

Minutes of the Annual Stockholders' Meeting of
PUREGOLD PRICE CLUB, INC.
May 10, 2022, 10 am, via Zoom Meeting

The Chairman of the Board and the Annual Stockholders' Meeting, Mr. Lucio L. Co, welcomed the stockholders, directors, and officers of Puregold Price Club, Inc. He thanked them for attending the annual meeting.

A. Call to Order and Proof of Notice and Quorum

Mr. Co called the meeting to order. He asked the Assistant Secretary, Atty. Candy H. Dacanay – Datuon if there is a quorum in the annual stockholders' meeting. Atty. Candy H. Dacanay – Datuon replied that notices of the Annual Stockholders' Meeting were disseminated to all stockholders of record of the Company following the provisions of the By-Laws and the Memorandum Circular of the Securities and Exchange Commission dated February 16, 2022.

Atty. Candy H. Dacanay – Datuon submitted the notice of the meeting, together with the Information Statement to the Securities and Exchange Commission and the Philippine Stock Exchange, through the EDGE submission system, where the PSE approved it as a Company Announcement on December 21, 2021, April 5, 6, 7, 25 and 26, 2022. The Company also posted the notice on its website and published it, both in the physical paper and the online platform of the Philippine Daily Inquirer and the Philippine Star on April 6 and 7, 2022.

She also mentioned that the members of the board, who are at the same time nominees for re-election, the executive officers of the Company, and the representatives from the External Auditor R.G. Manabat & Co. were present in the meeting.

Atty. Candy H. Dacanay - Datuon certified that there was a quorum for valid transaction of business in the meeting because out of 2,881,637,615 common shares issued and outstanding of the Company, there were present in the meeting, in person, *in absentia* and by proxy, stockholders representing a total of 2,404,894,968 common shares, or equivalent to 83.46% of the Company's outstanding capital stock.

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

Mr. Lucio Co proceeded with the next item on the agenda, the approval of the minutes of the previous stockholders' meeting and ratification of all acts of the Board of Directors and officers of the Company since the last Annual Stockholders' Meeting held on May 11, 2021.

A motion was made to approve the minutes of the previous stockholders' meeting, together with all acts, proceedings, contracts, or deeds performed, entered into, or executed by the Company's Board of Directors and officers, be approved, confirmed, and ratified as if such acts, proceedings, contracts, or deeds had been performed, entered into, or executed with specific and special authorization of the stockholders in

a meeting duly convened and held.

The motion was duly seconded and carried out.

Mr. Lucio Co called upon the Assistant Secretary to present the votes garnered in the particular item in the agenda.

Atty. Candy H. Dacanay - Datuon presented the following result:

	Yes	No	Abstain
Approval of the Minutes and Ratification of all acts of the Board of Directors and Management	2,404,894,968 (100%)	0	0

C. Approval of 2021 Annual Report and Audited Financial Statements

Mr. Lucio Co moved to the next item on the agenda, the presentation of the Annual Report and the approval of the Consolidated Audited Financial Statements of the Company as of December 31, 2021.

The Joint Chairman and President's Report to the Stockholders is attached in the Minutes as *Annex "A"*.

During the reading of the said letter, the Company played a video presentation¹.

Ms. Maricel Cambe, Senior Finance Officer, presented the 2021 Consolidated Audited Financial Statements of the Company as of December 31, 2021, copy of which is hereto attached as *Annex "B"*.

Another video about the Sustainability Initiatives² of the Company was presented after the presentation of 2021 Consolidated Audited Financial Statements.

Mr. Lucio Co asked the stockholders if they had any questions regarding the Company's Annual Report. The Chairman heard none.

After that, a motion to approve the Annual Report and the Consolidated Audited Financial Statements of the Company were duly seconded. There being no objection, the motion was approved.

Mr. Lucio Co called upon the Assistant Secretary to present the votes garnered in the particular item in the agenda.

Atty. Candy H. Dacanay - Datuon presented the following result:

¹ Available in the Company website.

² Available in the Company website.

	Yes	No	Abstain
Approval of 2021 Annual Report and Audited Financial Statements	2,403,862,068 (99.96%)	1,032,900 (0.04%)	0

D. Election of Directors

Mr. Lucio Co moved to the next item on the agenda, the election of the members of the Board of Directors for the year 2022-2023.

He mentioned that the Corporate Governance Committee pre-screened the qualifications of all nominees and prepared a final list of all candidates for directors and that such a definitive list of candidates was made available to all stockholders through the information statements released to the public.

Atty. Candy H. Dacanay - Datuon announced the candidates for the 2022 Board of Directors:

1. Mr. Lucio Co
2. Mrs. Susan Co
3. Mr. Ferdinand Vincent Co
4. Mr. Leonardo Dayao
5. Ms. Pamela Justine Co
6. Mr. Jack Huang
7. Mr. Edgardo Lacson as Independent Director
8. Mrs. Marilyn Pardo as Independent Director
9. Mr. Jaime Dela Rosa as Independent Director

Atty. Candy H. Dacanay – Datuon noted that Mr. Lacson and Mrs. Pardo's eligibility to be re-elected, despite the end of their 9-year term, was confirmed and approved by 95% of our stockholders in the last annual meeting.

Mr. Lucio Co requested the Assistant Secretary to present the results of the *in absentia* voting for this particular item on the agenda.

Atty. Candy H. Dacanay - Datuon presented the following result:

	In Favor	Against	Abstain
Election of Lucio L. Co	2,248,168,465 (93.48%)	87,724,103 (3.65%)	69,002,400 (2.87%)
Election of Susan P. Co	2,281,423,372 (94.86%)	54,469,196 (2.26%)	69,002,400 (2.87%)
Election of Ferdinand Vincent P. Co	2,336,436,968 (97%)	3,213,800 (0.13%)	65,244,200 (2.87%)
Election of Pamela Justine P. Co	2,328,976,528	6,916,040	69,002,400

	(96.84%)	(0.29%)	(2.87%)
Election of Leonardo B. Dayao	2,238,228,492 (93.06%)	97,664,076 (4.06%)	69,002,400 (2.87%)
Election of Jack T. Huang	2,262,835,563 (94.10%)	73,057,005 (3.58%)	69,002,400 (2.87%)
Election of Edgardo G. Lacson (ID)	2,249,686,092 (93.54%)	86,206,476 (3.58%)	69,002,400 (2.87%)
Election of Marilyn V. Pardo (ID)	2,248,568,072 (93.50%)	87,324,496 (3.63%)	69,002,400 (2.87%)
Election of Jaime S. Dela Rosa (ID)	2,403,689,968 (99.95%)	1,205,000 (0.05%)	0

Mr. Lucio L. Co, after that, declared himself, Mrs. Susan Co, Mr. Ferdinand Vincent Co, Ms. Pamela Justine Co, Mr. Leonardo Dayao, and Mr. Jack Huang as regular directors of the Company for the years 2022 – 2023, and Mrs. Marilyn Pardo, Mr. Edgardo Lacson and Mr. Jaime Dela Rosa as independent directors for the years 2022 – 2023.

E. Amendment of Bylaws

Mr. Lucio Co moved to the next item on the agenda, the Bylaws Amendment. He called on the Assistant Corporate Secretary to discuss the proposed revisions in the Bylaws.

The Assistant Corporate Secretary presented on the screen the original and proposed revisions in the bylaws, as follows:

<i>From</i>	<i>To</i>
Section 4 Article 2	
Notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery or by mail at least thirty (30) days prior to the date of the meeting to each stockholder of record at his last known address. The notice shall state the place, date, and hour of the meeting, and the purposes for which the meeting is called.	Notices <u>and information statements</u> for regular or special meetings of stockholders shall be sent to stockholders by <u>electronic transmission</u> or by such other means the Securities and Exchange Commission shall allow under its guidelines. <u>The notice shall be sent to stockholders on record twenty-one (21) days before the regular meeting and seven (7) days before the special meeting.</u>
	The notice shall state the date, hour, place, and purposes for which the meeting is called.
	<u>Electronic transmission means delivery or transfer of data, information or document by electronic email, posting on the company website and the Philippine Stock Exchange disclosure</u>

system, or such other means of electronic transfer of data or information.

Section 6 Article 2

Meeting of the stockholders shall be presided over by the President, or in his absence, by the Chairman. The Corporate Secretary shall act as Secretary of every meetings, but if not present, the Chairman of the meeting shall appoint a secretary of the meeting.

Meetings of the stockholders shall be presided over by the Chairman or the President. The Corporate Secretary shall act as Secretary over the meetings.

The Corporation may conduct physical or entirely virtual meetings subject to the applicable guidelines of the Securities and Exchange Commission.

Section 7 Article 2

At all meetings of stockholders, a stockholder may vote in person or by proxy. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the Secretary before the time set for the meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to a scheduled meeting or by their personal presence at the meeting.

A stockholder may vote in person, by proxy, through remote communication, or in absentia subject to the applicable guidelines of the Securities and Exchange Commission.

Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the Secretary before the time set for the meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to a scheduled meeting or by their personal presence at the meeting.

Section 8 Article 2

For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof or to receive payment of any dividend, the Board of Directors may provide that the stock and transfer books and be closed for ten (10) working days immediately preceding such meeting.

The Board of Directors shall fix a record date to determine the stockholders who are entitled to notice of or vote at any meeting of stockholders or any adjournment thereof.

The stock and transfer book shall be closed at least twenty (20) days for regular meetings and seven (7) days for special meetings before the scheduled date of the meeting.

Section 4 Article 3

Regular meetings of the Board of Directors shall be held monthly or on such dates and places as the Chairman of the Board may designate, Special meeting may be held

The Board of Directors shall meet at least six (6) times per calendar year. The dates of which shall be set at the beginning of the year. The Board of Directors may hold special meetings upon the

upon the request of the Chairman, President or majority of the Directors.

request of the Chairman, President or majority of the Directors.

Section 5 Article 3

Notice of the regular or special meetings of the Board, specifying the date, time and place of the meeting, shall be communicated by the Secretary to each director personally, or by telephone, telegram, or by written message. A director may waive this requirement, either expressly or impliedly.

Notice of the regular or special meetings of the Board, specifying the date, time and place of the meeting, shall be communicated by the Secretary to each director personally, by electronic mail, or any other suitable means of sending notice. A director may waive this requirement, either expressly or impliedly.

Section 7 Article 3

Meetings of the Board of Directors shall be presided over by the Chairman of the Board, or in his absence, by any other director chosen by the Board. The Secretary shall act as secretary of every meeting, if not present, the Chairman of the meeting, shall appoint a secretary of the meeting.

Meetings of the Board of Directors shall be presided over by the Chairman, or in his absence, by any other director chosen by the Board.

Meetings of the Board of Directors may be conducted in person or through remote communications such as videoconferencing, teleconferencing, or other alternative modes of communication allowed by the Securities and Exchange Commission.

Section 9 Article 3

In compliance with the principles of good corporate governance and the provisions of the Securities Regulation Code, the Board shall constitute the following committees:

a. Nomination Committee – The Board shall create a Nomination Committee which shall have at least three (3) members, one (1) of whom shall be an independent director. In addition to such other functions as may be prescribed by the Board, the main duty of the committee is to pre-screen and prepare shortlist of all candidates nominated to become a member of the Board of Directors consistent with the qualifications and none of the disqualifications set forth above.

b. Audit Committee – The Board shall constitute an audit committee which shall be composed of at least three (3) members of the Board, one (1) of whom shall be an independent director. Each member shall have adequate understanding at least or competence at most of the Company's

In compliance with the principles of good corporate governance and the provisions of the Securities Regulation Code, the Board shall constitute the Corporate Governance Committee and Audit Committee.

The Board of Directors shall establish a Corporate Governance Committee to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee. It shall be composed of at least three (3) directors, the majority of whom including the Chairman shall be independent.

The Board of Directors shall also establish an Audit Committee to enhance its oversight capability over the Company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. The Committee shall also be responsible for the oversight of

financial management systems and environment. It shall perform its duty in accordance with applicable laws and Manual of Corporate Governance of the Company.

c. Compensation or Remuneration

Committee – There shall be a compensation or remuneration committee composed of at least three (3) members, one of whom shall be an independent director. The duty of which is consistent with the applicable laws and requirements of the Manual of Corporate Governance adopted by the Company.

enterprise risk management system and review of all material related party transactions of the company.

The Audit Committee shall be composed of a least three (3) appropriately qualified non-executive directors, the majority of whom including the Chairman shall be independent. All of the members of the committee must have relevant background, knowledge, skills and/or experience in the area of accounting, auditing, and finance. The Chairman of the Audit Committee shall not be the Chairman of the Board or of any other committees.

A motion was made to approve the proposed revisions in the bylaws. The same was duly seconded. The Chairman declared the motion as carried and requested the Assistant Secretary to present the results of the *in absentia* voting for this particular item on the agenda.

Atty. Candy H. Dacanay - Datuon presented the following result:

	Yes	No	Abstain
Amendment of Bylaws	2,399,124,258 (99.76%)	5,337,510 (0.222%)	393,200 (0.016%)

As shown in the tally of votes, stockholders representing 83% or more than 2/3 of the Company's total issued and outstanding shares approved the revisions in the Company's bylaws.

F. Re-appointment of R.G. Manabat & Company as External Auditor

The Chairman moved to the next item on the agenda, the re-appointment of R.G. Manabat & Company as External Auditor. Mr. Lucio Co mentioned that the Audit Committee of the Company recommended that RG Manabat & Co., (KPMG), with Mr. Dindo Dioso, as the handling partner, be re-appointed as the External Auditor of the Company and its subsidiaries for the year 2021 with auditors fee of up to P5.7 million.

A motion to re-appoint R.G. Manabat & Co. (KPMG) as the external auditor of the Company and its subsidiaries for the year ending December 31, 2022, with an audit fee of up to P5.7 million was made and duly seconded.

Mr. Lucio Co requested the Assistant Secretary to present the results of the *in absentia* voting for this particular item on the agenda.

Atty. Candy H. Dacanay - Datuon presented the following result:

	Yes	No	Abstain
Re-Appointment of External Auditor	2,333,244,748 (97%)	71,650,220 (3%)	0

F. Other Matters

Mr. Lucio Co asked the stockholders present in the meeting if they had any questions for the board or the management. No stockholder raised any question.

G. Adjournment

There being no other business to transact, the Chairman asked for a motion to adjourn the meeting. A motion was made and duly seconded. There being no objection, the meeting was adjourned.

Mr. Lucio Co thanked the stockholders and participants in the Annual Stockholders' Meeting.

Prepared by:

Atty. Candy H. Dacanay – Datuon
Assistant Corporate Secretary

Approved by:

Mr. Lucio L. Co
Chairman of the Board



MESSAGE FROM THE CHAIRMAN & THE PRESIDENT

Puregold has remained strong and resilient in 2021, generating profitable returns and recognition from our customers, stakeholders, and business partners. Across all the brands of Puregold, we have thrived and excelled to bring new offerings and solutions for a better shopping experience.

More Room for Expansion

Despite the challenges of 2021, the company has continued to expand its footprint - opening 30 new Puregold stores and 2 S&R warehouse clubs. Presently, Puregold has a total of 499 retail stores nationwide. These include 430 Puregold stores, 22 S&R membership shopping warehouses, and 47 S&R New York Style (QSRs).

To serve all customers wherever they are, our store models have been designed to suit their needs. Puregold stores are classified in four store models: 263 Hypermarkets, 100 Supermarkets, 28 Extras, 39 Minimarts, and 430 Puregold Stores

Expanding our reach further, Puregold continues to traverse across the Philippine islands to open up more stores on our shores. Puregold now comprises 210 stores or 40% in National Capital Region, 126 stores or 24% in North Luzon, 130 stores or 24% in South Luzon, 50 stores or 9% in the Visayas, and 16 stores or 3% in Mindanao.

Providing Goods, No Matter the Distance

As our response to the pandemic challenges, Puregold created new out-of-store solutions in both the digital and physical landscapes, so it can accommodate the needs of those who want to stay home. Product launches, promos, and rewards were offered in the Puregold channel for its digital solutions.

For the convenience of those who cannot leave their homes, orders could be placed in the 'click & mortar' solutions like the mobile app, Puregold stores, agents, and social media to have their purchases delivered straight to their doorstep.

With our caravans and rolling stores, Puregold reached customers who were still cautious about traveling to crowded areas—supplying them with goods for their daily needs.

Creating more value, Puregold partnered with supermarket brands like the original owners of San Roque Supermarkets to operate 30 San Roque supermarkets in Metro Manila and with Ayala Land to operate a mall-based supermarket called "Merkado".

Our Heart of Gold

Seldom do a corporation show a heart of gold, but Puregold made various efforts in ethical business practices, the environment, and its employees. Environmental causes are of profound importance to Puregold, so we do our part to make sure that we care for our planet correctly.

We have achieved a sustainability milestone in our efforts to reduce our carbon footprint by reducing our plastic bag usage by around 100 million. Puregold has adopted solar energy for 12 of our stores. We will not only save on electricity costs but also start exploring a more sustainable energy resource.

We even got various awards for taking care of our employees and hiring new ones so that they can take care of those precious to them. We've received rewards from HR Asia Awards by Business Media International for four consecutive years (2018, 2019, 2020, and 2021), HR Asia's WeCare(TM) Certification 2021, City of Manila- Top 2 Employer, PESO of Manila- Best Employer, Luis co Chi Kiat Foundation, Inc

DTI has given Puregold the Safety Seal Certification. It recognizes our compliance with safety protocols/minimum public health standards set by the government.

We also received 93 Bagwis awards which signify our dedication and care to the consumers.

For the fight against Covid, Puregold sponsored vaccinations for its employees so they could protect themselves and their loved ones against the virus.

Better than before the Pandemic

Even with all the uncertainties of the pandemic, Puregold sustains a record net income in 2021.

We bagged a consolidated net income of Php 8.18 billion for 2021. This is a 1.4% growth over its previous record income of Php 8.07 billion in 2020 and 20.7% better than the pre-pandemic 2019 consolidated net income of Php 6.77 billion.

The company's resilient performance was underpinned by better margins. Annual gross profit and EBITDA margins improved to their highest levels since being a listed company at 18% and 11%, respectively. Puregold remains steadfast in its commitment to deliver the best value and be the retailer of choice for Filipinos amidst challenging times with its complete assortment of offerings, hard-hitting, consistent deals, and sustainable promotions.

Ready for a Future of Gold

2021 became the turning point for society and the economy. A lot of innovations and changes to adhere to the new normal were created so it could suit the ever-growing need of consumers. Puregold was able to face and progress through these challenges to adapt to a market that is hungry for change.

The future may be uncertain, but with this ambivalence, there are still so many more opportunities to come that Puregold will surely acquire, and offer to everyone to enjoy the benefits that it will bring both financially and personally.

Whatever the future may bring... Sa Puregold, Always Panalo!

Lucio L. Co
Chairman

Ferdinand Vincent P. Co
President

ANNEX "B"



2021 Audited Financial Statements

Financial Performance

<i>Php in thousands</i>	2021	%	2020	%	Change	%
Net Sales	P164,124,835	100.0%	P168,632,329	100.0%	(P4,507,493)	-2.7%
Cost of Sales	134,042,067	81.7%	139,476,213	82.7%	(5,434,146)	-3.9%
Gross Profit	30,082,768	18.3%	29,156,116	17.3%	926,652	3.2%
Other Operating Income	3,209,751	2.0%	3,154,799	1.9%	54,952	1.7%
Gross Income	33,292,520	20.3%	32,310,915	19.2%	981,605	3.0%
Operating Expenses	20,350,317	12.4%	18,953,231	11.2%	1,397,086	7.4%
Income from Operations	12,942,202	7.9%	13,357,684	7.9%	(415,482)	-3.1%
Others-net	(2,290,384)	-1.4%	(1,924,560)	-1.1%	(365,824)	19.0%
Income Before Tax	10,651,818	6.5%	11,433,124	6.8%	(781,306)	-6.8%
Income Tax Expense	2,471,796	1.5%	3,366,295	2.0%	(894,499)	-26.6%
Income After Tax	P8,180,022	5.0%	P8,066,828	4.8%	P113,193	1.4%

Financial Position

<i>Php in thousands</i>	2021	%	2020	%	Change	%
Current Assets						
Cash and cash equivalents	P41,311,594	29.6%	P32,724,094	24.9%	8,587,501	26.2%
Investments in trading securities	30,726	0.0%	2,411,375	1.8%	(2,380,649)	-98.7%
Receivables - net	2,178,899	1.6%	2,676,255	2.0%	(497,355)	-18.6%
Merchandise inventory	21,558,633	15.5%	20,918,320	15.9%	640,313	3.1%
Prepaid expenses and other current assets	850,856	0.6%	658,107	0.5%	192,749	29.3%
Total Current Assets	P65,930,709	47.3%	P59,388,151	45.1%	6,542,558	11.0%
Noncurrent Assets						
Investments	P636,548	0.5%	P636,548	0.5%		0.0%
Property and equipment - net	23,069,508	16.5%	21,966,176	16.7%	1,103,331	5.0%
Right-of-use assets	26,216,544	18.8%	26,137,183	19.9%	79,361	0.3%
Deferred tax assets	1,334,337	1.0%	1,257,600	1.0%	76,737	6.1%
Intangibles	19,703,407	14.1%	19,715,895	15.0%	(12,488)	-0.1%
Other noncurrent assets	2,542,755	1.8%	2,491,956	1.9%	50,799	2.0%
Total Noncurrent Assets	73,503,099	52.7%	72,205,359	54.9%	1,297,740	1.8%
	-		-			
Total Assets	P139,433,807	100.0%	P131,593,509	100.0%	7,840,298	6.0%

Financial Position

<i>Php in thousands</i>	2021	%	2020	%	Change	%
Current Liabilities						
Accounts payable and accrued expenses	P14,422,700	10.3%	P14,341,507	10.9%	81,194	0.6%
Loans payable		0.0%		0.0%		0.0%
Income tax payable	853,926	0.6%	1,304,530	1.0%	(450,603)	-34.5%
Due to related parties	45,868	0.0%	49,569	0.0%	(3,700)	-7.5%
Current portion of lease liabilities	1,091,723	0.8%	896,501	0.7%	195,223	21.8%
Other current liabilities	650,597	0.5%	510,380	0.4%	140,217	27.5%
Total Current Liabilities	P17,184,815	12.3%	P17,222,485	13.1%	(37,670)	-0.2%
Noncurrent Liabilities						
Lease liabilities	P33,827,243	24.3%	P32,731,125	24.9%	1,096,118	3.3%
Longterm debt - net of current maturities and debt issue cost	11,650,458	8.4%	11,755,122	8.9%	(104,665)	-0.9%
Retirement benefits liability	1,295,299	0.9%	1,383,057	1.1%	(87,758)	-6.3%
Total Noncurrent Liabilities	46,773,000	33.5%	45,869,304	34.9%	903,695	2.0%
Total Liabilities	P63,957,815	45.9%	P63,091,790	47.9%	866,025	1.4%



Financial Position

<i>Php in thousands</i>	2021	%	2020	%	Change	%
Equity						
Capital stock	P2,904,214	2.1%	P2,904,214	2.2%		0.0%
Reserve for retirement plan - net of tax	151,224	0.1%	(118,634)	-0.1%	269,858	-227.5%
Additional paid in capital	25,361,671	18.2%	25,361,671	19.3%		0.0%
Treasury stock - at cost	(112,593)	-0.1%	(71,253)	-0.1%	(41,340)	58.0%
Retained earnings	47,171,476	33.8%	40,425,723	30.7%	6,745,754	16.7%
Total Equity	P75,475,992	54.1%	P68,501,720	52.1%	6,974,272	10.2%

thank you...