COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

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

110 E. RODRIGUEZ, JR. AVENUE, BAGUMBAYAN, QUEZON CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
corpsec@robinsonretail.com.ph	**8635-0751**	**0998-8465-086**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
45	**Last Thursday of May**	**December 31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mylene A. Kasiban	**Mylene.Kasiban@ robinsonsretail.ph**	**8635-0751 local 214**	**0998 840 4227**

CONTACT PERSON's ADDRESS

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

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*

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended ....31 December 2023

2. SEC Identification Number A200201756

3. BIR Tax Identification No. 216-303-212-000

4. Exact name of issuer as specified in its charter ....

ROBINSONS RETAIL HOLDINGS, INC.

5. **Pasig City, Philippines** ....
Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
Industry Classification Code:

7. 110 E. Rodriguez, Jr. Avenue,
Bagumbayan, Quezon City
Address of principal office

1109
Postal Code

8. **(632) 635-07-51**..
Issuer's telephone number, including area code

9. **Not Applicable**...
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common shares	1,457,597,400

11. Are any or all of these securities listed on a Stock Exchange.

Yes [/] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:
PHILIPPINE STOCK EXCHANGE - COMMON SHARE

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [/]   No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [/]   No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in “Annex B”).

Shares Held by Non-Affiliates as of December 31, 2023	**Market Value per Share as of March 21, 2024**	**Total Market Value**
750,462,024	36.60	₱27,466,910,078

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders;

(b) Any information statement filed pursuant to SRC Rule 20;

(c) Any prospectus filed pursuant to SRC Rule 8.1.

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PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

(A) Business Development

Robinsons Retail Holdings, Inc. ("RRHI", or the "Company") 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.

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 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 near residential communities to bring its products and services closer 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 trends 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, convenience stores and community malls namely Robinsons Supermarket, The Marketplace, Shopwise, Robinsons Easymart, Robinsons Department Store, Robinsons Appliances, Uncle John's (formerly Ministop), 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, Daiso Japan, Pet Lovers Centre, and No Brand, and beauty brands Benefit, Shiseido, and Clé de Peau Beaute. RRHI also operates trusted domestic brands such as Southstar Drug, Rose Pharmacy, TGP, Savers Appliances 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 Retail Group Holdings Ltd. ("DFI Retail"; 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 by E-MART Inc. of South Korea as the exclusive franchisee for Korean grocery store No Brand. RRHI also opened Super50, a one-price concept store, in partnership with Peso Tree. The Company effected a merger between Robinson's Supermarket Corporation ("RSC") and VKD Holdings, Inc. ("VKD"), with RSC as the surviving entity.

In 2020, RRHI, through its subsidiary South Star Drug, Inc. (“SSDI”), acquired 100% of Rose Pharmacy, Inc. (“RPI”) which has 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 (“NDV Limited”). RRHI currently has a 23.08% 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 a 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.

In 2022, the Company, through its subsidiary RSC, acquired the remaining 40.0% stake of Ministop Japan in Robinsons Convenience Stores, Inc. (“RCSI”), which resulted in RSC increasing its share in RCSI from 60.0% to 100%. RCSI, which is the exclusive franchisee of Ministop in the Philippines, has subsequently rebranded its convenience store business to Uncle John’s following the exit of Ministop Japan. RCSI was merged with RSC, with the latter as surviving entity. The Company, through subsidiary Robinson’s Handyman, Inc. (“RHMI”), also bought the 33.0% stake of its joint venture partner A.M. Trading in RHI Builders and Contractors Depot Corporation (“RHIB”), which is the operator of the Robinsons Builders brand. This resulted in RHMI controlling 100% of RHIB. Simultaneous to the share purchase, the Company sold back seven of the Robinsons Builders stores to A.M. Trading. RHMI also acquired the 75.0% stake of RHIB in Home Plus Trading Depot, Inc. (“HPTDI”), which is the operator of the Home Plus brand. The remaining Robinsons Builders stores and Home Plus stores were rebranded to Handyman Do it Best using the big box format.

In January 2023, the Company effectively acquired a 4.4% equity stake in the Bank of the Philippine Islands (“BPI”) from Arran Investment Pte. Ltd., an affiliate of GIC Singapore. On December 14, 2023 and December 29, 2023, respectively, the Monetary Board and the Securities and Exchange Commission (SEC) approved the merger between associate company Robinsons Bank Corporation (“RBC”) and BPI, with the latter as surviving entity, effective January 1, 2024, converting the Company’s 40.0% stake in RBC to approximately 2.4% of the resulting outstanding capital stock of BPI. With the merger, the Company now effectively owns 6.5% of BPI and will be entitled to a board seat in the bank (the 6.5% effective stake in BPI accounts for the dilution resulting from the issuance of additional BPI shares due to the merger which was facilitated through a share swap). The partnership with BPI should enable the Company to become a leading retailer with excellent financial products for customers and suppliers by combining the former’s premium banking ecosystem with the latter’s consumer-oriented ecosystem. In December 2023, RSC acquired the Sole Academy brand, including two physical stores and the online store. This investment serves as an entry into the premium lifestyle sneakers format.

The Company launched the Robinsons Rewards Loyalty program in May 2013. In 2020, the management and operation of the loyalty program was transferred to Data Analytics Ventures, Inc. (“DAVI”), a related party, and was relaunched as Go Rewards in 2021. The loyalty program allows members to collect and redeem points across the Robinsons formats and is intended to increase customer loyalty as well as enhance the Company’s brand image through a physical card and mobile app launched in 2019. Go Rewards enables the Company to gather data on customer profiles in terms of their demographics, purchasing patterns, and product preferences through data analytics which can then be used for targeted marketing, all the while safeguarding consumer data and privacy.

In 2020, RRHI accelerated its ecommerce initiatives by launching its own ecommerce sites, namely gorobinsons.ph, southstardrug.com.ph, tgp.com.ph, rosepharmacy.com, and

GoRobinsons, which was renamed to GoCart in the middle of 2022, serves as the Company's virtual mall and currently houses 11 banners as of 2023 including all its Supermarket banners, No Brand, Handyman Do It Best, True Value, Toys "R" Us, Southstar Drug, Robinsons Appliances, and Pet Lovers Centre.

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, GrabFood and Foodpanda.

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

Acquisitions by RRHI's subsidiaries

On February 27, 2018, RI and Peso Tree 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 November 23, 2018, RRHI acquired 100% of Rustan Supercenters, Inc., operator of food retail banners The Marketplace, Rustan's Supermarket, Shopwise, Shopwise Express, and Wellcome.

On October 16, 2020, RRHI, through its subsidiary SSDI, acquired a 100% stake in RPI, a leading drugstore chain in Visayas and Mindanao, from MCBV, a wholly-owned subsidiary of DFI Retail.

On January 1, 2022, RRHI, through subsidiary RHMI acquired the 75.0% stake of RHIB in HPTDI, operator of the Home Plus brand. All Home Plus stores were rebranded to Handyman Do it Best using the big box format.

On February 22, 2022, RRHI, through subsidiary RSC, acquired the remaining 40.0% stake of Ministop Japan in RCSI, the exclusive franchisee of Ministop in the Philippines. This resulted in RRHI effectively controlling 100% of Ministop Philippines, which has been subsequently rebranded to Uncle John's.

On July 1, 2022, RRHI, through subsidiary RHMI, acquired the 33.0% stake of its joint venture partner in RHIB, operator of the Robinsons Builders brand. This resulted in RRHI effectively controlling 100% of RHIB. Simultaneous to the share purchase, the Company sold back a portion of the Robinsons Builders store portfolio to the joint venture partner. The remaining Robinsons Builders stores left with the Company will be rebranded to Handyman Do it Best using the big box format.

The percentage contribution to the Company’s revenues for each of the three years ended December 2021, 2022, and 2023 by each of the Company’s business segments after elimination are as follows:

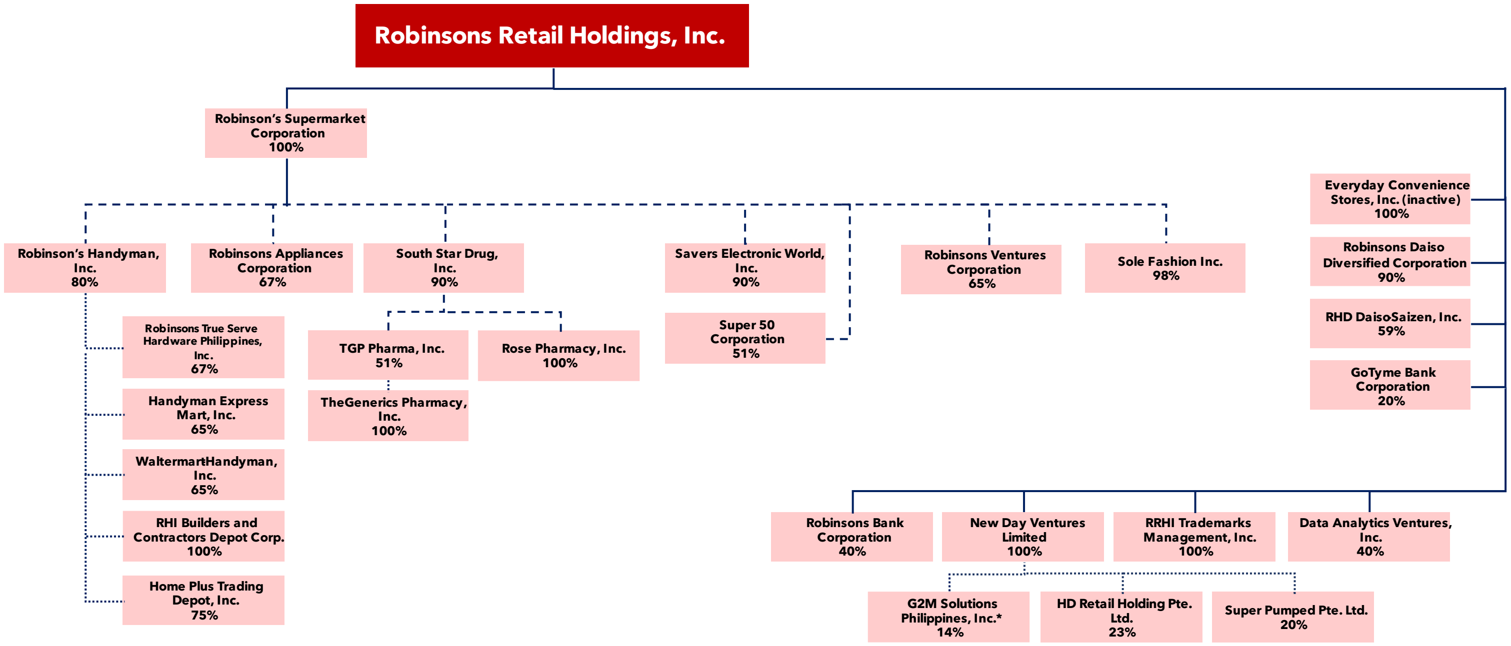
	For the years ended December 31		
	2021	2022	2023
Supermarket	57.8%	56.6%	56.5%
Drugstores	17.4%	16.5%	17.4%
Department store	6.1%	8.4%	8.5%
DIY Store	7.5%	6.9%	6.4%
Convenience store	3.2%	3.4%	3.3%
Specialty segment	8.0%	8.2%	7.9%

The Company ended 2023 with 2,393 stores with total gross floor area of 1.52 million square meters.

(B) Business of Issuer

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

FY 2023



*Represents notes with conversion rights

(a) Description of the Registrant

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

- *Supermarkets.* Targeting the broad middle to upper income markets, 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 Department of Science and Technology-Food and Nutrition Research Institute of the Philippines, which evaluates and accredits the nutritional contents of all food products following the Codex Alimentarius, international food standards set by the Codex Alimentarius Commission of the Joint Food and Agriculture Organization/World Health Organization Food Standards Programme. 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, Robinsons Supersavers, and Healthy You. It also carries private labels sourced through its partnership with DFI Retail including Meadows, Southdale Farm, Simply Living, French Cellars, and Winemakers Reserve, among others.

- *Drugstores.* In July 2012, the Company's wholly-owned subsidiaries RSC and RI (now merged with RSC) each acquired a 45% interest in SSDI. The acquisition represents a 90% interest on the shares of stock of SSDI. Southstar Drug carries a wide range of prescription and over-the-counter pharmaceutical products together with a range of food, personal care, and other products. In May 2016, SSDI acquired 51.0% of TGP Pharma, Inc. ("TGPPI"), taking majority stake in TGP, the country's largest generics drugstore chain. In October 2020, SSDI acquired 100% of RPI, a leading drugstore chain in the Visayas and Mindanao regions.

- *Department Stores.* The department stores are operated under the Robinsons Department Store ("RDS") brand name. RDS is focused on catering to middle-income customers and offers 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.

- *DIY Stores.* The DIY stores are operated under the brand names Handyman Do it Best and True Value. Do it Best and True Value are two separate cooperatives in the US which the Company's DIY entities are members of. RRHI also operates big box DIY formats under Handyman Do it Best banner. The DIY brands have their own specialized positioning with Handyman Do it Best focusing on affordable, high-quality DIY and home improvement products while True Value is positioned as an upscale market lifestyle home center. Additionally, the big box format under the Handyman Do it Best banner will focus on home builders.

- *Convenience Stores.* In February 2022, the Company, through its subsidiary RSC, acquired the remaining 40.0% stake of Ministop Japan in RCSI resulting in RRHI effectively controlling 100% of Ministop Philippines, which has been subsequently rebranded to Uncle John's following Ministop Japan's exit. RCSI was merged with RSC, with the latter as surviving entity. Uncle John's strength is its ability to provide fresh and ready-to-eat food for its customers on a 24/7 basis.

- *Specialty Stores.* Currently, the Company operates six formats of specialty stores, namely: 1) consumer electronics and appliances stores operated under Robinsons Appliances and Savers Appliances; 2) toys and juvenile products retail under Toys "R" Us; 3) mass merchandise stores under Daiso Japan and Super50; 4) beauty brands Shiseido, Benefit, and Clé de Peau Beauté; 4) pet retail under Pet Lovers Centre; and 6) lifestyle sneakers under Sole Academy.

The Company, as of end of 2023 has 2,393 stores, consisting of 349 supermarkets (including No Brand), 1,054 drugstores, 50 department stores, 230 DIY stores, 408 convenience stores, and 302 specialty stores. This excludes 2,127 TGP franchised stores.

(ii) **Significant Subsidiaries.** As of December 31, 2023, Robinsons Retail Holdings, Inc. (RRHI) has four wholly-owned subsidiaries and seventeen 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. ***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.

5. ***Waltermart-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.

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 100% owned by RHMI.

7. ***Homeplus Trading Depot, Inc.*** Homeplus Trading Depot, Inc. ("HTDI") 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 RHMI.

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. ***South Star Drug, Inc.*** South Star Drug, Inc ("SSDI") 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.

10. ***TGP Pharma, Inc.*** TGP Pharma, Inc. ("TGPPI") was incorporated and registered with the SEC on September 15, 2010. TGPPI is 51% owned by South Star Drug Inc., a 90% owned subsidiary of RRHI. TGPPI'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.

11. ***TheGenerics Pharmacy Inc.*** TheGenerics Pharmacy Inc. ("TPI") was incorporated and registered with the SEC on February 27, 2007. The Company is 100% owned by TGPPI. 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.

12. ***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.

13. ***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.

14. ***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.

15. ***Robinsons Ventures Corporation.*** Robinsons Ventures Corporation ("RVC") 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.

16. ***Sole Fashion, Inc.*** Sole Fashion, Inc. (SFI) was incorporated and registered with the SEC on October 16, 2023. Its primary purpose is to engage in the business of trading ready to wear sporting goods, clothing, footwear, and other related items and merchandise on wholesale or retail basis including operating sneaker cleaning kiosks and sports facilities. SFI is 98% owned by RSC.

17. ***Everyday Convenience Stores, Inc.*** Everyday Convenience Stores, Inc. ("ECSI") is 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.

18. ***Robinsons Daiso Diversified Corporation.*** Robinsons Daiso Diversified Corporation ("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.

19. ***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.

20. ***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.

21. ***New Day Ventures Limited.*** The Parent Company acquired New Day Ventures Limited ("NDV Limited") to engage in the business of investment holding. The Company is wholly owned by RRHI.

(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 (1) to five (5) days, and within three (3) to ten (10) days of their receipt in the 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 supermarkets, 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 (2) 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. 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 respond to changes in customer trends quickly and efficiently.

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 has a Point-of-Sale System for daily store transaction and a supplier portal system that allows it to collaborate with its suppliers. Through this system, suppliers may have access to the 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 GoCart and the websites of its drugstore and appliances banners. The Company leverages on its extensive store network which serves 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. Relaunched as Go Rewards in 2021, the loyalty card is accepted in all of the Company's formats except TGP as of the end of 2023. The Go Rewards loyalty program is a powerful tool to increase customer retention across all formats and launched a mobile app platform in 2018. Starting January 2020, the management and operation of the loyalty program has been transferred to DAVI, a related party.

In 2018, RRHI signed a 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 a franchise license agreement with E-MART Inc. of South Korea to operate Korean grocery store No Brand.

In 2020, RRHI, through a subsidiary, acquired RPI, a leading drugstore chain in Visayas and Mindanao, from MCBV, a wholly-owned subsidiary of DFI Retail. In the same year, the Company also launched its own e-commerce websites, primarily GoRobinsons.ph (relaunched as GoCart.ph in 2022) and the online selling platforms of its drugstore and appliances banners.

In 2021, RRHI acquired a 20.0% stake in GoTyme, one of six digital banks given licenses by the Bangko Sentral ng Pilipinas ("BSP"). It was officially launched in October 2022. GoTyme bank kiosks are currently located across the Company's various stores and enable prospective customers to open a bank account and receive a GoTyme Visa card within minutes. GoTyme account holders can also conveniently cash-in and cash-out (CICO) for free across Robinsons affiliated stores.

In 2023, the Company entered into the premium lifestyle sneakers market through the acquisition of the Sole Academy brand.

(vi) **Competition.** The Company competes principally with national and international operators of retail chains in the Philippines such as the SM Group, Puregold Price Club, Metro Retail Stores Group, AllDay, AllHome, Ace Hardware, Wilcon Depot, Mercury Drug Corporation, Watsons, and 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, Metro Retail Stores Group, and AllDay. 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, RRHI's position as the third largest grocery retail player is enhanced and offers prospects for synergies and differentiation given a wide assortment of premium products that specifically target an insulated affluent market.

- *Drugstores.* The drugstore industry in the Philippines is competitive and highly regulated. Southstar Drug and Rose Pharmacy primarily compete with other retail drug store chains, such as Mercury Drug and Watsons. TGP likewise competes with Generika Drugstore and small independent pharmacies.

- *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 of Handyman Do it Best and True Value, the Company believes that its direct competitor is Ace Hardware, which has a comparable scale of operations. They compete with Ace Hardware primarily on the basis of product selection, price, promotions, and customer service. The Company also faces competition from MR.DIY, a brand recognized for providing a diverse range of affordable and practical products.

  The big-box hardware format of Handyman Do it Best directly competes against Citi Hardware, which has a strong foothold in Visayas and Mindanao. The Company's big box format also competes with Wilcon Depot and AllHome. Wilcon's network is concentrated in Metro Manila and Luzon, but has expanded farther south of the Philippines, with stores in Cebu, Negros, Iloilo, Agusan del Norte, Bukidnon, Davao, and other provinces in Visayas and Mindanao.

  The Company's DIY stores compete on the basis of pricing, delivery, brand recognition, quality, after sales services, and availability of products.

- *Convenience stores.* Uncle John's faces direct competition from other chains of convenience stores, supermarkets, and other retail outlets. With respect to their ready-to-eat products, Uncle John's 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 Corporation, 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 the 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. DALI, which is a discount store retailer selling consumer staples, is also viewed as a competitor for the Company's convenience store business.

- *Specialty stores.*

Consumer Electronics and Appliances stores. Robinsons Appliances directly competes with other major consumer electronics and appliances retailers in the Philippines, such as SM Appliances, Abenson, Imperial, and Anson's. With stores strategically located nationwide, the banner provides 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 in the country. Savers Appliances is a growing appliance retailer and distributor providing a wide assortment of top tier brands in prominent retail shops in North and Central Luzon and Metro Manila, 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.

Toys and Juvenile Products retail. Toys "R" Us is a major toy retailer in the country. Toys "R" Us primarily 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.

Mass Merchandise stores. Daiso Japan and Japan Home Center are currently the major players in the one-price discount store operators in the Philippines. More recent competitors include Miniso, which shares 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 (e.g., MAC, Clinique, Lancôme, Dior).

Pet Retail. 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.

Lifestyle Sneakers. Sole Academy, a premier destination for lifestyle sneakers, positions itself as a leading player in the market, engaging in competition with esteemed sneaker retailers like Commonwealth and Capital. These competitors share a focus on delivering exclusive and sought-after sneaker brands, creating an environment that caters to the tastes of discerning sneaker enthusiasts.

(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 2023, Robinsons Supermarket's supplier base is diversified between local suppliers such as San Miguel Corporation and Universal Robina Corporation and multinational corporations such as Nestle Philippines, Unilever, and Procter & Gamble. Robinsons Supermarket's top five suppliers together accounted for 23.8%, 19.0%, and 17.8% of the net sales in 2021, 2022 and 2023, respectively.

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 60.5% and 62.1% of the total purchases in 2023, 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 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 36.0% of the total purchases in 2023.

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 2023, Adidas, Unilever, L'Oreal, Procter & Gamble, and Johnson & Johnson were some of RDS' largest outright sales suppliers.

DIY Stores. For outright sales, the Company sources 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 250 regular suppliers as of 2023. The supplier base is diversified from large local suppliers such as Universal Robina

Corporation, San Miguel Corporation, Smart Communications, Inc., and Globe Telecom, Inc.; to smaller local suppliers for Uncle John's ready-to-eat and private label products; and multinational corporations such as Coca Cola, Phillip Morris, JT International, Procter & Gamble, and Unilever. Uncle John's selects its suppliers using a number of criteria, including customer preferences, suppliers' capacity to serve all stores, product assortment and quality, brand reputation, business plans and budgets, and compliance with Uncle John's commercial principles.

Specialty stores.

Consumer Electronics and Appliances stores. 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.

Toys and Juvenile Products retail. The Toys "R" Us private labels and exclusives, as well as importations (done through indentors/consolidators, which provide differentiated offerings), 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 either for outright purchase or consignment.

Mass Merchandise stores. 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.

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 Clé de Peau Beauté.

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

Lifestyle sneakers: As the country's premier destination for sneakers, Sole Academy buys directly or through legitimate distributors such as Adidas, Nike, New Balance, Reebok, and Converse.

(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 10.1% of consolidated net sales in 2023. 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. Members of the Gokongwei Family serve as directors and executive officers of the Company, while certain members are also invested in JG Summit Holdings, Inc. ("JGSHI"). The most significant transactions with JGSHI include leasing retail stores in the shopping malls owned by Robinsons Land Corporation ("RLC"), a subsidiary of JGSHI. However, JGSHI and its subsidiaries are not a part of Robinsons Retail Holdings, Inc. as the Company does not control nor own directly or indirectly any shares of JGSHI and vice versa. 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 Uncle John's (formerly Ministop), source a 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, 2023:

Supermarket Trademarks

Name of Trademark	Symbol of Trademark
1. ROBINSONS SUPERMARKET	
2. HEALTHY YOU	
3. NATURE`S PURE	
4. ROBINSONS EASYMART 5. EASYMART RAYS	
6. ROBINSONS SELECTIONS	

7. JAYNITH'S SUPERMART	JAYNITH'S SUPERMART
8. ROBINSONS TOWNVILLE	ROBINSONS Townville
9. ROBINSONS PRIVATE LABEL	Robinsons
10. SHOPWISE	SHOPWISE
11. SHOPWISE EXPRESS	SHOPWISE express
12. SUREBUY	SureBuy
13. FRESH PICKS	FRESH PICKS
14. PIZZAYOLO	pizzayolo
15. THE GOOD LIFE YOU CAN AFFORD 16. ROBINSONS BREEDER'S CHOICE 17. THE BAKER'S SELECTION 18. Fit & Fun Wellness Buddy Run 19. Wellness Moms	The good life you can afford Robinsons BREEDER'S CHOICE The Baker's SELECTION FIT&FUN WELLNESS BUDDY RUN WELLNESS MOMS

20. We Love Wellness	WE LOVE WELLNESS
21. Healthier Days Start Here	HEALTHIER DAYS START HERE
22. I Love Wellness	I LOVE WELLNESS
23. Robinsons Wallet	Robinsons Wallet \
24. #EasyOnThePlastic	#EasyOnThePlastic
25. GO CART	Go Cart
26. Take It Easy	Take it Easy.

Department Store Trademarks

Name of Trademark	Symbol of trademark
1. PLAYGROUND	playground playground
2. PORTSIDE	PORTSIDE
3. NITELITES	nitelites
4. BRIDGET`S CLOSET	bridget'scloset
5. B+ACTIVE	B+active
6. ALL ABOUT KIDS	all about KiDs
7. GRAB A TEE	grab.a.tee
8. NEVER BEEN KISSED	Never Been Kissed

9. JUMPING BEANS	
10. SIMPLY ME	
11. PUNKBERRY	
12. SUN KISSED	
13. MARJOLAINE	
14. LIBERTE	
15. STELLA	
16. BELLA	
17. BOTTOMS UP	
18. WORKSHOP	
19. RAFAEL SCRIPT	
20. TED MOSS ACCESSORIES	
21. LOCKSAC	
22. TAB 23. CURATED HOME DESIGN YOUR LIFE EST. 2017	

24. RED DEALS	RED DEALS
25. EXECUTIVE	EXECUTIVE

Convenience Store Trademarks

Name of Trademark	Symbol of trademark
1. CHILLZ	CHILLZ
2. MY SUNDAE	MY SUNDAE
3. MY CHOICE	my choice
4. KARIMAN	kariman
5. HOTCHIX	HOTCHIX
6. EATS TO GO	EATS TO GO
7. UNCLE JOHN’S	Uncle John’s Uncle John’s

DIY Store Trademarks

Name of Trademark	Symbol of trademark
1. THUNDER	
2. HIGH GEAR	
3. WISHY WASHY	
4. BOW WOW	
5. SUPER CHOW	
6. BATH BASICS	
7. ROBINSONS BUILDERS	
8. ICONO	
9. ICONO PREMIO	
10. ICONO CLASSICO	

11. IMAGO	imago
12. DE ORO PACIFIC HOME PLUS	De Oro Pacific HOME PLUS
13. CAT CHEW	Cat Chew
14. Your Store for Everyday Needs	Your Store for Everyday Needs!
15. MODERN HOME	modern home
16. PACIFIC WOOD	Pacific wood
17. CLEAN HOME	Clean Home クリーンホーム

Drug Store Trademarks

Name of Trademark	Symbol of trademark
1. SOUTHSTAR DRUG	southstar drug
2. TGP – THE GENERICS PHARMACY	TGP THE GENERICS PHARMACY
3. THE GENERICS PHARMACY	THE GENERICS PHARMACY THE GENERICS PHARMACY

4. BASTA GENERICS, THE GENERICS PHARMACY	BASTA GENERICS, THE GENERICS PHARMACY
5. TGP THE GENERICS PHARMACY MABISA NA, MATIPID PA!	TGP THE GENERICS PHARMACY MABISA na, MATIPID pa!
	TGP THE GENERICS PHARMACY MABISA na, MATIPID pa!
	TGP THE GENERICS PHARMACY
6. TGP WITH LOGO	TGP
7. TGP+ THE GENERICS PHARMACY	TGP THE GENERICS PHARMACY
8. ROSE PHARMACY	ROSE PHARMACY
9. ROSE PHARMACY YOUR ASSURANCE OF GENUINE DRUGS 10. ROSE + CLINIC	ROSE PHARMACY Your Assurance of Genuine Drugs Rose + clinic
11. ROSE PHARMACY	Rose Pharmacy
12. KAY SARAP MAGMAHAL A Culture of Loving Service Uniquely of Rose Pharmacy	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. R ROBINSONS APPLIANCES	
3. HELLO! GOOD BUY ROBINSONSAPPLIANCES.COM.PH	

	RobinsonsAppliances.com.ph
4. SAVER'S APPLIANCES	SAVERS APPLIANCES

Others

Name of Trademark	Symbol of trademark
1. R 2. ROBINSONS	Robinsons
2. R ROBINSONS RETAIL HOLDINGS, INC	ROBINSONS RETAIL HOLDINGS, INC.

(i) **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.

(ii) **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.

(iii) **Research and Development**

None during the year.

(iv) **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.

(v) **Employees.** As of December 31, 2023, the Group had 23,172 employees. The Company anticipates that it will have approximately 28,952 employees within the next 12 months for the planned store openings in 2024. 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.

(vi) **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's 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 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 P1,800 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	P100 to 3,816 per sqm plus 1.25% to 5.0% of sales	1-19 years
Luzon (outside Metro Manila)	Fixed	P32.39 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	P100 to P1,390 per sqm plus 1.0% to 3.00% of sales	1-17 years
Visayas	Fixed	P90.00 to P1,162 per sqm	1-25 years
	% to sales	2.00% to 7.20% of sales	1-15 years
	Fixed or % to sales, whichever is higher	P100 to 900 per sqm or 1.5% to 6% of sales	1-15 years
	Fixed plus % to sales	P125 to 2,648 per sqm plus 1.0% to 6.00%	1-15 years
Mindanao	Fixed	P183 to P1,158 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, 2023.

	No. of stores	Gross Selling Area in sqm
Metro Manila	147	244,461
Luzon	143	272,650
Visayas	42	113,293
Mindanao	17	58,813
Total	**349**	**689,217**

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, 2023.

	No. of stores	Gross Selling Area in sqm
Metro Manila	9	95,637
Luzon	20	126,924
Visayas	12	88,433
Mindanao	9	64,311
Total	**50**	**375,305**

DIY Stores. The following table sets out the location, number of stores and gross selling space of DIY stores as of December 31, 2023, all of which are under a lease agreement:

	No. of stores	Gross Selling Area in sqm
Metro Manila	66	57,126
Luzon	100	72,314
Visayas	37	25,206
Mindanao	27	25,549
Total	**230**	**180,195**

Convenience Stores. The following table sets out the location, number of stores and gross selling space of Uncle John's stores as December 31, 2023, all of which are under a lease agreement:

	No. of stores	Gross Selling Area in sqm
Metro Manila	257	26,162
Luzon	141	14,238
Visayas	10	908
Mindanao	–	–
Total	**408**	**41,308**

Drug Stores. The following table sets out the number of South Star Drug and Rose Pharmacy stores by region as December 31, 2023, all of which are under a lease agreement:

	No. of stores	Gross Selling Area in sqm
Metro Manila	140	10,739
Luzon	429	41,512
Visayas	331	32,090
Mindanao	154	15,704
Total	**1,054**	**100,045**

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, 2023, all of which are under a lease agreement:

	No. of stores	Gross Selling Area in sqm
Metro Manila	90	39,503
Luzon	144	65,629
Visayas	37	16,563
Mindanao	31	12,823
Total	**302**	**134,518**

Item 3. Legal Proceedings. As of December 31, 2023, 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

2024

	High	Low
January 2024	41.25	35.25
February 2024	38.05	35.05

2023

	High	Low
First Quarter	59.50	52.00
Second Quarter	54.90	49.50
Third Quarter	57.80	43.20
Fourth Quarter	47.50	38.05

2022

	High	Low
First Quarter	62.75	53.95
Second Quarter	58.00	46.00
Third Quarter	62.05	50.00
Fourth Quarter	60.40	52.30

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

(B) Holders

The number of shareholders of record as of December 31, 2023 was 45. Common shares outstanding as of December 31, 2023 were 1,457,597,400.

List of Top 20 stockholders as of December 31, 2023

Name of stockholder	Number of shares held	Percent to Total Outstanding
1. JE Holdings, Inc.	491,299,997	33.71%
2. GCH Investments Pte Ltd	315,309,308	21.63%
3. PCD Nominee Corporation (Filipino)	213,117,129	14.62%
4. PCD Nominee Corporation (Non-Filipino)	159,858,272	10.97%
5. Lance Y. Gokongwei	91,952,656	6.31%
6. Robina Gokongwei-Pe	91,952,654	6.31%
7. James L. Go	31,928,005	2.19%
8. Robinson Bank Trust Account No. TA#030-172-530121	29,968,949	2.05%
9. Lisa Y. Gokongwei-Cheng	29,926,449	2.05%
10. Wilfred T. Co	2,027,936	0.14%
11. Lucio W. Yan &/or Clara Y. Yan	100,000	0.00%
12. UP Engineering Research and Development Foundation, Inc.	43,300	0.00%
13. Lisa Y. Gokongwei-Cheng	42,500	0.00%
14. Lilan Rao	41,900	0.00%
15. Yi Ying Wu	10,000	0.00%
16. Iris Veronica G. Lim	5,200	0.00%
17. Nadezhda Iskra F. Herrera	2,500	0.00%
18. Pacifico B. Tacub	2,000	0.00%
18. Stephen T. Teo &/or Teresita R. Teo	2,000	0.00%
19. Gabrielle Claudia F. Herrera	1,200	0.00%
19. Joselito C. Herrera	1,200	0.00%
20. Vicente Piccio Mercado	1,000	0.00%
20. John T. Lao	1,000	0.00%
20. Miguel P. Guerrero or Alice T. Guerrero	1,000	0.00%
21. Maria Lourdes Medroso Mercado	600	0.00%
22. Ofelia R. Blanco	250	0.00%
23. Felicitas F. Tacub	100	0.00%
23. Julius Victor Emmanuel D. Sanvictores	100	0.00%
23. Hector A. Sanvictores	100	0.00%
24.Enrico Salonga Cruz and/or Ma. Emma Mercedes Locsin Cruz and/or Juan Miguel Locsin Cruz	50	0.00%
25. Dondi Ron R. Limgenco	11	0.00%
26. Ronald S. Bes	10	0.00%

Name of stockholder	Number of shares held	Percent to Total Outstanding
26. UBP-TISG FAO: Cesar G. Romero or Anna Michele F. Romero	10	0.00%
27. Owen Nathaniel S. Au ITF: Li Marcus Au	5	0.00%
28. Antonio L. Go	1	0.00%
28. Roberto R. Romulo	1	0.00%
28. Joselito T. Bautista	1	0.00%
28. Botschaft N. Cheng or Sevila Ngo	1	0.00%
28. Rodolfo P. Ang	1	0.00%
28. Cirilo P. Noel	1	0.00%
28. Robinson Bank Trust Account No. TA#030-172-530122	1	0.00%
28. Choo Peng Chee	1	0.00%
29. Scott Anthony Price	1	0.00%
Total outstanding	1,457,597,400	100.00%

(C) Dividends

On May 12, 2023, the Company’s Board of Directors (BOD) approved the declaration of a cash dividend in the amount of ₱2.00 per share from the unrestricted retained earnings of the Company as of December 31, 2022 to all stockholders of record as of May 26, 2023 and payable on June 9, 2023.

On April 27, 2022, the Company’s Board of Directors (BOD) approved the declaration of a cash dividend in the amount of ₱2.00 per share from the unrestricted retained earnings of the Company as of December 31, 2021 to all stockholders of record as of May 20, 2022 and payable on June 10, 2022.

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.

(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, 2023 vs December 31, 2022

Consolidated Results of Operations
(Amounts in Million Pesos)

Robinsons Retail Holdings, Inc.'s core net income (net income excluding foreign exchange gains/losses, interest income from bonds, equity in earnings from associates, interest expense related to the BPI shares, and others) increased by 1.5% to ₱5,640 billion in 2023 on the back of the company's 7.4% increase in consolidated net sales.

The growth in net sales was supported by blended same store sales growth (SSSG) of 3.9% and store expansion initiatives. The core staples businesses - Supermarkets and Drugstores were the main revenue growth drivers for the period ended December 31, 2023.

Operating income increased by 2.8% to ₱8.9 billion as revenue growth and gross margins expansion were offset by store expansion costs, higher utility expenses on elevated fuel prices and higher personnel costs.

Meanwhile, net income attributable to equity holders of the parent company (NIAT) declined by 29.9% to ₱4.1 billion weighed down by foreign exchange losses, equitized losses from investment in associates and interest expense on loans. The acquisition financing of the Bank of the Philippine Islands' (BPI) shares which were acquired earlier this year was fully covered by the dividend income from BPI shares.

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 ₱108.6 billion, 7.4% higher than last year. Revenue growth was supported by the contribution of new stores and full year SSSG of 3.2% which benefitted from double-digit growth in transaction count.

Gross margins improved by 30bps in Q4 2023 to 21.7% due to higher sales of imported products and increased vendor support. This allowed full-year GPM to settle at 21.7%, flat year-on-year. Excluding the impact of Growsari, which now accounts for almost 10% of supermarket sales, segment margin would have increased by 40bps in 2023.

Meanwhile, EBITDA rose by 10.3% to ₱9.4 billion in 2023 supported by resilient topline growth and efficient cost management.

(ii) ***Drug Stores***. Net sales of the drugstore segment rose by 13.2% in 2023 to ₱33.4 billion on the back of robust SSSG and incremental sales of new stores. Blended SSSG of Southstar Drug and Rose Pharmacy came in at 7.1% for the full year driven by sustained demand of prescription drugs, particularly maintenance medications, while over-the-counter cough and cold medicines and antihistamines also performed well.

Gross margins expanded by 70bps to 21.0% in 2023 due to increased penetration of house brands and better category mix.

EBITDA grew by 13.7% to ₱3.0 billion due to strong topline growth and gross margin expansion.

(iii) ***DIY Stores.*** The DIY segment posted slightly lower topline trends in 2023 to ₱12.3 billion or down by 0.8%. Intense competition and a decline in demand for pandemic items like home and kitchen products affected revenues. Competition in the dog food segment, one of top categories, has also intensified, with more players entering the market in recent years. Excluding pet food sales, DIY segment net sales would have increased by 5.5% in 2023.

The segment saw a slight decline in gross margins from 31.1% in 2022 to 30.8% in 2023 mainly due to markdowns in the kitchen category which slowed down after the pandemic.

Meanwhile, EBITDA fell by 19.9% to ₱1.2 billion in 2023 due to lower SSSG while key operating expenses such as rent, utilities, and manpower accelerated.

(iv) ***Department Stores.*** Department store net sales grew by 8.2% in 2023 to ₱16.3 billion. SSSG normalized at 7.0%. The topline is driven by categories related to back-to-school, travel, and sports activities.

Gross margins improved by 40bps to 30.6% due to higher margin category mix.

EBITDA was flattish in 2023 ending the year at ₱1.3 billion. Healthy topline trends coupled with gross margin improvements were offset by higher operating expenses from rent, manpower, and utilities.

(v) ***Convenience stores.*** Uncle John's was able to sustain solid topline trends in 2023, with net sales increasing by 4.4% to ₱6.3 billion. SSSG is 5.6% in 2023 mainly driven by the strong performance of CBD located branches and resilient demand for RTE products.

Gross margins increased by 8.7% year-on-year due to continued growth of higher-margin RTE business.

EBITDA recovered by 18.2% to ₱162.6 million in the last quarter due to an improving sales mix while generating cost savings from rent and repairs and maintenance. For the full year, the decline in the segment's EBITDA narrowed to -1.7% to ₱570.9 million.

(vi) ***Specialty Stores Segment***. Net sales for the specialty segment grew by 3.5% to ₱15.2 billion in 2023 with segment SSSG coming in at 2.4%.

Toys, and Pet Retail delivered double-digit topline growth for the period. However, revenues of Appliances & Electronics business were flat in 2023 as increased out-of-home activities led to lower demand for some of our categories that did well during the pandemic.

The segment's gross margins improved by 20bps year-on-year to 26.7% in due to increased vendor support, higher DC fees, and changes in product mix.

The segment's EBITDA declined by 24.4% to ₱994 million due to increase in operating expenses.

<u>Financial Position</u>

As of December 31, 2023, the Group's balance sheet showed consolidated assets of ₱155,023 million.

Cash and cash equivalents as of December 31, 2023 is at ₱13,172 million. Net cash provided by operating activities totaled ₱14,965 million. Net cash spent for investing activities amounted to ₱21,434 million driven by investment in BPI shares. Net cash provided by financing activities amounted to ₱1,890 million of which ₱12,944 million came from net loan availment.

Trade and other receivables increased by 11.9% from ₱3,528 million to ₱3,948 million as of December 31, 2023.

The Group's investment in Rbank was classified as asset held for sale amounting to ₱8,318 million. RRHI's ownership in Rbank will be converted to BPI shares with the completion of the merger between BPI and Rbank which took effect on January 1, 2024.

Debt and equity instrument financial assets increased by ₱17,446 million mainly due to purchase of BPI shares in January 2023.

Trade and other payables decreased from ₱27,490 million to ₱26,899 million as of December 31, 2023 mainly driven by payment of land purchased and payment to suppliers. Short-term loans payable decreased by ₱280 million due to loan payments for short term debt.

Stockholder's equity stood at ₱79,378 million as of December 31, 2023.

December 31, 2022 vs December 31, 2021

Consolidated Results of Operations
(Amounts in Million Pesos)

Robinsons Retail Holdings, Inc. recorded net income of ₱6,436 million for the twelve months ended December 31, 2022, an increase of 32.7% as compared to ₱4,850 million for the twelve months ended December 31, 2021. Net income attributable to parent amounted to ₱5,847 million for the twelve months ended December 31, 2022, an increase of 29.1% vs. 2021 driven mainly by strong same store sales growth and expansion in margins. Full-year EPS rose at a faster clip at 33.1% to Php3.93 per share, supported by the ongoing share buyback program.

Consolidated net sales increased by 16.6% from ₱153,327 million for the twelve months ended December 31, 2021 to ₱178,821 million for the twelve months ended December 31, 2022. The increase in sales was driven by the strong same store sales growth, new store openings and rebound in discretionary formats coming from the economy's gradual return to normalcy, including face to face classes in schools and increased travel and tourism.

Blended same store sales growth (SSSG) was 11.8% for the full year 2022. Supermarket segment posted -7.3% SSSG for the year, while the drugstore segment's SSSG remained healthy at 5.3% for the full year 2022. The department store segment posted 53.4% SSSG due to resumption of face to face classes and increased travel. Convenience store segment was up 26.0% supported by higher sales of commercial and BPO clusters due to back to onsite working arrangements coupled with new product offerings.

Gross profit margin was at 23.6% for the year driven by category mix improvements and economies of scale.

Coupled with operating efficiencies, EBIT margins expanded by 90bps for full year 2022. In absolute terms, EBIT came in at ₱8.7 billion, up by 43.6%.

Segment Operations

(i) ***Supermarket***. The Supermarket segment continued to account for the largest share in the Group's Sales, EBIT and EBITDA. The supermarket segment generated net sales of ₱101.1 billion for full year 2022, 14.1% higher vs. 2021. Full year SSSG came in at

7.3% vs. negative 8.7% in the previous year on the back of higher transaction count and a better supply chain situation.

Full year GPM expanded by 20bps to 21.7% on higher indent and private label penetration, assortment shifts, and selling price adjustments.

EBITDA rose by 14.2% year on year in 2022 to ₱8.5 billion driven by healthy topline growth and gross margin improvements. This translated to EBITDA margin of 8.4% for the full year.

(ii) ***Department Stores.*** Department store net sales for full year 2022 was up 61.2% to ₱15,031 million.

Full year SSSG came in at 53.4% higher vs. last year. Key drivers were the resumption of face-to-face classes and the increase in travel. Meanwhile, the main categories that outperformed were Shoes, Bag, Sportswear (SBS), Children's, and Ladies departments.

Gross margins were up 30bps for full year 2022 or 30.2% of sales due to category mix improvements.

Full year EBITDA grew by 108.1% to ₱1,279 million coming from high SSSG and margins improvement.

(iii) ***Convenience stores.*** Full year net sales amounted to ₱6,072 million up 23.5% compared to last year. Same store sales growth was up 26.0% for full year 2022.

Growth was supported by higher sales of commercial and BPO clusters due to back to onsite working arrangements, coupled by new product offerings, and effective marketing promotions.

A recovering topline, better gross margins driven by the higher contribution of the RTE category, and manageable operating expenses translated to robust EBITDA growth of 98.7% for full year 2022 at Php580.6 million.

(iv) ***Drug Stores.*** Net sales of the drugstore segment reached ₱29,486 million, up by 10.6% due to stronger demand for fever and flu medicines, sustained growth of prescription medicines, and sales contribution from new stores. The blended SSSG of Southstar Drug and Rose Pharmacy was healthy at 5.3% for the year.

EBITDA margins expanded by 40bps in full year 2022 to 9.0% of sales with notable gains from Rose Pharmacy in the first half of 2022. Healthy SSSG and the gains from Rose Pharmacy enabled the segment to post strong EBITDA growth of 15.3% for full year 2022 to ₱2,651 million.

(v) ***DIY Stores.*** The DIY segment's full year net sales increased by 7.8% to ₱12,403 million driven by SSSG of 10.1% for 2022. The main SSSG driver was higher transaction count in key categories such as hardware, electrical and plumbing.

Gross profit margin was up 6.0% from ₱3,633 million to ₱3,852 million. In terms of % of sales, there was a 50bps decline in gross margins from 31.6% last year to 31.1% this year due to the move out of ageing inventories and markdowns.

Full year EBIT grew by 20.1% to ₱637.5 million compared to ₱530.9 million last year.

(vi) ***Specialty Stores Segment***. Net sales for the specialty segment grew by 19.7% to ₱14,709 million for the full year 2022 supported by strong SSSG.

All formats under the specialty segment delivered double digit revenue growth rates for the year as consumer demand picked up in tandem with better mobility.

The recovery in the topline coupled with product mix improvements and better operating leverage translated to strong EBITDA growth of 35.7% for the full year to ₱1,315 million.

<u>Financial Position</u>

As of December 31, 2022, the Group's balance sheet showed consolidated assets of ₱141,526 million.

Cash and cash equivalents as of December 31, 2022 is at ₱17,767 million. Net cash provided by operating activities totaled ₱16,080 million. Net cash spent from investing activities amounted to ₱4,587 million. Net cash spent from financing activities amounted to ₱9,898 million of which ₱675 million came from net loan availment with ₱3,437 million payment of dividends and ₱1,821 million for the share buyback program.

Trade and other receivables increased by 32.3% to ₱3,528 million as of December 31, 2022.

Debt and equity instrument financial assets declined by ₱2,661 million or 22.9% for the full year 2022 due to redemptions during the period.

Trade and other payables increased from ₱21,216 million to ₱27,490 million as of December 31, 2022 mainly driven by purchase of land. Current loans payable increased by ₱675 million due to loan availments.

Stockholder's equity stood at ₱76,574 million as of December 31, 2022.

December 31, 2021 vs December 31, 2020

<u>Consolidated Results of Operations</u>
(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 Aug. 21.

The government approved placing Metro Manila and Laguna under MECQ from Aug. 21 to 31. By the end of August, the Government announced that the National Capital Region, Bataan, and Laguna will remain under MECQ from Sept. 1 to 7, 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 Sept. 8. Until the end of the month, Metro Manila shifted back to GCQ. Metro Manila was placed under Alert Level 4 on Sept. 16, enforcing granular lockdowns only in vital sectors. By the end of September, the Government placed 11 regions under MECQ until Oct. 15, 2021, while 25 areas went under GCQ with heightened restrictions until the end of the month.

On Oct. 13, the IATF approved the recommendation to reduce the alert level in NCR from alert level 4 to alert level 3 until Oct. 31. On Nov. 4, 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) ***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.

(iii) ***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.

(iv) ***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%.

(v) ***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 4^{th} 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 4^{th} 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.

(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.

Material Changes in the 2023 Financial Statements (Increase/decrease of 5% or more versus 2022)

Consolidated Statements of Comprehensive Income-Year Ended December 31, 2023 versus Year Ended December 31, 2022 (with Vertical and Horizontal Analysis)

In Millions	2023	%	2022	%	Growth
SALES - Net of sales discounts and returns	192,126	100.0%	178,821	100.0%	7.4%
COST OF MERCHANDISE SOLD	146,526	76.3%	136,539	76.4%	7.3%
GROSS PROFIT	45,600	23.7%	42,282	23.6%	7.8%
ROYALTY, RENT AND OTHER REVENUE	1,189	0.6%	1,159	0.6%	2.6%
GROSS PROFIT INCLUDING OTHER REVENUE	46,790	24.4%	43,442	24.3%	7.7%
OPERATING EXPENSES	(37,848)	-19.7%	(34,743)	-19.4%	-8.9%
OTHER INCOME (CHARGES)					
Interest income	257	0.1%	390	0.2%	-34.2%
Equity in net earnings in associates	(821)	-0.4%	14	0.0%	-6091.7%
Dividend income	1,264	0.7%	294	0.2%	329.9%
Foreign currency exchange gains (loss) - net	(65)	0.0%	357	0.2%	-118.1%
Interest expense	(3,123)	-1.6%	(1,988)	-1.1%	-57.1%
Others	(280)	-0.1%	222	0.1%	-226.1%
	(2,769)	-1.4%	(711)	-0.4%	-289.4%
INCOME BEFORE INCOME TAX	6,173	3.2%	7,987	4.5%	-22.7%
PROVISION FOR INCOME TAX					
Current	1,620	0.8%	1,636	0.9%	-1.0%
Deferred	(97)	-0.1%	(85)	0.0%	-13.6%
	1,524	0.8%	1,551	0.9%	-1.8%
NET INCOME	4,649	2.4%	6,436	3.6%	-27.8%
OTHER COMPREHENSIVE INCOME					
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent					
Changes in fair value of debt securities at fair value through other comprehensive income	(174)	-0.1%	(1,005)	-0.6%	82.7%
Share in changes in fair value of debt financial assets in associates	-	0.0%	96	0.1%	-100.0%
Share in changes in translation adjustment in investment entities	127	0.1%	20	0.0%	538.5%
Income tax effect	-	0.0%	(25)	0.0%	100.0%
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:					
Changes in fair value of equity securities at FVOCI	2,976	1.5%	(98)	-0.1%	3148.9%
Share in actuarial gain (losses) on retirement obligation in associates	-	0.0%	20	0.0%	-100.0%
Remeasurement gain (losses) on retirement obligation	(336)	-0.2%	242	0.1%	-239.2%
Income tax effect	76	0.0%	(65)	0.0%	216.8%
	2,669	1.4%	(815)	-0.5%	427.5%
TOTAL COMPREHENSIVE INCOME	7,318	3.8%	5,621	3.1%	30.2%

7.4% increase in sales

The increase is due to store expansion initiatives and same-store sales growth.

7.3% increase in cost of sales

The increase is driven by increase in sales volume due to store expansion and same-store sales growth.

7.8% increase in gross profit

The increase is driven by better product assortment and increased vendor support.

8.9% increase in operating expenses

Primarily due to operating expenses of new stores, higher rent expense, utilities, and personnel costs.

34.2% decrease in interest income
Due to disposal of investment in bonds.

6,091.7% decrease in earnings from associate
Decrease is due to share in losses of associates.

329.9% increase in dividend income
Primarily coming from investment in BPI and other investments in financial instruments on equity securities.

118.1% decrease in foreign currency exchange gain
Primarily due to realized forex losses due to lower forex rates of USD to Peso in the first quarter versus at the beginning of the year.

57.1% increase in interest expense
Driven by loans to purchase 4.4% investment in BPI shares.

226.1% decrease in other income/charges
Primarily due to disposal of investment in associate and loss on disposal of bonds.

13.6% increase in provision for income tax-deferred
Due deferred tax impact of PFRS 16, pension liability, and excess MCIT.

27.8% decrease in net income
Due to forex loss, reversal of equitized earnings with the derecognition of Robinsons Bank's net income under equitized earnings following the merger with BPI, and losses from start-up investments.

82.7% increase in changes in fair value of debt securities at fair value through OCI
Due to lower fair value of debt securities in prior year.

100% decrease in share in changes in fair value of debt financial assets in associates
No change in fair value of debt financial assets in associates during the year.

538.5% increase in share in changes in translation adjustment in investment entities
Mainly due to the translation adjustment of associates and debt securities for the year.

100% increase in income tax effect on OCI to be reclassified to P/L in subsequent periods
No income tax effect during the year.

3,148.9% increase in changes in fair value of equity securities at FVOCI
Mainly pertains to changes in fair value of BPI shares.

100% decrease in share in actuarial gain (losses) on retirement obligation in associates
No actuarial gains (losses) on retirement obligation in associates for the year.

239.2% decrease in remeasurement gain (losses) on retirement obligation
Due to remeasurement loss during the year mainly on changes in financial assumptions.

216.8% increase in income tax effect on OCI not to be reclassified to P/L in subsequent periods
Due to remeasurement loss on retirement obligation.

427.5% increase in other comprehensive income
Primarily due to mark to market movements in the fair value of debt and equity instrument financial assets, mainly from BPI shares.

Consolidated Statements of Financial Position – As of December 31, 2023 versus December 31, 2022 (with Vertical and Horizontal Analysis)

In Millions	2023	%	2022	%	Growth
ASSETS					
Current Assets					
Cash and cash equivalents	13,173	8.5%	17,767	11.5%	-25.9%
Trade and other receivables	3,948	2.5%	3,528	2.3%	11.9%
Merchandise inventories	29,668	19.1%	27,470	17.7%	8.0%
Other current assets	1,682	1.1%	2,434	1.6%	-30.9%
	48,471	31.3%	51,198	33.0%	-5.3%
Noncurrent Assets Held For Sale	8,318	5.4%	8,318	5.4%	0.0%
Noncurrent Assets					
Debt and equity instrument financial assets	26,411	17.0%	8,965	5.8%	194.6%
Property and equipment	23,392	15.1%	22,648	14.6%	3.3%
Right-of-use assets	19,914	12.8%	22,155	14.3%	-10.1%
Investment in associates	1,721	1.1%	1,635	1.1%	5.3%
Intangible assets	22,680	14.6%	22,646	14.6%	0.2%
Deferred tax assets - net	1,453	0.9%	1,273	0.8%	14.2%
Retirement plan asset	166	0.1%	291	0.2%	-42.7%
Other noncurrent assets	2,495	1.6%	2,398	1.5%	4.1%
	98,233	63.4%	82,009	52.9%	19.8%
	155,023	100.0%	141,526	91.3%	9.5%
LIABILITIES AND EQUITY					
Current Liabilities					
Trade and other payables	26,899	17.4%	27,490	17.7%	-2.2%
Short-term loans payable	8,129	5.2%	8,409	5.4%	-3.3%
Lease liabilities - current portion	3,587	2.3%	3,501	2.3%	2.5%
Income tax payable	145	0.1%	155	0.1%	-6.4%
Other current liabilities	514	0.3%	543	0.4%	-5.3%
	39,273	25.3%	40,097	25.9%	-2.1%
Noncurrent Liabilities					
Lease liabilities - net of current portion	20,458	13.2%	22,523	14.5%	-9.2%
Loans payable	13,240	8.5%	-	0.0%	100.0%
Deferred tax liabilities - net	2,065	1.3%	2,053	1.3%	0.6%
Retirement obligation	608	0.4%	279	0.2%	118.0%
	36,372	23.5%	24,855	16.0%	46.3%
	75,645	48.8%	64,952	41.9%	16.5%
Equity					
Capital stock	1,576	1.0%	1,576	1.0%	0.0%
Additional paid-in capital	40,768	26.3%	40,768	26.3%	0.0%
Treasury stock	(6,410)	-4.1%	(5,425)	-3.5%	-18.2%
Other comprehensive income (loss)	2,266	1.5%	(418)	-0.3%	642.5%
Equity reserve	(743)	-0.5%	(743)	-0.5%	0.0%
Retained earnings	37,822	24.4%	36,670	23.7%	3.1%
Total equity attributable to equity holders of the Parent Company	75,280	48.6%	72,429	46.7%	3.9%
Non-controlling interest in consolidated subsidiaries	4,098	2.6%	4,145	2.7%	-1.1%
	79,378	51.2%	76,574	49.4%	3.7%
	155,023	100.0%	141,526	91.3%	9.5%

25.9% decrease in cash and cash equivalents
Due to purchase of land, capital expenditures, BPI shares and share buyback.

11.9% increase in trade and other receivables
Due to higher sales and new stores.

8.0% increase in merchandise inventories
Due to higher sales and new stores.

30.9% decrease in other current assets
Due to utilization of creditable withholding taxes and value added taxes.

194.6% increase in debt and equity instrument financial assets
Primarily due to investment in BPI shares.

10.1% decrease in right-of-use assets
Decrease is driven by lower additions and amortization in right-of-use assets during the year.

5.3% increase in investment in associates
Increase is due additional investments during the year.

14.2% increase in deferred tax asset-net
Due to deferred tax impact of PFRS 16, excess MCIT and pension liabilities.

42.7% decrease in retirement plan asset
Decrease is due to lower contribution to the retirement fund and higher defined benefits obligation.

6.4% decrease in income tax payable
Decrease in income tax payable is due to lower taxable income.

5.3% decrease in other current liabilities
Decrease is driven by lower customers deposits for the period.

100% increase in long-term loans payable
Mainly due to availment of loan for purchase of BPI shares.

118.0% increase in net retirement obligation
Increase is due to remeasurement loss and higher retirement expense.

18.2% increase in treasury stock
Mainly due to share buyback of the Company for the period.

642.5% increase in other comprehensive income
Mainly due to fair value changes on investment in BPI.

Consolidated Statements of Comprehensive Income-Year Ended December 31, 2022 versus Year Ended December 31, 2021 (with Vertical and Horizontal Analysis)

In Millions	2022	%	2021	%	Growth
SALES - Net of sales discounts and returns	178,821	100.0%	153,327	100.0%	16.6%
COST OF MERCHANDISE SOLD	136,539	76.4%	118,101	77.0%	15.6%
GROSS PROFIT	42,282	23.6%	35,226	23.0%	20.0%
ROYALTY, RENT AND OTHER REVENUE	1,159	0.6%	870	0.6%	33.3%
GROSS PROFIT INCLUDING OTHER REVENUE	43,442	24.3%	36,096	23.5%	20.4%
OPERATING EXPENSES	(34,743)	-19.4%	(30,037)	-19.6%	-15.7%
OTHER INCOME (CHARGES)					
Interest income	390	0.2%	447	0.3%	-12.8%
Equity in net earnings in associates	14	0.0%	292	0.2%	-95.3%
Dividend income	294	0.2%	77	0.1%	282.0%
Foreign currency exchange gains (loss) - net	357	0.2%	230	0.2%	55.2%
Interest expense	(1,988)	-1.1%	(1,961)	-1.3%	-1.4%
Others	222	0.1%	125	0.1%	78.5%
	(711)	-0.4%	(790)	-0.5%	10.0%
INCOME BEFORE INCOME TAX	7,987	4.5%	5,269	3.4%	51.6%
PROVISION FOR INCOME TAX					
Current	1,636	0.9%	1,122	0.7%	45.8%
Deferred	(85)	0.0%	(704)	-0.5%	87.9%
	1,551	0.9%	419	0.3%	270.5%
NET INCOME	6,436	3.6%	4,850	3.2%	32.7%
OTHER COMPREHENSIVE INCOME					
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent					
Changes in fair value of debt securities at fair value through other comprehensive income	(1,005)	-0.6%	142	0.1%	-809.7%
Share in changes in fair value of debt financial assets in associates	96	0.1%	(454)	-0.3%	121.2%
Share in changes in translation adjustment in investment entities	20	0.0%	49	0.0%	-59.8%
Income tax effect	(25)	0.0%	109	0.1%	-122.7%
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:					
Changes in fair value of equity securities at FVOCI	(98)	-0.1%	8	0.0%	-1353.8%
Share in actuarial gain (losses) on retirement obligation in associates	20	0.0%	(1)	0.0%	2809.9%
Remeasurement gain (losses) on retirement obligation	242	0.1%	346	0.2%	-30.1%
Income tax effect	(65)	0.0%	(174)	-0.1%	62.3%
	(815)	-0.5%	25	0.0%	-3385.4%
TOTAL COMPREHENSIVE INCOME	5,621	3.1%	4,875	3.2%	15.3%

16.6% increase in sales
The increase is due to new stores and recovery of sales due to easing of restrictions.

16.6% increase in cost of sales
The increase is due to new stores and increase in sales volume.

20.0% increase in gross profit
The increase driven by category mix improvements and economies of scale.

33.3% increase in royalty, rent and other income
Driven by higher rental income of supermarket compared to prior year.

15.7% increase in operating expenses
Primarily due to lower expenses last year from containment measures to cushion impact of COVID-19 as well as operating expenses of new stores.

12.8% decrease in interest income
Caused by disposal of available for sale investment.

95.3% decrease in earnings from associate
Decrease is due to share in losses of associates.

282.0% increase in dividend income
Primarily due to additional investment in financial instruments on equity securities.

55.2% increase in foreign currency exchange gain
Primarily due to higher forex rates of USD to Peso.

78.5% increase in other income/charges
This is due to derecognition of lease liabilities.

45.8% increase in provision for income tax-current
Due to impact of CREATE Law in prior year.

87.9% decrease in provision for income tax-deferred
Due deferred tax impact of PFRS 16, excess MCIT and CREATE Law in prior years.

32.7% increase in net income
Due to higher topline, better margins and forex gains.

809.7% decrease in changes in fair value of debt securities at fair value through OCI
Due to lower fair value of debt securities during the year.

121.2% increase in share in changes in fair value of debt financial assets in associates
Due to higher fair value of debt financial assets in associates.

59.8% decrease in share in changes in translation adjustment in investment entities
Due to lower translation adjustments in associates and debt securities.

122.7% decrease in income tax effect on OCI to be reclassified to P/L in subsequent periods
Due to fair value changes of debt securities and debt financial assets in associates.

1,353.8% decrease in changes in fair value of equity securities at FVOCI
Due to lower fair value of equity securities.

2,809.9% increase in share in actuarial gain (losses) on retirement obligation in associates
Due to actuarial gain on retirement obligation in associates.

30.1% decrease in remeasurement gain (losses) on retirement obligation
Due to lower remeasurement gain during the year.

62.3% increase in income tax effect on OCI not to be reclassified to P/L in subsequent periods
Due to lower remeasurement gain on retirement obligation.

3,385.4% increase in other comprehensive losses
Primarily due to mark to market movements in the fair value of debt and equity instrument financial assets.

Consolidated Statements of Financial Position – As of December 31, 2022 versus December 31, 2021 (with Vertical and Horizontal Analysis)

In Millions	2022	%	2021	%	Growth
ASSETS					
Current Assets					
Cash and cash equivalents	17,767	12.6%	16,170	12.0%	9.9%
Trade and other receivables	3,528	2.5%	2,667	2.0%	32.3%
Merchandise inventories	27,470	19.4%	25,090	18.7%	9.5%
Other current assets	2,434	1.7%	2,989	2.2%	-18.6%
	51,198	36.2%	46,916	35.0%	9.1%
Noncurrent Assets Held For Sale	8,318	5.9%	-	-	100.0%
Noncurrent Assets					
Debt and equity instrument financial assets	8,965	6.3%	11,626	8.7%	-22.9%
Property and equipment	22,648	16.0%	17,620	13.1%	28.5%
Right-of-use assets	22,155	15.7%	22,639	16.9%	-2.1%
Investment in associates	1,635	1.2%	8,896	6.6%	-81.6%
Intangible assets	22,646	16.0%	22,672	16.9%	-0.1%
Deferred tax assets - net	1,273	0.9%	1,350	1.0%	-5.7%
Retirement plan asset	291	0.2%	53	0.0%	450.4%
Other noncurrent assets	2,398	1.7%	2,462	1.8%	-2.6%
	82,009	57.9%	87,318	65.0%	-6.1%
	141,526	100.0%	134,234	100.0%	5.4%
LIABILITIES AND EQUITY					
Current Liabilities					
Trade and other payables	27,490	19.4%	21,216	15.8%	29.6%
Short-term loans payable	8,409	5.9%	7,734	5.8%	8.7%
Lease liabilities - current portion	3,501	2.5%	2,965	2.2%	18.1%
Income tax payable	155	0.1%	229	0.2%	-32.3%
Other current liabilities	543	0.4%	382	0.3%	41.9%
	40,097	28.3%	32,526	24.2%	23.3%
Noncurrent Liabilities					
Lease liabilities - net of current portion	22,523	15.9%	22,868	17.0%	-1.5%
Deferred tax liabilities - net	2,053	1.5%	2,026	1.5%	1.3%
Retirement obligation	279	0.2%	302	0.2%	-7.5%
	24,855	17.6%	25,196	18.8%	-1.4%
	64,952	45.9%	57,722	43.0%	12.5%
Equity					
Capital stock	1,576	1.1%	1,576	1.2%	0.0%
Additional paid-in capital	40,768	28.8%	40,768	30.4%	0.0%
Treasury stock	(5,425)	-3.8%	(3,616)	-2.7%	-50.0%
Other comprehensive income (loss)	(418)	-0.3%	443	0.3%	-194.3%
Equity reserve	(743)	-0.5%	(995)	-0.7%	25.4%
Retained earnings	36,670	25.9%	33,793	25.2%	8.5%
Total equity attributable to equity holders of the Parent Company	72,429	51.2%	71,969	53.6%	0.6%
Non-controlling interest in consolidated subsidiaries	4,145	2.9%	4,544	3.4%	-8.8%
	76,574	54.1%	76,513	57.0%	0.1%
	141,526	100.0%	134,234	100.0%	5.4%

9.9% decrease in cash and cash equivalents
Primarily from operating activity and redemption of available for sale investments.

32.3% increase in trade and other receivables
Due to higher sales during the year end.

9.5% increase in merchandise inventories
Due to increased volume of inventories from higher store network versus last year and to sustain

higher sales.

18.6% decrease in other current assets
Due to utilization of creditable withholding taxes and value added taxes.

100% increase in asset held for sale
Pertains to investment in Rbank. This was classified as held for sale due to the planned merger between BPI and Rbank.

22.9% decrease in available for sale investment
Decline is due to redemptions during the year.

28.5% increase in property and equipment
Increase is driven by new capex for the year as well as purchase of land.

81.6% decrease in investment in associate
decrease is due to reclassification of investment in Rbank as held for sale.

5.7% decrease in deferred tax asset-net
Primarily due to utilization of MCIT, deferred tax from impact of PFRS 16 and impact of CREATE law.

450% increase in retirement plan asset
Increase is due to the contribution to the retirement fund as well as lower defined benefits obligations.

29.6% increase in payables
The increase is caused by higher inventory levels and payables related to land purchased during the year.

8.7% increase in loans
Increase is caused by availment of loans for the period.

18.1% increase current lease liability
The increase is due to lease liabilities that will mature within one year.

32.3% decrease in income tax payable
Decrease in income tax payable is due to higher tax credits.

41.9% other current liabilities
Increase is driven by higher customers deposits for the period.

7.5% decrease in net retirement obligation
Decrease is due to the contribution to the retirement fund and lower defined benefit obligation.

50% increase in treasury stock
This is caused by share buyback of the company for the period.

194% decrease other comprehensive income
Due to losses in equity securities.

25.4% decrease in equity reserves
The decrease is due to acquisition of NCI shares in RCSI and RHIB.

8.5% increase in retained earnings
Movement is due to net income during the year, net of dividends declared.

8.8% decrease in non-controlling interests
The decrease is due to acquisition of NCI shares in RCSI and RHIB.

Consolidated Statements of Comprehensive Income-Year Ended December 31, 2021 versus Year Ended December 31, 2020 (with Vertical and Horizontal Analysis)

In Millions	2021	%	2020	%	Growth
SALES - Net of sales discounts and returns	153,327	100.0%	151,070	100.0%	1.5%
COST OF MERCHANDISE SOLD	118,101	77.0%	118,172	78.2%	-0.1%
GROSS PROFIT	35,226	23.0%	32,898	21.8%	7.1%
ROYALTY, RENT AND OTHER REVENUE	870	0.6%	1,618	1.1%	-46.2%
GROSS PROFIT INCLUDING OTHER REVENUE	36,096	23.5%	34,516	22.8%	4.6%
OPERATING EXPENSES	(30,037)	-19.6%	(28,737)	-19.0%	-4.5%
OTHER INCOME (CHARGES)					
Interest income	447	0.3%	677	0.4%	-34.0%
Equity in net earnings in associates	292	0.2%	197	0.1%	48.6%
Dividend income	77	0.1%	27	0.0%	181.3%
Foreign currency exchange gains (loss) - net	230	0.2%	(171)	-0.1%	234.8%
Interest expense	(1,961)	-1.3%	(2,326)	-1.5%	15.7%
Others	125	0.1%	236	0.2%	-47.2%
	(790)	-0.5%	(1,361)	-0.9%	41.9%
INCOME BEFORE INCOME TAX	5,269	3.4%	4,419	2.9%	19.2%
PROVISION FOR INCOME TAX					
Current	1,122	0.7%	1,423	0.9%	-21.1%
Deferred	(704)	-0.5%	(489)	-0.3%	-43.8%
	419	0.3%	933	0.6%	-55.1%
NET INCOME	4,850	3.2%	3,486	2.3%	39.2%
OTHER COMPREHENSIVE INCOME					
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent					
Changes in fair value of debt securities at fair value through other comprehensive income	142	0.1%	168	0.1%	-15.9%
Share in changes in fair value of debt financial assets in associates	(454)	-0.3%	95	0.1%	-576.8%
Share in changes in translation adjustment in investment entities	49	0.0%	(21)	0.0%	333.4%
Income tax effect	109	0.1%	(39)	0.0%	378.3%
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:					
Changes in fair value of equity securities at FVOCI	8	0.0%	21	0.0%	-62.6%
Share in actuarial gain (losses) on retirement obligation in associates	(1)	0.0%	1	0.0%	-188.6%
Remeasurement gain (losses) on retirement obligation	346	0.2%	(182)	-0.1%	289.9%
Income tax effect	(174)	-0.1%	32	0.0%	-638.1%
	25	0.0%	75	0.0%	-67.1%
TOTAL COMPREHENSIVE INCOME	4,875	3.2%	3,561	2.4%	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.

34.0% decrease in interest income
Caused by disposal of available for sale investment.

48.6% increase in earnings from associate
Increase caused by equity in earnings in Rbank.

181.3% increase in dividend income
Primarily due to additional investment in financial instruments on equity securities.

234.8% decrease in foreign currency exchange loss
Primarily due to higher forex rates of USD to Peso.

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.

15.9% decrease in changes in fair value of debt securities at fair value through OCI
Due to lower fair value of debt securities during the year.

576.8% decrease in share in changes in fair value of debt financial assets in associates
Due to higher fair value of debt financial assets in associates.

333.4% increase in share in changes in translation adjustment in investment entities
Due to lower translation adjustments in associates and debt securities.

378.3% increase in income tax effect on OCI to be reclassified to P/L in subsequent periods
Due to fair value changes of debt securities and debt financial assets in associates and translation adjustments.

62.6% decrease in changes in fair value of equity securities at FVOCI
Due to lower fair value of equity securities.

188.6% decrease in share in actuarial gain (losses) on retirement obligation in associates
Due to actuarial loss on retirement obligation in associates for the year.

289.9% increase in remeasurement gain (losses) on retirement obligation
Due to remeasurement gain on retirement obligation.

638.1% decrease in income tax effect on OCI not to be reclassified to P/L in subsequent periods
Due to remeasurement gain on retirement obligation.

67.1% decrease in other comprehensive income
Primarily due to market movements in the fair value of debt and equity instrument financial assets.

Consolidated Statements of Financial Position – As of December 31, 2021 versus December 31, 2020 (with Vertical and Horizontal Analysis)

In Millions	2021	%	2020	%	Growth
ASSETS					
Current Assets					
Cash and cash equivalents	16,170	12.0%	21,338	15.1%	-24.2%
Trade and other receivables	2,667	2.0%	3,144	2.2%	-15.2%
Merchandise inventories	25,090	18.7%	22,234	15.7%	12.8%
Other current assets	2,989	2.2%	2,656	1.9%	12.6%
Total Current Assets	46,916	35.0%	49,373	34.9%	-5.0%
Noncurrent Assets					
Debt and equity instrument financial assets	11,626	8.7%	13,932	9.8%	-16.6%
Property and equipment	17,620	13.1%	18,174	12.8%	-3.0%
Right-of-use assets	22,639	16.9%	25,038	17.7%	-9.6%
Investment in associates	8,896	6.6%	8,585	6.1%	3.6%
Intangible assets	22,672	16.9%	22,673	16.0%	0.0%
Deferred tax assets - net	1,350	1.0%	1,532	1.1%	-11.9%
Retirement plan asset	53	0.0%	26	0.0%	106.4%
Other noncurrent assets	2,462	1.8%	2,265	1.6%	8.7%
Total Noncurrent Assets	87,318	65.0%	92,224	65.1%	-5.3%
	134,234	100.0%	141,596	100.0%	-5.2%
LIABILITIES AND EQUITY					
Current Liabilities					
Trade and other payables	21,216	15.8%	23,363	16.5%	-9.2%
Short-term loans payable	7,734	5.8%	9,584	6.8%	-19.3%
Lease liabilities - current portion	2,965	2.2%	2,715	1.9%	9.2%
Income tax payable	229	0.2%	352	0.2%	-35.0%
Other current liabilities	382	0.3%	255	0.2%	49.8%
Total Current Liabilities	32,526	24.2%	36,269	25.6%	-10.3%
Noncurrent Liabilities					
Lease liabilities - net of current portion	22,868	17.0%	24,613	17.4%	-7.1%
Deferred tax liabilities - net	2,026	1.5%	2,550	1.8%	-20.5%
Retirement obligation	302	0.2%	575	0.4%	-47.5%
Total Noncurrent Liabilities	25,196	18.8%	27,737	19.6%	-9.2%
Total Liabilities	57,722	43.0%	64,006	45.2%	-9.8%
Equity					
Capital stock	1,576	1.2%	1,576	1.1%	0.0%
Additional paid-in capital	40,768	30.4%	40,768	28.8%	0.0%
Treasury stock	(3,616)	-2.7%	(810)	-0.6%	-346.4%
Other comprehensive income	443	0.3%	434	0.3%	1.9%
Equity reserve	(995)	-0.7%	(995)	-0.7%	0.0%
Retained earnings	33,793	25.2%	32,079	22.7%	5.3%
Total equity attributable to equity holders of the Parent Company	71,969	53.6%	73,052	51.6%	-1.5%
Non-controlling interest in consolidated subsidiaries	4,544	3.4%	4,538	3.2%	0.1%
Total Equity	76,513	57.0%	77,590	54.8%	-1.4%
	134,234	100.0%	141,596	100.0%	-5.2%

24.2% decrease in cash and cash equivalents
Primarily from operating activities, acquisition of investments, and CAPEX.

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.

9.2% increase in current lease liability
The increase is due to lease liabilities that will mature within one year.

35.0% decrease in income tax payable
Decrease in income tax payable is due to higher tax credits and impact of CREATE law.

49.8% increase in other current liabilities
Driven by higher customer's deposits for the year.

7.1% decrease in noncurrent lease liability
Decline is due to higher rental payments during the year.

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	**2023**	**2022**	**2021**
		(in millions)	
Net sales	192,125.9	178,821.1	153,327.4
EBIT	8,941.9	8,698.4	6,059.5
EBITDA	16,441.8	15,878.1	13,147.2
Core Net Earnings	5,639.7	5,554.0	3,801.4
		Ratios	
Liquidity ratio:			
Current ratio	1.45	1.48	1.44
Profitability ratio:			
Gross profit margin	0.24	0.24	0.23
Debt to equity ratio	0.95	0.85	0.75
Asset to equity ratio	1.95	1.85	1.75
Interest rate coverage ratio	2.86	4.38	3.09

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 (including noncurrent assets held for sale) 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.

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.

Not Applicable

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.,

	2023	**2022**	**2021**
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	₱9,114,690	₱9,446,310	₱9,407,440
Professional Fees related to the Initial Public Offering	None	None	None
Tax Fees	None	None	None
All Other Fees	364,588	98,560	430,000
Total	₱9,479,278	₱9,544,870	₱9,837,440

No other service was provided by external auditors to the Company for the calendar years 2023, 2022 and 2021.

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	57	Chairman	Filipino
James L. Go	84	Vice-Chairman	Filipino
Robina Gokongwei-Pe	62	President and Chief Executive Officer	Filipino
Scott Price	62	Director	American
Choo Peng Chee	63	Director	Singaporean
Rodolfo P. Ang	61	Independent Director	Filipino
Cirilo P. Noel	66	Independent Director	Filipino
Enrico S. Cruz	66	Independent Director	Filipino
Cesar G. Romero	58	Independent Director	Filipino

All of the above directors have served their respective offices since May 13, 2023 except for Mr. Scott Price who was elected as a director of RRHI effective August 1, 2023. 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. Rodolfo P. Ang, Cirilo P. Noel. Enrico S. Cruz and Cesar G. Romero are the independent directors of the Company.

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

Name	Age	Position	Citizenship
Stanley C. Co	46	Chief Operating Officer	Filipino
Mylene A. Kasiban	54	Chief Financial Officer and Chief Risk Officer	Filipino
Stephen Yap	61	Chief Information Officer	Filipino
Mark O. Tansiongkun	57	Chief Procurement Officer	Filipino
Gina R. Dipaling	58	Vice President for Corporate Planning and Investor Relations Officer	Filipino
Gabriel Tagala III	55	Vice President, Human Resources	Filipino
Graciela A. Banatao	48	Treasurer	Filipino
Rosalinda F. Rivera	53	Corporate Secretary	Filipino
Gilbert S. Millado, Jr.	50	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:

Lance Y. Gokongwei is the Chairman of the Company. He is likewise the Chairman of Robinsons Supermarket Corporation. He is the President and Chief Executive Officer of JG Summit Holdings, Inc. He is the Chairman of Universal Robina Corporation, Cebu Air, Inc., and JG Summit Olefins Corporation. Effective January 8, 2024, he became the Chairman, President, and Chief Executive Officer of Robinsons Land Corporation. He is a Director and a Vice Chairman of the Executive Committee of Manila Electric Company. He is also a Director of RL Commercial REIT, Inc., Altus Property Ventures, 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.

James L. Go is the Vice Chairman of the Company and the Chairman of JG Summit Holdings, Inc. He is the Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation and Adviser to the Board of Directors and Executive Committee of Cebu Air, Inc. He is the Chairman Emeritus of Universal Robina Corporation, Robinsons Land Corporation and JG Summit Petrochemical 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.

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.

Scott Price was elected as a director of the Company effective August 1, 2023. He was appointed as the Group Chief Executive of DFI Retail Group with effect on August 1, 2023. He has over 30 years of retail, logistics and consumer packaged goods sector experience with key management roles in UPS, Walmart, DHL Express and Coca Cola. He was also an Independent Board Director of Coles Group in Australia prior to joining DFI Retail Group. He earned a Bachelor of Arts Degree in Business from the University of North Carolina in Charlotte. He also holds a Master's Degree in Business Administration and a Master's Degree in Asian Studies from the University of Virginia.

Choo Peng Chee was appointed CEO, DFI Food in November 2023, responsible for all DFI Food banners across Hong Kong, Macau, Singapore, Indonesia and Cambodia. He is a director of the DFI Retail Group Management Services Board since 2013. In 2022, he was nominated to represent Jardine Matheson Group on the Board of Livi Bank. He joined the DFI Retail Group in 2000 and was the CEO of Cold Storage in Singapore from 2005 to 2009. He subsequently served as the CEO 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. In August 2021, he was appointed as CEO DFI Retail North Asia covering all food retail operations (grocery retail and convenience stores) in Hong Kong, Macau, China as well as the convenience format in Singapore. Choo Peng Chee 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.

Rodolfo P. Ang has been an independent director of the Company since March 9, 2020. He is the Vice President for Administration and an Associate Professor of Ateneo De Manila University. He is the former Dean of the Ateneo Graduate School of Business. He sits on the Board of Trustees of Xavier School. He was formerly an independent director of the Philippine Insurers and Reinsurers Association. 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 has been an independent director of the Company since August 12, 2020. He is a lawyer and certified public accountant. He is the Chairman of Palm Concepcion Power Corporation, Juxtapose Ergo Consultus, Inc. and Cofiar Land Corp. He is the interim Chairman of Security Bank Corporation since May 2023. 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 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.

Enrico S. Cruz was elected as an independent director of the Company on April 27, 2022. He is also 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, CIBI Information Inc. and Maxilife Insurance Corporation. 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.

Cesar G. Romero was elected as an independent director of the Company on August 2, 2022. He is also an independent director of Aboitiz Equity Ventures, Inc. and Aboitiz Power Corporation. He previously served as the President and Chief Executive Officer of Pilipinas Shell Petroleum Corporation (Shell Philippines), a publicly-listed company, from November 1, 2016 to November 30, 2021. He served in various capacities in the Shell Group of companies, both local and international. He was formerly the Vice President-Global Retail Network and the Vice President of Retail Sales and Operations East (covering Southeast Asia, South Asia, and China). He was a member of the Shell Global Retail Leadership team which set policies, strategy, annual business targets, capital allocation, and operations for Shell's Downstream Retail Business comprised of over 43,000 petrol stations in the world, the largest single branded retailer in the world. He holds a Bachelor of Science in Mechanical

Engineering (Cum Laude) from the University of the Philippines, and a Masters Degree in Business Administration (with High Distinction) from the University of Michigan. He has also attended a variety of management development courses at the London Business School and the Wharton Business School.

(i) Officers

Robina Y. Gokongwei-Pe, see "i. Directors".

Stanley C. Co was appointed as the Chief Operating Officer of RRHI effective August 1, 2023. He has been with the Robinsons Retail Group for over 20 years in various capacities and has extensive experience in operations, strategic planning, marketing, merchandising, and omnichannel retailing. Immediately prior to this appointment, he was the Managing Director of Robinsons Retail's Supermarket Segment, comprised of Robinsons Supermarket, The Marketplace, Robinsons Easymart, and Shopwise, where he oversaw the segment's expansion into underpenetrated areas and omnichannel retailing amidst an ongoing pandemic, with over 300 stores across the country. He also previously headed Robinsons Retail's DIY Segment, composed of Handyman and True Value, as well as franchises Daiso Japan and Pet Lovers Centre for 12 years. He obtained his Bachelor of Science Degree in Commerce from the University of Santo Tomas in 1998 and received his Master's Degree in Business Administration from De La Salle University in 2003.

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.

Stephen Yap was appointed as the Chief Information Officer of RRHI on July 25, 2023 and has been with the Robinsons Retail Group for over eight (8) years. He has 36 years of extensive experience in information technology, 17 years of which were spent in the USA. He started his career as Vice President for Engineering and Chief Technical Officer of International Micronet Systems in 1987. He also worked with Pacific Gas and Electric Company as Director for Distributed Computing in 1995, Williams-Sonoma Inc. as Senior Director of Enterprise Infrastructure in 1999, and the Superior Court of California as CIO in 2002. Prior to joining RRHI, he was Sr. Vice President for Information Technology of SM Retail. He holds a Bachelor's Degree in Computer Science from University of San Francisco in 1983.

Mark O. Tansiongkun was appointed as the Chief Procurement Officer of RRHI on July 25, 2023 and has been with the Gokongwei Group for over 30 years holding various positions in procurement, merchandising and administrative services. He first joined the Robinsons Department Store Segment as Credit Sales and Promotions Manager. Prior to assuming his current role, his positions in Robinsons Retail Group included Merchandise Manager and AVP-Operations of Robinsons Department Store. He also had stints with CFC Corporation as Institutional Sales Section Manager and Corporate Leasing Manager of Robinsons Land Corporation's Commercial Centers Division. He has a Bachelor of Arts Degree in Communication Arts and a Bachelor of Science Degree in Management of Financial Institutions from De La Salle University.

Gina R. Dipaling is the Vice-President for Corporate Planning, Investor Relations Officer, and Head of Sustainability 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 2018. 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.

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.

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.

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.

(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, 2023, 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 (2024).

Name	Position
Robina Y. Gokongwei-Pe…………………....	President and Chief Executive Officer
Stanley C. Co……………………………….	Chief Operating Officer
Mylene A. Kasiban………………………….	Chief Financial Officer
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 2024 are as follows:

ACTUAL

	Year	Salaries	Bonuses	Total
		(in ₱ million)		
President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Group General Manager of Appliances Segment and Chief Information Officer named above	2020	51.67	4.36	56.03
	2021	49.27	4.36	53.59
	2022	53.38	4.51	57.89
	2023	57.83	5.06	62.89
Aggregate compensation paid to all other general managers, heads for shared services and directors as a group unnamed	2020	116.8	9.95	126.76
	2021	127.78	10.89	138.67
	2022	130.37	10.71	141.08
	2023	145.44	12.55	157.99

(B)

PROJECTED 2024 (in ₱ million)			
	Salaries	Bonuses	Total
President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Group General Manager of Appliances Segment and Chief Information Officer named above	62.99	5.34	68.34
Aggregate compensation paid to all other general managers, heads for shared services and directors as a group unnamed	167.41	14.17	181.58

(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, 2023

As of December 31, 2023, 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	33.71%
Common	GCH Investments Pte Ltd 239 Alexandra Road, Singapore 159930 (stockholder)	Same as record owner (See note 2)	Singaporean	315,309,308	21.63%
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)	Filipino	213,117,129	14.62%
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)	Non-Filipino	159,858,272	10.97%
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	6.31%
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	6.31%

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 315,309,308 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.

4. Out of the PCD Nominee Corporation account, CLSA Philippines, Inc. and Standard Chartered Bank holds the following shares of the Corporation as of December 31, 2023:

	No. of shares	% to Outstanding
CLSA Philippines, Inc.	315,309,308	21.63%
Standard Chartered Bank	123,135,579	8.45%

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

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

(A) Security Ownership of Management as of December 31, 2023

Title of Class	Name of beneficial owner	Position	Amount & nature of beneficial ownership Direct	Indirect	Citizenship	% to Total Outstanding
Named Executive Officers (Note 1)						
Common	1. Lance Y. Gokongwei	Director, Chairman	91,952,656	-	Filipino	6.31%
Common	2. Robina Gokongwei-Pe	Director, President and Chief Executive Officer	91,952,654	-	Filipino	6.31%
	Sub-Total		183,905,310	-		12.62%
Other Directors and Executive Officers						
Common	3. James L. Go	Director and Vice Chairman	31,928,005	-	Filipino	2.19%
Common	4. Scott Price	Director	1	-	American	*
Common	5. Choo Peng Chee	Director	1	-	Singaporean	*
Common	6. Rodolfo P. Ang	Director (Independent)	1	-	Filipino	*
Common	7. Cirilo P. Noel	Director (Independent)	1	-	Filipino	*
Common	8. Enrico S. Cruz	Director (Independent)	50	-	Filipino	*
Common	9. Cesar G Romero	Director (Independent)	10	-	Filipino	*
-	10. Stanley C. Co	Chief Operating Officer	-	-	Filipino	-
-	11. Mylene A. Kasiban	Chief Financial Officer and Chief Risk Officer	-	-	Filipino	-
-	12. Stephen Yap	Chief Information Officer	-	-	Filipino	-

Title of Class	Name of beneficial owner	Position	Amount & nature of beneficial ownership Direct	Indirect	Citizenship	% to Total Outstanding
-	13. Mark O. Tansiongkun	Chief Procurement Officer	-	-	Filipino	-
-	14. Graciela A. Banatao	Treasurer	-	-	Filipino	-
Common	15. Gina R. Dipaling	Vice President for Corporate Planning and Investor Relations Officer	1,500	-	Filipino	-
-	16. Gabriel Tagala III	Vice President, Human Resources	-	-	Filipino	-
-	17. Rosalinda F. Rivera	Corporate Secretary	-	-	Filipino	-
Common	18. Gilbert S. Millado, Jr.	General Counsel and Compliance Officer	500	-	Filipino	*
Sub-Total			31,930,069	-		2.19%
All directors and executive officers as a group unnamed			215,835,379	-		14.80%

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, 2023.

(B) Voting Trust Holders of 5% or more - as of December 31, 2023

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, 2023, 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.

Robinsons Retail Holdings, Inc. (RRHI) 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 (uploaded in the Company website)

2018 Integrated Annual Corporate Governance Report (I-ACGR)	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	May 30, 2019 (uploaded in the Company website)
Material Related Party Transactions Policy	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	October 28, 2019 with a re-filing on October 29, 2019 (uploaded in the Company website)
2019 Integrated Annual Corporate Governance Report (I-ACGR)	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	June 1, 2020 (uploaded in the Company website)
Revised Corporate Governance Manual	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	May 14, 2021 (uploaded in the Company website)
2020 Integrated Annual Corporate Governance Report (I-ACGR)	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	June 23, 2021 (uploaded in the Company website)
Revised Corporate Governance Manual	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	August 13, 2021 (uploaded in the Company website)
Revised Material Related Party Transactions Policy	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	August 13, 2021 (uploaded in the Company website)
2021 Integrated Annual Corporate Governance Report (I-ACGR)	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	May 23, 2022 (uploaded in the Company website)

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, 2022 since the SEC extended the deadline for the submission of the I-ACGR.

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, 2023 to December 31, 2023

Date of Disclosure	Description
Jan. 3, 2023	Share Buyback Transaction
Jan. 5, 2023	Approval for Robinsons Retail Holdings, Inc. (RRHI) to acquire 4.4% stake in BPI
Jan. 5, 2023	Press release on the purchase by Robinsons Retail Holdings, Inc. of a 4.4% stake in the Bank of the Philippine Islands ("BPI")
Jan. 9, 2023	Approval and confirmation by the Board of Directors of Robinsons Retail to purchase a total of 198,265,257 shares of the Bank of the Philippine Islands, which represents a 4.4% stake in BPI. The Board of Directors of Robinsons Retail approved on 5 January 2023, the execution of an agreement between the Company, GIC Private Limited ("GIC"), through its affiliate, Arran Investment Pte. Ltd. ("Arran"), Liontide Holdings, Inc. ("Liontide"), and BPI for Robinsons Retail to acquire the above-mentioned shares at PHP99.5 per share, subject to customary closing conditions. The underlying BPI shares corresponding to the Liontide Preferred Shares are already listed with the Philippine Stock Exchange. The agreement referred to above pertains to the Share Purchase Agreement which was executed on January 5, 2023. Robinsons Retail purchased 148,698,943 BPI shares through a block sale executed on January 10, 2023, through the facilities of the Philippine Stock Exchange which will be settled on January 13, 2023. This disclosure pertains to the purchase by Robinsons Retail of 148,698,943 BPI shares representing a 3.3% equity interest in BPI out of the 4.4%.
Jan. 9, 2023	Approval and confirmation by the Board of Directors of Robinsons Retail to purchase a total of 198,265,257 shares of the Bank of the Philippine Islands, which represents a 4.4% stake in BPI. The Board of Directors of Robinsons Retail approved on 5 January 2023, the execution of an agreement between the Company, GIC Private Limited ("GIC"), through its affiliate, Arran Investment Pte. Ltd. ("Arran"), Liontide Holdings, Inc. ("Liontide"), and BPI for Robinsons Retail to acquire the above-mentioned shares at PHP99.5 per share, subject to customary closing conditions. This disclosure pertains to the purchase by Robinsons Retail of 10,384,903

	Preferred Shares of Liontide, owned by Arran, which are redeemable into 49,566,314 underlying BPI shares, representing 1.1% of BPI's outstanding shares out of the 4.4%. The underlying BPI shares corresponding to the Liontide Preferred Shares are already listed with the Philippine Stock Exchange.
Jan. 13, 2023	Completion of the Purchase by Robinsons Retail Holding, Inc. of a 4.4% Equity Interest in BPI
Jan. 16, 2023	Press release on the purchase by Robinsons Retail Holdings, Inc. of a 4.4% stake in the Bank of the Philippine Islands ("BPI") issued last January 5, 2023 and press release dated January 16, 2023 with additional information required by the Philippine Stock Exchange (PSE) on the same transaction.
Jan. 16, 17 and 18, 2023	Share Buyback Transactions
Jan. 19, 2023	Robinsons Retail Holdings, Inc.'s 4Q/FY 2022 Unaudited Results Earnings Call
Jan. 19, 20, 23, 24, 25 and 26, 2023	Share Buyback Transactions
Jan. 27, 2023	Update on the Merger of BPI and Robinsons Bank which was approved by the Board of Directors of Robinsons Retail Holdings, Inc. on September 30, 2022 - On January 26, 2023, a Supplement to the Agreement for the Merger of Bank of the Philippine Islands and Robinsons Bank Corporation was executed by and among BPI, RRHI, JG Capital and Robinsons Bank Corporation.
Jan. 27, 30, and 31, 2023	Share Buyback Transactions
Feb. 1, 2023	Material Information/Transactions - FY2022 Earnings Results - Robinsons Retail Delivers Record Earnings in 2022
Feb. 1, 2023	Press Release on FY2022 Earnings Results
Feb. 1, 3, 6, 7, 8, 9, and 10, 2023	Share Buyback Transactions
Feb. 13, 2023	Clarification of a news article entitled "Robinsons Retail plans to open 200 new stores in 2023" posted in Manila Standard (Online Edition) on February 12, 2023.
Feb. 14, 15, 16, 17, 20, 21, 22, 23, 27 and 28, 2023	Share Buyback Transactions
March 1 and 2, 2023	Share Buyback Transactions
March 3, 2023	Clarification of news article entitled "BPI-RBC merger may take effect this year" posted in Business World (Online Edition) on March 3, 2023
March 3, 6, 7, 8, 9, and 10, 2023	Share Buyback Transactions
March 10, 2023	Matters Approved by the Board of Directors of Robinsons Retail Holdings,

	Inc. on March 10, 2023 - changing the principal address of RRHI from "43rd Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda Sts., Ortigas Center, Pasig City, Metro Manila" to "110 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City"; setting the 2023 Annual Meeting of the Shareholders of RRHI to be held on May 12, 2023 at 9:30 am via remote communication and with April 3, 2023, as the record date for the said meeting and adoption of policies on Anti-Corruption, Customer Welfare and Sustainable Value Chain.
March 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 27, 28, 29, 30 and 31 2023	Share Buyback Transactions
April 3, 4, 5, 11, 12, 13, 14, 17, 18, 19, 20, 24, 25, and 26, 2023	Share Buyback Transactions
April 27, 2023	Press release on 1Q2023 Earnings Results - Core Net Income Surges by 20.5% in 1Q2023
April 27, 2023	Material Information/Transactions - 1Q2023 Earnings Results - Core Net Income Surges by 20.5% in 1Q2023
April 27, and 28, 2023	Share Buyback Transactions
May 2, 3, 4, 5, 8, 9, 10, and 11, 2023	Share Buyback Transactions
May 12, 2023	Declaration of a regular cash dividend
May 12, 2023	Results of the Annual Shareholders Meeting Approval by the shareholders of the amendment of Article Third of the Articles of Incorporation. Results of the Organizational Meeting of the Board of Directors
May 12, 15, 16, 17, 18, 19, 29, 30 and 31, 2023	Share Buyback Transactions
June 1, 2, 5, 6, 7, 8, 9, 13, 14, 15, 16, 19, 20, 21, 22, 23, 26, 27, 29 and 30, 2023	Share Buyback Transactions
July 3, 2023	Appointment of Mr. Stanley C. Co as the Chief Operating Officer of Robinsons Retail Holdings, Inc. effective August 1, 2023 Press Release entitled Robinsons Retail appoints Stanley C. Co as Chief Operating Officer
July 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 24, and 25, 2023	Share Buyback Transactions
July 25, 2023	Election of a Member of the Board of Directors and Appointment of Officers

	of Robinsons Retail Holdings, Inc.
July 26, 2023	Share Buyback Transaction Material Information/Transactions - Robinsons Retail Core Earnings Up 10.6% in 1H2023 Press Release entitled "Robinsons Retail Core Earnings Up 10.6% in 1H2023"
July 27, 28, and 31 2023	Share Buyback Transactions
Aug. 1, 2, 3, 4, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 30 and 31, 2023	Share Buyback Transactions
September 1, 13, 14, 2023	Share Buyback Transactions
September 14, 2023	Update on the Merger of BPI and Robinsons Bank which was approved by the Board of Directors of Robinsons Retail Holdings, Inc. on September 30, 2022 - On September 13, 2023 BPI received the signed decision of Philippine Competition Commission clearing the Merger.
September 15, 2023	Share Buyback Transactions
October 19, 2023	Robinsons Retail Holdings, Inc.'s 3Q 2023 Unaudited Results Earnings Call
October 20, 2023	Updates on the Merger of BPI and Robinsons Bank which was approved by the Board of Directors of Robinsons Retail Holdings, Inc. on September 30, 2022 - On October 20, 2023 a Supplement to the Plan of Merger was executed by BPI and Robinsons Bank Corporation which provides the number of shares to be issued in favor of the Robinsons Bank Shareholders pursuant to the Merger. BPI will issue a total of 314,003,992 common shares in relation to the Merger.
October 26, 2023	Material Information/Transactions - Robinsons Retail 9M2023 Core Earnings Up 4% Press Release entitled "Robinsons Retail 9M2023 Core Earnings Up 4%"
November 16, 2023	Approval of the Extension of the Share Buyback Program of Robinsons Retail Holdings, Inc. Press Release entitled "PCC Completes Motu Proprio Review on the Acquisition of Rose Pharmacy
November 17, 20, 21, 22, 23, 24, and 28, 2023	Share Buyback Transactions
Nov. 28, 2023	Change in the Stock Transfer Agent of RRHI from Rizal Commercial Banking Corporation – Stock Transfer Department to RCBC Trust Corporation, a newly established stand-alone trust corporation
Nov. 29 and 30 2023	Share Buyback Transactions
Dec. 1, 4, 5, 6, 7, 11, 12, and 13, 2023	Share Buyback Transactions
Dec. 13, 2023	Disclosure on date of approval by the Securities and Exchange Commission (SEC) of the amendment of the principal address of RRHI as indicated in its

	Articles of Incorporation and the date of receipt of such SEC approval. Change in Principal Address of RRHI
Dec. 14, 2023	Share Buyback Transaction
Dec. 18, 2023	Updates on the Merger of BPI and Robinsons - Approval by the BSP of the merger between BPI and Robinsons Bank Corporation, with BPI as the surviving entity, subject to compliance with certain conditions and the shareholdings of RRHI in BPI post-merger.
Dec. 18, 2023	Change in the Stock Transfer Agent of RRHI – RRHI will disclose the effective date of termination of RCBC Stock Transfer Department as the stock transfer agent of RRHI and the date of engagement of RCBC Trust Corporation as the new stock transfer agent of RRHI upon completion by RCBC Trust Corporation of all regulatory requirements.
Dec. 18, 19, and 20, 2023	Share Buyback Transactions

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Quezon City on March 22, 2024.

By:

LANCE Y. GOKONGWEI
Chairman of the Board

ROBINA GOKONGWEI PE
President and Chief Executive Officer

MYLENE A. KASIBAN
Chief Financial Officer

ROSALINDA F. RIVERA
Corporate Secretary

GRACIELA A. BANATAO
Treasurer

SUBSCRIBED AND SWORN to before me this 22 MAR 2024 day of ________ 20__ affiant(s) exhibiting to me his/their Residence Certificates, as follows:

NAMES	RES. CERT. NO.	DATE OF ISSUE	PLACE OF ISSUE
LANCE Y. GOKONGWEI	116-312-586-000	-	-
ROBINA GOKONGWEI PE	139-634-860-000	-	-
MYLENE A. KASIBAN	DO4-97-108149	September 22, 2022	Quezon City
ROSALINDA F. RIVERA	185-543-392-000	-	-
GRACIELA BANATAO	P2701269C	December 17, 2022	Manila

Notary Public

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Book No. VII
Series: 2024

Mariper Aguilar
ATTY. MARIPER B. AGUILAR
Notary Public for Quezon City
Until December 31, 2025
IBP No. 390487 - Jan. 3, 2024
MCLE Compliance No. VII-000166
Appointment No. N-93 (2024-2025)
PTR No. 5555049 Jan. 2, 2024
Quezon City Roll No. 73209
28 Baker St., Fairmond Subd., Brgy.
North Fairview, Quezon City

2023 SUSTAINABILITY REPORTING ANNEX

Contextual Information

Company Details	
Name of Organization	Robinsons Retail Holdings, Inc.
Location of Headquarters	110 E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City, Metro Manila, Philippines 1109
Location of Operations	Nationwide Operations
Report Boundary: Legal entities (e.g., subsidiaries) included in this report*	Robinson's Supermarket Corporation; Robinson's Handyman, Inc.; Robinsons True Serve Hardware Philippines, Inc.; South Star Drug Inc.; Rose Pharmacy, Inc., TGP Pharma, Inc.; Robinsons Appliances Corporation; RHD Daiso-Saizen, Inc.; Super50 Corporation; Savers Electronic World, Inc.
Business Model, including Primary Activities, Brands, Products, and Services	Multi-format retailing includes supermarkets, department stores, drugstores, do-it-yourself stores, convenience stores, and specialty stores. *Please see Business and General Information in RRHI 2023 SEC 17A.*
Reporting Period	January 1, 2023, to December 31, 2023
Highest Ranking Person responsible for this report	Gina Roa-Dipaling Vice President for Corporate Planning, Investor Relations Officer, and Sustainability Head

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]
The Company revised its focus areas and material topics in 2023 based on the latest updates in the sustainability reporting landscape, applying the concept of double materiality for ESG topics and using the Global Reporting Initiatives (GRI) standards as the basis for impact materiality while using Sustainability Accounting Standards Board (SASB) standards and International Financial Reporting Standards Sustainability Standards 1 and 2 (IFRS S1 and S2) as the bases for financial materiality.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	2021	2022	2023	Units
Direct economic value generated (revenue)	155,367.8	181,257.3	193,669.1	M Php
Direct economic value distributed:				
a. Operating costs	143,483.8	166,417.7	179,576.8	M Php
b. Employee wages and benefits	5,956.2	6,184.5	7,145.0	M Php

[1] See *GRI 102-46* (2016) for more guidance.

c. Payments to suppliers, other operating costs	Already included in operating cost	Already included in operating cost	Already included in operating cost	M Php
d. Dividends that are given to stockholders and interest payments to loan providers*	3,306.0	3,662.6	4,752.6	M Php
e. Taxes given to the government	1,743.7	2,291.3	2,367.1	M Php
f. Investments to the community (e.g., donations, CSR)	37.6	13.1	27.9	M Php

**Dividends + interest payments*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The economic value generated from the Company's activities primarily affects the economic conditions of the areas where it operates. The Company's operations and supply chain allow it, directly and indirectly, to support employment and foster a sophisticated system of partners and suppliers from across various entrepreneurial backgrounds, from big manufacturers to small and medium enterprises for both the trade and non-trade needs of its businesses. As it conducts its day-to-day processes, the Company believes that it positively contributes to economic growth and social mobility among its affected stakeholders.	• Suppliers • Employees • Government • Communities • Customers • Shareholders	Robinsons Retail Holdings, Inc. aims to retain its position as one of the largest multi-format retailers in the Philippines catering to the broad middle-income market. It plans to expand its store network across its retail formats with a focus on regions outside of Metro Manila where modern retail penetration is still low. Aside from organic expansion, part of its strategy is to enter existing and complementary retail formats via mergers and acquisitions. Robinsons Retail targets consistent sales growth while improving margins to ensure the sustainability of operations. Since 2020, the Company has implemented a Share Buy Back Program worth Php6.4bn to increase shareholder value. The Company has also consistently issued cash dividends that are higher than its dividend policy (89%, 66%, and 50% respectively, in 2021, 2022, and 2023) Under the dividend policy, the Company shall implement an annual cash dividend payout ratio of at least forty percent (40%) of its audited consolidated net income attributable to the parent company 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 amounts of dividends, including, but not limited to, instances wherein the Company proposes to implement and undertake major projects and developments through its subsidiaries).
What is/are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Please see Risks in RRHI 2023 SEC Disclosure 17-A.	• Suppliers • Employees • Government • Communities • Customers • Shareholders	RRHI operates as a multi-format retailer with a diverse portfolio offering the market both staple and discretionary products. The Company also has strong financial foundations to continue operations and remain resilient. It has also developed business continuity plans to protect its assets and has a dedicated Enterprise Risk Management Team overseen by the Board of Directors of the Company. The Company updates its risk registers on an annual basis. Please see: http://www.robinsonsretailholdings.com.ph/corporate-governance/enterprise-risk-management
What is/are the Opportunity/-ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company has identified the following opportunities: • Store expansion into underpenetrated cities and municipalities • E-commerce and digital investments • Strategic synergies with partners and affiliates • Mergers & Acquisitions • Better margins through increased scale • Digitalization to increase in operating efficiencies	• Suppliers • Employees • Government • Communities • Customers • Shareholders	RRHI's objectives and goals include, among others: sustaining store expansion in underserved areas, maintaining a strong online presence, executing value-accretive acquisitions, identifying key areas for efficiency within its business, and embedding sustainability within the organization. The Company also looks towards data-driven decision-making, especially in bolstering loyalty programs, efficiency in supply chains and operations, and collaborative initiatives with partners for sustainability.

• Increase house brands product line-up • Deepening involvement in sustainability initiatives across all business units.		

Climate-related risks and opportunities

RRHI recently engaged with an external consultant to conduct a climate vulnerability assessment of business-critical facilities. This initiative aims to assess the implications of physical climate risks to the overall operations of the Company and identify appropriate mitigation and adaptation measures for climate resiliency. The conducted climate scenario analysis evaluated the physical risks brought by extreme weather conditions (tropical cyclones and flooding), increased temperature, and sea-level rise associated with IPCC's Representative Concentration Pathways (RCPs) 4.5 and 8.5. RCP 8.5 projects high emissions and 3.2-5.4°C global warming by 2090, while RCP 4.5 envisions medium emissions with 1.7-3.2°C warming, emphasizing mitigation efforts. This engagement identified 25 of the 83 RRHI facilities to have high exposure to at least one of the four climate hazards included in the scenario analysis, which are (1) flooding, (2) heat, (3) tropical cyclones, and (4) sea level rise. The findings of this engagement will be cascaded across the business units in 2024 and will be integrated into store expansion considerations and improvements for existing stores in the coming years. This also will be followed by a climate transition roadmap engagement with an external consultant to come up with a well-studied and comprehensive climate transition plan as we aspire to set our final climate targets in the medium term. Alongside the climate transition roadmap engagement, the Company will revisit its greenhouse gas (GHG) and energy reduction targets determined in 2021.

The commitment to continuously reducing overall GHG emissions and energy consumption remains. The Company is closely monitoring its facilities that cross the electricity consumption threshold and is seeking ways to reduce GHG emissions. Across the business units, old refrigeration units and other energy-intensive equipment are now being replaced with new units. The phasing-out of R-22 refrigerants is also ongoing, in line with the directive of the Montreal Protocol to phase out this refrigerant type by 2030. The Company is currently exploring technologies that use lower-impact refrigerants. Other energy-saving initiatives such as the shift to LED lights, inverter air conditioners, and lower-impact refrigeration systems are ongoing and being expanded to cover all the stores across all formats.

Enterprise Risk Management

In RRHI, risks are categorized as Strategic, Financial, Operational, Reputational, People, Legal and Governance, and Digital. RRHI's ERM Committee has been created to review and assess the enterprise risks and to come up with plans and mitigation strategies. This helps set the tone of the ERM process of the Company which is incorporated in the formulation of the Company's strategies and objectives by Senior Management.

The Chief Risk Officer (CRO) oversees ensuring that all risk management strategies, including the identification of risks and mitigation strategies, are being implemented and monitored at the business unit and enterprise level. The detailed identification and assessment of risks by the business unit risk owners play a crucial role in ensuring that the ERM policy of the Company is effectively carried out.

RRHI uses the Committee of Sponsoring Organizations (COSO) 2017 Framework in its risk management, which has the following key areas: Governance and Oversight, Strategy and Objective-Setting, Performance, Review and Revision, and Information, Communication, and reporting. A quarterly review and reporting of identified issues and equivalent resolution conducted by the Company's Internal Audit and Financial Systems and Controls guarantees that all concerns are addressed, monitored, and communicated to all concerned parties on time.

ERM Board Oversight

The Board of Directors and its various committees receive updates from the ERM Committee, Senior Management, and key risk functions regarding enterprise risk management issues and mitigation strategies related to the RRHI businesses including active and potential litigation and reputational risks.

The ERM Committee, led by the CRO, reviews and assesses the identified enterprise risks to formulate plans, establish mitigation strategies, and institutionalize monitoring processes both at the business unit and enterprise levels.

Members of Senior Management establish internal controls and execute procedures to identify, assess, and manage events that may pose a risk to the business units of the Company. Related risk functions and risk owners are likewise tapped to analyze risks and how to mitigate and resolve them.

Procurement Practices

Proportion of spending on local suppliers

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Procurement of goods and services from local suppliers is crucial to sustaining the core operations of RRHI. It impacts livelihood and access to goods for end consumers. For this disclosure, "local suppliers" are defined as Philippine-based companies and businesses, including distributors with import licenses for foreign products, and "non-local suppliers" as those it directly engages for imports of foreign products. RRHI's supply chain represents many retailers, ancillary businesses, and various service providers who, in turn, provide businesses and employment to various other groups.	• Suppliers • Employees • Customers • Communities	RRHI's Business Units directly engage suppliers through its Merchandising and Operations Departments, and through the Marketing Departments for joint programs and promotions. Through stakeholder engagement and internal assessments, RRHI identifies the procurement terms, payment schedule, and availability of stocks for fast-moving items as relevant issues that the Company closely monitors with its suppliers. RRHI values collaboration to achieve mutually-beneficial terms with suppliers. *Please see:* • Supplier Accreditation Policy: http://www.robinsonsretailholdings.com.ph/corporate-governance/supplier-accreditation-policy or http://www.robinsonsretailholdings.com.ph/download.php?file=media/files/2020/Supplier%20Accreditation%20Policy.pdf

What is/are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
RRHI has identified the following risks under the material topic: • Quality Assurance and Control for procured products • Capacity to supply and replenish items for store • Proper waste disposal of bad items	• Suppliers • Customers	RRHI has a supplier accreditation policy to ensure that suppliers can meet the demands of the business at consistent quality. Goods and stores are also monitored by quality assurance officers. It also has standard store procedures for the proper disposal of waste and expired items. The Company also rolled out its new sustainability questionnaire to the top 100 vendors of the supermarket segment to assess these key vendors' ESG risks and related opportunities. This initiative will be expanded to the drugstore segment in 2024. *Please see:* • Supplier Accreditation Policy: http://www.robinsonsretailholdings.com.ph/corporate-governance/supplier-accreditation-policy or http://www.robinsonsretailholdings.com.ph/download.php?file=media/files/2020/Supplier%20Accreditation%20Policy.pdf
What is/are the Opportunity/-ies Identified?	**Which stakeholders are affected?**	**Management Approach**
RRHI has identified the following opportunities under the material topic: • Greater involvement with micro-, small, and medium enterprises (MSMEs) • Introducing the market to high-quality locally sourced products • Improving demand forecasting	• Suppliers • Customers	RRHI aims to forecast demand more accurately to maintain a just-in-time inventory system. This, in return, increases supply efficiency as goods arrive only when they are needed. RRHI's distribution centers follow a cross-docking system where goods from suppliers are consolidated and sent to RRHI's stores in a strict, time-bound manner. This enables the faster delivery of products and reduces the unnecessary maintenance of stocks. The supermarket segment is currently expanding its existing farm-to-table program, which aims to empower more local farmers to directly supply fresh produce to the different supermarket stores across the country. The Marketplace (TMP) is also increasing the count of local vendors under its Super Goods program, which aims to promote socially responsible products through a 6-point

		scale criteria for social responsibility. Starting in 2023, the supermarket segment launched a 100% traceable and locally sourced seafood line, in partnership with Fishta as the partner vendor and Better Seafood Philippines as the partner civil society group. This project aims to increase the marketing and sales of guaranteed locally sourced and responsibly caught seafood products, helping the fight against illegal and unregistered fishing rampant in the Philippines.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	2021	2022	2023	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to*	100	100	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to**	100	100	100	%
Percentage of directors and management that have received anti-corruption training	73	80	0***	%
Percentage of employees that have received anti-corruption training	100	100	0***	%

**Part of new employee orientation*
***Part of Supplier Accreditation Policy*
****The company is on the process of improving its anti-corruption training for directors and employees.*

Incidents of Corruption

Disclosure	2021	2022	2023	Unit
Number of incidents in which directors were removed or disciplined for corruption	0	0	0	Count
Number of incidents in which employees were dismissed or disciplined for corruption	0	0	0	Count
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0	0	Count

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The impact occurs across multiple touchpoints in the Company's commercial operations where its employees are primarily involved. As a large multi-	• Employees	RRHI has anti-corruption policies and programs contained within its Corporate Governance manual, which are accessible year-round online via the RRHI website (https://www.robinsonsretailholdings.com.ph/corporate-governance/) and are

format retailer, RRHI transacts with multiple stakeholders and safeguards its financial and physical assets against corruption through a culture of integrity and accountability.		further highlighted with the publication of the RRHI Annual Report. Through the Robinsons Retail Academy's New Employees Orientation (NEO) Program, the Company's Code of Ethics and Discipline is discussed as part of the onboarding process. Through this, employees are also made aware of stipulated rules on potential disciplinary actions for offenses. In 2020, the Company increased the number of its Independent Directors from two (2) to four (4) out of the nine (9)-seat Board of Directors. The shift in board composition is strategic to the Company's long-term plans as it benefits from the expertise of its members and fosters impartial insight to protect stakeholder interests, including minority shareholders. The inclusion of Independent Directors and their position as Chairpersons in some Board Committees is also in line with RRHI's adaptation of global best practices for listed corporations.
What is/are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The company identifies potential incidences of corruption across its workforce.	• Employees	The Company relies on the strict implementation of checks and balances across its operational and administrative processes to monitor and track all material transactions. Its Internal Audit procedures and policies, as well as engagement with reputable external auditors, are significant measures to ensure clarity and traceability in Finance and Operations. Stakeholders can also send their concerns through the Company's corporate email address: info-RRH@robinsonsretail.com.ph. In 2022, the Company undertook the creation of an improved reporting system that enables Whistleblowers to report their concerns 24/7 through a secure and seamless end-to-end reporting portal maintained by an independent third-party provider. Called the Robinsons Whistleblowing Platform, the portal was piloted at the beginning of 2023 in selected

		business units and was fully rolled out in the third quarter of the year.
What is/are the Opportunity/-ies Identified?	**Which stakeholders are affected?**	**Management Approach**
No identified opportunities.	*Not applicable.*	*Not applicable.*

ENVIRONMENT

Resource Management

Energy consumption within the organization

Disclosure	2021	2022	2023	Units
Energy consumption (electricity)	286,508,318.6*	355,823,688.9**	383,300,058.4	kWh
Fuel Consumption from Company-Owned Vehicles (gasoline)	178,413.8	173,120.2	133,996.2	Liters
Fuel Consumption from Company-Owned Vehicles (diesel)	164,943.9	194,136.1	156,962.6	Liters
Fuel Consumption from Company Generator Sets (diesel)	339,412.6	251,655.3	80,454***	Liters

**Excluded Uncle John's (formerly Ministop) as data collection for the format was being improved.*
***Including Uncle John's non-franchise stores.*
****Used actual liter of fuel consumed based on receipts versus generator running hours in the past reporting years.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company relies on energy and fuel for its daily operations and across its supply chain. Energy is sourced primarily from the local electrical grid that services areas where the Company's stores operate. RRHI relies on fuel as well for its Company-owned vehicles for management and key officers, as well as its fleet of delivery trucks for services not outsourced to third-party truckers.	• *Suppliers* • *Employees* • *Customers*	At present, RRHI implements energy-saving practices such as maintenance and conversion to energy-efficient materials and appliances, such as LED bulbs, inverter technology air-conditioners, and refrigeration systems with less impact on the environment. The Company also closely monitors compliance requirements from the Department of Energy on standardized measures for energy and resources, especially for sites that may cross the materiality threshold on required disclosures for the agency. Lastly, to save on fleet fuel consumption through guaranteed full utilization of delivery trucks, RRHI practices co-loading of food

		products between the Company's affiliate company, URC and the supermarket and convenience store segments.
What is/are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
RRHI has identified potential increased emissions with increased scale for stores and distribution centers that have not yet converted to energy-efficient technologies.	• *Suppliers* • *Employees* • *Customers*	The Company is developing action plans to reduce the dependence on high-intensity equipment across its operations. The Central Engineering Department spearheads initiatives on the conversion to energy-efficient equipment that use less energy and use refrigerants with a lower carbon footprint once old equipment reach end-of-life usage.
What is/are the Opportunity/-ies Identified?	**Which stakeholders are affected?**	**Management Approach**
RRHI has identified the following opportunities under the material topic: • Scaling sustainable technologies in more stores and distribution centers • Renewable energy • Collaboration with the government and energy companies for scaling up renewable power sources suitable for retail stores.	• *Suppliers* • *Employees* • *Customers*	As a result of the climate vulnerability assessment of business-critical facilities of RRHI, the Company will start to connect with renewable power suppliers to apply renewable power purchase agreements, especially for our distribution centers and big-box stores that require significant amounts of energy. The RRHI head office recently installed its solar panel facility, commencing in the last quarter of 2023. It is expected to be fully operational by the end of the first quarter of 2024. This facility is expected to cover the 25% energy requirement of the head office and will contribute to significant grid electricity savings.

<u>Water consumption within the organization</u>

Disclosure	2021	2022	2023	Units
Water consumption	1,088,704.5	1,058,666.1	2,498,673.5*	Cubic meters (CBM)

**Increase in value is due to improved data gathering practice across the business units.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
As a retailing company, RRHI's core operations are not water intensive as compared to other businesses and source water through local third-party lines.	• Employees	Water consumption is monitored and daily maintenance and monitoring of office pipes are conducted to address leakage.

The Company primarily consumes water through employee lavatories and maintenance of cleanliness in work areas and stores.		
What is/are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Water-stressed areas where our stores, offices, and distribution centers are located can be affected by water interruptions.	• Employees	The Company will conduct a mapping of water-stressed areas using the World Risk Atlas, which is a product of its climate vulnerability assessment findings as water stress is affected by climate change. This informs the necessary risk mitigation plan related to water scarcity.
What is/are the Opportunity/-ies Identified?	**Which stakeholders are affected?**	**Management Approach**
RRHI has identified the following opportunities under the material topic: • Water-recycling in facilities with available footprint for installation • Water-saving campaigns	• Employees • Communities	RRHI is exploring the possible implementation of water-saving facilities across its stores, distribution centers, and headquarters.

Materials used by the organization

Disclosure	2021	2022	2023	Units
Materials used by weight or volume				
• Renewable	2,595.3	3,070.0	3,287.0	Metric Tons (MT)
• non-renewable	1,730.6	2,279.0	1,199.0	MT

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
RRHI's business operations rely on paper and plastic as primary materials for packing goods at the point of sale, which consumers will transport to their homes. The scope of this disclosure includes estimates of weighted plastics and paper (renewable) and plastic (non-renewal) bags centrally procured	• Consumers • Government	RRHI considers packaging of goods, which it procures from third-party suppliers, in its material usage since it does not manufacture goods in its primary business of retail. The Company approaches materials efficiency from both the perspective of compliance and customer engagement. It mitigates potential risks under the

for consumer packaging in stores.		material topic through compliance as a basic level of mitigation and observes strict adherence to the pertinent regulations on using plastic and paper from local governments of its stores. In compliance with the recently enacted EPR Act of 2022, the Company is accounting for its overall rigid and flexible plastic footprint in the following plastic packaging categories: (1) sold house brand products, (2) marketing collaterals, and (3) consumer packaging. The Company has been active in its plastic collection programs in collaboration with the Gokongwei Group through the "Juan Goal for Plastic" program. The in-store plastic collection was expanded and other means of collection were implemented. The footprint will also be considered in the indirect emissions (scope 3 GHG) accounting of the Company to further reinforce the commitment to reduce the use of plastic bags, which has an overall higher emission factor than paper bags.
What is/are the Risk/s Identified?	**Which stakeholders are affected?**	
RRHI has identified the following risks under the material topic • Policy/legislative risks through sanctions • Extended Producer Responsibility Act (EPR) of 2022 • Potential excise tax on single-use plastics • Environmental risks of plastic leakage	• Consumers • Government	
What is/are the Opportunity/-ies Identified?	**Which stakeholders are affected?**	
RRHI has identified the following opportunities under the material topic: • Searching for viable alternatives to plastic • Sourcing less resource-intensive and invasive materials • Identifying the recyclability of materials used by the Company	• Consumers • Government	

Environmental Impact Management

Air Emissions: GHG

Disclosure	2021	2022	2023	Units
Scope 1 GHG Emissions	170,462.7	136,466.4	117,258.2	Metric Tons of CO_2 equivalent ($MTCO_2e$)
Scope 2 GHG Emissions (electricity)	198,776.3	255,044.5*	274,498.7	$MTCO_2e$

**Emission factors (based on recommended emission factors from the Department of Energy) used are as follows: (1) 0.7122 MTCO2e for stores located in Luzon and Visayas and (2) 0.7797 MTCO2e for stores located in Mindanao. In past reports, the emission factor for the Luzon-Visayas grid (0.7122 MTCO2e) was used across all the electricity consumption values*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach

<table>
<tr><td>Refrigerant leakages from the daily use of refrigeration and air conditioning systems in the stores and electricity to power the stores are the top sources of direct and indirect GHG emissions of RRHI, not accounting for yet other indirect (Scope 3) GHG emissions.</td><td>Suppliers
Employees
Customers</td><td>RRHI ensures close monitoring of the consumption of refrigerants and electricity to reduce consumption while not sacrificing the overall quality of operations. The Company has also been starting to fully ban R-22 refrigerants for cooling equipment, in line with the mandate of the Montreal Protocol to phase-out this high-impact refrigerant by 2030. Furthermore, the Company has started to replace old cooling equipment alongside the introduction of lower-emission refrigerants.</td></tr>
<tr><th>What is/are the Risk/s Identified?</th><th>Which stakeholders are affected?</th><th>Management Approach</th></tr>
<tr><td>More rigorous climate disclosure legislation poses significant risks in terms of added investment to transition to lower GHG emissions across the Company operations and tax implications. Greenwashing also continues to be a risk so the Company ensures transparent and verifiable disclosures with achievable climate targets.</td><td>Investors
Government
Suppliers
Customers</td><td rowspan="3">RRHI keeps abreast on the latest developments on climate disclosure requirements through external assurance of scope 1 and 2 GHG emissions and mapping of other indirect (scope 3) GHG emissions. The Company also recently conducted its climate resilience project to assess crucial Company facilities in terms of vulnerability to physical climate risks and their corresponding potential financial impacts. This project leads to the upcoming climate transition roadmap to be conducted in 2024 as the Company aspires to contribute to the net-zero climate ambition across the globe.</td></tr>
<tr><th>What is/are the Opportunity/-ies Identified?</th><th>Which stakeholders are affected?</th></tr>
<tr><td>The Company sees potential opportunities in climate mitigation and adaption in terms of the following: (1) applying the learnings in the recently concluded climate resiliency project to climate-proof the crucial Company facilities, (2) renewable energy investments, (3) use of lower-impact refrigerants, (4) operational efficiencies through alternative energy and refrigerant usages, and (5) potential government incentives in adapting lower-carbon practices.</td><td>Investors
Government
Suppliers
Customers</td></tr>
</table>

Environmental Compliance

<u>Non-compliance with Environmental Laws and Regulations</u>

Disclosure	2021	2022	2023	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	0	0	Php
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0	0	Count
No. of cases resolved through dispute resolution mechanism	0	0	0	Count

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The potential impact is environmental in nature and would occur on a per-location basis (e.g., stores), with some stores having pending cases on environmental compliance, albeit not breaching the Company's materiality threshold RRHI has an Environment, Health, and Safety Policy that considers measures to mitigate any potential issues under the topic.	*Not applicable.*	Please see the Company's EHS Policy: *http://www.robinsonsretailholdings.com.ph/corporate-governance/corporate-environment-health-and-safety-policy*
What is/are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
No identified material risks	*Not applicable.*	*Not applicable.*
What is/are the Opportunity/-ies Identified?	**Which stakeholders are affected?**	**Management Approach**
No identified material opportunities	*Not applicable.*	*Not applicable.*

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee Data

Disclosure	2021	2022	2023	Units
Total number of employees[2]	20,535	21,495	23,172	Count
a. Number of female employees	14,629	15,281	16,331	Count
b. Number of male employees	5,906	6,214	6,841	Count
Voluntary Attrition rate	9	19	21	%

[2] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

Employee Benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	41	32
PhilHealth	Y	7	2
Pag-ibig	Y	13	9
Parental leaves	Y	0.57	0.06
Vacation leaves	Y	75	74
Sick leaves	Y	42	35
Medical benefits (aside from PhilHealth))	Y	83	82
Housing assistance (aside from Pag-ibig)	N	-	-
Retirement fund (aside from SSS)	Y	1	1
Further education support	N	-	-
Company stock options	N	-	-
Telecommuting	Y	-	-
Flexible-working Hours	N	-	-
(Others)	-	-	-

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Benefits and compensation are key factors in determining employee satisfaction and talent retention for RRHI to maintain its operations.	The Company benchmarks its rates against industry standards and ensures that it is aligned with the 25th percentile in the general industry salary structure. RRHI also provides benefits beyond what is mandated by the government. These include transport services, assistance, allowance package, loans, and various other incentives. RRHI also offers career development and regular training programs apt for the overall career growth of the employees.
What is/are the Risk/s Identified?	**Management Approach**
RRHI has identified the following risks under the material topic: • Attrition • Employee poaching by competitors	RRHI believes that adequate compensation and above-average benefits are effective strategies for talent acquisition and retention. The Company benchmarks its rates against industry standards and ensures that it is aligned with the 25th percentile in the general industry salary structure. RRHI also provides benefits beyond what is mandated by the government. These include transport services, assistance, allowance packages, loans, and various other incentives. RRHI also offers career development and regular training programs for the overall career growth of the employees.
What is/are the Opportunity/-ies Identified?	**Management Approach**

RRHI sees increased engagement with a younger employee base as an opportunity for talent retention, as well as gaining deeper insight into factors that contribute to attrition.	RRHI is exploring ways to grow and retain talent by understanding the culture and priorities of a new breed of Millennial and Generation Z employees through open lines of communication between employees and their immediate supervisors, as well as creating an inclusive and flexible work environment that allows employees to create their work routines and methods for productivity. For 2023, the Company has introduced Sustainability 101 as an addition to its new employee orientation to increase the awareness of employees on the ESG programs of the Company. For 2024, the Company will be expanding its training on ESG across different functions for better embedding of ESG principles in business operations.

Employee Training and Development

Disclosure	2021	2022	2023	Units
Total training hours provided to employees	124,307.6	158,706.9	238,595.12	hours
a. Female employees	83,770.2	125,011.4	190,813.05	hours
b. Male employees	40,537.5	33,477.4	47,782.07	hours
Average training hours provided to employees	6.1	11.6	10.2	Hours/employee
a. Female employees	5.5	11.6	11.7	hours/employee
b. Male employees	6.4	11.4	7.0	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
The primary goal of RRHI's training and development programs is to improve the productivity and efficiency of employees by providing them with the necessary skills and knowledge to perform their jobs effectively. The Company believes that if it helps employees develop new skills or upskill their existing ones, it promotes organizational effectiveness at all levels. By investing in employee development, the Company can improve employee retention, morale, and job satisfaction, leading to a more productive and engaged workforce. The training programs cover a wide range of topics, such as leadership, project management, communication skills, sales, customer service, and technical skills. The training can be delivered in various formats, including classroom sessions, online courses,	The Robinsons Retail Academy (RRA) is the branded academy designed by the Learning & Organizational Development Team to provide learning opportunities to its employees. It is a structured approach to employee development that aims to enhance skills, knowledge, and expertise in the organization. The academy typically provides a range of training courses, workshops, and seminars that are relevant to the Company's business objectives and the professional development of its employees. The major programs being implemented by the Academy include: 1. Foundational Curricula – learning programs that prepare the heart and minds of employees with the culture of the organization. • New Employee Orientation Program

webinars, and workshops. The programs can also provide coaching and mentoring to help employees apply the knowledge and skills they have learned in their work.	• Retail Excellence Curriculum • Digital Learning Program 2. Leadership & Management Curricula – learning programs that equip talents with the RRHI Core Competencies; Customer Experience and Digital Marketing, Leadership, Retail Operations, Supply Chain, and Business Finance.
What is/are the Risk/s Identified?	**Management Approach**
RRHI has identified the following risks under the material topic: • Attrition • Employee poaching from competitors	RRA is an effective way to invest in employee development and improve the overall productivity and efficiency of an organization. By providing a range of training opportunities that are relevant and aligned with the Company's objectives, a learning academy can help employees develop new skills and enhance their expertise, leading to a more engaged and productive workforce. With an increased focus on career development, and promoting learning opportunities that encompass both functional and leadership competencies, the Company aims to build a high-performing culture that attracts and retains talents.
What is/are the Opportunity/-ies Identified?	**Management Approach**
RRHI has identified the following opportunities under the material topic: • Expansion of the scope of Robinsons Retail Academy's Training Programs • Monitoring the training progress of employees • Using a data-driven approach to craft training programs for RRHI employees	Every year, RRHI conducts a Training Needs Assessment, the results of which serve as the basis of RRHI Human Resources and Learning & Organizational Development Team, to design and develop new learning and further development opportunities.

Labor-Management Relations

Disclosure	2021	2022	2023	Units
Percentage of employees covered with Collective Bargaining Agreements*	7.5	5.9	5.9	%
Number of consultations conducted with employees concerning employee-related policies	Data not gathered yet	Data not gathered	Data not gathered	Count

**Some employees in Rose Pharmacy*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
RRHI's Labor Management Relations impact its operations and carry implications on employee welfare.	RRHI strives to create open channels of communication between employees and their supervisors, and safe spaces to discuss issues, inquiries, and ideas among peers at the workplace. In our whistle-blowing policy, not only is anti-retaliation embedded but the new Robinsons Whistleblowing Platform, which is maintained by an independent third-party, allows anonymity in reporting to ensure the safety of employees airing out grievances. Also, through the leadership of RRHI's central HR department, the respective HR departments from each business unit provide an avenue for airing out work-related concerns and inquiries.
What is/are the Risk/s Identified?	
RRHI has identified the following risks under the material topic: • Limited visibility on employee issues • Attrition	
What is/are the Opportunity/-ies Identified?	
RRHI has identified the following opportunities under the material topic: • Monitoring employee consultation • Communicating Company policies on grievance mechanisms	

Diversity and Equal Opportunity

Disclosure	2021	2022	2023	Units
Percentage of female workers in the workforce	71.2	71.1	70.5	%
Percentage of male workers in the workforce	28.8	28.9	29.5	%
Percentage of female workers in executive-level positions	63.0	56.8	54.5	%
Percentage of male workers in executive-level positions	37.0	43.2	45.5	%
Percentage of female workers in managerial & supervisory roles	66.9	63.5	66.1	%
Percentage of male workers in managerial & supervisory roles	33.1	36.5	33.9	%
Percentage of female workers in rank & file positions	74.2	74.9	74.0	%
Percentage of male workers in rank & file positions	25.8	25.1	26.0	%
Number of employees from indigenous communities and/or vulnerable sectors*	23	23	22	Count

**Vulnerable sector includes the elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E). The count of employees declared are the PWDs from Southstar Drug (SSD)*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
RRHI's employee base is female-dominated, with around 70% of positions occupied by women, both for the overall workforce and managerial	RRHI's hiring process and organizational culture take an objective, non-gendered approach to determining the compensation rates

positions. The leadership of the Company is also female-led with its President and CEO, Robina Gokongwei-Pe. Several other high-ranking officers are also female.	of its employees, from the hiring process to the onboarding of the employee. Compensation rates are also merit- and qualification-based and benchmarked with industry rates. More recently, on January 23, 2023, RRHI marked its re-inclusion in the Bloomberg LP Gender-Equality Index (GEI) 2023, which is based on the social data of companies in 2021. The GEI is a modified market capitalization-weighted index that aims to track the performance of public companies committed to transparency in gender-data reporting across five dimensions: female leadership & talent pipeline; equal pay and gender pay parity; inclusive culture; anti-sexual harassment policies; and pro-women brand. The current list is comprised of 484 companies across 11 sectors, 45 countries, and 54 industries with Robinsons Retail being one of only four Filipino companies in the 2023 GEI. This is RRHI's second year in the GEI.
What is/are the Risk/s Identified?	**Management Approach**
No identified material risks.	*Not applicable.*
What is/are the Opportunity/-ies Identified?	**Management Approach**
RRHI has identified the following opportunities under the material topic: • Enhanced facilities for mothers • Identifying potential gender-based issues	Although the current organizational culture of RRHI has strived to be gender-inclusive, the Company sees opportunities to further articulate its standards on non-discrimination through publicly-accessible policies.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	2021	2022	2023	Units
Safe Man-Hours	51,419,640	12,822,656	58,021,056	Man-hours
No. of work-related injuries	0	4	17	Count
No. of work-related fatalities	0	0	0	Count
No. of work-related ill-health	0	0	1	Count
No. of safety drills	0	0	19	Count

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach

<table>
<tr><td>Occupational Health and Safety impacts the welfare of RRHI's employees and their capacity and morale to work for the Company.</td><td rowspan="3">The Company recognizes and accepts its statutory responsibility to provide safe and healthy working conditions for employees, customers, and other stakeholders who visit the Company's premises, patronize its establishments, shop, or dine in its stores or may be affected by its activities.

Please see:
Stakeholders' Health, Safety, and Welfare Policy: http://www.robinsonsretailholdings.com.ph/download.php?file=media/files//Health%20Safety%20and%20Welfare%20Policy.pdf or http://www.robinsonsretailholdings.com.ph/corporate-governance/stakeholders-health-safety-and-welfare</td></tr>
<tr><td>What is/are the Risk/s Identified?</td></tr>
<tr><td>RRHI has identified the following risks under the material topic:
Work-related accidents and injuries leading to permanent disability or fatality
Occurrence of Fire Emergencies</td></tr>
<tr><td>What is/are the Opportunity/-ies Identified?</td><td>Management Approach</td></tr>
<tr><td>No identified material opportunities.</td><td>Not applicable.</td></tr>
</table>

Labor Laws and Human Rights

Disclosure	2021	2022	2023	Units
No. of legal actions or employee grievances involving forced or child labor	0	0	0	Count

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If yes, cite the reference in the company policy
Forced labor	N	N/A
Child labor	N	N/A
Human Rights	N	N/A

<table>
<tr><td>What is the impact and where does it occur? What is the organization's involvement in the impact?</td><td>Management Approach</td></tr>
<tr><td>The topic impacts the welfare of RRHI's employees as they are hired and work for the Company.</td><td rowspan="3">At present, the Company complies with applicable laws and regulations on employee welfare, primarily the Labor Code, and has grievance and communications mechanisms in place to get in touch with the management. RRHI is in the process of crafting policies that specifically address these areas of human rights and labor.</td></tr>
<tr><td>What is/are the Risk/s Identified?</td></tr>
<tr><td>RRHI has identified the following risks under the material topic:</td></tr>
</table>

• Potential Human rights and labor violations within the Company • Reputational risks	The new Robinsons Whistleblowing Platform, which is maintained by an independent third-party, also allows employees and other stakeholders to report issues that infringe on an individual's human and labor rights. Please see • Company Policies tab under http://www.robinsonsretailholdings.com.ph/corporate-governance/manual-1 • Robinsons Whistleblowing Platform https://tipoffs.com.ph/robinsons-whistleblower/
What is/are the Opportunity/-ies Identified?	**Management Approach**
No identified material opportunities.	*Not applicable.*

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

YES. Please See:
http://www.robinsonsretailholdings.com.ph/corporate-governance/supplier-accreditation-policy

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If yes, cite the reference in the supplier policy
Environmental performance	Y	Sustainable Value Chain Policy: https://www.robinsonsretailholdings.com.ph/corporate-governance/
Forced labor	Y	
Child labor	Y	
Human rights	Y	
Bribery and corruption	Y	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
RRHI's Supply Chain impacts the availability of stocks sold in its stores. It involves the Company's network of suppliers and service providers, which are crucial in its operations, as well as the welfare of workers across the supply chain.	RRHI presently has an accreditation policy that primarily qualifies suppliers based on their capacity to operate and supply the quality and quantity demands of the business, as well as pertinent documentation and government permits on their license to operate where applicable.
What is/ are the Risk/s Identified?	

RRHI has identified the following risks under the material topic: • Lawsuits of potential labor and human rights violations • Reputational risks of lawsuits **What is/are the Opportunity/-ies Identified?** RRHI has identified the following opportunities under the material topic: • Further engagement with MSMEs in the Supply Chain • Fostering sustainability practices across vendors	The Company recently adopted a sustainable value chain policy, which complements the Company's supplier accreditation policy and aims to provide general guidelines and expectations for ensuring a sustainable approach to all aspects of its operations. A product of this recent policy implementation is the cascade of supplier ESG questionnaires to the top 100 suppliers of the supermarket segment to assess the overall maturity of these suppliers on key ESG topics in alignment with RRHI's ESG objectives. This questionnaire will also be cascaded to the top vendors of the drugstore segment in 2024.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that of particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Inclusion of PWDs in the workforce	SSD stores	PWDs	N	Access to employment opportunities without prejudice toward disabilities	Exploration of opportunities to replicate the initiative across other aspects of operations within the Company
Selling of Generic Medicine	TGP stores SSD Generics Rose Generics	Class D and E Market	N	Access to affordable healthcare	Store expansion to widen the reach of accessible medicine and increase generic product offerings in different medicine types
Farm-to-table Program (Direct local sourcing from small-hold farmers)	Supermarkets	Class D and E farmers	N	Support to livelihood through market access	Increasing scale and gathering granular data on the contributions of the Company

					to the livelihood of farmers
Super Goods (products from local MSMEs which are labeled as socially responsible)	Supermarket (The Marketplace)	MSMEs	N	Support livelihood through empowering local MSMEs	Increase the count of accredited MSMEs and product offerings to achieve the 1 % sales contribution target of Super Goods products in the medium term.
Uniform Sourcing	Central Procurement	Class D and E workers	N	Support to livelihood	Increasing scale and gathering granular data on the contributions of the Company to the livelihood of workers
PWD and Senior Citizen Discounts	Stores that sell applicable goods	PWD and Senior Citizens	N	Access to affordable goods	Strengthening systems that keep track of PWD or Senior Citizen discounted transactions for greater visibility
Big Switch with Caritas Manila (exchange of old DIY items from customers with new products at a discounted price, in which the old equipment will be used for the skills training of technical and vocational education students)	DIY segment	Class D and E technical and vocational education students	N	Access to quality education through increased availability of equipment for skills training	Expansion of the scale of the programs to cover more participating DIY stores and increasing partnerships with other external organizations
The potential contribution of products from RRHI house brands contributing to plastic pollution	All stores except appliances and DIY segment	N/A	N	Environmental conservation	Development of plastic collection and diversion programs across RRHI stores to meet plastic neutrality targets in line with the EPR Act of 2022.

**Vulnerable sector includes children and youth, the elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

Customer Management

Customer Satisfaction

<table>
<tr><th>What is the impact and where does it occur? What is the organization’s involvement in the impact?</th><th>Management Approach</th></tr>
<tr><td>Customer satisfaction is a key driver of loyalty for RRHI’s customer-centric approach to retailing. The Company makes sure that complaints are being handled accordingly across all its stores. In the coming years, the Company will consider commissioning third-party agencies to conduct customer satisfaction (CSAT) studies.</td><td>Under the BSP Circular 857 Regulation on Financial Consumer Protection, RRHI crafted a comprehensive Consumer Protection Manual initially implemented through its department stores. RRHI approaches customer satisfaction by putting in place quality control and assurance policies and avenues where customers may communicate any form of feedback on the Company’s stores and brands, which include the contact information available on RRHI’s and its Business Units’ websites, as well their respective social media channels. Stores also have Customer Service kiosks to communicate their management concerns.

RRHI recently adopted a customer welfare policy, which provides general guidelines and expectations for providing customers with a positive shopping experience and ensuring their welfare while they are in RRHI’s stores or interacting with related services.

Please see:

• Customer Welfare Policy: https://www.robinsonsretailholdings.com.ph/corporate-governance/</td></tr>
<tr><th>What is/are the Risk/s Identified?</th><th>Management Approach</th></tr>
<tr><td>RRHI has identified the following risks under the material topic:

• Reputational risks due to negative feedback expressed on social media
• Reduction of sales</td><td rowspan="3">RRHI’s subsidiaries conduct regular customer training programs to equip in-store personnel on how to address customer concerns and when to escalate issues to upper management. RRHI understands its reliance on customer satisfaction for repeated purchases and acknowledges the gap in data collection, despite its mitigation efforts during its daily operations.</td></tr>
<tr><th>What is/are the Opportunity/-ies Identified?</th></tr>
<tr><td>RRHI has identified the following opportunities under the material topic:

• Deeper customer engagement
• Brand recall and loyalty</td></tr>
</table>

Health and Safety

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Health and Safety impact the Company's stakeholders, primarily our consumers, and employees. Each of the Company's subsidiaries, therefore, employs proper handling and storage of all products, as well as protocols on quality assurance, safety precautions, and addressing deviations from normal product quality.	RRHI recently published its customer welfare policy, which provides general guidelines and expectations for providing customers with a positive shopping experience and ensuring their welfare while they are in RRHI's stores or interacting with related services. *Please see:* • Customer Welfare Policy: https://www.robinsonsretailholdings.com.ph/corporate-governance/
What is/are the Risk/s Identified?	
RRHI has identified the following opportunities under the material topic: • Consumer health • Reputational risks	
What is/are the Opportunity/-ies Identified?	**Management Approach**
No identified opportunities.	*Not applicable.*

Marketing and labeling

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Marketing and labeling impact the decisions of customers in purchasing products from RRHI's stores, as well as their level of satisfaction with the products they purchase.	Please see sample Guidelines & Procedures on Customer complaint handling under the Customer Protection Manual for Robinsons Department Store: http://www.robinsonsretailholdings.com.ph/corporate-governance/consumer-protection-manual
What is/ are the Risk/s Identified?	
RRHI has identified the following risks under the material topic: • Product complaints from customers • Health and safety concerns of customers	
What is/are the Opportunity/-ies Identified?	**Management Approach**
No identified material opportunities.	*Not applicable.*

Customer Privacy

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The material topic impacts the rights of customers to the privacy of their data and it	RRHI conducted a review to assess its sources of customer data, which are primarily through its

occurs through transactions with the Go Rewards Loyalty Program and cashless transactions as well as when they access the Company's and its subsidiaries' websites.	Loyalty Program and websites. This review led to RRHI's Data Privacy Policy, where customers and partners are informed on their rights to their personal information, as well as how the Company protects and utilizes the data it collects. Customers are also given prompts to indicate consent on the use of data that may be collected through websites and the Go Rewards mobile application, and that they have read and understood RRHI's Data Privacy Policy. *Please see:* • Data Privacy Policy: http://www.robinsonsretailholdings.com.ph/privacy-policy
What is/are the Risk/s Identified?	**Management Approach**
RRHI has identified potential lawsuits for misuse of customer data.	RRHI's Data Privacy Policy outlines for customers how their data is collected and stored and has a dedicated Data Privacy Officer to handle issues on possible breaches. Likewise, RRHI's subsidiary websites and the Go Rewards app have in place security mechanisms to mitigate potential issues on data protection.
What is/are the Opportunity/-ies Identified?	**Management Approach**
No identified opportunities.	*Not applicable.*

Data Security

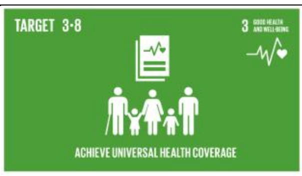
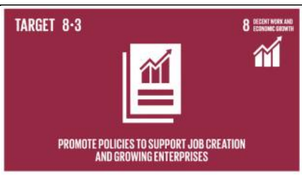
What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Internally, RRHI stores and collects a multitude of data across its operational functions, which measure its performance across financial and non-financial indicators.	RRHI has implemented measures internally that are overseen by its Information Security Department to protect its data, including security software and information dissemination to inform employees of potential phishing mechanisms. Company data is also securely stored in "the cloud" through Azure and AWS, which addresses limited storage capacity in local servers. The technology offers better reliability as these vendors offer higher storage availability through its world-class infrastructure when compared to RRHI building its infrastructure, which may carry higher costs in capital expenditures. Cloud storage is also highly flexible, where the Company can increase and decrease capacity as needed. Along with its capability to store vast amounts of data, RRHI can

	also take advantage of cloud-native tools to run parsing and streamlined analytics.
What is/are the Risk/s Identified?	**Management Approach**
RRHI has identified the following risks under the material topic: • Data breaches • Destruction of digital and physical assets that house confidential data	RRHI crafts robust business continuity plans that consider the protection of its data assets.
What is/are the Opportunity/-ies Identified?	**Management Approach**
No material opportunities were identified.	*Not applicable.*

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

<u>Key products and services and their contribution to sustainable development.</u>

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Fresh produce, ready-to-eat products, and packaged food items in the Supermarket and Convenience Store businesses	 	Potential increase in plastic pollution given that most items are packaged in single-use plastics, and potential increases in greenhouse emissions of landfilled organic waste	• In-store waste segregation • Store- and community-based plastic collection and diversion programs • Collaboration with external partners in food rescue programs • Better inventory management
Medicines and medical supplies through Southstar Drug, Rose Pharmacy, and TGP		Potential increase in plastic pollution given that most items are packaged plastic; potential misuse of pharmaceutical products and expired products	• In-store waste segregation • Store- and community-based plastic collection and diversion programs • Stringent standards and procedures on prescription drugs and disposal of expired items
Job creation through MSME participation across all the Business Units and through the franchise business model		Potential displacement of smaller players in the different retail format spaces	• Engaging and empowering MSMEs and franchisees by giving them access to mainstream markets as suppliers to the business units

offering of Uncle John’s and TGP			
Job creation across all Business Units		Potential difficulty in monitoring work conditions across all locations of operations as the Company increases the scale	• Employee Engagement Programs • Policies on compliance with pertinent labor laws and regulations • Empowering the Human Resources Department to monitor employee welfare and the effectiveness of grievance mechanisms
A diverse workforce and inclusive working conditions		The potential occurrence of gender bias in hiring or advertising.	• Propagating a culture of Gender Empowerment from the top level • Implementing of policies for non-discriminatory hiring.

ROBINSONS RETAIL HOLDINGS INC. AND SUBSIDIARIES

INDEX TO CONSOLIDATED COMPANY FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

CONSOLIDATED COMPANY FINANCIAL STATEMENTS

Consolidated Statements of Financial Position as of December 31, 2023 and 2022

Consolidated Statements of Comprehensive Income for the periods December 31, 2023, 2022 and 2021

Consolidated Statements of Changes in Equity for the periods December 31 2023, 2022 and 2021

Consolidated Statements of Cash Flows for the periods December 31, 2023, 2022 and 2021

SUPPLEMENTARY SCHEDULES

Report of Independent Auditors on 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

IV. Schedule of Financial Soundness Indicators

ROBINSONS RETAIL
HOLDINGS, INC.

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 year ended **December 31, 2023, 2022 and 2021**, 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 22 MAR 2024 day of March 2024.

ROBINSONS RETAIL HOLDINGS, INC.
110 E. Rodriguez, Jr. Avenue, Libis, Quezon City 1110, Philippines
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E info@robinsonsretail.com.ph
www.robinsonsretail.com.ph

conso

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	116-312-586-000	
Robina Gokongwei Pe	139-634-860-000	
Mylene A. Kasiban	DO4-97-108149	September 22, 2022 / Quezon City
Graciela Banatao	P2701269C	December 17, 2022 / Manila

Known to me and 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.: 27
Page No.: 4
Book No.: VII
Series of 2024.

Mariper Aguilar
ATTY. MARIPER B. AGUILAR
Notary Public for Quezon City
Until December 31, 2025
IBP No. 390487 - Jan. 3, 2024
MCLE Compliance No. VII-00016
Appointment No. N-93 (2024-2025)
PTR No. 5555049 Jan. 2, 2024
Quezon City Roll No. 73209
28 Baker St., Fairmond Subd., Brg.
North Fairview, Quezon City

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Robinsons Retail Holdings, Inc.
110 E. Rodriguez, Jr. Avenue,
Bagumbayan, Quezon City

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Robinsons Retail Holdings, Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, 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, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 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 Group 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 ₱29.67 billion which comprise 19% of its total assets as of December 31, 2023, as disclosed in Note 9 of the consolidated financial statements. The Group has 2,393 owned stores and warehouses throughout the country as of December 31, 2023. 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 including 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 on a sampling basis, traced to supporting documents the reconciling items. We reviewed the rollforward or roll backward procedures performed by management and, on a sampling basis, we tested the intervening 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, 2023, the Group's trademarks amounted to ₱7.95 billion and goodwill arising from business combinations amounted to ₱14.73 billion. These are considered 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, 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 to 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 and gross margin against the historical performance of the CGU, industry/market outlook, and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. For EV/EBITDA, we assessed if the comparable entities selected by the Group closely represent each cash generating unit to which the intangible asset 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, 2023, 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, 2023 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 they become available and, in doing so, consider whether the other information are materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appear 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 the 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 John T. Villa.

SYCIP GORRES VELAYO & CO.

John T. Villa
Partner
CPA Certificate No. 94065
Tax Identification No. 901-617-005
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-076-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10082033, January 6, 2024, Makati City

March 22, 2024

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

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7 and 27)	**₱13,172,501,481**	₱17,766,987,346
Trade and other receivables (Notes 8, 24, 27 and 29)	**3,948,336,866**	3,527,552,514
Merchandise inventories (Note 9)	**29,668,487,299**	27,469,818,076
Other current assets (Note 10)	**1,682,006,173**	2,434,118,767
	48,471,331,819	51,198,476,703
Noncurrent Assets Held For Sale (Note 13)	**8,318,381,007**	8,318,381,007
Noncurrent Assets		
Debt and equity instrument financial assets (Notes 11 and 27)	**26,411,044,047**	8,965,043,768
Property and equipment (Note 12)	**23,392,381,560**	22,647,559,783
Right-of-use assets (Note 28)	**19,913,623,871**	22,154,925,469
Investment in associates (Note 13)	**1,721,329,651**	1,635,146,466
Intangible assets (Notes 14 and 19)	**22,679,858,042**	22,645,616,385
Deferred tax assets – net (Note 25)	**1,453,142,872**	1,272,895,980
Retirement plan asset (Notes 22 and 23)	**166,454,912**	290,531,620
Other noncurrent assets (Notes 15 and 27)	**2,495,368,160**	2,397,560,807
	98,233,203,115	82,009,280,278
	₱155,022,915,941	₱141,526,137,988
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 16, 24 and 27)	**₱26,898,586,030**	₱27,490,345,252
Short-term loans payable (Notes 17 and 27)	**8,129,000,000**	8,409,000,000
Lease liabilities – current portion (Note 28)	**3,586,524,281**	3,500,576,587
Income tax payable	**144,920,862**	154,839,061
Other current liabilities (Note 27)	**514,002,010**	542,609,390
	39,273,033,183	40,097,370,290
Noncurrent Liabilities		
Lease liabilities – net of current portion (Note 28)	**20,458,068,196**	22,523,077,675
Loans payable (Notes 17 and 27)	**13,240,161,663**	–
Deferred tax liabilities – net (Note 25)	**2,065,341,944**	2,052,932,515
Retirement obligation (Notes 22 and 23)	**608,418,913**	279,090,496
	36,371,990,716	24,855,100,686
	75,645,023,899	64,952,470,976
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	**(6,410,402,228)**	(5,425,324,182)
Other comprehensive income (loss) (Notes 11, 13 and 23)	**2,266,083,092**	(417,678,756)
Equity reserve	**(742,678,028)**	(742,678,028)
Retained earnings (Note 18)		
Appropriated	**16,405,752,847**	17,277,752,847
Unappropriated	**21,416,540,368**	19,392,171,193
Total equity attributable to equity holders of the Parent Company	**75,279,988,308**	72,428,935,331
Non-controlling interest in consolidated subsidiaries	**4,097,903,734**	4,144,731,681
	79,377,892,042	76,573,667,012
	₱155,022,915,941	₱141,526,137,988

See accompanying Notes to Consolidated Financial Statements.

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

	Years Ended December 31		
	2023	2022	2021
SALES – Net of sales discounts and returns (Notes 6, 20 and 24)	**₱192,125,861,609**	₱178,821,069,060	₱153,327,360,466
COST OF MERCHANDISE SOLD (Notes 6 and 9)	**146,525,751,582**	136,538,881,790	118,101,349,532
GROSS PROFIT (Note 6)	**45,600,110,027**	42,282,187,270	35,226,010,934
ROYALTY, RENT AND OTHER REVENUE (Notes 6, 20, 24, 28 and 29)	**1,189,475,583**	1,159,343,047	869,963,952
GROSS PROFIT INCLUDING OTHER REVENUE (Note 6)	**46,789,585,610**	43,441,530,317	36,095,974,886
OPERATING EXPENSES (Notes 21, 22, 23, 28 and 29)	**(37,847,703,797)**	(34,743,107,151)	(30,036,523,571)
OTHER INCOME (CHARGES)			
Interest income (Notes 6, 7 and 11)	**256,539,596**	389,738,492	446,828,491
Equity in net earnings (losses) in associates (Notes 6 and 13)	**(821,268,143)**	13,706,659	292,071,188
Dividend income (Notes 6, 11 and 13)	**1,263,746,088**	293,940,980	76,941,788
Foreign currency exchange gains (loss) – net (Note 6)	**(64,811,987)**	357,092,695	230,024,576
Interest expense (Notes 6, 17 and 28)	**(3,122,961,869)**	(1,988,135,849)	(1,960,893,202)
Others (Notes 11, 14, 19 and 28)	**(280,410,025)**	222,449,586	124,654,828
	(2,769,166,340)	(711,207,437)	(790,372,331)
INCOME BEFORE INCOME TAX (Note 6)	**6,172,715,473**	7,987,215,729	5,269,078,984
PROVISION FOR INCOME TAX (Note 25)			
Current	**1,620,387,824**	1,636,402,421	1,122,465,120
Deferred	**(96,847,231)**	(85,234,520)	(703,827,609)
	1,523,540,593	1,551,167,901	418,637,511
NET INCOME	**4,649,174,880**	6,436,047,828	4,850,441,473
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)	**(173,534,451)**	(1,005,054,395)	141,611,784
Share in changes in fair value of debt financial assets in associates (Note 13)	**–**	96,151,121	(453,700,424)
Share in changes in translation adjustment in investment entities	**126,670,591**	19,837,466	49,301,149
Income tax effect	**–**	(24,621,736)	108,632,686
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)	**2,975,568,299**	(97,596,249)	7,783,750
Share in actuarial gain (losses) on retirement obligation in associates (Note 13)	**–**	20,190,697	(745,075)
Remeasurement gain (losses) on retirement obligation (Note 23)	**(336,299,975)**	241,543,942	345,526,680
Income tax effect	**76,412,034**	(65,404,977)	(173,604,904)
	2,668,816,498	(814,954,131)	24,805,646
TOTAL COMPREHENSIVE INCOME	**₱7,317,991,378**	₱5,621,093,697	₱4,875,247,119

(Forward)

	Years Ended December 31		
	2023	2022	2021
Net income attributable to:			
Equity holders of the Parent Company	**₱4,097,068,755**	₱5,847,403,159	₱4,527,833,319
Non-controlling interest in consolidated subsidiaries	**552,106,125**	588,644,669	322,608,154
	₱4,649,174,880	₱6,436,047,828	₱4,850,441,473
Total comprehensive income attributable to:			
Equity holders of the Parent Company	**₱6,780,830,603**	₱4,987,027,366	₱4,536,235,276
Non-controlling interest in consolidated subsidiaries	**537,160,775**	634,066,331	339,011,843
	₱7,317,991,378	₱5,621,093,697	₱4,875,247,119
Basic/Diluted Earnings Per Share (Note 26)	**₱2.78**	₱3.93	₱2.95

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	
						Retained Earnings				
	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)	Appropriated (Note 18)	Unappropriated (Note 18)	Total	(Note 18)	Total
					For the Year Ended December 31, 2023					
Balance at beginning of year	**₱1,576,489,360**	**₱40,768,202,897**	**(₱5,425,324,182)**	**(₱417,678,756)**	**(₱742,678,028)**	**₱17,277,752,847**	**₱19,392,171,193**	**₱72,428,935,331**	**₱4,144,731,681**	**₱76,573,667,012**
Net income	–	–	–	–	–	–	**4,097,068,755**	**4,097,068,755**	**552,106,125**	**4,649,174,880**
Other comprehensive income	–	–	–	**2,683,761,848**	–	–	–	**2,683,761,848**	**(14,945,350)**	**2,668,816,498**
Total comprehensive income	–	–	–	**2,683,761,848**	–	–	**4,097,068,755**	**6,780,830,603**	**537,160,775**	**7,317,991,378**
Dividends declared	–	–	–	–	–	–	**(2,944,699,580)**	**(2,944,699,580)**	**(583,988,722)**	**(3,528,688,302)**
Appropiration	–	–	–	–	–	**332,000,000**	**(332,000,000)**	–	–	–
Reversal of appropriations	–	–	–	–	–	**(1,204,000,000)**	**1,204,000,000**	–	–	–
Purchase of treasury shares	–	–	**(985,078,046)**	–	–	–	–	**(985,078,046)**	–	**(985,078,046)**
Balance at end of year	**₱1,576,489,360**	**₱40,768,202,897**	**(₱6,410,402,228)**	**₱2,266,083,092**	**(₱742,678,028)**	**₱16,405,752,847**	**₱21,416,540,368**	**₱75,279,988,308**	**₱4,097,903,734**	**₱79,377,892,042**
					For the Year Ended December 31, 2022					
Balance at beginning 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	₱4,543,640,152	₱76,512,717,621
Net income	–	–	–	–	–	–	5,847,403,159	5,847,403,159	588,644,669	6,436,047,828
Other comprehensive income	–	–	–	(860,375,793)	–	–	–	(860,375,793)	45,421,662	(814,954,131)
Total comprehensive income	–	–	–	(860,375,793)	–	–	5,847,403,159	4,987,027,366	634,066,331	5,621,093,697
Purchase of treasury shares	–	–	(1,809,266,219)	–	–	–	–	(1,809,266,219)	–	(1,809,266,219)
Dividends declared (Note 18)	–	–	–	–	–	–	(2,984,905,600)	(2,984,905,600)	(452,166,885)	(3,437,072,485)
Appropriations	–	–	–	–	–	1,528,000,000	(1,528,000,000)	–	–	–
Acquisition of non-controlling interest	–	–	–	–	252,606,949	–	–	252,606,949	(593,057,917)	(340,450,968)
Disposal of debt securities	–	–	–	–	–	–	14,395,366	14,395,366	–	14,395,366
Investment by NCI in a subsidiary	–	–	–	–	–	–	–	–	12,250,000	12,250,000
Reversal of appropriations	–	–	–	–	–	(8,216,000,000)	8,216,000,000	–	–	–
Balance at end of year	₱1,576,489,360	₱40,768,202,897	(₱5,425,324,182)	(₱417,678,756)	(₱742,678,028)	₱17,277,752,847	₱19,392,171,193	₱72,428,935,331	₱4,144,731,681	₱76,573,667,012
					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	₱4,537,828,657	₱77,590,234,254
Net income	–	–	–	–	–	–	4,527,833,319	4,527,833,319	322,608,154	4,850,441,473
Other comprehensive income	–	–	–	8,401,957	–	–	–	8,401,957	16,403,689	24,805,646
Total comprehensive income	–	–	–	8,401,957	–	–	4,527,833,319	4,536,235,276	339,011,843	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)	(333,200,348)	(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	₱4,543,640,152	₱76,512,717,621

See accompanying Notes to Consolidated Financial Statements.

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

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱6,172,715,473**	₱7,987,215,729	₱5,269,078,984
Adjustments for:			
Depreciation and amortization (Notes 6, 12, 14, 21 and 28)	**7,499,945,134**	7,179,629,553	7,087,772,782
Interest expense (Notes 6, 17 and 28)	**3,122,961,869**	1,988,135,849	1,960,893,202
Equity in net losses (earnings) in associates (Notes 6 and 13)	**821,268,143**	(13,706,659)	(292,071,188)
Retirement expense (Notes 22 and 23)	**316,808,554**	200,723,439	283,797,024
Loss on write-off of investment (Note 13)	**220,177,920**	–	–
Unrealized foreign currency exchange loss (gain) – net (Note 6)	**56,964,836**	(357,092,695)	(230,024,576)
Provision for inventory obsolescence (Note 9)	**4,774,615**	62,513,748	61,815,286
Provision for (reversal of) expected credit losses (Notes 8 and 11)	**4,182,856**	(3,000,953)	7,931,961
Dividend income (Notes 6 and 11)	**(1,263,746,088)**	(293,940,980)	(76,941,788)
Interest income (Notes 6, 7, 11 and 15)	**(256,539,596)**	(389,738,492)	(446,828,491)
Gain on derecognition of lease liability (Note 28)	**(129,554,416)**	(153,255,325)	(841,561,003)
Gain on sale of debt instruments at FVOCI (Note 11)	**–**	(74,112,010)	(21,902,517)
Operating income before working capital changes	**16,569,959,300**	16,133,371,204	12,761,959,676
Decrease (increase) in:			
Trade and other receivables	**(99,906,994)**	(721,110,560)	299,206,452
Merchandise inventories	**(2,203,443,838)**	(2,442,667,006)	(2,917,040,822)
Other current assets	**752,112,595**	555,276,060	(333,680,566)
Increase (decrease) in:			
Trade and other payables	**1,482,366,976**	3,919,688,297	(2,010,029,332)
Other current liabilities	**(28,607,380)**	160,253,554	127,074,200
Net cash flows generated from operations	**16,472,480,659**	17,604,811,549	7,927,489,608
Interest received	**322,250,862**	404,561,437	440,950,303
Retirement contributions and benefits paid (Note 23)	**(199,703,404)**	(219,547,833)	(238,300,305)
Income tax paid	**(1,630,306,023)**	(1,710,112,971)	(945,692,716)
Net cash flows provided by operating activities	**14,964,722,094**	16,079,712,182	7,184,446,890

(Forward)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Investment in associates (Note 13)	**(₱1,004,114,977)**	(₱965,868,125)	(₱453,837,730)
Debt and equity instrument financial assets (Note 11)	**(19,756,001,036)**	(207,445,970)	(2,250,616,149)
Property and equipment (Note 12)	**(6,517,046,012)**	(5,551,329,355)	(2,456,934,404)
Proceeds from disposals of debt and equity instrument financial assets (Note 11)	**5,054,158,209**	2,119,292,329	5,011,709,237
Dividends received (Note 11)	**886,369,466**	293,940,980	76,941,788
Acquisitions from non-controlling interest (Notes 2 and 18)	**–**	(340,450,968)	–
Decrease (increase) in other noncurrent assets	**(97,807,353)**	64,731,313	(197,600,845)
Net cash flows used in investing activities	**(21,434,441,703)**	(4,587,129,796)	(270,338,103)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loan availments (Notes 17 and 30)	**29,572,734,471**	5,395,000,000	3,550,000,000
Purchase of treasury shares (Note 18)	**(985,078,046)**	(1,821,678,154)	(2,801,153,087)
Interest paid (Notes 17 and 30)	**(1,223,879,691)**	(225,569,729)	(159,266,022)
Dividends paid (Notes 18 and 30)	**(3,528,688,302)**	(3,437,072,485)	(3,146,724,424)
Lease payments (Notes 28 and 30)	**(5,316,587,585)**	(5,100,560,833)	(4,130,853,486)
Payment of loans (Notes 17 and 30)	**(16,628,909,471)**	(4,720,000,000)	(5,400,000,000)
Additional investments from non-controlling interest (Notes 2 and 18)	**–**	12,250,000	–
Net cash flows provided by (used in) financing activities	**1,889,591,376**	(9,897,631,201)	(12,087,997,019)
EFFECTS OF FOREIGN EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	**(14,357,632)**	1,922,476	5,583,356
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(4,594,485,865)**	1,596,873,661	(5,168,304,876)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**17,766,987,346**	16,170,113,685	21,338,418,561
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱13,172,501,481**	₱17,766,987,346	₱16,170,113,685

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, 2023, the Parent Company is 33.71% owned by JE Holdings, Inc., 25.59% by PCD Nominee Corporation and 21.63% by Dairy Farm International Holdings, Ltd. Through its subsidiary GCH Investments Pte. Ltd., and the rest by the public.

The Board of Directors and shareholders of the Parent Company approved to change its registered office address on March 10, 2023 and May 12, 2023, respectively, from 43rd Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda St., Ortigas Center, Pasig City, Metro Manila to 110 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City. The change was approved by the SEC on December 7, 2023..

2. Basis of Preparation and Statement of Compliance

The consolidated financial statements have been prepared under the historical cost basis, except for financial assets at FVTPL, financial assets at FVOCI and retirement 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, 2023 and 2022 and for each of the three (3) years in the period ended December 31, 2023 represent the consolidation of the financial statements of RRHI and the following subsidiaries directly and indirectly owned by the Parent Company.

	Effective Percentages of Ownership					
	2023		2022		2021	
Investee Companies	**Direct**	**Indirect**	Direct	Indirect	Direct	Indirect
Robinson’s Supermarket Corporation (RSC)	100.00%	–	100.00%	–	100.00%	–
Consolidated Global Imports, Inc. (CGII)	–	–	–	100.00%	–	100.00%
Robinsons Appliances Corp. (RAC)	–	67.00%	–	67.00%	–	67.00%
Robinsons Ventures Corporation (RVC)	–	65.00%	–	65.00%	–	65.00%
Robinsons Convenience Stores, Inc. (RCSI/Ministop)	–	–	–	100.00%	–	60.00%
Savers Electronic World, Inc. (SEWI)	–	90.00%	–	90.00%	–	90.00%
Super50 Corporation (Super50)	–	51.00%	–	51.00%	–	51.00%
VKD Holdings, Inc. (VHI)	–	–	–	100.00%	–	–

(Forward)

	Effective Percentages of Ownership					
	2023		2022		2021	
Investee Companies	**Direct**	**Indirect**	Direct	Indirect	Direct	Indirect
South Star Drug, Inc. (SSDI)	–	90.00%	–	90.00%	–	90.00%
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%	–	90.00%
Robinson's Handyman, Inc. (RHMI)	–	80.00%	–	80.00%	–	80.00%
Handyman Express Mart, Inc. (HEMI)	–	52.00%	–	52.00%	–	52.00%
Waltermart-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)	–	80.00%	–	80.00%	–	53.60%
Home Plus Trading Depot, Inc. (HPTDI)	–	60.00%	–	60.00%	–	40.20%
Robinsons Lifestyle Stores, Inc. (RLSI)	–	–	–	80.00%	–	80.00%
Sole Fashion, Inc. (SFI)	–	98.00%	–	–	–	–
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%	–
RRHI Management and Consulting, Inc.	–	–	–	–	100.00%	–
RRG Trademarks and Private Labels, Inc.	–	–	–	–	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%	–

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 ($).

Investments and Acquisitions
On October 16, 2023, RSC acquired 98% ownership in Sole Fashion Inc. (SFI) for a total consideration of ₱141.54 million. SFI is incorporated in the Philippines to engage in the business of buying, selling, distributing, and marketing, on a wholesale and retail basis insofar as may be permitted by law, ready to wear sporting goods, clothing, footwear, and other related items and merchandise and operate and manage sneaker cleaning kiosks and sports facilities.

On July 1, 2022, RHMI purchased the remaining 33% minority interest in RHIB for a total consideration of ₱117.56 million.

On June 1, 2022, RSC made an additional investment to VHI amounting to ₱121.0 million increasing its share from 30% to 100%. VHI is a holding 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.

In February 2022, NDV acquired 20% ownership in Super Pumped Pte. Ltd. (Super Pumped) for a total consideration ₱61.61 million. Super Pumped is incorporated in Singapore.

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. RCSI subsequently rebranded its convenience store business to Uncle John's following the exit of Ministop Japan.

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. In 2022, RSC acquired the remaining 70% ownership in VKD Holdings, Inc. for a total selling price of ₱236.63 million.

On December 28, 2021, the Parent Company acquired 20.0% ownership interest in GoTyme Bank Corportion (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). In 2023 and 2022, the Company infused an additional ₱235.1 million and ₱356.5 million to GoTyme.

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. In 2022, The Group, through its subsidiary infused an additional amount of ₱52.39 million. 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).

Mergers
On April 22, 2022 the BOD and stockholders of RSC and RCSI approved the plan of merger with RSC as the surviving company. The articles and plan of merger was approved by the SEC on December 19, 2022 and took effect on July 1, 2023.

On February 10, 2023, shareholders owning or representing at least 2/3 of the total outstanding capital stock of VHI passed and approved the resolutions covering the approval and ratification of the merger of VHI and RSC. On August 17, 2023, the Company received the copy of SEC approval on the merger and took effect on September 1, 2023 with RSC as the surviving entity.

On February 11, 2022, the BOD and stockholders of CGII 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 13, 2022, the SEC approved the Plan of Merger.

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.

3. **Changes in Accounting Policies**

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2023. Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of 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 have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the consolidated financial statements.

- 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. The amendments had no impact on the Group's consolidated financial statements because the Group's accounting policies are aligned with the amendments to PAS 8.

- 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).

  The amendments had no impact on the Group's consolidated financial statements because the Group's accounting policies are aligned with the amendments to PAS 12.

- Amendments to PAS 12, *International Tax Reform - Pillar Two Model Rules*

  The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

  The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

  The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023.

Standards Issued But Not Yet Effective
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will 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, 2024

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

  The amendments clarify:

  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - 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 must be applied retrospectively.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

  The amendments must be applied retrospectively.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

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.

- Amendments to PAS 21, *Lack of Exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  When applying the amendments, an entity cannot restate comparative information.

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 and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the 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.

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4. **Summary of Material 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 operated 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.

<u>Financial Instruments - Initial Recognition and Subsequent Measurement</u>

<u>Financial Assets</u>
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 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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022, the financial liabilities of the Group are classified as other financial liabilities.

Subsequent Measurement
After initial recognition, other financial liabilities are 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 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).

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.

Financial Liability
A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expired.

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.

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. Investment in associates is accounted for under the equity method of accounting. 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.

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.

Business Combination and Goodwill
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. 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.

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.

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.

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 follows:

	Years
Building and other equipment	20 - 25
Store furniture and fixtures	5 - 10
Office furniture and fixtures	5 - 10
Transportation equipment	5 - 10
Computer equipment	3 - 10

An item of property that is both owner-occupied and leased-out under operating lease is treated as property and equipment under the rules of PAS 16 instead of investment property under PAS 40 if the related portion of the property being leased-out is insignificant.

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), 2020 (RPI) and 2023 (SFI) 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
The Group assesses, at each reporting date, whether there is an indication that an asset (e.g., property and equipment, ROU assets, investment in associates and intangible assets.) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or a CGU's fair value less costs of disposal and its value-in-use. The recoverable amount 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, in which case, recoverable amount is determined for the CGU to which the asset belongs. When the carrying amount of an asset or CGU 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. 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. The Group applies PFRS 5 to an investment (or portion thereof) in an associate that meets the criteria to be classified as held for sale. Any retained portion not classified as held for is accounted for using the equity method until the disposal of portion that is classified as held for sale takes place. After such disposal, the Group accounts for any retained interest in accordance with PFRS 9 unless the retained interest continues to be an associate, in which case equity method is still applied.

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, 2023 and 2022. 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.

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.

<u>Noncurrent Assets Held For Sale</u>
The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Noncurrent assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification and may be extended if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group). Assets and liabilities classified as held for sale are presented separately in the consolidated statement of financial position.

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.

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.

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 Reserves

Equity reserve consists 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 ot assets and the arrangement conveys a right to use the asset or assets, evein 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. 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 their estimated useful life and the lease term as follows:

	Years
Land (lease term)	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 in accordance with PAS 36.

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. 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. The Group applies the short-term lease recognition exemption to its short-term leases of 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). Lease payments on short-term leases 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.

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 potentially dilutive ordinary shares for the years ended December 31, 2023, 2022 and 2021 (Note 26).

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.

Linked Transactions
There are circumstances which indicate that multiple arrangements should be accounted for as a single transaction. In determining whether to account for the arrangements as a single transaction, the Group shal consider the terms and conditions of the arrangements and their economic effects. One or more of the following indicate that Group should for the multiple arrangements as a single transaction:

- entered into at the sae time or in contemplation of each other;
- form a single transaction designed to achieve an overall commercial effect;
- the occurrence of one arrangement is dependent on the occurrence of at lease one other arrangement; and
- one arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements.

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 Whether Acquisition of Group of Assets Qualifies 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 the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal (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 Uncle John's 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 Investments in G2M through Convertible Note
The Group has investments in G2M Solutions Philippines Pte. Ltd. through convertible note which will provide the Group 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 (see Note 13).

Determination of Control
The Group determined that it has control or no 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 (e.g., reserved matters);
- Rights arising from other contractual agreements;
- The Group's voting rights and potential voting rights; and
- Redemption features that override any indication of control

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).

Determining Whether Investment in Associate Qualifies as Asset Held for Sale
In view of the September 30, 2022 decision by the BOD to approve the merger of its associate with another bank (see Note 13), the Group exercised judgment in determining whether or not the asset qualifies at that point in time as an asset held for sale in accordance with PFRS 5. The Group assessed that the recognition criteria as indicated in the policy of the Group in Note 4, have been met in view of the facts discussed in Note 13. The Group expects to complete the sale within one year from initial recognition subject to customary regulatory approvals. Accordingly, the related investment in RBC was reclassified as noncurrent asset held for sale beginning in the Groups' 2022 consolidated financial statements. The SEC subsequently approved the merger to be effective on January 1, 2024 (see Note 32).

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, 2023 and 2022. 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, 2023 and 2022, below are the CGUs and the carrying amount of trademarks to which these are allocated and tested for annual impairment:

	Measurement basis of recoverable amount	**2023**	2022
RSCI	VIU	**₱3,205,411,607**	₱3,205,411,607
SSDI	VIU	**1,566,917,532**	1,566,917,532
RPI	VIU	**1,514,575,531**	1,514,575,531
TGPPI	EV/EBITDA	**1,264,098,435**	1,264,098,435
SEWI	VIU	**364,914,493**	364,914,493
SFI	VIU	**35,000,000**	–
		₱7,950,917,598	₱7,915,917,598

As of December 31, 2023 and 2022, below are the CGUs and the carrying amount of goodwill to which this is allocated and tested for annual impairment:

	Measurement basis of recoverable amount	Amount
RSCI	VIU	₱9,109,386,061
RPI	VIU	2,343,614,826
TGPPI	EV/EBITDA	1,281,428,830
SSDI	VIU	745,887,131
SEWI	VIU	715,103,869
Eurogrocer Corporation	EV/EBITDA	199,870,222
RHIB	VIU	145,655,320
RTSHPI	VIU	85,161,468
Jayniths Supermarket	EV/EBITDA	71,732,435
HPTDI	VIU	4,248,153
GNC Pharma Corp.	EV/EBITDA	23,250,000
		₱14,725,338,315

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 flows projections is 10.24% to 13.40% for pharmaceutical and non-pharmaceutical group in 2023, (9.63% to 11.67% for 2022) and cash flows beyond the five-year period are extrapolated using a 3.00% to 5.00% in 2023 growth rate (1.00% to 5.00% in 2022) 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 15.0% to 33.0% 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 3.0% to 6.0% and 3.0% to 8.1% in 2023 and 2022, respectively. 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 2023 and 2022, the Group used the EV/EBITDA multiple ranging from 4.6x and 7.06x multiples for pharmaceutical and nonpharmaceutical group, respectively, in 2023 (4.6x to 8.7x multiples and 6.82x multiples for pharmaceutical and nonpharmaceutical group, respectively, in 2022) for impairment testing of goodwill and concluded and satisfied that goodwill from the acquired entities are not impaired.

As of December 31, 2023 and 2022, the recoverable amount of trademark is higher than its carrying value. Management believes that an increase in discount rate by 4.0% and 8.6% as of December 31, 2023 and 2022 would cause the carrying value of the trademarks to equal the recoverable amount. The discount rate is the assumption to which the recoverable amount of CGU is most sensitive to.

As of December 31, 2023 and 2022, the recoverable amount of goodwill is higher than its carrying value. Management believes that a decrease in growth rate by 3.9% and 6.39% as of 2023 and 2022, respectively, would cause the carrying value of the CGU including goodwill to equal the recoverable amount. The growth rate is the assumption to which the recoverable amount of CGU is most sensitive to.

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 and other 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 2023, 2022 and 2021 amounted to ₱30.54 million, ₱3.32 million and ₱3.28 million, respectively. As of December 31, 2023 and 2022, allowance for expected credit losses on trade and other receivables amounted to ₱40.78 million and ₱33.79 million, respectively (see Note 8). As of December 31, 2023 and 2022, the carrying value of the Group's trade and other receivables amounted to ₱3.95 billion and ₱3.53 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 ₱87.04 million in 2023, ₱160.25 million in 2022 and ₱61.82 million in 2021. Merchandise inventories amounted to ₱29.67 billion and ₱27.47 billion as of December 31, 2023 and 2022, respectively (Note 9).

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, 2023 and 2022, the carrying value of the retirement plan asset amounted to ₱166.45 million and ₱290.53 million, respectively. As of December 31, 2023 and 2022, retirement obligation amounted to ₱608.42 million and ₱279.09 million, respectively.

Recoverability of Deferred Tax Assets
The Group reviews the carrying amounts of deferred tax asset at each reporting date and reduces them 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, 2023, and 2022, the Group has deferred tax assets amounting ₱6.39 billion and ₱6.85 billion, respectively (see Note 25).

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 five (5) formats. It has Robinsons Supermarket, Robinsons Easymart, The Marketplace, Shopwise, and No Brand. Robinsons Supermarket is Robinsons Retail's mainstream grocery format and 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. These products are given a specifically allocated section within each of the supermarkets and are made highly visible to consumers. The Marketplace is Robinsons Retail's premium grocery format giving customers imported and gourmet options. Located in central business districts and high-end developments, The Marketplace features a wide range of internationally sourced and carefully curated selections that cater to an upscale market. Robinsons Easymart is a standalone mini-mart store for everyday needs located right within neighborhoods. Smaller than a typical supermarket, it offers both quality and affordable fresh foods and other household essentials as well as bills payment and mobile loading services with ease of accessibility and convenience. Shopwise is the Group's hypermarket format featuring a broad assortment of products from groceries to general merchandise and lifestyle essentials from brands around the world. One of the pioneers of the hypermarket format in the Philippines, Shopwise enables customers to experience international grocery shopping with great finds and great deals without the membership fee. In 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*
  DIY brands of Handyman Do it Best and True Value, 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*
  Uncle John's is a 24 - hour convenience store chain in the Philippines. 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 stores such as Benefit, Shiseido and Clē de Peau 4) mass merchandise stores under Daiso Japan and Super50, 5) pet retail under Pet Lovers Centre.

2023

	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	₱108,594,439,084	₱16,269,769,388	₱12,305,507,597	₱6,336,836,181	₱33,388,304,028	₱15,231,005,331	₱–	₱–	₱192,125,861,609
Intersegment net sales	–	–	–	–	–	–	–	–	–
Total net sales	108,594,439,084	16,269,769,388	12,305,507,597	6,336,836,181	33,388,304,028	15,231,005,331	–	–	192,125,861,609
Segment cost of merchandise sold	85,082,449,272	11,298,106,613	8,518,102,696	4,093,155,048	26,362,440,436	11,171,497,517	–	–	146,525,751,582
Intersegment cost of merchandise sold	–	–	–	–	–	–	–	–	–
Total cost of merchandise sold	85,082,449,272	11,298,106,613	8,518,102,696	4,093,155,048	26,362,440,436	11,171,497,517	–	–	146,525,751,582
Gross profit	23,511,989,812	4,971,662,775	3,787,404,901	2,243,681,133	7,025,863,592	4,059,507,814	–	–	45,600,110,027
Segment other income	712,758,824	54,128,187	–	164,249,985	206,334,027	49,192,582	2,811,978	–	1,189,475,583
Intersegment other income	323,813,218	–	–	–	–	45,325,575	–	(369,138,793)	–
Total other income	1,036,572,042	54,128,187	–	164,249,985	206,334,027	94,518,157	2,811,978	(369,138,793)	1,189,475,583
Gross profit including other income	24,548,561,854	5,025,790,962	3,787,404,901	2,407,931,118	7,232,197,619	4,154,025,971	2,811,978	(369,138,793)	46,789,585,610
Segment operating expenses	15,106,755,153	3,610,812,793	2,488,766,861	1,837,075,415	4,130,582,771	3,111,114,900	62,650,770	–	30,347,758,663
Intersegment operating expenses	45,325,574	127,465,255	60,546,986	2,330	86,947,798	48,850,850	–	(369,138,793)	–
Total operating expenses	15,152,080,727	3,738,278,048	2,549,313,847	1,837,077,745	4,217,530,569	3,159,965,750	62,650,770	(369,138,793)	30,347,758,663
Earnings before interest, taxes and depreciation and amortization	9,396,481,127	1,287,512,914	1,238,091,054	570,853,373	3,014,667,050	994,060,221	(59,838,792)	–	16,441,826,947
Depreciation and amortization	3,943,163,105	668,675,422	905,301,449	405,079,287	757,925,434	819,800,437	–	–	7,499,945,134
Earnings (loss) before interest and taxes	5,453,318,022	618,837,492	332,789,605	165,774,086	2,256,741,616	174,259,784	(59,838,792)	–	8,941,881,813
Interest income	49,076,854	12,263,329	36,577,095	125,487	14,387,981	31,270,009	112,838,841	–	256,539,596
Equity in net loss of an associate	–	–	–	–	–	–	(821,268,143)	–	(821,268,143)
Dividend income	–	–	–	–	–	–	1,263,746,088	–	1,263,746,088
Foreign exchange gain (loss) - net	(4,142,791)	4,694,764	(4,275)	–	(590,663)	197,045	(64,966,067)	–	(64,811,987)
Interest expense	(1,302,734,682)	(275,857,219)	(146,489,626)	(83,848,126)	(402,277,877)	(145,838,883)	(765,915,456)	–	(3,122,961,869)
Others	172,962,174	(11,479,451)	(13,762,906)	(14,270,590)	(152,869,469)	37,733,167	(298,952,747)	229,797	(280,410,025)
Income before income tax	₱4,368,479,577	₱348,458,915	₱209,109,893	₱67,780,857	₱1,715,391,588	₱97,621,122	(₱634,356,276)	₱229,797	₱6,172,715,473
Assets and liabilities									
Segment assets	₱54,758,979,179	₱7,787,801,389	₱8,278,873,722	₱2,074,470,011	₱21,964,364,084	₱7,739,241,840	₱36,481,169,951	₱15,938,015,765	₱155,022,915,941
Investment in subsidiaries - at cost	4,616,107,224	4,030,108,592	–	–	–	–	24,130,589,151	(32,776,804,967)	–
Total segment assets	₱ 59,375,086,403	₱11,817,909,981	₱8,278,873,722	₱2,074,470,011	₱21,964,364,084	₱7,739,241,840	₱60,611,759,102	(₱16,838,789,202)	₱155,022,915,941
Total segment liabilities	₱35,802,284,738	₱8,762,311,316	₱3,542,421,675	₱1,127,476,248	₱12,462,416,574	₱4,210,877,767	₱8,693,700,726	₱1,043,534,855	₱75,645,023,899
Other segment information:									
Capital expenditures	₱2,525,921,366	₱387,132,276	₱350,834,939	₱156,690,404	₱406,089,402	₱345,772,242	₱–	₱–	₱4,172,440,629

2022

	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	₱101,120,155,448	₱15,030,869,386	₱12,403,416,128	₱6,072,231,136	₱29,485,500,238	₱14,708,896,724	₱–	₱–	₱178,821,069,060
Intersegment net sales	–	–	–	–	–	–	–	–	–
Total net sales	101,120,155,448	15,030,869,386	12,403,416,128	6,072,231,136	29,485,500,238	14,708,896,724	–	–	178,821,069,060
Segment cost of merchandise sold	79,167,642,319	10,485,277,605	8,551,868,702	4,007,822,692	23,507,146,239	10,819,124,233	–	–	136,538,881,790
Intersegment cost of merchandise sold	–	–	–	–	–	–	–	–	–
Total cost of merchandise sold	79,167,642,319	10,485,277,605	8,551,868,702	4,007,822,692	23,507,146,239	10,819,124,233	–	–	136,538,881,790
Gross profit	21,952,513,129	4,545,591,781	3,851,547,426	2,064,408,444	5,978,353,999	3,889,772,491	–	–	42,282,187,270
Segment other income	669,013,009	24,722,036	126,616	256,505,622	182,525,364	20,111,435	6,338,965	–	1,159,343,047
Intersegment other income	170,694,115	–	–	–	–	49,729,316	–	(220,423,431)	–
Total other income	839,707,124	24,722,036	126,616	256,505,622	182,525,364	69,840,751	6,338,965	(220,423,431)	1,159,343,047
Gross profit including other income	22,792,220,253	4,570,313,817	3,851,674,042	2,320,914,066	6,160,879,363	3,959,613,242	6,338,965	(220,423,431)	43,441,530,317
Segment operating expenses	14,223,406,486	3,241,891,035	2,272,756,261	1,740,333,978	3,451,875,171	2,614,216,968	18,997,699	–	27,563,477,598
Intersegment operating expenses	49,729,316	49,097,586	33,259,462	–	57,810,746	30,526,321	–	(220,423,431)	–
Total operating expenses	14,273,135,802	3,290,988,621	2,306,015,723	1,740,333,978	3,509,685,917	2,644,743,289	18,997,699	(220,423,431)	27,563,477,598
Earnings before interest, taxes and depreciation and amortization	8,519,084,451	1,279,325,196	1,545,658,319	580,580,088	2,651,193,446	1,314,869,953	(12,658,734)	–	15,878,052,719
Depreciation and amortization	3,643,721,836	683,538,836	908,127,001	442,081,154	683,632,338	818,528,388	–	–	7,179,629,553
Earnings (loss) before interest and taxes	4,875,362,615	595,786,360	637,531,318	138,498,934	1,967,561,108	496,341,565	(12,658,734)	–	8,698,423,166
Interest income	37,760,979	4,836,907	28,799,823	316,553	6,661,998	11,862,002	299,500,230	–	389,738,492
Equity in net earnings of an associate	–	–	–	–	–	–	13,706,659	–	13,706,659
Dividend income	–	–	–	–	–	–	293,940,980	–	293,940,980
Foreign exchange gain (loss) - net	(15,956,476)	10,511,741	240,041	–	(151,756)	122,140	362,327,005	–	357,092,695
Interest expense	(1,096,235,655)	(161,115,010)	(181,289,394)	(71,063,144)	(280,460,062)	(197,972,584)	–	–	(1,988,135,849)
Others	108,632,936	–	33,732,955	4,314,113	(62,135,398)	64,198,350	73,706,630	–	222,449,586
Income before income tax	₱3,909,564,399	₱450,019,998	₱519,014,743	₱72,066,456	₱1,631,475,890	₱374,551,473	₱1,030,522,770	₱–	₱7,987,215,729
Assets and liabilities									
Segment assets	₱53,451,198,933	₱7,575,078,521	₱9,658,767,663	₱2,869,855,480	₱20,226,821,550	₱8,509,129,656	₱28,113,523,840	₱11,121,762,345	₱141,526,137,988
Investment in subsidiaries - at cost	4,662,839,856	3,888,568,592	117,564,707	–	–	–	24,130,589,151	(32,799,562,306)	–
Total segment assets	₱58,114,038,789	₱11,463,647,113	₱9,776,332,370	₱2,869,855,480	₱20,226,821,550	₱8,509,129,656	₱52,244,112,991	(₱21,677,799,961)	₱141,526,137,988
Total segment liabilities	₱37,266,515,789	₱7,152,494,621	₱4,082,617,671	₱1,896,222,908	₱11,439,936,225	₱5,149,712,270	₱107,280,002	(₱2,142,308,510)	₱64,952,470,976
Other segment information:	–	–	–	–	–	–	–	–	–
Capital expenditures	₱6,644,952,869	₱609,197,471	₱250,756,693	₱53,774,885	₱456,163,847	₱248,927,789	₱–	₱–	₱8,263,773,554

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	417,536,599	23,756,375	2	208,662,201	128,794,407	91,214,368	–	–	869,963,952
Intersegment other income	193,224,934	–	–	–	–	–	–	(193,224,934)	–
Total other income	610,761,533	23,756,375	2	208,662,201	128,794,407	91,214,368	-	(193,224,934)	869,963,952
Gross profit including other income	19,641,101,012	2,815,322,269	3,632,624,328	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	2,195,041,622	2,059,397,517	1,446,703,566	3,000,261,511	2,135,678,490	42,645,898	–	23,060,524,378
Intersegment operating expenses	-	5,531,451	18,513,605	–	42,694,543	14,711,746	–	(193,224,934)	(111,773,589)
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	7,460,305,238	614,749,196	1,554,713,206	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	4,045,859,181	(56,234,341)	530,931,296	(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	43,415,801	–	30,654,285	11,394,979	1,238,517	16,048,729	21,902,517	–	124,654,828
Income before income tax	₱3,065,593,714	(217,513,214)	₱319,113,443	(297,529,911)	₱1,481,831,975	(82,906,266)	₱1,000,489,243	₱–	₱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

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 2023, 2022 and 2021. 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 ₱13.17 billion and ₱17.77 billion as of December 31, 2023 and 2022, 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 0.40% to 4.60%, 0.10% to 0.70% and 0.12% to 3.20% in 2023, 2022 and 2021, respectively.

Interest income arising from cash in banks and cash equivalents amounted to ₱152.31 million, ₱94.9 million and ₱44.56 million in 2023, 2022 and 2021, respectively.

8. Trade and Other Receivables

This account consists of:

	2023	2022
Trade (Notes 24 and 27)	**₱3,227,415,708**	₱2,915,553,193
Nontrade (Notes 24 and 27)	**741,841,847**	586,457,967
Due from franchisees (Notes 27 and 29)	**19,861,529**	59,329,996
	3,989,119,084	3,561,341,156
Less allowance for impairment losses (Notes 27 and 29)	**40,782,218**	33,788,642
	₱3,948,336,866	₱3,527,552,514

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 ₱39.56 million and ₱56.38 million as of December 31, 2023, and 2022, respectively. The remaining balance consists of receivable from lessees, dividends receivable and interest receivable arising from short-term investments and debt securities.

Movement in the allowance for impairment losses for trade receivables is as follows:

	2023	2022
Balance at beginning of year	**₱33,788,642**	₱46,902,975
Provision for impairment losses	**30,537,733**	3,329,780
Reversals and write-off	**(23,544,157)**	(16,444,113)
Balance at end of year	**₱40,782,218**	₱33,788,642

9. Merchandise Inventories

The rollforward analysis of this account follows:

	2023	2022
Balance at beginning of year	**₱27,469,818,076**	₱25,089,664,818
Add purchases - net of purchase discounts and allowances	**148,811,462,319**	139,079,284,034
Cost of goods available for sale	**176,281,280,395**	164,168,948,852
Cost of merchandise sold	**(146,525,751,582)**	(136,538,881,790)
Allowance for inventory obsolescence	**(87,041,514)**	(160,248,986)
Balance at end of year	**₱29,668,487,299**	₱27,469,818,076

Merchandise inventories recognized at cost as of December 31, 2023 and 2022 amounted to ₱29.67 billion and ₱27.47 billion, respectively, while cost of merchandise inventories whose NRV is at nil as of December 31, 2023 and 2022 amounted to ₱87.04 million and ₱160.25 million, respectively.

The cost of merchandise inventories charged to the consolidated statements of comprehensive income amounted to ₱146.53 billion, ₱136.54 billion and ₱118.10 billion in 2023, 2022 and 2021, respectively.

Movements in the allowance for obsolescence is as follows:

	2023	2022
Balance at beginning of year	**₱160,248,986**	₱154,970,068
Provisions	**4,774,615**	62,513,748
Write-off	**(77,982,087)**	(57,234,830)
Balance at end of year	**₱87,041,514**	₱160,248,986

There are no merchandise inventories pledged as security for liabilities as of December 31, 2023 and 2022.

10. Other Current Assets

This account consists of:

	2023	2022
Input VAT - net	**₱842,133,164**	₱1,430,521,725
Prepayments	**839,873,009**	1,003,597,042
	₱1,682,006,173	₱2,434,118,767

Input VAT will be applied against output VAT in the succeeding periods. 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 are as follows:

		2023	2022
Debt securities			
FVOCI with recycling	(a)	**₱2,212,805,414**	₱7,524,048,032
FVTPL	(b)	**598,121,797**	294,988,235
		2,810,927,211	7,819,036,267
Equity securities at FVOCI without recycling		**23,600,116,836**	1,146,007,501
		₱26,411,044,047	₱8,965,043,768

Debt Securities

a. The Group's debt securities consist of Peso and Dollar-denominated bond securities with fixed coupon rate per annum ranging from 4.10% to 9.50% and term of five (5) to ten (10) years.

Rollforward analysis of debt securities at FVOCI with recycling as of December 31, 2023 and 2022 follows:

	2023	2022
Amortized cost:		
At beginning of year	**₱8,014,035,816**	₱9,722,307,924
Additions	**–**	55,850,000
Disposals	**(5,054,098,209)**	(2,119,292,329)
Foreign exchange gain	**(50,454,355)**	355,170,221
At end of year	**2,909,483,252**	8,014,035,816
Amortization of discount (premium) on debt securities	**(3,115,244)**	32,851,079
Change in fair value of financial assets:		
At beginning of year	**(519,288,808)**	485,765,587
Changes in fair value recognized in OCI	**(278,457,898)**	(1,029,352,266)
Transfer to profit or loss	**104,923,447**	24,297,871
At end of year	**(692,823,259)**	(519,288,808)
Allowance for expected credit losses	**(739,335)**	(3,550,055)
	₱2,212,805,414	₱7,524,048,032

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.

Interest income arising from debt instrument financial assets amounted to ₱91.06 million, ₱288.83 million and ₱402.34 million in 2023, 2022 and 2021, respectively.

b. The Group's debt securities at FVTPL as of December 31, 2023 and 2022 amounting to ₱598.12 million and ₱294.99 million, respectively pertain to investments in Edamama Pte. Ltd., Wholeselect Technology Pte. Ltd., Quick Commerce Technologies lnc. Pte. Ltd., and Konvy Pte. Ltd. through Simple Agreement for Future Equity (SAFE).

	2023	2022
At beginning of year	**₱294,988,235**	₱143,392,265
Additions	**277,400,000**	151,595,970
Translation adjustment	**25,733,562**	–
	₱598,121,797	₱294,988,235

Equity Securities
Quoted equity securities pertain to investment in stocks listed in the PSE. The Group elected to classify irrevocably its listed equity investments (mainly AC preferred shares, a domestic listed entity) 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, 2023 and 2022 follows:

	December 31, 2023	December 31, 2022
Cost:		
At beginning and end of year	**₱1,197,500,000**	₱1,197,500,000
Additions	**19,478,601,036**	–
Disposals	**(60,000)**	–
	20,676,041,036	1,197,500,000
Change in fair value of equity instrument financial assets:		
At beginning of year	**(51,492,499)**	46,103,750
Changes in fair value	**2,975,566,259**	(97,596,249)
Disposals	**2,040**	–
At end of year	**2,924,075,800**	(51,492,499)
	₱23,600,116,836	₱1,146,007,501

Dividend income earned by the Group amounted to ₱1,263.75 million, ₱293.94 million, and ₱76.94 million in 2023, 2022 and 2021, respectively.

Fair value changes on debt and equity instrument financial assets attributable to the equity holders of the Parent Company follow:

	2023	2022
Balances at the beginning of year	**(₱570,076,182)**	₱532,574,462
Change in fair value during the year - OCI	**2,697,110,401**	(1,126,948,515)
Transfers to profit or loss	**104,923,448**	24,297,871
Balances at the end of year	**₱2,231,957,667**	(₱570,076,182)

Investment in Bank of the Philippine Islands (BPI)
The Board of Directors of the Parent Company, at its special meeting held on January 5, 2023, approved and confirmed the purchase of an aggregate of 4.4% effective equity interest in Bank of the Philippine Islands ("BPI") through a combination of investments in common shares of BPI and redeemable preferred shares of a holding company with an equity interest in BPI. The transactions were entered into on January 5, 2023 following the agreements signed by the Company, the seller of

the shares acquired, and the investee holding company, all on the same date. On January 13, 2023, the Parent Company entered into a new shareholders agreement with the other shareholder of the investee holding company.

The redeemable preferred shares has an option to the Parent Company to have its investment in the holding company redeemed after 2 years, in exchange for either cash or BPI shares representing a 1.1% direct ownership in BPI.

The Parent Company paid for the said investments aggregating to ₱19.48 billion on January 13, 2023. Following the said agreements, the Parent Company gained a 3.3% direct interest in BPI and a 1.1% effective interest in BPI through its investment in the holding company at the time of purchase. Fair value adjustments recognized as OCI in 2023 amounted to ₱2.95 billion. Dividend income arising from the Parent Company’s investments in BPI amounted to ₱0.69 billion in 2023.

Property Dividends declared by BPI
On March 15, 2023, BPI declared property dividends from its treasury shares with an entitlement ratio of 0.0896395563 share for every one (1) common shares held by a stockholder, with any fractional share paid in cash. On June 13, 2023, the SEC approved the property dividend declared by BPI. On June 21, 2023, the Parent Company received the 13,329,307 property dividend shares from BPI.

12. Property and Equipment

December 31, 2023

	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	₱5,019,412,246	₱3,226,995,622	₱20,088,805,998	₱10,451,632,119	₱6,251,441,326	₱254,839,737	₱4,551,993,632	₱49,845,120,680
Additions	12,570,856	245,278,436	1,417,650,849	1,246,285,642	774,010,446	804,273	475,840,127	4,172,440,629
Transfers	–	–	(91,989,956)	81,884,123	140,119	–	8,209,239	(1,756,475)
Disposals and reclassifications	–	(6,085,008)	(521,956,572)	(260,997,976)	(41,303,113)	(2,335,326)	(29,515,465)	(862,193,460)
At end of year	5,031,983,102	3,466,189,050	20,892,510,319	11,518,803,908	6,984,288,778	253,308,684	5,006,527,533	53,153,611,374
Accumulated depreciation and amortization								
At beginning of year	–	1,357,082,595	12,130,813,265	7,001,884,900	3,492,810,833	225,674,795	2,989,294,509	27,197,560,897
Depreciation and amortization (Note 21)	–	221,835,829	1,488,189,672	746,634,116	523,301,014	13,431,297	405,246,966	3,398,638,894
Disposals and reclassifications	–	–	(519,538,906)	(247,372,629)	(28,976,423)	(2,335,326)	(36,746,693)	(834,969,977)
At end of year	–	1,578,918,424	13,099,464,031	7,501,146,387	3,987,135,424	236,770,766	3,357,794,782	29,761,229,814
	₱5,031,983,102	₱1,887,270,626	₱7,793,046,288	₱4,017,657,521	₱2,997,153,354	₱16,537,918	₱1,648,732,751	₱23,392,381,560

December 31, 2022

	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	₱2,983,595,031	₱18,396,717,340	₱9,844,850,992	₱5,483,654,315	₱258,219,449	₱4,090,056,833	₱42,113,868,258
Additions	3,962,637,948	243,967,555	2,005,470,993	718,613,086	825,867,839	993,337	506,222,796	8,263,773,554
Disposals and reclassifications	–	(566,964)	(313,382,335)	(111,831,959)	(58,080,828)	(4,373,049)	(44,285,997)	(532,521,132)
At end of year	5,019,412,246	3,226,995,622	20,088,805,998	10,451,632,119	6,251,441,326	254,839,737	4,551,993,632	49,845,120,680
Accumulated depreciation and amortization								
At beginning of year	–	1,212,808,458	11,016,332,018	6,378,880,208	3,026,608,065	193,473,849	2,665,719,113	24,493,821,711
Depreciation and amortization (Note 21)	–	144,841,101	1,355,374,632	710,196,405	489,425,186	13,827,511	372,676,010	3,086,340,845
Disposals and reclassifications	–	(566,964)	(240,893,385)	(87,191,713)	(23,222,418)	18,373,435	(49,100,614)	(382,601,659)
At end of year	–	1,357,082,595	12,130,813,265	7,001,884,900	3,492,810,833	225,674,795	2,989,294,509	27,197,560,897
	₱5,019,412,246	₱1,869,913,027	₱7,957,992,733	₱3,449,747,219	₱2,758,630,493	₱29,164,942	₱1,562,699,123	₱22,647,559,783

In December 2021, RSC acquired ownership in VHI for a total consideration of ₱40.87 million equivalent to 30% ownership. On June 1, 2022, the Company purchased the remaining 70% of VHI for a total consideration of ₱236.6 million. The transaction is treated as an acquisition of assets.

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 2023 and 2022, the Group disposed property and equipment with net book value of ₱27.22 million and ₱149.92 million, respectively. Cost of fully depreciated property and equipment still in use amounted to ₱14.09 billion and ₱12.52 billion as of December 31, 2023 and 2022, respectively.

There are no property and equipment pledged as security for liabilities as of December 31, 2023 and 2022.

13. Investment in Associates

This account consists of investments in shares of stocks as follows (Note 2):

	2023	2022
G2M	**₱944,389,927**	₱881,200,636
GoTyme	**405,062,253**	342,153,153
HD Retail	**313,821,971**	113,683,012
Super Pumped Pte. Ltd.	**58,055,500**	55,893,191
TCCI	–	235,406,514
DAVI	–	6,809,960
	₱1,721,329,651	₱1,635,146,466

Merger between RBC and BPI
In relation to the ownership interest of the Group in RBC, the BOD of RRHI at its meeting held on September 30, 2022, approved the execution of an agreement among Bank of the Philippine Islands (BPI), RRHI and JG Summit Capital Services Corporation (JG Capital) for the merger of BPI and RBC, with BPI as the surviving entity, subject to the shareholders and regulatory approvals (i.e., Philippine Competition Commission, Bangko Sentral ng Pilipinas, Philippine Deposit Insurance Corporation, and Securities and Exchange Commission). Upon the effectivity of the merger, both the Parent Company and JG Capital will become shareholders of the merged entity. On January 17, 2023, the aforementioned merger was approved by the stockholders of BPI. In 2022, the parties to the merger were also able to determine the exchange ratio to be used in the share swap.

As a result of events and agreements signed in September 2022, the Group reclassified its investment in RBC from investment in associate to noncurrent asset held for sale, and thereby stopped the equity method of accounting. Management assessed, in accordance with the exchange ratio finalized, that the carrying amount of asset held for sale is lower than its fair value less cost to sell, thus, the amount recognized in the 2022 consolidated statement of financial position is equal to the carrying amount at the time of reclassification and initial recognition. In December 2023 and 2022, the Group received dividends from RBC amounting to ₱404.57 million and P122.16 million respectively, and this was recognized as income following the discontinuance of the equity method of accounting.

Relevant amounts related to RBC for 2022 are as follows:

Equity in net eanings	₱516,422,438
Share in fair value changes of financial assets at FVOCI	96,151,121
Share in remeasurement loss on retirement obligation	20,190,697
Share in translation adjustments	2,335,822

Merger Between BPI and RBC (Event after the Reporting Date)
On December 15, 2023, the Bangko Sentral ng Pilipinas ("BSP") notified BPI and RBC of the approval by the Monetary Board under Resolution No. 1633 dated December 14, 2023 of the merger between RBC and BPI, with BPI as the surviving entity, subject to compliance with the conditions stated therein.

On December 29, 2023, the Securities and Exchange Commission (SEC) approved the merger between BPI and RBC, with BPI as the surviving bank.

As a result of the receipt of all corporate and regulatory approvals, RBank and BPI have merged, effective January 1, 2024, with BPI as the surviving entity. Post-merger, RRHI will directly and indirectly own approximately 6.5% of BPI, with 2.4% coming from the Merger Shares. BPI will issue a total of 125,599,249 common shares to RRHI in relation to the Merger ("Merger Share"). The investment purchased last January 13, 2023 representing 4.4% ownership was diluted to 4.1% due to additional shares issued by BPI as a result of the merger.

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 2022 and 2021, the Group made additional cash infusion to G2M amounting to ₱495.33 million and ₱33.90 million, respectively. As of December 31, 2023, the effective ownership in G2M is at 14.07%.

Carrying value of G2M's investment as of December 31, 2023 and 2022 amounted to ₱944.39 million and ₱881.20 million, respectively. Details follow:

	2023	2022
Cost:		
Balance at beginning of year	**₱909,710,295**	₱414,378,261
Additional investment (Note 2)	–	495,332,034
Balance at end of year	**909,710,295**	909,710,295
Accumulated equity in net earnings:		
Balance at beginning of year	**(28,509,659)**	(8,223,852)
Equity in net loss	**(30,999,768)**	(20,285,807)
Balance at end of year	**(59,509,427)**	(28,509,659)
Share in translation adjustments:	**94,189,059**	–
	₱944,389,927	₱881,200,636

On February 4, 2022, G2M purchased from the Group the convertible note of Growsari for a total consideration of $4.00 million.

Total current assets and current liabilities is at $85.6 million and $0.12 million as of December 31, 2023 and $87.67 million and $0.13 million as of December 31, 2022, respectively. Total assets and liabilities of G2M is $88.26 million and $0.12 million as of December 31, 2023 and $92.2 million and $0.12 million as of December 31, 2022, respectively. Any excess of the carrying value over the share in net assets is attributable to excess premium paid for the investment.

Revenue for the years ended December 31, 2023, 2022 and 2021 is nil, $0.68 million and nil respectively. Total cost and expenses in 2023, 2022 and 2021 meanwhile is $3.98 million, $1.9 million and $0.71 million, respectively. For the years ended December 31, 2023, 2022 and 2021, G2M posted total comprehensive loss of $3.98 million, $2.58 million and $0.71 million, respectively.

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 ₱1.00 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 and still a start-up entity. In 2023 and 2022, the Parent Company infused additional investments amounting to ₱566.02 million and ₱356.53 million with no changes in ownership interest in GoTyme.

Carrying value of GoTyme's investment as of December 31, 2023 and 2022 amounted to ₱405.06 million and ₱342.15 million, respectively. Details follow:

	2023	2022
Cost:		
Balance at beginning of year	**₱556,530,333**	₱200,000,000
Additional investment (Note 2)	**566,025,957**	356,530,333
Balance at end of year	**1,122,556,290**	556,530,333
Accumulated equity in net earnings:		
Balance at beginning of year	**(214,377,180)**	–
Equity in net loss	**(503,116,857)**	(214,377,180)
Balance at end of year	**(717,494,037)**	(214,377,180)
	₱405,062,253	₱342,153,153

Total assets and liabilities of GoTyme is ₱16.78 billion and ₱15.28 billion as of December 31, 2023 and ₱2.18 billion and ₱0.5 billion as of December 31, 2022, respectively.

In 2023 and 2022, GoTyme posted total revenues of ₱267.79 million and ₱16.61 million, respectively. Total expenses for 2023 and 2022 is ₱2.74 billion and ₱926.28 million. GoTyme commenced its commercial operations on August 1, 2022.

For the years ended December 31, 2023 and 2022, GoTyme posted net loss of ₱2.47 billion and ₱0.91 billion, respectively.

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 2023 and 2022 amounted to ₱242.44 million and ₱99.49 million, respectively. In 2023 and 2022, NDV infused additional investments amounting to ₱418.09 million and ₱52.39 million. As of December 31, 2023, the effective ownership in HD Retail is at 23.08%.

Carrying value of HD Retail's investment as of December 31, 2023 and 2022 amounted to ₱313.82 million and ₱113.68 million, respectively. Details follow:

	2023	2022
Cost:		
Balance at beginning of year	**₱231,471,237**	₱179,076,562
Additional investment (Note 2)	**418,089,020**	52,394,675
Balance at end of year	**649,560,257**	231,471,237
Accumulated equity in net earnings:		
Balance at beginning of year	**(117,788,225)**	(18,301,241)
Equity in net loss	**(242,439,033)**	(99,486,984)
Balance at end of year	**(360,227,258)**	(117,788,225)
Share in translation adjustments:	**24,488,972**	–
	₱313,821,971	₱113,683,012

Total current assets and current liabilities of HD Retail is $26.04 million and $23.60 million as of December 31, 2023 and $8.56 million and $6.75 million as of December 31, 2022, respectively. The total assets and liabilities of HD Retail is $85.04 million and $64.56 million as of December 31, 2023 and $31.98 million and $23.98 million as of December 31, 2022, respectively.

For the years ended December 31, 2023, 2022 and 2021, HD Retail posted total revenues of $107.94 million, $19.02 million and nil, respectively. In 2023, 2022 and 2021, HD Retail incurred total cost and expenses of $126.90 million, $26.86 million and $1.83 million, respectively.

For the years ended December 31, 2023, 2022 and 2021, HD Retail posted net comprehensive loss of $18.85 million, $7.84 million and $1.83 million, respectively.

Super Pumped
In February 2022, NDV acquired 20% ownership in Super Pumped Pte. Ltd. (Super Pumped) for a total consideration ₱61.61 million. Super Pumped is incorporated in Singapore. Carrying value of Super Pumped's investment as of December 31, 2023 and 2022 amounted to ₱58.06 million and ₱55.89 million, respectively. NDV's share in the net loss of Super Pumped for the period ended December 31, 2023 and 2022 amounted to ₱2.67 million and ₱5.72 million, respectively. Share in transation adjustment amounted to ₱4.83 million in 2023.

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 ₱125.00 million or ₱25.00 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 ₱280.00 million. Ownership interest of the Parent Company in TCCI as of December 31, 2022 and 2021 is 30%. In 2023, the Parent Company has written off its investment in TCCI due to discontinuation of its business. 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, 2023 and 2022 amounted to nil and ₱235.41 million, respectively. Details follow:

	2023	2022
Cost:		
Balance at beginning and end of year	**₱405,000,000**	₱405,000,000
Accumulated equity in net earnings:		
Balance at beginning of year	**(169,593,486)**	(147,659,452)
Equity in net loss	**(15,228,594)**	(21,934,034)
Balance at end of year	**(184,822,080)**	(169,593,486)
	220,177,920	235,406,514
Write-off	**(220,177,920)**	–
	₱–	₱235,406,514

DAVI

On November 16, 2018, the Parent Company subscribed 40% ownership interest in DAVI of which ₱0.40 million was paid in 2018. Ownership interest in DAVI remains the same despite the additional investments made by the Parent Company. 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 ₱192.00 million.

Carrying value of DAVI's investment as of December 31, 2023 and 2022 amounted to nil and ₱6.81 million, respectively. Details follow:

	2023	2022
Cost:		
Balance at beginning of year	**₱432,000,000**	₱432,000,000
Additional investment	**20,000,000**	
Balance at end of year	**452,000,000**	
Accumulated equity in net earnings:		
Balance at beginning of year	**(425,190,040)**	(284,276,155)
Equity in net loss	**(26,809,960)**	(140,913,885)
Balance at end of year	**(452,000,000)**	(425,190,040)
	₱–	₱6,809,960

The total current assets and current liabilities of DAVI is ₱824.88 million and ₱1.14 billion as of December 31, 2023 and ₱881.29 million and ₱1.11 billion as of December 31, 2022, respectively. The total assets and liabilities of DAVI is at ₱897.34 million and ₱1.16 billion as of December 31, 2023 and ₱1.12 billion and ₱1.13 billion as of December 31, 2022, respectively.

For the years ended December 31, 2023, 2022 and 2021, DAVI posted total revenues of ₱223.08 million, ₱241.05 million and ₱199.98 million, respectively. In 2023, 2022 and 2021, total cost and expenses incurred is ₱515.85 million , ₱612.16 million and ₱567.88 million, respectively.

For the years ended December 31, 2023 and 2022, DAVI posted net comprehensive loss of ₱292.73 million, ₱371.10 million and ₱367.9 million, respectively.

The Group's unrecognized share in net loss of DAVI in 2023 amounted to ₱90.28 million.

VKD Holdings
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. In 2022, RSC acquired the remaining 70% ownership in VHI for a total consideration of ₱236.63 million. The transaction is treated as an acquisition of an asset.

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, 2022 follows:

Shares of stock – at equity:	
At beginning of year	₱105,000,000
Return of investment	(105,000,000)
At end of year	–
Accumulated equity in net earnings:	
At beginning of year	(105,000,000)
Gain on reversal of accumulated equity in net loss	105,000,000
At end of year	–
	₱–

On February 4, 2022, G2M purchased from the Group the convertible note of Growsari for a total consideration of $4.00 million. Gain on reversal of accumulated equity is presented under "Other income (charges)" in the consolidated statements of comprehensive income.

The Group assesses impairment on its investments in associates whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In 2023 and 2022, the Group did not recognize any impairment loss on its investments in associates.

14. **Intangible Assets**

This account consists of:

	2023	2022
Goodwill (Note 19)	**₱14,725,338,315**	₱14,725,338,315
Trademarks (Note 19)	**7,950,917,598**	7,915,917,598
Franchise	**3,602,129**	4,360,472
	₱22,679,858,042	₱22,645,616,385

Goodwill
The Group's goodwill as of December 31, 2023 and 2022 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):

	Amounts
RSCI (Note 19)	₱9,109,386,061
RPI (Note 19)	2,343,614,826
TGPPI	1,281,428,830
SSDI	745,887,131
SEWI	715,103,869
EC	199,870,222
RHIB	145,655,320
RTSHPI	85,161,468
JRMC	71,732,435
HPTDI	4,248,153
GPC	23,250,000
	₱14,725,338,315

Trademarks
The trademarks were acquired through business combinations and were recognized at fair value at the date of acquisition. Details follow:

	2023	2022
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
SFI	**35,000,000**	–
	₱7,950,917,598	₱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 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:

	2023	2022
Beginning balance	**₱4,360,472**	₱5,118,811
Amortization (Note 21)	**(758,343)**	(758,339)
Ending balance	**₱3,602,129**	₱4,360,472

15. Other Noncurrent Assets

This account consists of:

	2023	2022
Security and other deposits	**₱2,415,443,907**	₱2,337,728,937
Construction bonds	**79,924,253**	59,831,870
	₱2,495,368,160	₱2,397,560,807

The Group has paid security and other deposits mainly consist of advances for the lease of stores with carrying amounts of ₱2.42 billion and ₱2.34 billion as of December 31, 2023 and 2022, respectively, which are refundable at the end of the lease term (see Note 28). The present value of these deposits was computed using incremental borrowing rates from 6.90% to 8.80%. Interest income recognized from these security deposits amounted to ₱2.24 million for the year ended December 31, 2023.

16. Trade and Other Payables

This account consists of:

	2023	2022
Trade	**₱16,425,896,482**	₱14,613,653,620
Nontrade (Note 24)	**9,323,001,492**	11,791,754,628
Others	**1,149,688,056**	1,084,937,004
	₱26,898,586,030	₱27,490,345,252

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 mainly consist of liabilities relating to short-term rentals, and suppliers of services such as security and safety, utilities and repairs and maintentnace, contract liabilities, interest payable and due to related parties. The terms and conditions of related party transactions are separately disclosed in Note 24.

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, 2023 and 2022. 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.

	2023	2022
Gift check outstanding	**₱235,259,791**	₱239,492,755
Deferred revenue	**169,942**	1,551,192
	₱235,429,733	₱241,043,947

Below is the rollforward of contract liabilities as December 31, 2023 and 2022:

	2023	2022
At January 1	**₱241,043,947**	₱243,488,155
Deferred during the year	**548,009,350**	537,402,450
Recognized as revenue during the year	**(553,623,564)**	(539,846,658)
At December 31	**₱235,429,733**	₱241,043,947

17. **Loans Payable**

Short-term Loans
Details of short-term loans are as follow:

	2023	2022
Balance at beginning of year	**₱8,409,000,000**	₱7,734,000,000
Availments	**14,198,909,471**	5,395,000,000
Payments	**(14,478,909,471)**	(4,720,000,000)
Balance at end of year	**₱8,129,000,000**	₱8,409,000,000

The balances of the short-term loans of the subsidiaries are as follows:

	2023	2022
RSC	**₱4,270,000,000**	₱3,750,000,000
SSDI	**3,089,000,000**	3,389,000,000
RHDDS	**405,000,000**	385,000,000
RPI	**300,000,000**	250,000,000
HPTD	**35,000,000**	15,000,000
SUPER50	**30,000,000**	–
RCSI	–	620,000,000
	₱8,129,000,000	₱8,409,000,000

a.) RSC's short-term loans payable consist of loans availed from a local commercial bank at interest rates of 5.80%- 6.60% per annum in 2023 and 2.55%-5.80% per annum in 2022. In 2023 and 2022, RSC availed short-term loans amounting to ₱6.52 billion and ₱4.75 billion, respectively. In 2023 and 2022, RSC paid ₱6.47 billion and ₱3.00 billion, respectively. The short-term loans payable of RSC as of December 31, ,2023 and 2022 amounted to ₱4.27 billion and ₱3.75 billion, respectively.

b.) SSDI's short-term loans payable consist of loans availed from local commercial banks at interest rates of 5.80%-6.50% per annum in 2023 and 2.30%-5.80% per annum in 2022. In 2022, SSDI availed short-term loans amounting to ₱150.00 million. In addition, SSDI paid ₱300.00 million and ₱370.0 million in 2023 and 2022, respectively. The short-term loans payable of SSDI as of December 31, 2023 and December 31, 2022 amounted to ₱3.09 billion and ₱3.39 billion, respectively.

c.) RHDDS's short-term loans payable consist of a loan availed from a local commercial bank at an interest rates of 5.9%-6.75% per annum in 2023 and 2.40%-5.90% per annum in 2022. RHDDS availed loans in the amount of ₱240.00 million and paid ₱220.00 million in 2023. The Company paid ₱220.0 million in 2023. The short-term loans payable as of December 31, 2023 and December 31, 2022 amounted to ₱405.00 million and ₱385.00 million, respectively.

d.) RPI's short-term loans payable consists of loans availed from a local commercial bank at an interest rate of 5.5% - 6.60% per annum in 2023 and 2.40% - 5.50% per annum in 2022. In 2023 and 2022, RPI availed short-term loan amounting to ₱300.00 million and ₱700.00 million, respectively. In addition, RPI paid ₱250.00 million and ₱900.00 million in 2023 and 2022, respectively. The short-term loans payable as of December 31, 2023 and December 31, 2022 amounted to ₱300.00 million and ₱250.00, respectively.

e.) HPTD's short-term loans payable consist of loans availed from local commercial banks at an interest rates of 6.0%-6.75% per annum in 2023 and 2.40% - 5.70% per annum in 2022. In 2023 and 2022, HPTD availed short-term loan amounting to ₱35.00 million and ₱15.00 million, respectively. In 2023 and 2022, HPTD paid ₱15.00 million and ₱25.00 million, respectively. The short-term loans payable as of December 31, 2023 and December 31, 2022 amounted to ₱35.00 million and ₱15.00 million, respectively.

f.) SUPER50 availed a short-term loan of ₱35.00 million at an interest rate of 6.35% - 6.60% per annum in 2023. SUPER50 paid ₱5.00 million in 2023. The short-term loans payable as of December 31, 2023 amounted to ₱30.00 million.

g.) RCSI's short-term loans payable consist of loans availed from a local commercial bank at interest rates of 6.0%- 6.75% per annum in 2023 and 2.40% - 5.00% per annum in 2022. In 2023 and 2022, RCSI availed short-term loan amounting to ₱70.00 million and ₱100.00 million, respectively. In addition, RCSI paid ₱220.00 million in 2023 and ₱450.00 million in 2022. The short-term loans payable as of December 31, 2022 amounted to ₱620.00 million. Outstanding balance of short terms loans payable was transferred to RSC upon effectivity of merger between RSC and RCSI.

h.) On January 13, 2023, the Parent Company borrowed ₱17.15 billion under Term Loan Facility Agreement with Metropolitan Bank & Trust Company to partially finance the purchase of shares in BPI (Note 11). The loan was released on January 13, 2023 amounting to ₱17.15 billion with interest rate at 6.00% per annum. On April 13, 2023, the Parent Company paid the loan amounting to ₱6.50 billion and the remaining balance was refinanced by long term loan amounting to ₱10.65 billion with interest rate at 6.75% per annum. On June 7, 2023, the Parent Company borrowed ₱1.80 billion under Term Loan Facility Agreement with Metropolitan Bank & Trust Company with interest rate at 6.30% per annum. The Parent Company paid the loan amounting to ₱0.30 billion and ₱1.50 billion on July 10, 2023 and July 17, 2023, respectively.

Long-term Loans
On April 11, 2023, RRHI and RSC availed a long-term loan of ₱10.65 billion and ₱4.84 billion with an interest rate of 6.75% per annum payable after five years. The loan was used to acquire 4.4% ownership in BPI (Note 11). The transaction cost pertaining to documentary stamp tax on long-term loan amounting to ₱116.18 million was capitalized and amortized over the term of loan. Partial payment for the long-term loan amounting to ₱2.15 billion was made on October 13, 2023.

Principal	₱15,490,000,000
Deferred financing costs	
Cost upon availment	(116,175,000)
Amortization	16,336,663
Balance at end of year	(99,838,337)
Payments	(2,150,000,000)
	₱13,240,161,663

The balances of the long-term loans as of December 31, 2023 follows:

	Amounts
RRHI	₱8,431,954,189
RSC	4,808,207,474
	₱13,240,161,663

The long-term loan of RRHI and RSC is subject to certain covenants including maintaining a maximum net debt-to-equity ratio of 2:1. As of December 31, 2023, RRHI and RSC is in compliance with the required ratio.

Total interest expense charged to operations amounted to ₱1,447.56 million, ₱225.57 million and ₱159.27 million in 2023, 2022 and 2022, respectively.

18. **Equity**

Capital Stock

The details of this account follow:

	Number of Shares					
	Authorized			Issued and Outstanding		
	2023	2022	2021	**2023**	2022	2021
Issued	**1,576,489,360**	1,576,489,360	1,576,489,360	**1,576,489,360**	1,576,489,360	1,576,489,360
Less: Treasury stock	**–**	–	–	**(118,891,960)**	(97,313,220)	(64,479,160)
Issued and outstanding	**1,576,489,360**	1,576,489,360	1,576,489,360	**1,457,597,400**	1,479,176,140	1,512,010,200

	Amount		
	2023	2022	2021
Common stock - ₱1 par value			
Authorized shares	**₱2,000,000,000**	₱2,000,000,000	₱2,000,000,000
Outstanding shares	**1,457,597,400**	1,479,176,140	1,512,010,200
Treasury shares	**6,410,402,228**	5,425,324,182	3,616,057,963

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 ₱69.00 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 were issued to Mulgrave Corporation B.V (MCBV) in 2018, for a total transaction cost of ₱20.16 million. The PSE approved the listing on January 26, 2022.

Treasury stock
On March 9, 2020, the Parent Company's BOD authorized the buyback of RRHI's common shares of up to ₱2.00 billion. The repurchased shares are presented under the '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 ₱2.00 billion to improve shareholder value. This was on top of the ₱2.00 billion share buyback program approved on March 9, 2020.

On February 11, 2022 and April 27, 2022, the BOD of the Parent Company agreed to extend the share buyback program for a total amount of ₱2.00 billion to improve shareholder value. This was on top of the ₱4.00 billion share buyback program approved in 2020 and 2021.

On November 16, 2023, the BOD of the Parent Company agreed to extend the share buyback program for an additional amount of ₱1.00 billion to improve shareholder value. This was on top of the ₱6.00 billion share buyback program approved in 2020, 2021 and 2022.

The share buyback program has been implemented in the open market through the trading facilities of the PSE and continues to be supervised by the President and Chief Executive Officer and Chief Financial Officer, as authorized by the BOD.

As of December 31, 2023 and 2022, RRHI has repurchased 118.89 million shares for ₱6,410.40 million and 97.31 million shares for ₱5,425.32 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:

	2023	2022	2021
Acquisition of additional shares from non-controlling interest			
Beginning	**(₱742,678,028)**	(₱995,284,977)	(₱995,284,977)
Additions/Deductions	**−**	252,606,949	−
Ending	**(₱742,678,028)**	(₱742,678,028)	(₱995,284,977)

Acquisition of Additional Shares from a Non-Controlling Shareholder
On February 22, 2022, RSC acquired Ministop Japan's (MSJ) 40% stake in RCSI for a consideration of ₱209.39 million, increasing its share from 60% to 100%. The Group recognized equity reserve from the acquisition amounting to ₱225.47 million representing the difference between the consideration and the net book value of NCI.

On July 1, 2022, the Group bought the remaining 33% ownership in RHIB from an NCI for a total consideration of ₱117.56 million. The Group recognized equity reserves in the amount of ₱27.13 million representing the difference between the consideration and the net book value of NCI.

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. The Group recognized equity reserve from the acquisition amounting to ₱1.02 billion. 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.

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.

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 ₱24.52 billion and ₱20.76 billion as of December 31, 2023 and 2022, respectively, while the accumulated equity in net income of the associates amounted to ₱1,034.04 million and ₱1,672.62 million as of December 31, 2023 and 2022, respectively (Note 13).

Dividend Declaration
Details of the Parent Company's dividend declarations follow:

	2023	2022	2021
Date of declaration	**May 12, 2023**	April 27, 2022	April 27, 2021
Dividend per share	**₱2.00**	₱2.00	₱1.83
Total dividends	**₱2,944,699,580**	₱2,984,905,600	₱2,813,524,076
Date of record	**May 26, 2023**	May 20, 2022	May 20, 2021
Date of payment	**June 9, 2023**	June 10, 2022	June 10, 2021

Appropriation of Retained Earnings
Rollforward analysis of appropriated retained earnings follows:

	2023	2022	2021
Balance at beginning of year	**₱17,277,752,847**	₱23,965,752,847	₱27,852,852,847
Appropriation	**332,000,000**	1,528,000,000	888,500,000
Reversal of appropriation	**(1,204,000,000)**	(8,216,000,000)	(4,775,600,000)
Balance at end of year	**₱16,405,752,847**	₱17,277,752,847	₱23,965,752,847

In 2023, 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 follows:

Entity	Amount
RHMI	₱202,000,000
WHMI	40,000,000
RAC	90,000,000
	₱332,000,000

In 2022, 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 follows:

Entity	Amount
RRHI	₱530,000,000
RHMI	407,000,000
WHMI	54,000,000
RTSHPI	30,000,000
RDSI	162,000,000
RAC	345,000,000
	₱1,528,000,000

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 follows:

Entity	Amount
RHMI	₱564,000,000
RDSI	162,000,000
WHMI	101,000,000
HEMI	2,500,000
RTSHPI	59,000,000
	₱888,500,000

Reversal of appropriation
In 2023, 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	₱1,000,000,000
WHMI	200,000,000
HEMI	4,000,000
	₱1,204,000,000

In 2022, 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
RSC	₱7,000,000,000
RRHI	530,000,000
RHMI	278,000,000
RDSI	162,000,000
WHMI	11,000,000
RAC	235,000,000
Total	₱8,216,000,000

On 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
RTSHPI	50,000,000
RAC	10,000,000
HEMI	2,600,000
Total	₱775,600,000

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.

Declaration of Dividends of the Subsidiaries
In 2023, the BOD of the below subsidiaries approved the declaration of cash dividends as follows:

Entity	Date of declaration	Amount
RRHI - TMI	September 1	₱1,000,000,000
RHMI	March 9	1,000,000,000
SSDI	June 30	288,218,888
TGPPI	May 5	200,000,000
TGPPI	June 30	200,000,000
WHI	March 20	100,000,000
RTSHPI	March 6	5,000,000
Total		₱2,793,218,888

Of these amounts, ₱583.99 million relate to non-controlling interest.

In 2022, the BOD of the below subsidiaries approved the declaration of cash dividends as follows:

Entity	Date of declaration	Amount
RSC	April 1	₱2,500,000,000
RSC	December 9	4,500,000,000
RRHI - TMI	April 27	700,000,000
RRHI - TMI	December 1	740,000,000
RHMI	February 14	300,000,000
SEWI	August 2	230,000,000
TGP	March 28	200,000,000
TGP	July 1	200,000,000
TGP	September 1	200,000,000
TGP	November 15	150,000,000
RTSHPI	March 29	5,000,000
Total		₱9,725,000,000

Of these amounts, ₱452.17 million relate to non-controlling interest.

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. Of these amounts, ₱332.20 million relate to non-controlling interest.

NCI
Acquisition of NCI
In 2022, the Group acquired NCI in RCSI and VKD Holding increasing the Group's ownership stake from 60% to 100% and 70% to 100%, respectively.

Investment from NCI
In August 2022, an NCI made an investment in SUPER50 amounting to ₱12.25 million. In September 2020, an NCI made an investment in SSDI amounting to ₱200.0 million.

Material Partly-Owned Subsidiary
In 2023 and 2022, the Group has 45.9% and 49.00% proportion of equity interest held by non-controlling interests attributable to TGPPI, respectively. Accumulated balances of material non-controlling interest amounted to ₱596.56 million, ₱598.03 million and ₱577.47 million in 2023, 2022 and 2021, respectively. Profit allocated to material non-controlling interest amounted to ₱388.52 million, ₱311.08 million and ₱325.31 million in 2023, 2022 and 2021, respectively. Total assets of TGPPI as of December 31, 2023 and 2022 amounted to ₱2,505.31 million and ₱2,080.22 million, respectively, while total liabilities as of December 31, 2023 and 2022 amounted to ₱1,209.36 million and ₱974.80 million, respectively. Total sales in 2023, 2022 and 2021 amounted to ₱5,421.46 million, ₱5,043.00 million and ₱4,940.03 million, respectively. Net income in 2023, 2022 and 2021 amounted to ₱846.44 million, ₱677.74 million and ₱648.99 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, 2023 and 2022.

The Group considers the following as its main sources of capital:

	2023	2022
Capital stock	**₱1,576,489,360**	₱1,576,489,360
Additional paid-in capital	**40,768,202,897**	40,768,202,897
Treasury stock	**(6,410,402,228)**	(5,425,324,182)
Other comprehensive income	**2,266,083,092**	(417,678,756)
Equity reserve	**(742,678,028)**	(742,678,028)
Retained earnings		
Appropriated	**16,405,752,847**	17,277,752,847
Unappropriated	**21,416,540,368**	19,392,171,193
Total equity attributable to equity holders of the Parent Company	**75,279,988,308**	72,428,935,331
Non-controlling interest in consolidated subsidiaries	**4,097,903,734**	4,144,731,681
	₱79,377,892,042	₱76,573,667,012

19. Business Combinations

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.

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.

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 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.

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 ₱7.22 billion, ₱6.58 billion and ₱5.73 billion in 2023, 2022 and 2021, respectively.

Disaggregated revenue information
Set out below is the disaggregation of the Company's revenue from contracts with customers:

	For the year ended December 31, 2023						
Segments	**Supermarket**	**Department Store**	**DIY**	**Convenience Store**	**Drug Store**	**Specialty Store**	**Total**
Type of goods or service							
Sale of goods - retail	**₱108,594,439,084**	**₱16,269,769,388**	**₱12,305,507,597**	**₱5,345,375,043**	**₱33,388,304,028**	**₱15,231,005,331**	**₱191,134,400,471**
Sale of merchandise to franchisees	**–**	**–**	**–**	**991,461,138**	**–**	**–**	**991,461,138**
Franchise revenue	**–**	**–**	**–**	**1,381,250**	**33,905,905**	**–**	**35,287,155**
Royalty fee	**–**	**–**	**–**	**124,624,907**	**98,252,402**	**–**	**222,877,309**
	₱108,594,439,084	**₱16,269,769,388**	**₱12,305,507,597**	**₱6,462,842,338**	**₱33,520,462,335**	**₱15,231,005,331**	**₱192,384,026,073**
Timing of revenue recognition							
Goods transferred at point in time	**₱108,594,439,084**	**₱16,269,769,388**	**₱12,305,507,597**	**₱6,336,836,181**	**₱33,388,304,028**	**₱15,231,005,331**	**₱192,125,861,609**
Services transferred over time	**–**	**–**	**–**	**126,006,157**	**132,158,307**	**–**	**258,164,464**
	₱108,594,439,084	**₱16,269,769,388**	**₱12,305,507,597**	**₱6,462,842,338**	**₱33,520,462,335**	**₱15,231,005,331**	**₱192,384,026,073**

Segments	For the year ended December 31, 2022 Supermarket	Department Store	DIY	Convenience Store	Drug Store	Specialty Store	Total
Type of goods or service							
Sale of goods - retail	₱101,120,155,448	₱15,035,649,818	₱12,403,416,128	₱5,060,637,309	₱29,485,500,238	₱14,704,116,292	₱177,809,475,233
Sale of merchandise to franchisees	–	–	–	1,011,593,827	–	–	1,011,593,827
Franchise revenue	–	–	–	250,641,591	25,562,643	–	276,204,234
Royalty fee	–	–	–	172,871,514	56,652,518	–	229,524,032
	₱101,120,155,448	₱15,035,649,818	₱12,403,416,128	₱6,495,744,241	₱29,567,715,399	₱14,704,116,292	₱179,326,797,326
Timing of revenue recognition							
Goods transferred at point in time	₱101,120,155,448	₱15,035,649,818	₱12,403,416,128	₱6,072,231,136	₱29,485,500,238	₱14,704,116,292	₱178,821,069,060
Services transferred over time	–	–	–	423,513,105	82,215,161	–	505,728,266
	₱101,120,155,448	₱15,035,649,818	₱12,403,416,128	₱6,495,744,241	₱29,567,715,399	₱14,704,116,292	₱179,326,797,326

Segments	For the year ended December 31, 2021 Supermarket	Department Store	DIY	Convenience Store	Drug Store	Specialty Store	Total
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	–	–	–	140,352,386	19,649,952	–	160,002,338
Royalty fee	–	–	–	4,253,611	58,944,810	–	63,198,421
	₱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

21. **Operating Expenses**

This account consists of:

	2023	2022	2021
Personnel costs and contracted services (Notes 22 and 23)	**₱11,321,076,820**	₱10,154,653,022	₱9,802,346,518
Rental and utilities (Notes 24 and 28)	**10,295,540,444**	9,585,433,406	6,863,041,043
Depreciation and amortization (Notes 12, 14 and 28)	**7,499,945,134**	7,179,629,553	7,087,772,782
Transportation and travel	**2,207,435,476**	2,138,028,174	1,713,359,868
Supplies	**1,169,226,534**	1,136,793,920	1,014,592,585
Advertising	**1,395,857,625**	1,197,347,138	679,976,957
Repairs and maintenance	**1,008,816,093**	1,059,598,027	890,438,363
Bank and credit charges	**986,095,978**	783,285,209	694,435,937
Commission expense	**95,845,747**	219,867,997	211,860,822
Royalty expense (Note 29)	**151,716,236**	81,488,630	121,319,030
Tolling fee	**29,978,296**	39,541,655	35,922,832
Others	**1,686,169,414**	1,167,440,420	921,456,834
	₱37,847,703,797	₱34,743,107,151	₱30,036,523,571

Others consist mainly of taxes and licenses, insurance and professional fees.

Depreciation and amortization pertains to:

	2023	2022	2021
Property and equipment (Note 12)	**₱3,398,638,894**	₱3,086,340,845	₱3,001,391,781
Trademarks, franchise and license fees (Note 14)	**758,343**	758,339	758,333
Amortization of ROU assets (Note 28)	**4,100,547,897**	4,092,530,369	4,085,622,668
	₱7,499,945,134	₱7,179,629,553	₱7,087,772,782

22. **Personnel Costs and Contracted Services**

This account consists of:

	2023	2022	2021
Salaries, allowances and benefits (Note 21)	**₱7,144,977,248**	₱6,184,460,843	₱5,956,205,160
Contracted services (Note 21)	**4,176,099,572**	3,970,192,179	3,846,141,358
	₱11,321,076,820	₱10,154,653,022	₱9,802,346,518

Details of salaries, allowances and benefits:

	2023	2022	2021
Salaries, wages and allowances	**₱6,828,168,694**	₱5,983,737,404	₱5,672,408,136
Retirement expense (Note 23)	**316,808,554**	200,723,439	283,797,024
	₱7,144,977,248	₱6,184,460,843	₱5,956,205,160

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 most recent actuarial valuaton was carried out for the Group as of December 31, 2023.

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 in the 2019 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 follows:

	2023	2022	2021
Current service cost	**₱192,679,999**	₱202,090,464	₱282,641,430
Net interest cost	**(2,726,359)**	6,435,223	16,227,113
Past service cost (income)	**126,854,914**	(7,802,248)	(15,071,519)
Retirement expense	**₱316,808,554**	₱200,723,439	₱283,797,024

Net retirement obligation (plan asset) as of December 31, 2023 and 2022 recognized in the consolidated statements of financial position follow:

	2023	2022
Present value of defined benefit obligation	**₱2,130,773,516**	₱1,474,339,187
Fair value of plan assets	**(1,688,809,515)**	(1,485,780,311)
Net retirement obligation (plan asset)	**₱441,964,001**	(₱11,441,124)

As of December 31, 2023, RHIB, RHMI, WHI, HEMI, RTSHPI, RVC, RAC and RDSI have net plan asset position totalling to ₱166.45 million while RSC, TGPPI, SSDI, RPI, S50, SEWI, have net retirement obligation totalling to ₱608.42 million. As of December 31, 2022, RHIB, HPTD, RHMI, WHI, HEMI, RTSHPI, RSC, RVC, RCSI, RAC and RDSI have net plan asset position totalling to ₱290.53 million while TGPPI, SSDI, RPI, S50, SEWI have net retirement obligation totalling to ₱279.09 million.

The movements in net retirement obligation recognized in the consolidated statements of financial position follow:

	2023	2022
Balance at beginning of year	**(₱11,441,124)**	₱248,927,212
Remeasurement loss (gain)	**336,299,975**	(241,543,942)
Retirement expense	**316,808,554**	200,723,439
Actual contribution	**(194,824,865)**	(207,994,424)
Benefits paid from direct payments	**(4,878,539)**	(11,553,409)
Balance at end of year	**₱441,964,001**	(₱11,441,124)

Remeasurement effects recognized in OCI:

	2023	2022
Remeasurement losses (gains) on:		
Retirement obligation	**₱275,009,379**	₱282,219,904
Retirement plan assets	**61,290,596**	(40,675,962)
	₱336,299,975	₱241,543,942

Changes in the present value of defined benefit obligation follow:

	2023	2022
Balance at beginning of year	**₱1,474,339,187**	₱1,538,372,982
Current service cost	**192,679,999**	202,090,464
Remeasurement loss(gain) arising from:		
Changes in financial assumptions	**274,711,808**	(225,050,070)
Changes in demographic assumptions	**37,796,173**	(83,559,573)
Experience adjustments	**(4,141,070)**	26,389,739
Interest cost	**105,094,298**	75,658,159
Past service cost (income)	**126,854,914**	(7,802,248)
Benefits paid	**(76,561,793)**	(51,760,266)
Balance at end of year	**₱2,130,773,516**	₱1,474,339,187

Movements in the fair value of plan assets follow:

	2023	2022
Balance at beginning of year	**₱1,485,780,311**	₱1,289,445,770
Actual contribution	**194,824,865**	207,994,424
Interest income included in net interest cost	**107,820,658**	69,222,936
Remeasurement loss	**(27,933,064)**	(40,675,962)
Benefits paid	**(71,683,255)**	(40,206,857)
Balance at end of year	**₱1,688,809,515**	₱1,485,780,311

The fair value of net plan assets of the Group by each class as at the end of the reporting period is as follows:

	2023	2022
Cash and cash equivalents		
Savings deposit	**₱195,800,819**	₱140,438,426
Investments in government securities		
Fixed rate treasury notes	**9,611,618**	9,409,324
Retail treasury bonds	**400,749**	–
Treasury bills	**512,597**	–
Investments in UITF	**1,481,300,143**	1,335,076,399
Other receivables	**1,231,839**	901,376
Accrued trust fee payable	**(51,531)**	(45,214)
Others	**3,281**	–
	₱1,688,809,515	₱1,485,780,311

The principal assumptions used in determining the above amounts for the Group's plan are shown below:

	2023	2022
Discount rates	**6.1% - 7.3%**	7.0% - 7.4%
Salary increase rates	**2.0% - 5.9%**	2.0% - 4.0%

The carrying amounts disclosed above reasonably approximate fair values at each reporting period. The actual return on plan assets amounted to ₱61.29 million, ₱28.55 million and ₱260.12 million in 2023, 2022 and 2021, respectively.

The Group expects to contribute ₱142.13 million to the defined benefit plan in 2024.

Remeasurement effects attributable to the equity holders of the Parent Company follow:

	2023	2022
Balances at the beginning of year	**₱474,020,307**	₱343,303,004
Remeasurement gains (losses) during the year	**(244,942,591)**	176,513,291
Balances at end of year	**₱229,077,716**	₱519,816,295

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 on Defined Benefit Obligation
2023	**Salary increase**		
		+1.00%	**₱277,594,050**
		-1.00%	**(176,868,841)**
	Discount rates		
		+1.00%	**(165,563,886)**
		-1.00%	**268,054,836**

		Increase (Decrease)	Effect on Defined Benefit Obligation
2022	Salary increase		
		+1.00%	₱158,017,669
		-1.00%	(136,470,089)
	Discount rates		
		+1.00%	(127,078,022)
		-1.00%	149,031,719

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:

	2023	2022
Less than 1 year	**₱208,645,960**	₱194,532,015
More than 1 year but less than 5 years	**586,015,997**	451,879,557
More than 5 years but less than 10 years	**1,293,269,771**	965,236,288
More than 10 years but less than 15 years	**2,219,863,386**	1,556,377,396
More than 15 years but less than 20 years	**3,083,168,280**	2,265,958,706
More than 20 years	**9,477,896,261**	7,054,648,150

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)**	
	2023	2022	2021	**2023**	2022
Other affiliates under common control					
a. Trade and other receivables					
Sales	**₱39,063,333**	₱71,220,826	₱42,197,527	**₱–**	₱–
b. Trade and other payables					
Purchases - net	**(3,770,492,535)**	(7,625,655,574)	(3,409,328,464)	**(389,994,178)**	(2,598,303,943)
Rent and utilities	**(5,417,155,033)**	(5,158,480,639)	(4,036,187,235)	**(478,702,304)**	(944,864,210)

Below are the Group's transactions with its related parties:

a. As of December 31, 2023 and 2022, the Group does not have 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.

b. As of December 31, 2023 and 2022, 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. Purchases for 2022 includes land amounting to ₱3.53 billion of which ₱2.38 billion is still outstanding as of December 31, 2022 and fully paid in 2023.

c. The Group maintains savings and current accounts and money market placements with RBC. Cash and cash equivalents earn interest at the prevailing bank deposit rates.

d. Affiliates include 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 2023, 2022 and 2021 follow:

	2023	2022	2021
Short-term employment benefits	**₱220,880,000**	₱198,976,002	₱192,258,333
Post-employment benefits	**29,522,860**	42,108,436	53,888,531
	₱250,402,860	₱241,084,438	₱246,146,864

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, 2023, 2022 and 2021. 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:

	2023	2022	2021
Current	**₱1,620,387,824**	₱1,636,402,421	₱822,538,268
Deferred	**(96,847,231)**	(85,234,520)	(403,900,757)
	₱1,523,540,593	₱1,551,167,901	₱418,637,511

b. The components of the net deferred tax assets of the Group as of December 31, 2023 and 2022 pertain to the deferred tax effects of the following:

	2023	2022
Tax effects of:		
Items recognized in profit or loss:		
Lease liabilities	**₱6,011,148,119**	₱6,505,913,566
NOLCO	**89,006,020**	123,155,533
Unamortized past service cost	**59,514,899**	79,570,350
MCIT	**48,271,697**	29,066,368
Allowance for impairment losses	**65,902,468**	72,581,283
Others	**47,214,636**	4,200,528
Retirement obligation	**72,926,870**	35,987,623
Right-of-use assets	**(4,978,405,967)**	(5,538,731,367)
	1,415,578,742	1,311,743,884
Item recognized directly in other comprehensive income:		
Remeasurement loss (gain) on retirement obligation	**37,564,130**	(38,847,904)
	₱1,453,142,872	₱1,272,895,980

c. The components of the net deferred tax liabilities of the Group as of December 31, 2023 and 2022 represent deferred tax effects of the following:

	2023	2022
Tax effect of:		
Items recognized in profit or loss:		
Business combination (Note 19)	**₱1,979,723,401**	₱1,979,723,402
Asset revaluation	**23,762,630**	11,353,200
	2,003,486,031	1,991,076,602
Item recognized directly in other comprehensive income:		
Fair value adjustments on investment in an associate	**61,855,913**	61,855,913
	₱2,065,341,944	₱2,052,932,515

d. The Group has the following deductible temporary differences that are available for offset against future taxable income or tax payable for which deferred tax assets have not been recognized:

	2023	2022
Tax effects of:		
MCIT	**₱4,414,124**	₱12,963,159
NOLCO	**8,109,856**	19,603,665
Allowance for impairment losses	**–**	48,484,484

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.

RRHI, HPTD, HEMI, RTSHPI, RDSI, RDDC, RVC, SEWI, TMI and VKD has incurred NOLCO before taxable year 2020 and after 2021which 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	Balance	Expiry Year
2023	₱1,056,980,501	₱–	₱–	₱1,056,980,501	2026
2022	52,758,155	–	(320,665)	52,437,490	2025
	₱1,109,738,656	₱–	(₱320,665)	₱1,109,417,991	

RRHI, RHIB, HPTD ,RCSI, RDSI, RDDC, RVC, TMI and VKD 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	₱516,450,474	(₱333,900,917)	(₱4,309,975)	₱178,239,582	2026
2020	₱474,091,916	(392,448,563)	₱–	₱81,643,353	2025
	₱990,542,390	(₱726,349,480)	(₱4,309,975)	₱259,882,935	

f. Details of the Group's MCIT related to RRHI, RSC, RVC, RHIB, HPTD, RDSI, RDDC, RTSHPI, RHMI, HEMI, and SEWI follow:

Inception Year	Amount	Applied	Expired	Balance	Expiry Year
2023	₱39,529,233	(₱4,935,776)	₱–	₱34,593,457	2026
2022	17,213,887	(8,084,846)	–	9,129,041	2025
2021	19,305,555	(10,342,232)	–	8,963,323	2024
2020	55,575,712	(45,356,109)	(10,219,603)	–	2023
Total	₱131,624,387	(₱68,718,963)	(₱10,219,603)	₱52,685,821	

g. The reconciliation of statutory income tax rate to the effective income tax rate follows:

	2023	2022	2021
Statutory income tax rate	**25.00%**	25.00%	25.00%
Add (deduct) tax effects of:			
Nondeductible interest expense	**3.10**	0.03	2.12
Nondeductible expense	**5.05**	–	–
Effect of OSD	**(0.31)**	(0.08)	–

(Forward)

	2023	2022	2021
Nontaxable income subject to final tax	–	(1.13)	(1.18)
Derecognized DTA for NOLCO	–	(0.52)	–
Dividend income	**(5.12)**	(0.54)	(0.37)
Change in unrecognized deferred tax assets	–	(0.13)	(0.81)
Expired MCIT and NOLCO	–	–	(0.45)
Franchise income	–	–	(0.37)
Interest income subject to final tax	**(1.04)**	(1.22)	(8.48)
Nontaxable income not subject to final tax	**(2.00)**	(1.99)	(1.60)
CREATE impact	–	–	(5.91)
Effective income tax rate	**24.68%**	19.42%	7.95%

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

Consequently, the Company recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

26. Earnings Per Share

The following table presents information necessary to calculate EPS on net income attributable to equity holders of the Parent Company:

	2023	2022	2021
Net income attributable to equity holders of the Parent Company	**₱4,097,068,755**	₱5,847,403,159	₱4,527,833,319
Weighted average number of common shares	**1,471,676,180**	1,489,082,013	1,535,225,570
Basic and Diluted EPS	**₱2.78**	₱3.93	₱2.95

	2023	2022	2021
No. of shares at the beginning of year	**₱1,479,176,140**	₱1,512,010,200	₱1,563,460,430
Weighted average number of treasury shares	**(7,499,960)**	(22,928,187)	(28,234,860)
Weighted average number of common shares	**₱1,471,676,180**	₱1,489,082,013	₱1,535,225,570

The Parent Company has no potentially dilutive common shares in 2023, 2022 and 2021.

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.

Interest Rate Risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk for changes in market interest relates primarily to the Group's long-term debt obligation with a floating interest rate. The Group has minimal interest rate risk because the interest-bearing loans are short-term in nature and bear fixed interest rates.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings):

	Increase (decrease) in basis points	Effect on profit before tax
Peso floating rate borrowing	+0.25%	(₱33,350,000)
	-0.25%	33,350,000

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

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 (₱)**	
	2023	2022	**2023**	2022
USD	**+1.36%**	+3.16%	**₱9,563,232**	₱137,835,755
	-1.36%	-3.16%	**(9,563,232)**	(137,835,755)

The Group used foreign exchange rate of ₱55.37:USD1 and ₱55.76:USD1 as of December 31, 2023, and 2022, 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 1.36% and 3.16% in 2023 and 2022, 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 Group's presentation currency in 2023 and 2022 are as follows:

	2023		2022	
	USD	**PHP**	USD	PHP
Cash and cash equivalents	**$3,674,011**	**₱203,429,989**	$13,497,178	₱752,535,159
Receivables	**269,108**	**14,900,510**	1,217,382	67,875,133
FVOCI with recycling	**8,710,178**	**482,282,556**	63,522,513	3,541,697,712
Total	**$12,653,297**	**₱700,613,055**	$78,237,073	₱4,362,108,004

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, 2023 and 2022. 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 2023 and 2022.

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, 2023 and 2022.

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
2023	**+9.91%**	**₱1,397,991,155**
	-9.91%	**(1,397,991,155)**
2022	+14.38%	₱10,905,463
	-14.38%	(10,905,463)

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 9.91% and 14.38% in 2023 and 2022, 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 comprehensive 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, 2023 and 2022 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, 2023

	On Demand	One (1) year	More than One (1) year	Total
Financial Assets				
Amortized cost				
Cash and cash equivalents	₱10,775,659,803	₱2,396,841,678	₱–	₱13,172,501,481
Trade receivables	40,782,218	3,186,633,490	–	3,227,415,708
Nontrade receivables	–	741,841,847	–	741,841,847
Due from franchisees	–	19,861,529	–	19,861,529
Other noncurrent assets:				
Security and other deposits	–	–	2,464,913,510	2,464,913,510
Construction bonds	–	–	79,924,252	79,924,252
FVOCI	–	–	25,812,922,248	25,812,922,248
FVTPL	–	–	598,121,799	598,121,799
	₱10,816,442,021	₱6,345,178,544	₱28,955,881,809	₱46,117,502,374
Financial Liabilities				
Other financial liabilities				
Trade and other payables*	₱–	₱26,653,693,151	₱–	₱26,653,693,151
Short-term loans payable	–	8,129,000,000	–	8,129,000,000
Long-term loan payable	–	–	13,340,000,000	13,340,000,000
Lease liabilities	–	3,586,524,281	29,276,706,655	32,863,230,936
Other current liabilities	–	514,002,010	–	514,002,010
	₱–	₱38,883,219,442	₱42,616,706,655	₱81,499,926,097

**Excluding statutory liabilities amounting to ₱244,892,879.*

December 31, 2022

	On Demand	One (1) year	More than One (1) year	Total
Financial Assets				
Amortized cost				
Cash and cash equivalents	₱7,877,094,240	₱9,889,893,106	₱–	₱17,766,987,346
Trade receivables	33,788,642	2,881,764,551	–	2,915,553,193
Nontrade receivables	–	586,457,967	–	586,457,967
Due from franchisees	–	59,329,996	–	59,329,996
Other noncurrent assets:				
Security and other deposits	–	–	2,337,728,937	2,337,728,937
Construction bonds	–	–	59,831,870	59,831,870
FVOCI	–	–	8,670,055,533	8,670,055,533
FVTPL	–	–	294,988,235	294,988,235
	₱7,910,882,882	₱13,417,445,621	₱11,362,604,575	₱32,690,933,077
Financial Liabilities				
Other financial liabilities				
Trade and other payables*	₱–	₱26,968,991,101	₱–	₱26,968,991,101
Short-term loans payable	–	8,409,000,000	–	8,409,000,000
Lease liabilities	–	3,500,576,587	31,842,720,148	35,343,296,735
Other current liabilities	–	542,609,390	–	542,609,390
	₱–	₱39,421,177,078	₱31,842,720,148	₱71,263,897,226

**Excluding statutory liabilities amounting ₱521,354,151.*

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 ₱1,001 million and ₱1,066 million in 2023 and 2022, respectively) is 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 ₱45.03 billion and ₱31.62 billion as of December 31, 2023 and 2022, 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, 2023 and 2022.

2023

	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)	**₱12,171,474,617**	**₱–**	**₱–**	**₱12,171,474,617**
Trade receivables	**3,186,633,490**	–	**40,782,218**	**3,227,415,708**
Nontrade receivables	**741,841,847**	–	–	**741,841,847**
Due from franchisees	**19,861,529**	–	–	**19,861,529**
Other noncurrent assets:				
Security and other deposits	**2,415,443,907**	–	–	**2,415,443,907**
Construction bond	**79,924,252**	–	–	**79,924,252**
FVOCI	**2,212,805,412**	–	**739,335**	**2,213,544,747**
	₱20,827,985,054	**₱–**	**₱41,521,553**	**₱20,869,506,607**

2022

	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)	₱16,700,667,375	₱–	₱–	₱16,700,667,375
Trade receivables	2,881,764,551	–	33,788,642	2,915,553,193
Nontrade receivables	586,457,967	–		586,457,967
Due from franchisees	59,329,996	–		59,329,996
Other noncurrent assets:				
Security and other deposits	2,337,728,937	–	–	2,337,728,937
Construction bond	59,831,870	–	–	59,831,870
FVOCI	7,524,048,032	–	3,550,055	7,527,598,087
	₱30,149,828,729	₱–	₱37,338,697	₱30,187,167,425

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 and other 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 ₱2.81 million and ₱6.33 million in 2023 and 2022, respectively (Note 11).

Trade and Other 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 and other 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, 2023 and 2022 follows:

2023

	General Approach			Simplified
	Stage 1	Stage 2	Stage 3	Approach
Amortized cost				
Cash and cash equivalents	**₱12,171,474,617**	**₱–**	**₱–**	**₱–**
Trade receivables	–	–	–	**3,227,415,708**
Due from franchisees	–	–	–	**19,861,529**
Nontrade receivables	**741,841,847**	–	–	–
Security and other deposits	**2,495,368,159**	–	–	–
FVOCI	**2,213,544,747**	–	–	–
Total gross carrying amounts	**17,622,229,370**	–	–	**3,247,277,237**
Less allowance	**739,335**	–	–	**40,782,218**
	₱17,621,490,035	**₱–**	**₱–**	**₱3,206,495,019**

2022

	General Approach			Simplified
	Stage 1	Stage 2	Stage 3	Approach
Amortized cost				
Cash and cash equivalents	₱16,700,667,375	₱–	₱–	₱–
Trade receivables	–	–	–	2,915,553,193
Due from franchisees	–	–	–	59,329,996
Nontrade receivables	586,457,967	–	–	–
Security and other deposits	2,397,560,807	–	–	–
FVOCI	7,527,598,087	–	–	–
Total gross carrying amounts	27,212,284,236	–	–	2,974,883,189
Less allowance	3,550,055	–	–	33,788,642
	₱27,208734,181	₱–	₱–	₱2,941,094,547

In 2023 and 2022, there were no movements between stages 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 bonds were discounted using the effective interest rates at reporting date.
- Debt and equity instrument financial assets amounting to ₱26.41 billion and ₱8.96 billion as at December 31, 2023 and 2022, respectively are 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.
- The fair values of the interest-bearing long term loans payable were estimated as the present value of all future cash flows discounted using the applicable rates for similar types of loans.

	2023		2022	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Assets				
Security deposits, other deposits and construction bond	**₱2,137,403,785**	**₱2,087,934,182**	₱2,397,560,807	₱2,031,017,741
Financial Liabilities				
Long-term loan payable	**₱13,240,161,663**	**₱13,554,072,758**	₱–	₱–

In 2023 and 2022, 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 twenty-five (25) years. 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, 2023 and 2022 as follows:

	2023	2022
Beginning balance	**₱22,154,925,469**	₱22,639,146,437
Additions	**2,407,703,851**	4,485,965,925
Derecognition	**(548,457,552)**	(877,656,524)
Amortization of ROU assets (Note 21)	**(4,100,547,897)**	(4,092,530,369)
	₱19,913,623,871	₱22,154,925,469

Set out below are the carrying amounts of lease liabilities and the movements for the years ended December 31, 2023 and 2022 as follows:

	2023	2022
Beginning balance (Note 30)	**₱26,023,654,262**	₱25,832,734,988
Accretion of interest expense	**1,675,403,757**	1,762,566,120
Additions (Note 30)	**2,340,134,011**	4,559,825,836
Derecognition	**(678,011,968)**	(1,030,911,849)
Lease payments	**(5,316,587,585)**	(5,100,560,833)
	24,044,592,477	26,023,654,262
Less current portion of lease liabilities	**3,586,524,281**	3,500,576,587
Noncurrent portion of lease liabilities	**₱20,458,068,196**	₱22,523,077,675

The following are the amounts recognized in profit or loss for the years ended December 31, 2023, 2022 and 2021 as follows:

	2023	2022	2021
Amortization of ROU assets (Note 21)	**₱4,100,547,897**	₱4,092,530,369	₱4,085,622,668
Interest expense on lease liabilities	**1,675,403,757**	1,762,566,120	1,801,627,179
Expenses relating to short-term leases and variable lease payments, net of negative variable lease (Note 21)	**3,131,541,692**	2,635,290,008	1,118,056,727
Gain on derecognition	**(129,554,416)**	(153,255,325)	(58,333,424)
	₱8,777,938,930	₱8,337,131,172	₱6,946,973,150

Shown below is the maturity analysis of the undiscounted lease payments as of December 31, 2023 and 2022:

	2023	2022
Within one (1) year	**₱4,844,001,479**	₱4,930,419,510
After one (1) year but not more than five (5) years	**16,236,149,824**	17,412,657,203
More than five (5) years	**11,783,079,633**	13,000,220,022
	₱32,863,230,936	₱35,343,296,735

The Company's additions to ROU assets and lease liabilities are considered non-cash activities. The Company recorded gain on derecognition of lease liability amounting to ₱129.55 million, ₱153.26 million, and ₱58.33 million in 2023, 2022 and 2021, respectively due to the pre-termination of leases on stores presented under "Other income (charges)" in the consolidated statements of comprehensive income.

Group as a Lessor
The Group has entered into operating leases on its building. Income from these leases amounting to ₱857.23 million, ₱581.14 million, and ₱414.86 million in 2023, 2022 and 2021, respectively, 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 nil, ₱7.25 million and ₱46.63 million in 2023, 2022 and 2021, respectively (Note 21).

In February 2022, the Group through RSC, acquired the remaining 40.0% stake of Ministop Japan in RCSI, which resulted in RSC increasing its share in RCSI from 60.0% to 100%. RCSI has subsequently rebranded its convenience store business to Uncle John's following the exit of Ministop Japan.

b) The Group has franchise agreements which mainly include providing store facilities and equipment to franchisees. Other services rendered by Uncle John's 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 ₱1.38 million, ₱172.87 million and ₱140.35 million in 2023, 2022 and 2021, respectively.

As of December 31, 2023 and 2022, amounts due from franchisees amounted to ₱19.86 million and ₱59.33 million, respectively. No provision for impairment losses on due from franchisees was recognized in 2023, 2022 and 2021 (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 ₱33.44 million, ₱17.62 million and ₱8.36 million in 2023, 2022 and 2021, 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 ₱76.16 million, ₱69.09 million and ₱47.81 million in 2023, 2022 and 2021, 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 ₱9.61 million and ₱7.95 million for 2023 and 2022, respectively, representing 0.5% of the net revenue arising from sale of "NO BRAND" products and EMART sourced products in the Philippines.

f.) The Group has other licenses and franchises to carry various global brands.

30. Changes in Liabilities Arising from Financing Activities

2023

	January 1, 2022	Net Cash Flows	Dividend Declaration	Noncash	Others	December 31, 2022
Lease liabilities	**₱26,023,654,262**	**(₱5,316,587,585)**	**₱–**	**₱1,675,403,757**	**₱1,662,122,043**	**₱24,044,592,477**
Short-term loans payable	**8,409,000,000**	**(280,000,000)**	**–**	**–**	**–**	**8,129,000,000**
Long-term loan payable	**–**	**13,223,825,000**	**–**	**16,336,663**	**–**	**13,240,161,663**
Interest payable	**–**	**(1,223,879,691)**	**–**	**(16,336,663)**	**1,447,558,112**	**207,341,758**
Dividends payable	**–**	**(3,528,688,302)**	**3,528,688,302**	**–**	**–**	**–**
Total liabilities from financing activities	**₱34,432,654,262**	**₱2,874,669,422**	**₱3,528,688,302**	**₱1,675,403,757**	**₱3,109,680,155**	**₱45,621,095,898**

2022

	January 1, 2021	Net Cash Flows	Dividend Declaration	Noncash	Others	December 31, 2022
Lease liabilities	₱25,832,734,988	(₱5,100,560,833)	₱–	₱1,762,566,120	₱3,528,913,987	₱26,023,654,262
Short-term loans payable	7,734,000,000	675,000,000	–	–	–	8,409,000,000
Interest payable	–	(225,569,729)	–	225,569,729	–	–
Dividends payable	–	(3,437,072,485)	3,437,072,485	–	–	–
Total liabilities from financing activities	₱33,566,734,988	(₱8,088,203,047)	₱3,437,072,485	₱1,988,135,849	₱3,528,913,987	₱34,432,654,262

In 2023 and 2022, noncash include accretion of interest expense on lease liabilities and loans payable amounting to ₱3.11 billion and ₱3.53 billion, respectively.

In 2023 and 2022, "Others" include new leases and derecognition of lease liabilities amounted to ₱1.66 billion and ₱3.53 billion, 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. Approval of the Consolidated Financial Statements

The accompanying consolidated financial statements were approved and authorized for issue by the BOD on March 22, 2024.

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Robinsons Retail Holdings, Inc.
110 E. Rodriguez, Jr. Avenue,
Bagumbayan, Quezon City

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, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated March 22, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated 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.

John T. Villa
Partner
CPA Certificate No. 94065
Tax Identification No. 901-617-005
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-076-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10082033, January 6, 2024, Makati City

March 22, 2024

SyCip Gorres Velayo & Co.
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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Robinsons Retail Holdings, Inc.
110 E. Rodriguez, Jr. Avenue,
Bagumbayan, Quezon City

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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated March 22, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated 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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

John T. Villa
Partner
CPA Certificate No. 94065
Tax Identification No. 901-617-005
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
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PTR No. 10082033, January 6, 2024, Makati City

March 22, 2024

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.

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDENDS DECLARATION

FOR THE YEAR ENDED DECEMBER 31, 2023

Unappropriated Retained Earnings, January 1, 2023		₱11,405,276,648
Add:	**Category A: Items that are directly credited to Unappropriated Retained Earnings**	
	Reversal of Retained Earnings Appropriation/s	–
	Effect of restatements or prior-period adjustments	–
	Others	–
Less:	**Category B: Items that are directly debited to Unappropriated Retained Earnings**	
	Dividend declaration during the reporting period	(2,944,699,580)
	Retained Earnings appropriated during the reporting period	–
	Effects of restatements or prior-period adjustments	–
	Others	–
Unappropriated Retained Earnings, January 1, 2023 as adjusted		8,460,577,068
Add/Less: Net income (loss) for the current year		1,081,651,331
Less:	**Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)**	
	Equity in net income of associate/joint venture, net of dividends declared	–
	Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–
	Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–
	Unrealized fair value gain of Investment Property	–
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–
	Sub-total	–

(Forward)

ROBINSONS RETAIL HOLDINGS, INC.

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDENDS DECLARATION

FOR THE YEAR ENDED DECEMBER 31, 2023

Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	–
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–
Realized fair value gain of Investment Property	–
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–
Sub-total	–
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	–
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–
Reversal of previously recorded fair value gain of Investment Property	–
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–
Sub-total	–
Adjusted Net Income/Loss	1,081,651,331

(Forward)

ROBINSONS RETAIL HOLDINGS, INC.

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDENDS DECLARATION

FOR THE YEAR ENDED DECEMBER 31, 2023

Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	–
Others	–
Sub-total	–
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP	
Amortization of the effect of reporting relief	–
Total amount of reporting relief granted during the year	–
Others	–
Sub-total	–
Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Treasury shares (except for reacquisition of redeemable shares)	6,410,402,227
Deferred tax asset not considered in the reconciling items under the previous categories	106,540
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, i.e., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable.	–
Adjustment due to deviation from PFRS/GAAP – gain (loss)	–
Others	–
Sub-total	6,410,508,767
Unappropriated Retained Earnings Available For Dividend Distribution, December 31, 2023	₱3,131,719,632

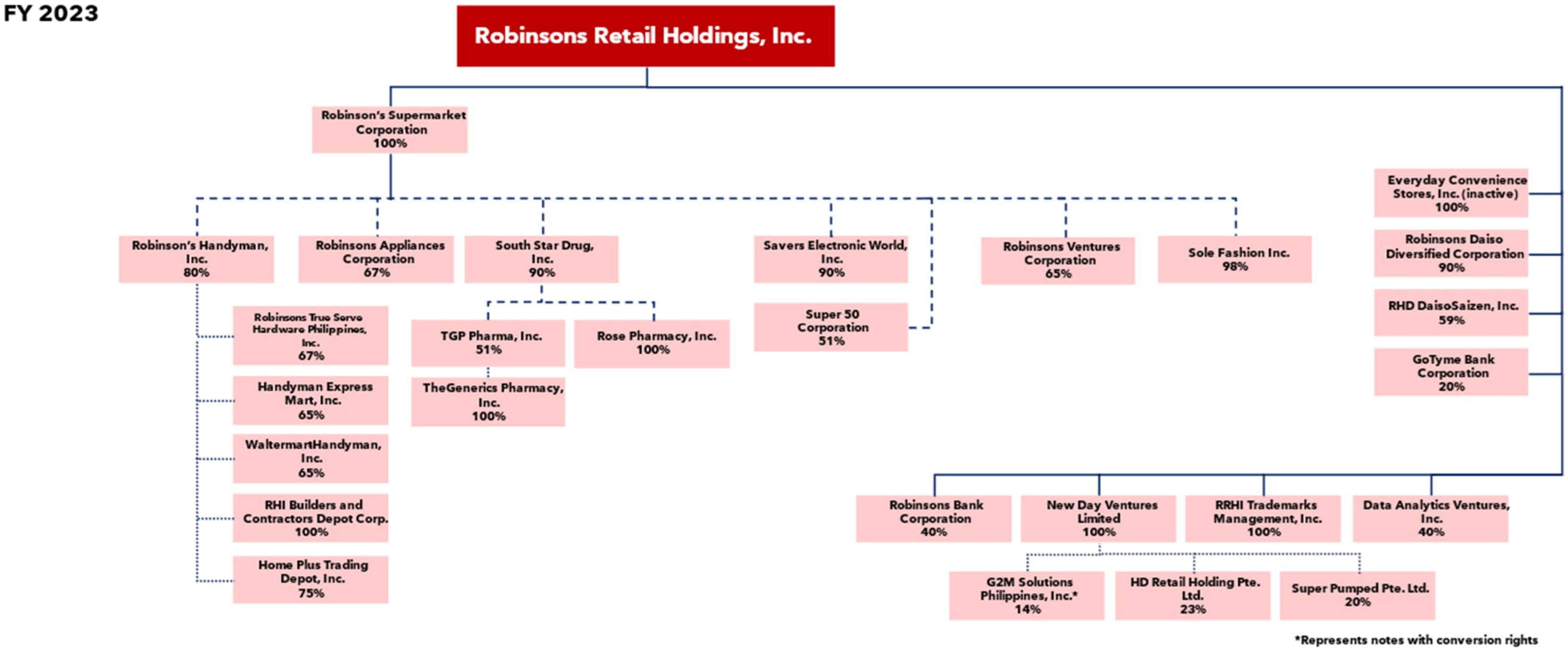
ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

DECEMBER 31, 2023

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, 2023:



ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE A: FINANCIAL ASSETS

DECEMBER 31, 2023

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	₱2,906,368,005	₱2,810,927,209	₱2,810,927,209	₱91,062,011
Investment in equity shares	20,676,041,036	23,600,116,838	23,600,116,838	1,263,746,088
	₱23,582,409,041	₱26,411,044,047	₱26,411,044,047	₱1,354,808,099

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, 2023

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period

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, 2023

Entity with Receivable Balance	Balance at Beginning of Period	Net Movement	Write-offs	Current	Noncurrent	Balance at end of period
Robinsons Retail Holdings, Inc.	₱21,578,000	₱–		₱21,578,000	P	₱21,578,000
Robinsons Convenience Stores, Inc.	48,952,716	(48,952,716)		–		–
Robinson's Supermarket Corporation	318,431,749	49,245,944		367,677,693		367,677,693
Robinsons Handyman, Inc.	266,587,830	(266,587,830)		–		–
RHD Daiso - Saizen, Inc.	500,556,835	–		500,556,835		500,556,835
	₱1,156,107,130	(₱266,294,602)		₱889,812,528		₱889,812,528

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE D: LONG TERM DEBT

DECEMBER 31, 2023

Title of issue and type of obligation	Amount authorized by indenture	Interest rates	Current portion	Noncurrent portion
RRHI -Unsecured PHP term loan	₱8,500,000,000	6.75%	₱–	₱8,500,000,000
RSC - Unsecured PHP term loan	4,840,000,000	6.75%	–	4,840,000,000
	₱13,340,000,000			₱13,340,000,000

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE E: INDEBTEDNESS TO RELATED PARTIES

DECEMBER 31, 2023

Name of related party	Balance at beginning of period	Balance at end of period
Robinsons Land Corporation	₱2,592,266,408	₱386,678,672
Universal Robina Corporation	944,864,210	478,702,304
JG Summit Holdings, Inc.	6,037,535	3,315,506
	₱3,543,168,153	₱868,696,482

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE F: GUARANTEES OF SECURITIES OF OTHER ISSUERS

DECEMBER 31, 2023

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

NOT APPLICABLE

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE G: CAPITAL STOCK

DECEMBER 31, 2023

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	1,457,597,400	–	491,299,997	215,835,374	750,462,024
	2,000,000,000	1,457,597,400	–	491,299,997	215,835,374	750,462,024

See Note 18 of the Consolidated Financial Statements

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

AS OF DECEMBER 31, 2023 AND 2022

Financial Soundness Indicator	**2023**	2022
i. Liquidity ratio:		
Current ratio	**1.23**	1.28
ii. Profitability ratio:		
Gross profit margin	**0.24**	0.24
Return on assets	**0.03**	0.05
Return on equity	**0.06**	0.08
iii. Stability ratio:		
Solvency ratio	**0.16**	0.21
Debt to equity ratio	**0.95**	0.85
Asset to equity ratio	**1.95**	1.85
Interest rate coverage ratio	**6.18**	4.38

**See attached reporting computation.*

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
Current assets (including noncurrent asset held for sale)	**₱56,789,712,826**	₱59,516,857,710
Current liabilities	**39,273,033,183**	40,097,370,290
Current ratio	**1.45**	1.48
Gross profit	**45,600,110,027**	42,282,187,270
Net sales	**192,125,861,609**	178,821,069,060
Gross profit margin	**0.24**	0.24
After tax net profit	**4,649,174,880**	6,436,047,828
Depreciation and amortization	**7,499,945,134**	7,179,629,553
	12,149,120,014	13,615,677,381
Total liabilities	**75,645,023,899**	64,952,470,976
Solvency ratio	**0.16**	0.21
Total liabilities	**75,645,023,899**	64,952,470,976
Total equity	**79,377,892,042**	76,573,667,012
Debt to equity ratio	**0.95**	0.85
Total assets	**155,022,915,941**	141,526,137,988
Total equity	**79,377,892,042**	76,573,667,012
Asset to equity ratio	**1.95**	1.85
Earnings before interest and taxes	**8,941,881,813**	8,698,423,166
Interest expense	**3,122,961,869**	1,988,135,849
Interest rate coverage ratio	**2.86**	4.38
Net income	**4,649,174,880**	6,436,047,828
Average total assets	**148,274,526,965**	137,880,210,293
Return on assets	**0.03**	0.05
Net income	**4,649,174,880**	6,436,047,828
Average total equity	**77,975,779,527**	76,543,192,326
Return on equity	**0.06**	0.08