, 2021 and 2020, respectively, while the accumulated equity in net income of the



associates amounted to ₱1,536.76 million and ₱1,244.69 million as of December 31, 2021 and 2020, respectively (Note 13).

Dividend Declaration

Details of the Parent Company's dividend declarations follow:

	2021	2020	2019
Date of declaration	April 27, 2021	May 13, 2020	May 30, 2019
Dividend per share	₱1.83	₱1.00	₱0.72
Total dividends	₱2,813,524,076	₱1,572,931,450	₱1,135,072,339
Date of record	May 20, 2021	June 03, 2020	June 20, 2019
Date of payment	June 10, 2021	June 30, 2020	July 12, 2019

Appropriation of Retained Earnings

Rollforward analysis of appropriated retained earnings follows:

	2021	2020	2019
Balance at beginning of year	₱27,852,852,847	₱26,944,852,847	₱24,151,852,847
Appropriation	888,500,000	948,000,000	3,186,000,000
Reversal of appropriation	(4,775,600,000)	(40,000,000)	(393,000,000)
Balance at end of year	₱23,965,752,847	₱27,852,852,847	₱26,944,852,847

On December 10, 2021, the Group's BOD approved the appropriation of retained earnings which shall be used to augment new stores with the Group's nationwide expansion which is expected to complete in next two (2) to five (5) years. Details are as follow:

Entity	Amount
RHMI	₱564,000,000
RDSI	162,000,000
WHMI	101,000,000
HEMI	2,500,000
TV	59,000,000
	₱888,500,000

On December 11, 2020, the Group's BOD approved the appropriation of retained earnings which shall be used to augment new stores with the Group's nationwide expansion which is expected to complete in next two (2) to five (5) years. Details are as follow:

Entity	Amount
RHMI	₱306,000,000
WHMI	36,000,000
HEMI	4,000,000
TV	22,000,000
SSD	525,000,000
SEWI	55,000,000
	₱948,000,000



On November 8, 2019, the Group's BOD approved the appropriation of retained earnings which shall be used to augment new stores with the Group's nationwide expansion which is expected to complete in next two (2) to five (5) years. Details are as follow:

Entity	Amount
RSC	₱1,000,000,000
RHMI	674,000,000
RTI	310,000,000
SSDI	300,000,000
RAC	235,000,000
RHDDS	162,000,000
SEWI	110,000,000
RTSHPI	90,000,000
WHMI	87,000,000
HEMI	3,000,000
	<u>₱2,971,000,000</u>

On March 14, 2019, the Group's BOD approved the appropriation of retained earnings of RAC amounting to ₱215.00 million which shall be used to augment new stores with the Group's nationwide expansion which is expected to complete in next two (2) to five (5) years.

Reversal of appropriation

In December 10, 2021, the BOD of the subsidiaries of the Group approved the reversal of appropriated retained earnings due to completion of certain store expansions and renovations. Details are as follow:

Entity	Amount
RHMI	₱484,000,000
RDSI	162,000,000
WHMI	67,000,000
TV	50,000,000
RAC	10,000,000
HEMI	2,600,000
Total	<u>₱775,600,000</u>

On February 6, 2021, the Parent Company's BOD authorized and approved the reversal of the appropriation of ₱4.00 billion from the retained earnings as of December 31, 2020 due to completion of investment program to augment funds of subsidiaries for the construction and renovation of stores in line with the expansion in various locations nationwide.

In 2020, the BOD of the subsidiaries of the Group approved the reversal of appropriated retained earnings of RAC amounting to ₱40.00 million due to completion of certain store expansions and renovations.



In 2019, the BOD of the subsidiaries of the Group approved the reversal of appropriated retained earnings due to completion of certain store expansions and renovations. Details are as follow:

Entity	Date of reversal	Amount
RHMI	June 14	₱191,000,000
WHMI	June 14	77,000,000
RSSI	November 8	75,000,000
RDDC	November 8	33,000,000
HEMI	June 14	17,000,000
Total		₱393,000,000

Declaration of Dividends of the Subsidiaries

On June 1, 2021 and December 1, 2021, the BOD of TGP approved the declaration of cash dividends amounting to ₱340.0 million and ₱340.0 million, respectively, which was paid on June 10, 2021 and December 6, 2021, respectively.

On May 15, 2020 and December 1, 2020, the BOD of TGP approved the declaration of cash dividends amounting to ₱300.00 million and ₱330.00 million, respectively, which was paid on June 19, 2020 and December 6, 2020, respectively.

In 2019, the BOD of the below subsidiaries approved the declaration of cash dividends as follows:

Entity	Date of declaration	Amount
RRHI TMI	November 8	₱600,000,000
TGP	June 10	560,007,000
RHMI	June 14	200,000,000
HEMI	June 14	20,000,000
WHMI	June 14	80,000,000
CCC	September 30	2,585,332
Total		₱1,462,592,332

NCI

Acquisition of NCI

In November 2019, the Group acquired NCI in RCSI increasing the Group's ownership stake from 59.05% to 60.00%.

In April 2019, the Group acquired NCI in ASI increasing the Group's ownership stake from 67% to 100%.

Investment from NCI

In September 2020, an NCI made an investment in SSDI amounting to ₱200.0 million.

On February 27, 2018, an NCI made an investment which represents 49% ownership in Super50 amounting to ₱14.70 million.

Dividends to NCI

In 2021, 2020 and 2019, dividends declared attributable to NCI amounted to ₱333.20 million, ₱308.70 million and ₱349.41 million, respectively.



Material Partly-Owned Subsidiary

In 2021 and 2020, the Group has 49.00% proportion of equity interest held by non-controlling interests attributable to TGPPI. Accumulated balances of material non-controlling interest amounted to ₱1,552.66 million, ₱1,169.39 million and ₱942.16 million in 2021, 2020 and 2019, respectively. Profit allocated to material non-controlling interest amounted to ₱318.01 million, ₱284.45 million and ₱322.28 million in 2021, 2020 and 2019, respectively. Total assets of TGPPI as of December 31, 2021 and 2020 amounted to ₱2,019.55 million and ₱2,074.23 million, respectively, while total liabilities as of December 31, 2021 and 2020 amounted to ₱844.30 million and ₱873.47 million, respectively. Total sales in 2021, 2020 and 2019 amounted to ₱4,940.03 million, ₱4,825.95 million and ₱4,783.81 million, respectively. Net income in 2021, 2020 and 2019 amounted to ₱648.99 million, ₱580.50 million and ₱631.93 million, respectively.

Capital Management

The primary objective of the Group's capital management policy is to ensure that it maintains healthy capital in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for the years ended December 31, 2021 and 2020.

The Group considers the following as its main source of capital:

	2021	2020
Capital stock	₱1,576,489,360	₱1,576,489,360
Additional paid-in capital	40,768,202,897	40,768,202,897
Treasury stock	(3,616,057,963)	(810,018,635)
Other comprehensive income	442,697,037	434,295,080
Equity reserve	(995,284,977)	(995,284,977)
Retained earnings		
Appropriated	23,965,752,847	27,852,852,847
Unappropriated	9,827,278,268	4,225,869,025
Total equity attributable to equity holders of the Parent Company	71,969,077,469	73,052,405,597
Non-controlling interest in consolidated subsidiaries	4,543,640,152	4,537,828,657
Total Equity	₱76,512,717,621	₱77,590,234,254

19. Business Combinations and Disposal of a Subsidiary

Business Combination and Goodwill

On October 30, 2020, SSDI acquired 100% of RPI for a total consideration of ₱4.33 billion. RPI was incorporated in the Philippines and is primarily engaged in the business of trading medical and pharmaceutical goods, on either wholesale or retail basis.



The fair values of the identifiable assets and liabilities of RPI at the date of acquisition were:

	Fair values recognized on acquisition
Assets	
Cash	₱251,725,265
Trade and other receivables	7,195,614
Merchandise inventories (Note 9)	1,386,996,369
Other current assets	99,567,541
Property and equipment (Note 12)	243,897,875
ROU assets (Note 28)	685,580,674
Deferred tax assets	125,891,598
Trademarks arising from acquisition (Note 14)	1,514,575,531
Other noncurrent assets	74,404,229
	<u>4,389,834,696</u>
Liabilities	
Trade and other payables	912,464,473
Income tax payable	1,835,968
Lease liability (Note 28)	780,263,614
Retirement obligation (Note 23)	251,473,028
Deferred tax liability	454,372,659
	<u>2,400,409,742</u>
Net assets acquired	<u>1,989,424,954</u>
Goodwill from the acquisition (Note 14)	<u>2,343,614,826</u>
Purchase consideration transferred	<u><u>₱4,333,039,780</u></u>

In 2021, the Group finalized the purchase price allocation and the fair value computation of goodwill. There were no adjustments to the provisional amounts that were made during the measurement period. The final purchase price allocation resulted in goodwill of ₱2.34 billion. The goodwill of ₱2.34 billion comprises the fair value of expected synergies arising from acquisition.

Total consolidated revenue would have increased by ₱8.14 billion, while consolidated net income would have decreased by ₱208.23 million for the year ended December 31, 2020 had the acquisition of RPI took place at the beginning of the year. Total revenues and net loss of RPI from October 30, 2020 to December 31, 2020 included in the consolidated statement of comprehensive income amounted to ₱1.29 billion and ₱10.63 million, respectively.

As a result of the transaction, provisional goodwill amounting to ₱2.34 billion was recognized, representing the difference between the total consideration of ₱4.33 billion and the provisional value of net assets acquired of ₱1.99 billion (Note 14). The provisional goodwill and trademarks were not tested for impairment in 2020 since the acquisition occurred in the fourth quarter of 2020 and there was no material change in RPI's business.

Net cash arising from the acquisition follows:

Cash consideration	₱4,333,039,780
Less cash acquired	<u>251,725,265</u>
	<u><u>₱4,081,314,515</u></u>



Acquisition of RSCI

On March 23, 2018, the BOD of RRHI and MCBV approved the acquisition by RRHI of MCBV's 100% stake in RSCI through a share for share swap involving shares of RSCI in exchange for primary common shares of RRHI equivalent to 12.15% stake. RSCI was incorporated in the Philippines and operates food retail brands "Marketplace by Rustan's", "Rustan's Supermarket", "Shopwise Hypermarket", "Shopwise Express" and "Wellcome".

RRHI agreed to pay MCBV at an agreed price which was settled by the issuance of 191.49 million new RRHI common shares as consideration for the value of the net assets of RSCI. RRHI engaged an independent financial advisor to review the transaction and render a fairness opinion on the transaction and the consideration payable by RRHI. The independent financial advisor completed its review and concluded that the acquisition of the net assets is fair and reasonable and in the interest of RRHI shareholders as a whole.

The completion of the acquisition was subjected to the procurement of certain regulatory and other approvals including:

- i. Approval by the shareholders of RRHI of the issuance of primary shares;
- ii. Approval of the transaction by the Philippine Competition Commission; and
- iii. Confirmation by the SEC of the valuation of the entire issued share capital of RSCI to be exchanged for the primary shares of RRHI.

The acquisition was completed on November 23, 2018 as agreed in the Shareholders Agreement which is seven days after the confirmation by the SEC of the valuation of the entire issued share capital of RSCI to be exchanged for the primary shares of RRHI on November 16, 2018.

Approvals (i) and (ii) were obtained on May 28, 2018 and August 16, 2018, respectively. On November 23, 2018, the market value of RRHI shares amounted to ₱72.05 per share. Transaction costs related to the issuance of new shares amounted to ₱64.50 million was charged to 'Additional paid-in capital'.

In 2019, the Group finalized the purchase price allocation and the fair value computation of goodwill. There were no adjustments to the provisional amounts that were made during the measurement period. The final purchase price allocation resulted in goodwill of ₱9.11 billion. The goodwill of ₱9.11 billion comprises the fair value of expected synergies arising from acquisition.

The fair values of the identifiable assets and liabilities of RSCI at the date of acquisition were:

	Fair values recognized on acquisition
Assets	
Cash	₱103,162,382
Trade and other receivables	384,075,105
Merchandise inventories	3,073,734,206
Other current assets	912,897,897
Property and equipment	3,897,725,011
Trademarks arising from acquisition (Note 14)	3,398,600,050
Other noncurrent assets	684,781,136
	<u>12,454,975,787</u>

(Forward)



	Fair values recognized on acquisition
Liabilities	
Trade and other payables	₱4,633,625,787
Loans payable	1,500,000,000
Income tax payable	39,346,173
Other current liabilities	60,595,212
Retirement obligation	283,655,342
Deferred tax liability	961,623,483
Other noncurrent liabilities	288,707,463
	7,767,553,460
Net assets acquired	4,687,422,327
Goodwill from the acquisition (Note 14)	9,109,386,061
Purchase consideration transferred	₱13,796,808,388

Disposal of a Subsidiary

In February 2020, RSC entered into a Deed of Absolute Sale to sell its 100% equity interest in CCC for a total consideration amounting to ₱230.0 million.

Impact of the disposal of the subsidiary in the consolidated financial statement follows:

Assets	
Cash	₱18,388,383
Trade and other receivables	60,387,728
Merchandise inventories (Note 9)	210,675,616
Property and equipment (Note 12)	43,812,978
ROU assets (Note 28)	39,954,612
Deferred tax assets	12,236,857
Other assets	8,366,577
	393,822,751
Liabilities	
Trade and other payables	177,379,432
Lease liabilities (Note 28)	42,260,296
Income tax payable	11,542,593
Retirement obligation (Note 23)	21,869,849
	253,052,170
Net assets of deconsolidated subsidiary	140,770,581
Consideration, net of transaction costs	199,671,350
Gain on deconsolidation of a subsidiary	₱58,900,769

The deconsolidation of CCC did not have significant impact on the Group's consolidated statements of comprehensive income and consolidated statements of cash flows.



20. Sales Revenue

Sales are recognized from customers at the point of sale in the stores and upon delivery.

Sales returns and sales discounts deducted from the sales to arrive at the net sales amounted to ₱5.73 billion, ₱4.44 billion and ₱4.64 billion in 2021, 2020 and 2019, respectively.

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Segments	For the year ended December 31, 2021						Total
	Supermarket	Department Store	DIY	Convenience Store	Drug Store	Specialty Store	
Type of goods or service							
Sale of goods - retail	₱88,630,077,986	₱9,325,871,483	₱11,501,454,806	₱3,992,274,198	₱26,667,779,983	₱12,286,905,633	₱152,404,364,089
Sale of merchandise to franchisees	—	—	—	922,996,377	—	—	922,996,377
Franchise revenue	—	—	—	4,253,611	19,649,952	—	23,903,563
Royalty fee	—	—	—	140,352,386	58,944,810	—	199,297,196
	₱88,630,077,986	₱9,325,871,483	₱11,501,454,806	₱5,059,876,572	₱26,746,374,745	₱12,286,905,633	₱153,550,561,225
Timing of revenue recognition							
Goods transferred at point in time	₱88,630,077,986	₱9,325,871,483	₱11,501,454,806	₱4,915,270,575	₱26,667,779,983	₱12,286,905,633	₱153,327,360,466
Services transferred over time	—	—	—	144,605,997	78,594,762	—	223,200,759
	₱88,630,077,986	₱9,325,871,483	₱11,501,454,806	₱5,059,876,572	₱26,746,374,745	₱12,286,905,633	₱153,550,561,225



For the year ended December 31, 2020							
Segments	Supermarket	Department Store	DIY	Convenience Store	Drug Store	Specialty Store	Total
Type of goods or service							
Sale of goods - retail	₱94,121,288,564	₱8,450,525,571	₱11,357,701,521	₱1,158,100,710	₱19,058,775,778	₱13,270,889,853	₱147,417,281,997
Sale of merchandise to franchisees	—	—	—	3,652,978,793	—	—	3,652,978,793
Franchise revenue	—	—	—	6,025,040	33,726,531	—	39,751,571
Royalty fee	—	—	—	916,241,707	58,662,829	—	974,904,536
	₱94,121,288,564	₱8,450,525,571	₱11,357,701,521	₱5,733,346,250	₱19,151,165,138	₱13,270,889,853	₱152,084,916,897
Timing of revenue recognition							
Goods transferred at point in time	₱94,121,288,564	₱8,450,525,571	₱11,357,701,521	₱4,811,079,503	₱19,058,775,778	₱13,270,889,853	₱151,070,260,790
Services transferred over time	—	—	—	922,266,747	92,389,360	—	1,014,656,107
	₱94,121,288,564	₱8,450,525,571	₱11,357,701,521	₱5,733,346,250	₱19,151,165,138	₱13,270,889,853	₱152,084,916,897
For the year ended December 31, 2019							
Segments	Supermarket	Department Store	DIY	Convenience Store	Drug Store	Specialty Store	Total
Type of goods or service							
Sale of goods - retail	₱88,514,715,048	₱18,039,637,214	₱14,382,541,311	₱—	₱17,684,834,470	₱17,549,803,545	₱156,171,531,588
Sale of merchandise to franchisees	—	—	—	6,744,155,713	—	—	6,744,155,713
Franchise revenue	—	—	—	6,676,528	49,168,502	—	55,845,030
Royalty fee	—	—	—	1,840,105,448	60,181,952	—	1,900,287,400
	₱88,514,715,048	₱18,039,637,214	₱14,382,541,311	₱8,590,937,689	₱17,794,184,924	₱17,549,803,545	₱164,871,819,731
Timing of revenue recognition							
Goods transferred at point in time	₱88,514,715,048	₱18,039,637,214	₱14,382,541,311	₱6,744,155,713	₱17,684,834,470	₱17,549,803,545	₱162,915,687,301
Services transferred over time	—	—	—	1,846,781,976	109,350,454	—	1,956,132,430
	₱88,514,715,048	₱18,039,637,214	₱14,382,541,311	₱8,590,937,689	₱17,794,184,924	₱17,549,803,545	₱164,871,819,731

In 2019, intersegment eliminating adjustments related to sale of goods amounted to ₱1.73 billion. (Note 6).



21. Operating Expenses

This account consists of:

	2021	2020	2019
Personnel costs and contracted services (Notes 22 and 23)	₱9,802,346,518	₱9,164,608,686	₱9,801,982,310
Rental and utilities (Notes 24 and 28)	6,863,041,043	6,144,201,142	8,884,787,244
Depreciation and amortization (Notes 12, 14 and 28)	7,087,772,782	6,987,147,534	6,879,793,222
Transportation and travel	1,713,359,868	1,877,331,677	1,666,796,549
Supplies	1,014,592,585	948,089,911	1,013,015,415
Repairs and maintenance	890,438,363	719,396,515	830,280,835
Bank and credit charges	694,435,937	695,843,837	754,389,132
Advertising	679,976,957	534,776,923	755,776,814
Commission expense	211,860,822	86,616,534	34,918,933
Royalty expense (Note 29)	121,319,030	116,986,146	213,685,744
Tolling fee	35,922,832	21,935,172	10,241,643
Others	921,456,834	1,439,810,772	1,277,510,828
	₱30,036,523,571	₱28,736,744,849	₱32,123,178,669

Others consist mainly of taxes and licenses, insurance and professional fees.

Depreciation and amortization pertains to:

	2021	2020	2019
Property and equipment (Note 12)	₱3,001,391,781	₱3,034,375,446	₱3,023,656,560
Trademarks, franchise and license fees (Note 14)	758,333	25,570,661	52,068,805
Amortization of ROU assets (Note 28)	4,085,622,668	3,927,201,427	3,804,067,857
	₱7,087,772,782	₱6,987,147,534	₱6,879,793,222

22. Personnel Costs and Contracted Services

This account consists of:

	2021	2020	2019
Salaries, allowances and benefits (Note 21)	₱5,956,205,160	₱5,299,306,985	₱5,570,643,300
Contracted services (Note 21)	3,846,141,358	3,865,301,701	4,231,339,010
	₱9,802,346,518	₱9,164,608,686	₱9,801,982,310



Details of salaries, allowances and benefits:

	2021	2020	2019
Salaries, wages and allowances	₱5,672,408,136	₱5,114,309,542	₱5,378,560,824
Retirement expense (Note 23)	283,797,024	184,997,443	192,082,476
	₱5,956,205,160	₱5,299,306,985	₱5,570,643,300

23. Employee Benefits

The Group has a funded, non-contributory, defined benefit pension plan covering all regular permanent employees. Benefits are dependent on years of service and the respective employee's final compensation. The benefits are paid in a lump-sum upon retirement or separation in accordance with the terms of the Robinsons Retail Multi-Employer Retirement Plan, South Star Drug Retirement Plan and Rustan Supercenters Retirement Plan (the Plan).

The Group computes the actuarial valuation every year by hiring the services of a professional third party qualified actuary.

The Group is a member of the Plan which is administered separately by the Trustee, RBC, Metrobank Corporation and Bank of the Philippine Islands, so named under the Trust Agreement. The Trustee is under the supervision of the Retirement Working Committee (the Committee) of the Plan. The Committee shall have all the powers necessary or useful in the discharge of its duties, including but not limited, to implement and administer the plan, propose changes and determine the rights of the members of the plan. However, changes or revisions in the Plan shall be approved by the Executive Retirement Committee.

The Committee may seek the advice of counsel and appoint an investment manager or managers to manage the Retirement Fund, an independent accountant to audit the Fund and an actuary to value the Plan.

The Plan was amended effective April 1, 2019. The effect of the change in retirement plan is reflected as past service cost and recognized immediately in the 2019 retirement expense. In 2019, certain number of employees of RSCI were involuntarily separated. The settlement gain, as a result of the event, is also reflected in the retirement expense.

Under the existing regulatory framework, Republic Act (RA) No. 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The components of retirement expense under "Operating expenses" account in the consolidated statements of comprehensive income are as follow:

	2021	2020	2019
Current service cost	₱282,641,430	₱194,010,535	₱143,133,157
Net interest cost (income)	16,227,113	10,341,246	(19,202,019)
Net settlement gain	—	—	11,772,256
Past service cost (income)	(15,071,519)	(19,354,338)	56,379,082
Retirement expense	₱283,797,024	₱184,997,443	₱192,082,476



Net retirement obligation as of December 31, 2021 and 2020 recognized in the consolidated statements of financial position follow:

	2021	2020
Present value of defined benefit obligation	₱1,538,372,982	₱1,923,209,146
Fair value of plan assets	(1,289,445,770)	(1,374,251,973)
Net retirement obligation	₱248,927,212	₱548,957,173

The movements in net retirement obligation recognized in the consolidated statements of financial position follow:

	2021	2020
Balance at beginning of year	₱548,957,173	₱347,737,290
Remeasurement loss (gain)	(345,526,680)	181,971,717
Retirement expense	283,797,024	184,997,443
Additions arising from business combination (Note 19)	—	251,473,028
Deconsolidation of a subsidiary (Note 19)	—	(21,869,849)
Actual contribution	(198,155,825)	(166,679,081)
Benefits paid from direct payments	(40,144,480)	(228,673,375)
Balance at end of year	₱248,927,212	₱548,957,173

Remeasurement effects recognized in OCI:

	2021	2020
Remeasurement gains (losses) on:		
Retirement obligation	₱662,218,799	(₱190,707,671)
Retirement plan assets	(316,692,119)	8,735,954
	₱345,526,680	(₱181,971,717)

In 2020, cumulative loss amounting to ₱58.82 million were derecognized from RSCI and in 2019, cumulative gain amounting to ₱4.15 million were derecognized from RGFBI. Cumulative gains are not to be reclassified in profit or loss in the consolidated financial statements of comprehensive income.

Movements of cumulative remeasurement effect recognized in OCI:

	2021	2020
Balance at beginning of year	(₱450,404,771)	(₱327,255,317)
Actuarial loss (gain)	662,218,799	(190,707,671)
Derecognition of cumulative loss	—	58,822,263
Return on assets excluding amount included in net interest cost	(316,692,119)	8,735,954
Total remeasurement	(104,878,091)	(450,404,771)
Income tax effect	26,219,523	135,121,431
	(₱78,658,568)	(₱315,283,340)



Changes in the present value of defined benefit obligation follow:

	2021	2020
Balance at beginning of year	₱1,923,209,146	₱1,410,838,083
Additions arising from business combination (Note 19)	–	369,117,970
Current service cost	282,641,430	194,010,535
Remeasurement (gain) loss arising from:		
Changes in financial assumptions	(456,294,122)	252,702,366
Changes in demographic assumptions	(121,712,466)	12,835,944
Experience adjustments	(84,212,211)	(74,830,639)
Interest cost	72,797,653	66,706,387
Past service income	(15,071,519)	(19,354,338)
Transfers	–	4,542,041
Deconsolidation of a subsidiary (Note 19)	–	(31,058,314)
Benefits paid	(62,984,929)	(262,300,889)
Balance at end of year	₱1,538,372,982	₱1,923,209,146

Movements in the fair value of plan assets follow:

	2021	2020
Balance at beginning of year	₱1,374,251,973	₱1,063,100,793
Actual contribution	198,155,825	166,679,081
Additions arising from business combination (Note 19)	–	117,644,942
Interest income included in net interest cost	56,570,540	56,365,141
Remeasurement gain (loss)	(316,692,119)	8,735,954
Transfers	–	4,542,041
Deconsolidation of a subsidiary (Note 19)	–	(9,188,465)
Benefits paid	(22,840,449)	(33,627,514)
Balance at end of year	₱1,289,445,770	₱1,374,251,973

The fair value of net plan assets of the Group by each class as at the end of the reporting period are as follows:

	2021	2020
Cash and cash equivalents		
Savings deposit	₱17,808,781	₱9,246,244
Time deposit	–	634,960
Investments in government securities		
Fixed rate treasury notes	63,935,598	85,153,207
Retail treasury bonds	12,419,901	7,078,070
Investments in UITF	1,039,205,851	1,244,593,525
Other receivables	156,133,553	27,637,258
Accrued trust fee payable	(57,912)	(91,291)
	₱1,289,445,772	₱1,374,251,973



The principal assumptions used in determining pensions for the Group's plan are shown below:

	2021	2020
Discount rates	4.93% - 5.20%	3.84% - 5.01%
Salary increase rates	2.50% - 5.70%	5.70% - 6.00%

The carrying amounts disclosed above reasonably approximate fair values at each reporting period. The actual return on plan assets amounted to ₱260.12 million, ₱55.96 million and ₱70.94 million in 2021, 2020 and 2019, respectively.

The Group expects to contribute ₱155.67 million to the defined benefit plan in 2022.

Remeasurement effects attributable to the equity holders of the Parent Company follows:

	2021	2020
Balances at the beginning of year	₱78,916,050	₱201,372,594
Remeasurement losses during the year	264,386,954	(122,456,544)
Balances at end of year	₱343,303,004	₱78,916,050

The sensitivity analyses that follow has been determined based on reasonably possible changes of the assumption occurring as of the end of the reporting period, assuming if all other assumptions were held constant.

		Increase (Decrease)	Effect in Defined Benefit Obligation
2021	Salary increase	+1.00%	₱195,496,431
		-1.00%	(166,727,028)
	Discount rates	+1.00%	(158,274,537)
		-1.00%	188,597,961
2020	Salary increase	+1.00%	₱73,344,201
		-1.00%	(195,342,415)
	Discount rates	+1.00%	(194,181,315)
		-1.00%	74,795,934

Each year, an Asset-Liability Matching Study (ALM) is performed with the result being analyzed in terms of risk-and-return profiles. The principal technique of the Group's ALM is to ensure the expected return on assets to be sufficient to support the desired level of funding arising from the defined benefit plans.

Shown below is the maturity analysis of the undiscounted benefit payments:

	2021	2020
Less than 1 year	₱120,247,349	₱50,588,379
More than 1 year but less than 5 years	417,226,812	228,571,400
More than 5 years but less than 10 years	838,952,538	420,350,802
More than 10 years but less than 15 years	1,351,565,673	685,807,954
More than 15 years but less than 20 years	2,071,912,612	1,082,084,579
More than 20 years	6,449,332,793	4,473,713,582



24. Related Party Disclosures

Parties are 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 and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Significant Related Party Transactions

The Group, in the regular conduct of business, has receivables from/payables to related parties arising from the normal course of operations.

- The following are the Group's transactions with its related parties:

	Amount			Due from (Due to)	
	2021	2020	2019	2021	2020
Other affiliates under common control					
a. Trade and other receivables					
Sales	₱42,197,527	₱2,105,106,040	₱4,158,993,927	₱5,469,587	₱9,161,738
Royalty income	—	740,475,141	1,681,857,691	—	—
b. Trade and other payable					
Purchases - net	(3,385,707,782)	(3,276,056,450)	(2,925,027,729)	—	—
Rent and utilities	(2,621,785,618)	(3,328,644,890)	(4,694,100,343)	(658,332,096)	(559,221,088)

Below are the Group's transactions with its related parties:

- As of December 31, 2021 and 2020, the Group has outstanding balances from its other affiliates arising primarily from sales of merchandise inventories and royalty income for grant of use and right to operate stores of the Group.
- As of December 31, 2021 and 2020, the Group has outstanding payable to its other affiliates arising from purchases of merchandise inventories for resale to its customers which are normally paid within the year and expenses for rent and utilities relative to the Group's operations. Lease agreements normally have terms of 5 to 20 years with escalation clauses ranging from 5% to 10% every year.
- The Group maintains savings and current accounts and money market placements with RBC. Cash and cash equivalents earns interest at the prevailing bank deposit rates.

Affiliates are related parties by the Group by virtue of common ownership and representations to management where significant influence is apparent.

- There are no agreements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Group's retirement plans.

The details of compensation and benefits of key management personnel for 2021, 2020 and 2019 follow:

	2021	2020	2019
Short-term employee benefits	₱192,258,333	₱182,790,525	₱174,301,314
Post-employment benefits	53,888,531	38,966,507	44,379,656
	₱246,146,864	₱221,757,032	₱218,680,970



Terms and Conditions of Transactions with Related Parties

Outstanding balances at year-end are unsecured, interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party payables or receivables. The Group did not recognize provision for expected credit losses relating to amounts due from related parties for the years ended December 31, 2021, 2020 and 2019. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

Approval Requirements and Limits on the Amount and Extent of Related Party Transactions

Material related party transactions (MRPT) refers to any related party transaction/s, either individually, or in aggregate over a twelve (12)-month period with the same related party, amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited financial statements.

All individual MRPT's shall be approved by at least two-thirds (2/3) vote of the BOD, with at least a majority of the Independent Directors voting to approve the MRPT. In case that a majority of the Independent Directors' vote is not secured, the MRPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.

Aggregate RPT transactions within a 12-month period that meets or breaches the materiality threshold shall require the same BOD approval mentioned above.

25. Income Tax

- a. Provision for income tax for the years ended December 31 follows:

	2021	2020	2019
Current	₱1,122,465,120	₱1,422,672,062	₱2,056,973,505
Deferred	(703,827,609)	(489,409,753)	(497,680,792)
	₱418,637,511	₱933,262,309	₱1,559,292,713

- b. The components of the net deferred tax assets of the Group as of December 31, 2021 and 2020 pertain to the deferred tax effects of the following:

	2021	2020
Tax effects of:		
<i>Items recognized in profit or loss:</i>		
Lease liabilities	₱797,255,099	₱683,031,942
MCIT	47,205,672	243,771,864
NOLCO	256,938,894	169,669,840
Unamortized past service cost	69,941,799	122,912,830
Allowance for inventory write-obsolescence	27,037,406	72,523,249
Allowance for impairment losses	88,006,408	68,750,365
Deferred revenue	5,369,557	10,707,744
Accrued expenses	2,310,750	1,379,388
Unrealized foreign exchange - net	(5,491,573)	(3,736,010)
Retirement obligation	34,727,127	(37,393,921)
	1,323,301,139	1,331,617,291
<i>Item recognized directly in other comprehensive income:</i>		
Remeasurement loss on retirement obligation	26,557,073	200,161,977
	₱1,349,858,212	₱1,531,779,268



In 2020, the Group recognized previously unrecognized deferred tax assets on MCIT amounting to ₱103.60 million. In addition, deferred tax assets acquired in a business combination affecting profit or loss amounted to ₱56.42 million. Deferred tax assets on deconsolidation of CCC amounted to ₱12.24 million. In 2019, the Group derecognized deferred tax assets amounting to ₱1.25 million related to the retirement obligation of RGBFI.

- c. The components of the net deferred tax liabilities of the Group as of December 31, 2021 and 2020 represent deferred tax effects of the following:

	2021	2020
Tax effect of:		
<i>Items recognized in profit or loss:</i>		
Business combination (Note 19)	₱1,979,723,401	₱2,375,668,081
Asset revaluation	9,504,175	28,289,414
	1,989,227,576	2,403,957,495
<i>Item recognized directly in other comprehensive income:</i>		
Fair value adjustments on investment in an associate	37,234,177	145,866,866
	₱2,026,461,753	₱2,549,824,361

- d. The Group did not recognize deferred tax assets on the following future deductible differences as management assessed that it is not probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

	2021	2020
Tax effects of:		
MCIT	₱49,928,585	₱60,996,225
NOLCO	210,769,709	180,072,303
Allowance for impairment losses	75,799,932	75,799,933
Lease liabilities	65,473,132	33,226,860
Retirement asset	10,454,704	(7,838,720)
	₱412,426,062	₱342,256,601

- e. On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2020, RRHI, RDDC, RI, RCSI, RGFBI, RHIB, HPTD, RSSI and Super50 has incurred NOLCO before taxable year 2020 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Inception Year	Amount	Applied	Expired	Reversals	Balance	Expiry Year
2019	₱213,280,729	₱31,508,157	₱—	₱—	₱181,772,572	2022
2018	415,832	—	415,832	—	—	2021
Total	₱213,696,561	₱31,508,157	₱415,832	₱—	₱181,772,572	

In 2019, RLSI recognized deferred tax assets pertaining to NOLCO amounting to ₱0.42 million which was unrecognized in prior year.



As of December 31, 2021, RRHI, RDSI, RAC, RVC, RCSI, RHIB, HPTD and RPI has incurred NOLCO in taxable years 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Inception Year	Amount	Applied	Expired	Balance	Expiry Year
2021	₱503,200,601	₱—	₱—	₱503,200,601	2026
2020	563,450,033	9,897,924	—	553,552,109	2025
	₱1,066,650,634	₱9,897,924	₱—	₱1,056,752,710	

- f. Details of the Group's MCIT related to RRHI, RSC, RPI, RVC, RCSI, RHIB, HPTD, RSSI, RDDC, RAC, RPI and HEMI follow:

Inception Year	Amount	Applied	Expired	Balance	Expiry Year
2021	₱19,224,027	₱—	₱—	₱19,224,027	2024
2020	105,599,101	55,672,268	—	49,926,833	2023
2019	67,040,248	39,056,852	—	27,983,396	2022
2018	96,929,039	73,226,224	23,702,815	—	2021
Total	₱288,792,415	₱167,955,344	₱23,702,815	₱97,134,256	

- g. The reconciliation of statutory income tax rate to the effective income tax rate follows:

	2021	2020	2019
Statutory income tax rate	25.00%	30.00%	30.00%
Add (deduct) tax effects of:			
Nondeductible interest expense	2.12	3.31	4.92
Nondeductible expense	—	1.91	—
Effect of OSD	—	—	(0.69)
Nontaxable income subject to final tax	(1.18)	—	(0.70)
Derecognized DTA for NOLCO	—	(0.02)	(1.70)
Dividend income	(0.37)	(0.19)	(0.49)
Change in unrecognized deferred tax assets	(0.81)	(0.20)	(0.14)
Expired MCIT and NOLCO	(0.45)	(0.47)	(0.40)
Franchise income	(0.37)	(0.76)	(0.22)
Interest income subject to final tax	(2.65)	(5.74)	(4.99)
Nontaxable income not subject to final tax	(3.57)	(6.72)	(0.07)
CREATE impact	(8.17)	—	—
Effective income tax rate	9.55%	21.12%	25.52%

On November 26, 2008, the BIR issued Revenue Regulation No. 16-2008 which implemented the provisions of RA No. 9504 on Optional Standard Deduction (OSD). This regulation allowed both individual and corporate taxpayers to use OSD in computing their taxable income. For corporations, they may elect standard deduction in an amount equivalent to 40% of the gross income, as provided by law, in lieu of the itemized allowable deductions. In 2019 certain subsidiaries elected OSD in the computation of its taxable income.



Republic Act No. 11534 otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act or CREATE

On March 26, 2021, the President signed into law Republic Act No. 11534 otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act or CREATE. Except for the provisions with retroactive effect, CREATE shall take effect fifteen (15) days after its publication in the Official Gazette or in newspaper of general circulation. One of the important provisions of CREATE that may affect the Group's financial statements as at and for the year ending December 31, 2020 is the reduction of the income tax rate from 30% to 25% effective July 1, 2020.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding Php5 million and with total assets not exceeding Php100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Imposition of improperly accumulated earnings tax (IAET) is repealed.

As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive effect to July 1, 2020. The passage of the CREATE Act into law on March 26, 2021 is considered as a non-adjusting subsequent event. Accordingly, current and deferred taxes as of and for the year ended December 31, 2020 continued to be computed and measured using the applicable income tax rates as of December 31, 2020 (i.e., 30% RCIT / 2% MCIT) for financial reporting purposes.

Applying the provisions of the CREATE Act, the Group would have been subjected to lower regular corporate income tax rate of 25% or 1.5% MCIT rate effective July 1, 2020.

- This resulted in lower provision for current income tax for the year ended December 31, 2020 and lower income tax payable as of December 31, 2020 amounting to ₱164.43 million, which was reflected in the 2020 annual income tax returns but was only recognized for financial reporting purposes in its 2021 financial statements.
- This resulted in lower deferred tax assets as of December 31, 2020 by ₱283.19 million and provision for deferred tax for the year then ended by ₱265.84 million. These reductions were recognized in the 2021 financial statements.



26. Earnings Per Share

The following table presents information necessary to calculate EPS on net income attributable to equity holders of the Parent Company:

	2021	2020	2019
Net income attributable to equity holders of the Parent Company	₱4,527,833,319	₱3,216,636,348	₱3,918,623,046
Weighted average number of common shares	1,535,225,570	1,570,606,945	1,576,489,360
Basic and Diluted EPS	₱2.95	₱2.05	₱2.49
	2021	2020	2019
No. of shares at the beginning of year	1,570,606,945	1,576,489,360	1,576,489,360
Weighted average number of shares issued during the year	—	—	—
Weighted average number of treasury shares	(35,381,375)	(5,882,415)	—
Weighted average number of common shares	1,535,225,570	1,570,606,945	1,576,489,360

The Parent Company has no dilutive potential common shares in 2021, 2020 and 2019.

27. Risk Management and Financial Instruments

Governance Framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognizes the critical importance of having efficient and effective risk management systems in place.

The BOD approves the Group's risk management policies and meets regularly to approve any commercial, regulatory and organizational requirements of such policies. These policies define the Group's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets and specify reporting requirements.

Financial Risk

The main purpose of the Group's financial instruments is to fund its operations and capital expenditures. The main risks arising from the Group's financial instruments are market risk, liquidity risk and credit risk. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options.



Market Risk

Market risk is the risk of loss to future earnings, to fair value of cash flows of a financial instrument as a result of changes in its price, in turn caused by changes in interest rates, foreign currency exchange rates equity prices and other market factors.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's principal transactions are carried out in Philippine Peso (₱) but maintain a minimal balance of foreign currency. The Group's currency risk arises mainly from foreign currency-denominated cash and cash equivalents, interest receivable, and financial assets at FVOCI which are denominated in currency other than the Group's functional currency.

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase (decrease) in foreign currency rate		Effect on income before income tax (₱)	
	2021	2020	2021	2020
USD	+1.17%	+1.25%	₱56,999,406	₱60,663,525
	-1.17%	-1.25%	(56,999,406)	(60,663,525)

The Group used foreign exchange rate of ₱50.99:USD1 and ₱48.02:USD1 as of December 31, 2021, and 2020, respectively, in converting its dollar-denominated financial assets to peso.

The sensitivity analyses shown above are based on the assumption that the movements in US dollars will more likely be limited to the upward or downward fluctuation of 1.17% and 1.25% in 2021 and 2020, respectively. The forecasted movements in percentages used were sourced by management from an affiliated bank. These are forecasted movements in the next twelve months.

The foreign currency-denominated financial assets in original currencies and equivalents to the functional and presentation currency in 2021 and 2020 are as follows:

	2021		2020	
	USD	PHP	USD	PHP
Cash and cash equivalents	\$10,043,757	₱512,231,607	\$2,150,150	₱103,256,653
Receivables	1,262,773	64,401,423	1,229,498	59,044,182
FVOCI with recycling	84,545,108	4,311,800,508	97,371,363	4,676,064,965
Total	\$95,851,638	₱4,888,433,538	\$100,751,011	₱4,838,365,800

The effect on the Group's income before tax is computed on the carrying value of the Group's foreign currency denominated financial assets and liabilities as at December 31, 2021 and 2020. There is no impact on equity other than those already affecting income before income tax.



Equity Price Risk

The Group's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, equity securities classified as financial assets at FVOCI in 2021 and 2020.

Quoted equity securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.

Quoted equity security consists of marketable equity security that is listed and traded on the PSE. The fair market value of the listed shares is based on the quoted market price as of December 31, 2021 and 2020.

The analyses below are performed for reasonably possible movements in the PSE Index with all other variables held constant, showing the impact on equity:

	Change in variable	Effect on equity-Other comprehensive income
2021	+18.67%	₱60,027,877
	-18.67%	(₱60,027,877)
2020	+33.54%	₱151,915,119
	-33.54%	(₱151,915,119)

The sensitivity analyses shown above are based on the assumption that the movement in PSE composite index and other quoted equity securities will be most likely be limited to an upward or downward fluctuation of 18.67% and 33.54% in 2021 and 2020, respectively.

For quoted securities, the Group, used as basis of these assumptions, the annual percentage change in PSE composite index.

The impact of sensitivity of equity prices on the Group's equity already excludes the impact on transactions affecting the consolidated statements of consolidated income.

Liquidity Risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and operations. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows.

The table below shows the maturity profile of the financial instruments of the Group as of December 31, 2021 and 2020 based on the remaining period at the reporting date to their contractual maturities and are also presented based on contractual undiscounted repayment obligations.



December 31, 2021

	On Demand	One (1) year	More than One (1) year	Total
Financial Assets				
Amortized cost				
Cash and cash equivalents	₱16,170,113,685	₱—	₱—	₱16,170,113,685
Trade receivables	20,265,363	2,003,560,680	—	2,023,826,043
Nontrade receivables	—	567,232,378	—	567,232,378
Due from franchisees	—	95,989,313	—	95,989,313
Other noncurrent assets:				
Security and other deposits	—	—	2,376,771,232	2,376,771,232
Construction bonds	—	—	85,520,888	85,520,888
FVOCI	—	—	11,482,540,387	11,482,540,387
FVTPL	—	—	143,392,265	143,392,265
	₱16,190,379,048	₱2,666,782,371	₱14,088,224,772	₱32,945,386,191
Financial Liabilities				
Other financial liabilities				
Trade and other payables*	₱—	₱20,733,506,500	₱—	₱20,733,506,500
Short-term loans payable	—	7,734,000,000	—	7,734,000,000
Lease liabilities	—	4,793,483,951	30,385,069,576	35,178,553,527
Other current liabilities	—	382,355,834	—	382,355,834
	₱—	₱33,643,346,285	₱30,385,069,576	₱64,028,415,861

*Excluding statutory liabilities amounting ₱482,245,261.

December 31, 2020

	On Demand	One (1) year	More than One (1) year	Total
Financial Assets				
Amortized cost				
Cash and cash equivalents	₱21,338,418,561	₱—	₱—	₱21,338,418,561
Trade receivables	29,088,209	2,394,469,801	—	2,423,558,010
Nontrade receivables	—	710,519,575	—	710,519,575
Due from franchisees	—	39,106,088	—	39,106,088
Other noncurrent assets:				
Security and other deposits	—	—	2,199,111,643	2,199,111,643
Construction bonds	—	—	65,579,632	65,579,632
FVOCI	—	—	13,931,757,447	13,931,757,447
	₱21,367,506,770	₱3,144,095,464	₱16,196,448,722	₱40,708,050,956
Financial Liabilities				
Other financial liabilities				
Trade and other payables*	₱—	₱22,794,728,769	₱—	₱22,794,728,769
Short-term loans payable	—	9,584,000,000	—	9,584,000,000
Lease liabilities	—	4,362,004,444	32,278,890,256	36,640,894,700
Other current liabilities	—	255,281,634	—	255,281,634
	₱—	₱36,996,014,847	₱32,278,890,256	₱69,274,905,103

*Excluding statutory liabilities amounting ₱568,435,460.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group's trade and other receivables are actively monitored by the Collection Services Department to avoid significant concentrations of credit risk.

The Group has adopted a no-business policy with customers lacking an appropriate credit history where credit records are available.

The Group manages the level of credit risk it accepts through a comprehensive credit risk policy setting out the assessment and determination of what constitutes credit risk for the Group. The Group's policies include the following: setting up of exposure limits by each counterparty or group of counterparties; right of offset where counterparties are both debtors and creditors; reporting of credit



risk exposures; monitoring of compliance with credit risk policy; and review of credit risk policy for pertinence and the changing environment.

The Group's maximum exposure in financial assets (excluding cash on hand amounting to ₱703.05 million and ₱1.31 billion in 2021 and 2020, respectively) are equal to their carrying amounts. This was determined based on the nature of the counterparty and the Group's experience.

Credit Quality

The Group maintains internal credit rating system. Neither past due nor impaired financial assets are graded as either "A" or "B" based on the following criteria:

- Grade A are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.
- Grade B are active accounts with minimal to regular instances of payment default, due to collection issues. These accounts are typically not impaired as the counterparties generally respond to the Group's collection efforts and update their payments accordingly.

Cash in banks and cash equivalents are short-term placements and working cash fund placed, invested or deposited in reputable foreign and local banks in the Philippines. These financial assets are classified as Grade A due to the counterparties' low probability of insolvency.

Receivables and due from franchisees are Grade A because they are from related parties, employees and accredited customers who are highly reputable, progressive and consistently pay their accounts.

Security and other deposits and construction bond are Grade A since these were paid to creditworthy third parties.

Financial assets at FVOCI is Grade A because these are securities placed in entities with good favorable credit standing.

The Group's financial assets considered as neither past due nor impaired amounting to ₱32.08 billion and ₱39.37 billion as of December 31, 2021 and 2020, respectively are all graded "A" based on the Group's assessment.

The tables below show the aging analysis of financial assets classified as amortized cost and FVOCI as of December 31, 2021 and 2020.

2021

	Neither Past Due Nor Impaired		Past Due or	
	Grade A	Grade B	Impaired	Total
Financial Assets				
Amortized cost				
Cash and cash equivalents (excluding cash on hand)	₱15,467,064,816	₱—	₱—	₱15,467,064,816
Trade receivables	2,003,560,680	—	20,265,363	2,023,826,043
Nontrade receivables	567,232,378	—	—	567,232,378
Due from franchisees	95,989,313	—	—	95,989,313
Other noncurrent assets:				
Security and other deposits	2,376,771,232	—	—	2,376,771,232
Construction bond	85,520,888	—	—	85,520,888
FVOCI	11,482,540,387	—	—	11,482,540,387
	₱32,078,679,694	₱—	₱20,265,363	₱32,098,945,057



2020

	Neither Past Due Nor Impaired		Past Due or	
	Grade A	Grade B	Impaired	
Financial Assets				
Amortized cost				
Cash and cash equivalents				
(excluding cash on hand)	₱20,028,069,048	₱–	₱–	₱20,028,069,048
Trade receivables	2,394,469,801	–	29,088,209	2,423,558,010
Nontrade receivables	710,519,575	–	–	710,519,575
Due from franchisees	39,106,088	–	–	39,106,088
Other noncurrent assets:				
Security and other deposits	2,199,111,643	–	–	2,199,111,643
Construction bond	65,579,632	–	–	65,579,632
FVOCI	13,931,757,447	–	–	13,931,757,447
	₱39,368,613,234	₱–	₱29,088,209	₱39,397,701,443

Impairment of Financial Assets. The Company has the following financial assets that are subject to the expected credit loss model under PFRS 9:

- Cash and cash equivalents;
- Trade receivables;
- Debt securities at FVOCI; and
- Other debt instruments carried at amortized cost

Other debt instruments carried at amortized cost include accrued interest receivables, refundable security and other deposits, advances to employees and officers and receivable from insurance. These are also subject to impairment requirements of PFRS 9, the identified impairment losses were immaterial.

Cash and Cash Equivalents and Debt Securities at FVOCI. Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Group invests only on quoted debt securities with very low credit risk. The Group's debt instruments at FVOCI comprised solely of quoted bonds that are have a minimum BBB- credit rating by S&P Global Ratings and, therefore, are considered to be low credit risk investments. The Group recognized recoveries of (provision for) expected credit losses on its debt instruments at FVOCI amounting to ₱9.88 million and ₱5.23 million in 2021 and 2020, respectively (Note 11).

Trade Receivables. The Group applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables (Note 8).



A summary of Group exposure to credit risk under general and simplified approach as of December 31, 2021 and 2020 follows:

2021

	General Approach			Simplified Approach
	Stage 1	Stage 2	Stage 3	
Amortized cost				
Cash and cash equivalents	₱15,467,064,816	₱—	₱—	₱—
Trade receivables	—	—	—	2,023,826,043
Due from franchisees	—	—	—	95,989,313
Nontrade receivables	567,232,378	—	—	—
Security and other deposits	2,462,292,120	—	—	—
FVOCI	11,625,932,652	—	—	—
Total gross carrying amounts	30,122,521,966	—	—	2,119,815,356
Less allowance	9,880,788	—	—	20,265,363
	₱30,112,641,178	₱—	₱—	₱2,099,549,993

2020

	General Approach			Simplified Approach
	Stage 1	Stage 2	Stage 3	
Amortized cost				
Cash and cash equivalents	₱20,028,069,048	₱—	₱—	₱—
Trade receivables	—	—	—	2,423,558,010
Due from franchisees	—	—	—	39,106,088
Nontrade receivables	710,519,575	—	—	—
Security and other deposits	2,264,691,275	—	—	—
FVOCI	13,931,757,447	—	—	—
Total gross carrying amounts	36,935,037,345	—	—	2,462,664,098
Less allowance	5,227,772	—	—	29,088,209
	₱36,929,809,573	₱—	₱—	₱2,433,575,889

In 2021 and 2020, there were no movements between stage 1, 2 and 3.

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:

- Due to the short-term nature of the transaction, the fair value of cash and cash equivalents and trade and other receivables approximates the carrying values at year-end.
- Security and other deposits and construction bond are presented at cost since the timing and amounts of future cash flows related to the refundable deposits are linked to the termination of the contract which cannot be reasonably and reliably estimated.
- Debt and equity instrument financial assets amounting to ₱11.63 billion and ₱13.93 billion as at December 31, 2021 and 2020, respectively were carried at fair values. Investments in bonds and quoted equity securities are derived from quoted market prices in active markets.
- Due to the short-term nature of trade and other payables, short-term loans payable and other current liabilities, their carrying values approximate fair values.



- Due to the long-term nature of lease contracts, lease payments are discounted using an incremental borrowing rate to approximate the fair value of lease liabilities.

In 2021 and 2020, the Company's financial assets measured at fair value are categorized within the Level 1 fair value hierarchy.

28. Lease Commitments

Group as Lessee

The Group has lease contracts for various land and building wherein the offices, stores and warehouses are located and built. Lease terms are generally between one (1) year up to thirty (30) years. Most lease are renewable at certain agreed terms and conditions. The monthly fees are based on fixed rate subject to 2%-5% escalation rate or percentage of sales, whichever is higher.

Set out below are the carrying amounts of right-of-use assets recognized and the movements for the years ended December 31, 2021 and 2020 as follows:

	2021	2020
Beginning balance	₱25,038,299,389	₱26,317,960,761
Net additions during the year	1,686,469,716	1,961,959,381
Additions from business combination (Note 19)	—	685,580,674
Amortization of ROU assets (Note 21)	(4,085,622,668)	(3,927,201,427)
	₱22,639,146,437	₱25,038,299,389

Set out below are the carrying amounts of lease liabilities and the movements for the years ended December 31, 2021 and 2020 as follows:

	2021	2020
Beginning balance (Note 30)	₱27,327,440,734	₱28,052,771,073
Accretion of interest expense	1,801,627,179	2,179,822,833
Net additions during the year (Note 30)	1,582,366,738	1,077,519,013
Additions from business combination (Note 19)	—	780,263,614
Deconsolidation of a subsidiary (Note 19)	—	(42,260,296)
COVID-19 rent concessions	(747,846,177)	(786,074,188)
Lease payments	(4,130,853,486)	(3,934,601,315)
	25,832,734,988	27,327,440,734
Less current portion of lease liabilities	2,965,059,293	2,714,936,166
Noncurrent portion of lease liabilities	₱22,867,675,695	₱24,612,504,568

The following are the amounts recognized in profit or loss for the years ended December 31, 2021 and 2020 as follows:

	2021	2020
Amortization of ROU assets (Note 21)	₱4,085,622,668	₱3,927,201,427
Interest expense on lease liabilities	1,801,627,179	2,179,822,833
Expenses relating to short-term leases and variable lease payments, net of negative variable lease (Note 21)	1,118,056,727	889,996,049
	₱7,005,306,574	₱6,997,020,309



Shown below is the maturity analysis of the undiscounted lease payments as of December 31, 2021 and 2020:

	2021	2020
Within one (1) year	₱4,793,483,951	₱4,362,004,444
After one (1) year but not more than five (5) years	18,677,600,783	16,814,827,322
More than five (5) years	11,707,468,793	15,464,062,934
	₱35,178,553,527	₱36,640,894,700

Group as a Lessor

The Group has entered into operating leases on its building. Income from these leases is included in the “Royalty, Rent and Other Revenue” account in the consolidated statements of comprehensive income.

There are no contingent rental income and expense under these operating leases both as lessee and lessor.

29. Agreements

- a) The Group has exclusive right to use the Ministop System in the Philippines which was granted to the Group by Ministop Co. Ltd., a corporation organized in Japan. In accordance with the franchise agreement, the Group agrees to pay, among others, royalties to Ministop based on a certain percentage of gross profit.

Royalty expense amounted to ₱46.63 million, ₱55.37 million and ₱87.96 million in 2021, 2020 and 2019, respectively (Note 21). Royalty payable to Ministop included under “Other current liabilities” as of December 31, 2021 and 2020 amounted to ₱53.03 million and ₱40.75 million, respectively (Note 16).

- b) The Group has franchise agreements which mainly include providing store facilities and equipment to franchisees. Other services rendered by Ministop consist of providing personnel and utilities. The lease/royalty fee is based on a certain percentage of the gross profit of the lessee/franchisee. The related royalty income amounted to ₱140.35 million, ₱916.24 million and ₱1.84 billion in 2021, 2020 and 2019, respectively.

As of December 31, 2021 and 2020, amounts due from franchisees amounted to ₱95.99 million and ₱39.11 million, respectively. No provision for impairment losses on due from franchisees was recognized in 2021, 2020 and 2019 (Note 8).

- c) The Group obtained a license to use the Daiso Business Model in the Philippines that was granted to the Group by Daiso Industries Co., Ltd. (DICL) in Japan. In accordance with the license agreement, the Group agrees to pay, among others, royalties to DICL based on a certain percentage of monthly net sales.

Royalty expenses amounted to ₱8.36 million, ₱8.03 million and ₱11.42 million in 2021, 2020 and 2019, respectively.



- d.) The Group is a sub-licensee of Toys R Us in the Philippines. The royalty fee is based on fixed percentage of gross monthly sales of sub-licensee. Royalty expense amounted to ₱47.81 million, ₱46.94 million and ₱93.52 million in 2021, 2020 and 2019, respectively.
- e.) On April 25, 2019, Emart Inc., granted the Group, an exclusive and non-transferrable right to carry on the “NO BRAND” business in the Philippines. The Group pays royalty fee amounting to ₱0.84 million for 2021 representing 0.5% of the net revenue arising from sale of “NO BRAND” products and EMART sourced products in the Philippines.
- f.) In 2019, the Group paid royalty fee in the amount of ₱15.70 million. This represents 0.5% royalty fee on net sales for the use of “Rustan’s” trademarks. The royalty fee is payable to a third party.
- g.) The Group has other licenses and franchises to carry various global brands.

30. Changes in Liabilities Arising from Financing Activities

2021

	January 1, 2021	Net Cash Flows	Dividend Declaration	Others	December 31, 2021
Lease liabilities	₱27,327,440,734	(₱4,130,853,486)	₱–	₱2,636,147,740	₱25,832,734,988
Short-term loans payable	9,584,000,000	(1,850,000,000)	–	–	7,734,000,000
Dividends payable	–	(3,146,724,424)	3,146,724,424	–	–
Total liabilities from financing activities	₱36,911,440,734	(₱9,127,577,910)	₱3,146,724,424	₱2,636,147,740	₱33,566,734,988

2020

	January 1, 2020	Net Cash Flows	Dividend Declaration	Others	December 31, 2020
Lease liabilities	₱28,052,771,073	(₱3,934,601,315)	₱–	₱3,209,270,976	₱27,327,440,734
Short-term loans payable	4,634,000,000	4,950,000,000	–	–	9,584,000,000
Dividends payable	39,173,881	(1,920,805,654)	1,881,631,773	–	–
Total liabilities from financing activities	₱32,725,944,954	(₱905,406,969)	₱1,881,631,773	₱3,209,270,976	₱36,911,440,734

In 2021, others include new leases of the Group and accretion of interest expense on lease liabilities amounted to ₱1.58 billion and ₱1.80 billion, respectively.

In 2020, others include new leases of the Group and accretion of interest expense on lease liabilities amounted to ₱1.08 billion and ₱2.18 billion, respectively.

Interest paid in 2021, 2020 and 2019 amounted to ₱159.27 million, ₱146.43 million and ₱300.68 million, respectively.

31. Contingencies

The Group has various contingent liabilities from legal cases arising from the ordinary course of business which are either pending decision by courts or are currently being contested by the Group, the outcome of which are not presently determinable.



In the opinion of the management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have material adverse effect in the Group's financial position and results of operations.

32. Other Matters

Events After Reporting Period

- a. On October 14, 2021, RRHI applied with the PSE the listing of 191,489,360 shares for a total transaction cost of ₱20.00 million. The PSE approved the listing on January 26, 2022.
- b. On February 11, 2022, the BOD of the Parent Company agreed to further extend the share buyback program for an additional amount of ₱1.0 billion to enhance shareholder value. This will be on top of the ₱2.0 billion share buyback approved last March 9, 2020 and additional ₱2.0 billion share buyback approved last February 26, 2021.

The program will be implemented in the open market through the trading facilities of the PSE and will be supervised by the President and Chief Executive Officer and Chief Financial Officer, as authorized by the BOD.

- c. In February 2022, RSC acquired Ministop Japan's (MSJ) 40% stake in RCSI, increasing its share from 60% to 100%. RCSI is the exclusive franchisee of Ministop in the Philippines.

COVID-19 Impact

On March 11, 2020, the World Health Organization declared the novel coronavirus (COVID-19) outbreak a global pandemic. In the Philippines, in a move to contain the COVID-19 pandemic, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine throughout the island of Luzon until May 15, 2020. Subsequently, as a measure to limit the spread of COVID-19 in the Philippines, lockdowns officially characterized as "community quarantines" by the government, of varying strictness were imposed in numerous parts of the country. The whole Metro Manila was under general community quarantine until April 4, 2021.

These measures resulted to significant volatility across the business of the Group. The sales from supermarket segment rose with customers shopping less frequently but with bigger baskets given COVID-19 related movement restrictions and customer behavioral changes. Sales from drugstore segment also rose because of the demand for health and sanitation products. Other business segments showed decline in sales especially in the second quarter of 2020 because of different quarantine and mobility restrictions resulting to lower foot traffic in malls where significant number of the stores are located. Also, there were additional costs incurred due to additional team hours to support the safety of team members and customers, additional costs associated with cleaning, security and personal protective equipment and incremental supply chain costs to meet increased demand.

The effects of the pandemic continued into 2021, albeit with meaningful signs of recovery in daily business operations, which became apparent especially in the fourth quarter of the year. While foot traffic and consumer mobility were affected during periods of community lockdowns, consumers and businesses alike adapted to the changing conditions and the new normal. Compared to 2020, there were less periods of stringent quarantines, which allowed for more operating days for RRHI's discretionary formats. 2021 also saw the rollout of COVID-19 vaccination programs across local



government units and corporations. This aided in better performance across RRHI's businesses, as vaccinated individuals allowed for better mobility and rising consumer confidence.

The pandemic affected the Company's strategic pivots towards accelerated e-commerce operations and digitalization. While brick and mortar stores still constitute the significantly larger proportion of sales, RRHI believes in the relevance of e-commerce to serve the rising omnichannel consumer, even in a post-COVID reality.

RRHI continues to monitor the pandemic, as the virus may still result into variants that can harm consumers and industry. However, RRHI is cautiously optimistic that it will be able to remain resilient to further disruptions caused by COVID-19, as a greater proportion of the population is inoculated with primary, secondary and booster shots through government-led programs, and safety measures continue to be implemented across the various aspects of operations.

33. Approval of the Consolidated Financial Statements

The accompanying consolidated financial statements were approved and authorized for issue by the BOD on March 28, 2022.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Robinsons Retail Holdings, Inc.
43rd Floor, Robinsons Equitable Tower
ADB Avenue corner Poveda Sts., Ortigas Center
Pasig City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Robinsons Retail Holdings, Inc. and Subsidiaries (the Group) as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, included in this Form 17-A and have issued our report thereon dated March 28, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Wenda Lynn M. Loyola

Partner

CPA Certificate No. 109952

Tax Identification No. 242-019-387

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 109952-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-117-2022, January 20, 2022, valid until January 19, 2025

PTR No. 8854316, January 3, 2022, Makati City

March 28, 2022



ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

INDEX TO THE SUPPLEMENTARY SCHEDULES

- I. Reconciliation of Retained Earnings Available for Dividend Declaration
- II. Map of the relationships of the companies within the group
- III. Supplementary schedules required by Annex 68-J
 - Schedule A. Financial Assets
 - Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
 - Schedule C. Amounts Receivable/Payable From/To Related Parties which are Eliminated During the Consolidation of Financial Statements
 - Schedule D. Long-term Debt
 - Schedule E. Indebtedness to Related Parties
 - Schedule F. Guarantees of Securities of Other Issuers
 - Schedule G. Capital Stock

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDENDS DECLARATION FOR THE YEAR ENDED DECEMBER 31, 2021

Total Parent Company Unappropriated Retained Earnings Available For Dividend Distribution, January 1, 2021		₱1,710,129,602
Net income based on the face of audited financial statements	₱1,841,217,568	
Provision for deferred income tax through profit or loss		
Less: Non-actual/unrealized income net of tax		—
Equity in net income of an associate		—
Unrealized actuarial gain		—
Fair value adjustment (marked-to-market gains)		—
Fair value adjustment of investment properties resulting to gain		—
Adjustment due to deviation from PFRS/GAAP - gain		—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS		—
Add: Non-actual/unrealized losses net of tax		—
Depreciation on revaluation increment		—
Unrealized foreign exchange gain - net	12,180	
Adjustment due to deviation from PFRS/GAAP - loss		—
Loss on fair value adjustment of investment properties		—
Net income actual/realized		1,841,229,748
Less: Appropriations during the year		—
Reversal of appropriation		4,000,000,000
Dividend declarations during the year		(2,813,524,076)
Treasury shares		(2,806,039,328)
Total Parent Company Unappropriated Retained Earnings Available For Dividend Distribution, December 31, 2021		₱1,931,795,946

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

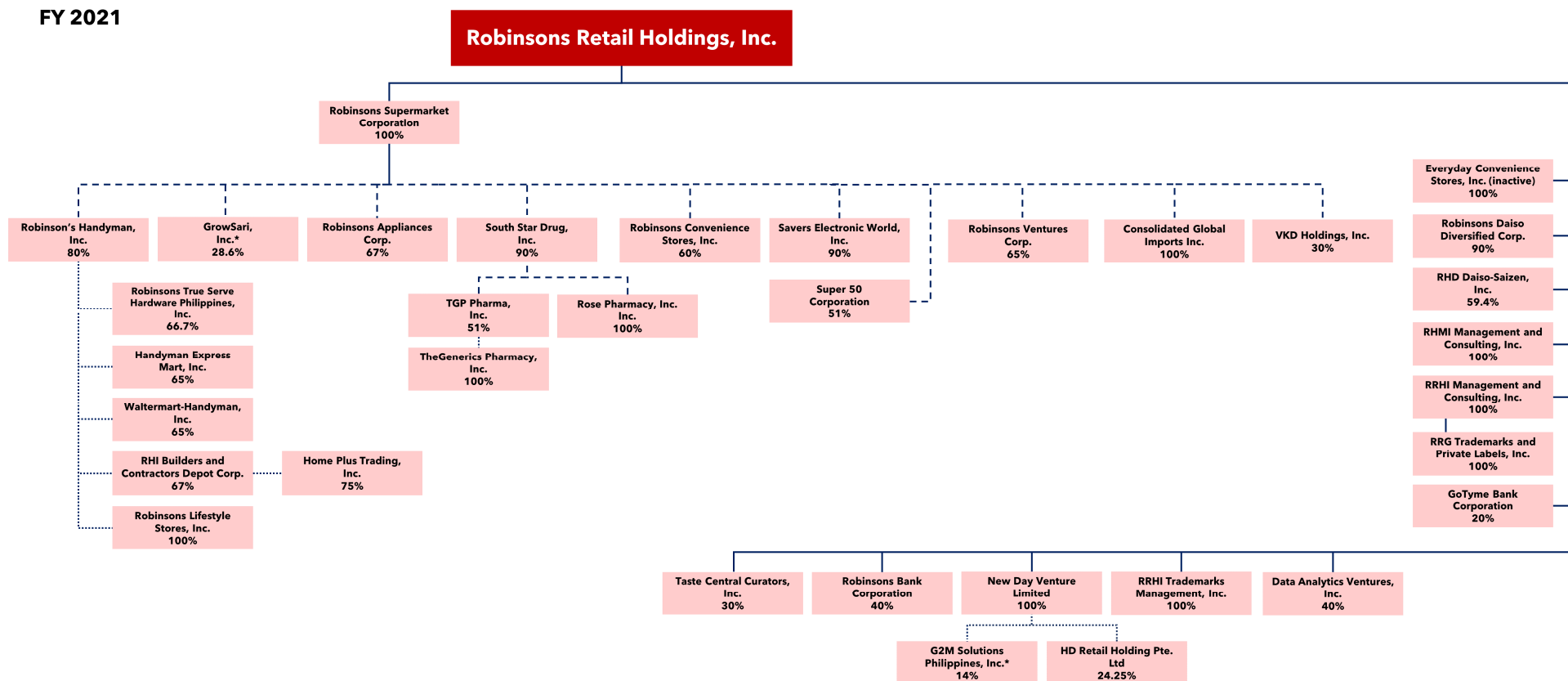
MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

DECEMBER 31, 2021

Group Structure

Below is a map showing the relationship between and among the Group and its ultimate parent company, subsidiaries, and associates as of December 31, 2021:

FY 2021



*Represent notes with conversion rights

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE A: FINANCIAL ASSETS****DECEMBER 31, 2021**

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	Value based on market quotation at end of reporting period	Income received and accrued
Debt and Equity Securities				
Various bonds	₱7,867,606,304	₱8,024,900,710	₱8,024,900,710	₱402,338,439
Investment in preferred shares	3,195,593,884	3,601,031,942	3,601,031,942	76,941,788
	₱11,063,200,188	₱11,625,932,652	₱11,625,932,652	₱479,280,227

See Note 11 of the Consolidated Financial Statements.

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE B: AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND
PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)****DECEMBER 31, 2021**

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period
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NOT APPLICABLE

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE C: AMOUNTS RECEIVABLE/PAYABLE FROM/TO RELATED PARTIES WHICH ARE ELIMINATED
DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Entity with Receivable Balance	Balance at Beginning of Period	Net Movement	Write-offs	Current	Noncurrent	Balance at end of period
Robinsons Retail Holdings, Inc.	₱316,537,046	(₱110,534,370)	₱—	₱206,002,676	₱—	₱206,002,676
Robinsons Toys, Inc.	—	—	—	—	—	—
Robinsons Convenience Stores, Inc.	39,106,088	—	—	39,106,088	—	39,106,088
Robinson's Supermarket Corporation	3,642,100,546	(3,191,198,716)	—	450,901,830	—	450,901,830
Robinson's Incorporated	572,275,952	(379,012,012)	—	193,263,940	—	193,263,940
Robinsons Handyman, Inc.	53,530,248	8,458,781	—	61,989,029	—	61,989,029
RHD Daiso - Saizen, Inc.	517,164,345	25,238,715	—	542,403,060	—	542,403,060
	₱5,140,714,225	(₱3,647,047,602)	₱—	₱1,493,666,623	₱—	₱1,493,666,623

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE D: LONG TERM DEBT

DECEMBER 31, 2021

Title of issue and type of obligation	Amount authorized by indenture	Interest rates	Current portion	Noncurrent portion
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NOT APPLICABLE

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE E: INDEBTEDNESS TO RELATED PARTIES****DECEMBER 31, 2021**

Name of related party	Balance at beginning of period	Balance at end of period
Robinsons Land Corporation	₱185,783,890	₱338,888,700
Universal Robina Corporation	373,437,198	311,910,323
JG Summit Holdings, Inc.	—	7,533,073
	₱559,221,088	₱658,332,096

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE F: GUARANTEES OF SECURITIES OF OTHER ISSUERS****DECEMBER 31, 2021**

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	Amount of owned by person for which statement is filed	Nature of guarantee
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NOT APPLICABLE

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE G: CAPITAL STOCK****DECEMBER 31, 2021**

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common stock - ₱1 par value	2,000,000,000	1,512,010,200	—	491,299,997	215,835,320	804,874,883
	2,000,000,000	1,512,010,200	—	491,299,997	215,835,320	804,874,883

See Note 18 of the Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Robinsons Retail Holdings, Inc.
43rd Floor, Robinsons Equitable Tower
ADB Avenue corner Poveda Sts., Ortigas Center
Pasig City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Robinsons Retail Holdings, Inc. and Subsidiaries (the Group) as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated March 28, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, 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) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Wenda Lynn M. Loyola

Partner

CPA Certificate No. 109952

Tax Identification No. 242-019-387

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 109952-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-117-2022, January 20, 2022, valid until January 19, 2025

PTR No. 8854316, January 3, 2022, Makati City

March 28, 2022



ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

AS OF DECEMBER 31, 2021 and 2020

Financial Soundness Indicator	2021	2020
i. Liquidity ratio:		
Current ratio	1.44	1.36
ii. Profitability ratio:		
Gross profit margin	0.23	0.22
Return on assets	0.04	0.02
Return on equity	0.06	0.05
iii. Stability ratio:		
Solvency ratio	0.21	0.16
Debt to equity ratio	0.75	0.82
Asset to equity ratio	1.75	1.82
Interest rate coverage ratio	3.09	2.48

**See attached reporting computation.*

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS****AS OF DECEMBER 31, 2021 AND DECEMBER 31, 2020**

	2021	2020
Current assets	₱46,915,955,701	₱49,372,667,568
Current liabilities	32,525,716,501	36,269,086,090
Current ratio	1.44	1.36
Gross profit	35,226,010,934	32,897,922,511
Net sales	153,327,360,466	151,070,260,790
Gross profit margin	0.23	0.22
After tax net profit	4,850,441,473	3,485,614,397
Depreciation and amortization	7,087,772,782	6,987,147,534
	11,938,214,255	10,472,761,931
Total liabilities	57,721,564,978	64,005,948,729
Solvency ratio	0.21	0.16
Total liabilities	57,721,564,978	64,005,948,729
Total equity	76,512,717,621	77,590,234,254
Debt to equity ratio	0.75	0.82
Total assets	134,234,282,599	141,596,182,983
Total equity	76,532,158,207	77,590,234,254
Asset to equity ratio	1.75	1.82
Earnings before interest and taxes	6,059,451,315	5,779,397,334
Interest expense	1,960,893,202	2,326,256,810
Interest rate coverage ratio	3.09	2.48
Net income	4,850,441,473	3,485,614,397
Average total assets	137,915,232,791	139,731,126,648
Return on assets	0.04	0.02
Net income	4,850,441,473	3,485,614,397
Average total equity	77,051,475,938	77,058,315,432
Return on equity	0.06	0.05