

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter: **ALLHOME CORP.**
3. **Philippines**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **CS201310179**
5. BIR Tax Identification Code **008-541-952-000**
6. **Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City,
Daanghari, Almanza II, Las Piñas City** **1747**
Address of principal office Postal Code
7. Registrant's telephone number, including area code **(+63919) 0815302**
8. Date, time and place of the meeting of security holders
Not applicable
9. Approximate date on which the Information Statement is first to be sent or given to security holders
22 August 2022
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA:

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common stock (As of 6/30/2022)	3,750,000,002 shares

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

Yes No

Name of Stock Exchange: **Philippine Stock Exchange**

Class of securities listed: **Common Stocks**

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

PART I

INFORMATION STATEMENT

GENERAL INFORMATION

For the purpose of approving the amendment in the Article II of the Articles of Incorporation of the Company to state:

To engage in, conduct, and carry on the business of buying, selling, distributing, marketing at wholesale and retail insofar as may be permitted by law, all kinds of goods, commodities, wares and merchandise of every kind description; to enter into all kind of contracts for the export, import, purchase, acquisition, sale at wholesale or retail and other disposition for its own account as principal or in representative capacity as manufacturer's representative, merchandise broker, indenter, commission merchant, factors or agents, upon consignment of all kinds of goods, wares, merchandise of products whether natural or artificial; **to engage in, operate, maintain and carry on business in all kinds of service activities that are incidental or related to the general business such as design, installation, grooming services.**

The written assent of stockholders owning at least two-thirds (2/3) of the outstanding capital stock of the Company shall be solicited pursuant to Section 15 of the Revised Corporation Code of the Philippines (Republic Act No. 11232).

The stockholders are requested to signify their vote on the proposed amendment by filling up and returning the attached written assent form by email or facsimile to:

ALLHOME CORP.

Attention: **The Corporate Secretary**

Fax No.: 3226-3552 loc. 0046

Email Address: omar_carino@rlsclawoffices.com

Dissenters' Right of Appraisal

Under Sections 41 and 80, Title X, of the Revised Corporation Code of the Philippines ("Corporation Code"), any stockholders of the company shall have the right to dissent and demand payment of the fair value of his shares only in the following instances, as provided by the Corporation Code:

- (1) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of the corporate existence;
- (2) In case of sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets;
- (3) In case of merger or consolidation; and
- (4) In case of investment of corporate funds for any purpose other than the primary purpose of the Company.

The appraisal right, when available, may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken, for payment of the fair value of his shares; provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder upon surrender of his certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; and provided, further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

There are no matters or proposed actions covered under this Information Statement and the attached written assent form that will give rise to a possible exercise by shareholders of their appraisal rights as provided in the Revised Corporation Code of the Philippines and summarized above.

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

None of the officers or directors or any of their associates has any substantial interest, direct or indirect, in any of the matters to be acted upon in the stockholders' meeting.

No director has informed the Registrant in writing that he intends to oppose any action to be taken at the meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

(a) Number of shares outstanding as of June 30, 2022:

Common: 3,750,000,002

(b) Record Date: 9 August 2022

Each common share of stock of the Registrant is entitled to one (1) vote.

Equity Ownership of Foreign and Local Shareholders

Foreign and local security ownership as of June 30, 2022:

Class	Foreign		Filipino		Total Outstanding Shares
	Shares	Percentage of Class/Total Outstanding Shares	Shares	Percentage of Class/Total Outstanding Shares	
Common	708,126,893	18.88%	30,341,873,109	81.12%	3,750,000,002

Security Ownership of Certain Beneficial Owners and Management

Security ownership of certain record and beneficial owners of more than 5.0% of the Registrant's voting securities as of June 30, 2022:

<u>Title of Class of Securities</u>	<u>Name/Address of Record Owners and Relationship with Us</u>	<u>Name of Beneficial Owner/Relationship with Record Owner</u>	<u>Citizenship</u>	<u>No. of Shares Held</u>	<u>% of Ownership¹</u>
	AllValue Holding Corp.				
Common		Record Owner is also the beneficial owner	Filipino	2,540,108,000	67.74%
	Shareholder				
	PCD Nominee Corporation ²				
Common		Record Owner is not the beneficial owner	Non-Filipino	708,126,839	18.88%
	Shareholder				
	PCD Nominee Corporation ²				
Common		Record Owner is not the beneficial owner	Filipino	501,765,109	13.38%
	Shareholder				

Other than the abovementioned, the Company has no knowledge of any person who, as of the record date, was directly or indirectly the beneficial owner of, or who has voting power or investment power (pursuant to a voting trust or other similar agreement) with respect to, shares comprising more than five percent (5%) of the Company's outstanding common shares of stock.

¹ Based on the Company's totaled issued and outstanding capital stocks as of June 30, 2022 of 3,750,000,002 common shares.

² PCD Nominee Corporation is the registered owner of shares beneficially owned by participants in the Philippine Depository & Trust Corporation, a private company organized to implement an automated entry system of handling securities transactions in the Philippines (PCD). Under the PCD procedures, when an issuer of a PCD-eligible issue will hold a stockholders' meeting, the PCD shall execute a pro-forma proxy in favor of its participants for the total number of shares in their respective principal securities account as well as for the total number of shares in their client securities account. For the shares held in the principal securities account, the participant concerned is appointed as proxy with full voting rights and powers as registered owner of such shares. For the shares held in the client security account, the participant concerned is appointed as proxy, with the obligation to constitute a sub-proxy in favor of its clients with full voting and other rights for the number of shares beneficially owned by such clients. Except as indicated above, the Registrant is not aware of any investor beneficially owning shares lodged with the PCD, which comprise more than five percent (5%) of the Registrant's total outstanding capital stock

Security ownership of directors and executive officers as of June 30, 2022

Title of Class	Name of Beneficial Owner	Actual and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Manuel B. Villar Chairman	2,540,108,000 Indirect	Filipino	67.74%
Common	Manuel B. Villar Chairman	100 Direct	Filipino	0.00%
Common	Camille A. Villar Vice Chairman & Director	100 Direct	Filipino	0.00%
Common	Benjamarie Therese N. Serrano President	100 Direct	Filipino	0.00%
Common	Frances Rosalie T. Coloma Treasurer	100 Direct	Filipino	0.00%

Common	Manuel Paolo A. Villar Director	100 Direct	Filipino	0.00%
Common	Laura Suarez Acuzar Independent Director	1 Direct	Filipino	0.00%
Common	Jessie D. Cabaluna Independent Director	1 Direct	Filipino	0.00%
Common	Arbin Omar P. Cariño Corporate Secretary	N/A	Filipino	N/A
Common	Mary Lee S. Sadiasa Chief Operating Officer	N/A	Filipino	N/A

Common	Robirose M. Abbot Chief Financial Officer, Chief Risk Officer, & Investor Relation Head	N/A	Filipino	N/A
Common	Paul D. Estañero Controller & Compliance Officer	N/A	Filipino	N/A
Common	Joselito A. Rivamonte Chief Audit Executive	N/A	Filipino	N/A
Total		2,540,108,502		67.74%

Except as indicated in the above table, the above named officers have no indirect beneficial ownership in the registrant.

Except as aforementioned, no other officers of the Registrant hold, directly or indirectly, shares in the Registrant.

Voting Trust Holders of 5.0% or More

The Registrant is not aware of any person holding more than 5.0% of a class of shares under a voting trust or similar agreement.

Changes in Control

The Registrant is not aware of any arrangements which may result in a change in control of the Registrant. No change in control of the Registrant has occurred since the beginning of its last fiscal year.

Certain relationships and related transactions

As of June 30, 2022, the Villar Family Company held 67.74% of the total issued and outstanding common share capital of the Company.

The Company and its subsidiaries, in their ordinary course of business, engage in transactions with the Villar Family Companies and their respective subsidiaries. The Company's policy with respect to related-party transactions is to ensure that these transactions are entered into terms at least comparable to those available from unrelated third parties.

The transactions with related parties for the year ended December 31, 2021 are discussed in the Company's 2021 Audited Financial Statements attached in this Information Statement. Please see Notes 2.15, pages 19 to 20 and Note 18, pages 42 to 44 of the Notes to the Financial Statements accompanying the Company's 2021 Audited Financial Statements. All individual material related party transactions shall be approved by at least two-thirds vote of the BOD, with at least a majority of the independent directors voting to approve the material related party transactions.

The Company's directors and employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are surfaced and brought to the attention of management. None of the Company's directors has entered into self-dealing and related party transactions with or involving the Company in 2021.

DIRECTORS AND EXECUTIVE OFFICERS

No action or matter with respect to the Directors and Executive Officers will be taken by the Company pursuant to the solicitation of the written assent of stockholders under this Information Statement.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

No action or matter with respect to the Compensation of Directors and Executive Officers will be taken by the Company pursuant to the solicitation of the written assent of stockholders under this Information Statement.

INDEPENDENT PUBLIC ACCOUNTANTS

No action or matter with respect to the Independent Public Accountants of the Company will be taken by the Company pursuant to the solicitation of the written assent of stockholders under this Information Statement.

COMPENSATION PLANS

No action or matter with respect to Compensation Plans will be taken by the Company pursuant to the solicitation of the written assent of stockholders under this Information Statement.

OTHER MATTERS

Financial and Other Information

The company has incorporated by reference the following as contained in the Management Report (attached as Annex A) and SEC Form 17-Q for the period ended June 30, 2022 (Quarterly Report) (attached as Annex B).

OTHER PROPOSED ACTIONS

The approval of the amendments to the Articles of Incorporation of the Company for the purpose of amending the Article II, Primary Purpose of the Company, to state as follows:

To engage in, conduct, and carry on the business of buying, selling, distributing, marketing at wholesale and retail insofar as may be permitted by law, all kinds of goods, commodities, wares and merchandise of every kind description; to enter into all kind of contracts for the export, import, purchase, acquisition, sale at wholesale or retail and other disposition for its own account as principal or in representative capacity as manufacturer's representative, merchandise broker, indentor, commission merchant, factors or agents, upon consignment of all kinds of goods, wares, merchandise of products whether natural or artificial; **to engage in, operate, maintain and carry on business in all kinds of service activities that are incidental or related to the general business such as design, installation, grooming services.**

The foregoing amendment to the Articles of Incorporation of the Company was approved by the Board of Directors on July 25, 2022 and disclosed to the SEC and Philippine Stock Exchange on the same date. The proposed amendment has no effect on the rights of existing stockholders of the Company.

<u>Article No.</u>	<u>From</u>	<u>To</u>	<u>Brief reason and general effect of such amendment</u>
<u>Two</u>	<u>To engage in, conduct, and carry on the business of buying, selling, distributing, marketing at wholesale and retail insofar as may be permitted by law, all kinds of goods, commodities, wares and merchandise of every kind description; to enter into all kind of contracts for the export, import, purchase, acquisition, sale at wholesale or retail and other disposition for its own account as principal or in representative capacity as manufacturer's representative, merchandise broker, indentor, commission merchant, factors or agents, upon consignment of all kinds of goods, wares, merchandise or products whether natural or artificial.</u>	<u>To engage in, conduct, and carry on the business of buying, selling, distributing, marketing at wholesale and retail insofar as may be permitted by law, all kinds of goods, commodities, wares and merchandise of every kind description; to enter into all kind of contracts for the export, import, purchase, acquisition, sale at wholesale or retail and other disposition for its own account as principal or in representative capacity as manufacturer's representative, merchandise broker, indentor, commission merchant, factors or agents, upon consignment of all kinds of goods, wares, merchandise or products whether natural or artificial; to engage in, operate, maintain and carry on business in all kinds of service activities that are incidental or related to the general business such as design, installation, grooming services.</u>	<u>To include services component in the Articles of Incorporation to allow the Company to offer services that are incidental in the business operations such as, installation services (i.e. aircons, TVs, appliances, etc.), pet grooming services, and design services.</u>

Voting Procedures

Manner of Voting

The written assent of the shareholders representing two-thirds (2/3) of the outstanding capital stock shall be required for the approval of the amendment to the Articles of Incorporation.

Stockholders of record as August 9, 2022 shall be entitled to one (1) vote for each share of stock recorded in their names in the books of the Company

Voting shall be made through written assent, as evidenced by the written assent form attached to this Information Statement, accomplished in all parts and duly received by email or facsimile at the address below:

ALLHOME CORP.

Attention: **The Corporate Secretary**

Fax No.: 3226-3552 loc. 0046

Email Address: omar_carino@rlsclawoffices.com

The written assent form must be signed by the stockholder on record or by his authorized representative or proxy. If voting by proxy, the proxy form should be submitted along with the accomplished written assent form.

Stockholders are requested to submit their written assent forms on or before 15 September 2022. As soon as the affirmative votes received reach at least two-thirds (2/3) of the outstanding capital stock, the amendment shall be considered approved by the stockholders.

Voting Requirements

The written assent of the stockholders holding or representing at least two-thirds (2/3) of the total issued and outstanding shares of the Company shall be required for the approval of the amendments to the Articles of Incorporation, equivalent to at least 2,500,000,001 common shares.

Method of Counting Votes

The Corporate Secretary, with the assistance of Philippine National Bank Trust Banking Group – Fiduciary Services Division, the stock transfer agent of the Company, will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders. The votes shall be counted based on the filled-up written assent form attached to this Information Statement and received from stockholders of the Company. **As soon as the affirmative votes received reach at least two-thirds (2/3) of the outstanding capital stock, equivalent to 2,500,000,001 common shares, the amendment shall be considered approved by the stockholders.**

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE REGISTRANT UNDERTAKES TO FURNISH SAID STOCKHOLDER A COPY OF SEC FORM 17-Q FREE OF CHARGE, EXCEPT FOR EXHIBITS ATTACHED THERETO WHICH SHALL BE CHARGED AT ANY COST. ANY WRITTEN REQUEST FOR A COPY OF SEC FORM 17-Q SHALL BE ADDRESSED AS FOLLOWS:

ALLHOME CORP.

**Lower Ground Floor, Building B, Evia Lifestyle Center,
Vista City, Daanghari, Almanza II, Las Piñas City, Philippines**

Attention: Robirose M. Abbot

MANAGEMENT REPORT

I. FINANCIAL STATEMENTS

The Financial Statements of the Company as of June 30, 2022 are incorporated herein the accompanying Index to Financial Statements and Supplementary Schedules

II. INFORMATION ON INDEPENDENT ACCOUNTANT

Punongbayan & Araullo, independent certified public accountants, audited the Company's consolidated financial statements without qualification as of and for the years ended December 31, 2019, 2020, and 2021, included in this report. Nelson Dinio is the current audit partner for the Company.

The Company has not had any disagreements on the accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period. P&A has neither shareholding in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. P&A will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants, or rights thereto). The foregoing is in accordance with the Code of Ethics for the Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

Audit and Audit Related Fees

The following table sets out the aggregate fees billed for each of the last two years for professional services rendered by P&A:

	<u>2021</u>	<u>2020</u>
	<i>(In ₱ Thousands with VAT)</i>	
Audit and Audit-Related Fees	₱ 1,550.0	₱ 1,500.0
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements		
All Other Fees	-	-
Total	<u>₱ 1,550.0</u>	<u>1,500.0</u>

P&A does not have any direct or indirect interest in the Company. No other assurance and related services were rendered other than mentioned above.

Tax Fees

Except as provided above, the Registrant did not pay any tax fees and other fees to its external auditors.

AUDIT COMMITTEE'S APPROVAL AND PROCEDURES FOR THE SERVICES OF THE EXTERNAL AUDITOR

The scope, extent, and nature of the services to be referred to, and/or rendered by the appointed external auditor of the Company has been unanimously approved by the audit committee in a meeting duly called for the purpose, including the fees to be paid for the services thus rendered and/or referred. In relation to the audit of the Company's annual financial statements, the Company's Corporate Governance Manual provides that the audit committee shall, among other activities (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency, and effectiveness of policies, controls, processes and activities of the Company; (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors; (iii) ensure compliance of the Company with acceptable auditing and accounting standards and regulations.

III. MANAGEMENT'S DISCUSSION AND ANALYSIS

REVIEW OF FIRST HALD END 2022 VS FIRST HALF END 2021

RESULTS OF OPERATIONS

Six Months Ended June 30, 2022 compared to Six Months Ended June 30, 2021

	Unaudited June 30, 2022	Unaudited June 30, 2021	Horizont al Analysis % Change	Vertical Analysis % of Total Sales 6/30/2022 6/30/2021	
	(in millions of ₱)				
Sales	6,265.1	6,723.9	-7%	100%	100%
Cost of Merchandise Sold	4,015.9	4,496.5	-11%	64%	67%
Gross Profit	2,249.2	2,227.4	1%	36%	33%
Support, Fess, Rentals and Other Revenue	125.3	148.8	-16%	2%	2%
Gross Profit including Other Revenues	2,374.5	2,376.2	0%	38%	35%
Total Operating Expenses	1,473.9	1,374.3	7%	24%	20%
Operating Profit	900.6	1,001.9	-10%	14%	15%
Finance Costs (Income) - Net					
Finance costs	200.9	180.5	11%	3%	3%
Finance income	(0.6)	(0.7)	-16%	0%	0%
	200.3	179.8	11%	3%	3%
Profit Before Extraordinary Item	700.3	822.1			
Loss from Fire Damage	303.1				
Profit Before Tax	397.2	822.1	-52%	6%	12%
Tax Expense					
Current	128.4	160.5	-20%	2%	2%
Deferred	46.7	20.6	126%	1%	0%
	175.0	181.1	-3%	3%	3%
Net Profit	222.1	641.0	-65%	4%	10%

Sales

The company recorded sales of ₱6,265.1 million for the six months ended June 30, 2022, a decrease of 6.8% from ₱ 6,723.9 million for the six months ended June 30, 2021. This was mainly brought about by the decline in foot traffic due to Covid-19 Omicron infection surge in the first half of the period and despite the improvement in foot traffic in the second half of the period, sales declined due to lost sales from three (3) Alabang stores and weakened sales in the hard categories.

The following table shows the key operating performance indicators relevant to the revenues for the period ended June 30, 2022 and 2021.

	As of and for the period ended 30 June		% change
	2022	2021	
Number of Stores	62	55	12.7%
Net Selling Area (in sqm)	304,000	291,259	4.4%
Net Sales (Php millions)	6,265.1	6,723.9	-6.8%
SSSG	-9.2%	30.5%	

Cost of Merchandise Sold

For the six months ended June 30, 2022, cost of merchandise sold was at ₱4,015.9 million, a decrease of 11% from the ₱4,496.5 million for the same period in 2021 corresponding to the decrease in sales as well as due to lower cost of goods sold as these were purchased in advance in the previous quarters at lower cost.

Support, Fees, Rentals and Other Revenues

Support, Fees, Rentals and Other Revenues decreased by 16% from ₱148.8 million for the six months ended June 30, 2021 to ₱125.3 million for the six months ended June 30, 2022, primarily due to the decrease in vendor's support with lesser large stores opened during the period.

Selling, General and Administrative Expenses

Selling, General and Administrative Expenses increased by 7% to ₱1,473.9 million for the six months ended June 30, 2022 from ₱ 1,374.3 million for the same period in 2021. Primarily due to the following:

- Increase in depreciation and amortization from ₱524.6 million in June 30, 2021 to ₱760.0 million in June 30, 2022 is attributed to the increase in the number of stores.
- Increase in salaries and wages from ₱173.4 million in June 30, 2021 to ₱194.8 million in June 30, 2022 due to the additional manpower for new stores.
- Decrease in rentals from ₱205.5 million in June 30, 2021 to ₱149.9 million in June 30, 2022 due to lower sales given the cost structure of rental computation and the temporary closure of Alabang stores.
- Decrease in outside services from ₱164.9 million in June 30, 2021 to ₱138.4 million in June 30, 2022 due to the manpower rationalization being implemented.
- Decrease in communication and utilities from ₱150.1 million in June 30, 2021 to ₱130.0 million in June 30, 2022 due to cost-saving measures being implemented.
- Increase in merchant fee from ₱56.4 million in June 30, 2021 to ₱79.1 million in June 30, 2022 due to higher debit/credit card sales for the period.
- Increase in taxes and licenses from ₱52.8 million in June 30, 2021 to ₱64.6 million in June 30, 2022 due to the increasing number of newly opened stores.
- Increase in repairs and maintenance from ₱7.7 million in June 30, 2021 to ₱13.2 million in June 30, 2022 due to the additional disinfection and sanitation protocols implemented in the stores.
- Increase in office and store supplies from ₱9.9 million in June 30, 2021 to ₱12.2 million in June 30, 2022 due primarily to purchases of supplies in the head office and due to increase in the number of stores.
- Increase in professional fees from ₱3.3 million in June 30, 2021 to ₱6.5 million in June 30, 2022 due to audit fees, BOD fees, and consultancy fees for sustainability reporting and e-commerce.
- Increase in dues and subscriptions from ₱5.1 million in June 30, 2021 to ₱6.1 million in June 30, 2022 due to increase in the number of stores.
- Increase in advertising and promotions from ₱6.2 million in June 30, 2021 to ₱6.3 million in June 30, 2022 due to usage of online and digital platforms for marketing purposes especially during the all-out sale promos of the Company.
- Increase in miscellaneous expense from ₱2.4 million in June 30, 2021 to ₱4.4 million in June

30, 2022 due to loss on disposal of defective assets under property and equipment.

- Increase in transportation expense from ₱3.2 million in June 30, 2021 to ₱6.1 million in June 30, 2022 due to increasing fuel prices and also due to increase in deliveries from distribution centers to stores as well as inter-stores stock transfer.
- Increase in commission expense from ₱1.6 million in June 30, 2021 to ₱3.3 million in June 30, 2022 as most corporate sales during the period were generated by external or third party sales team.
- Increase in insurance expense from ₱4.1 million in June 30, 2021 to ₱6.3 million in June 30, 2022 to cover the new opened stores.
- Increase in representation and entertainment from ₱3.0 million in June 30, 2021 to ₱3.4 million in June 30, 2022 due to the physical meetings during the period.
- Incurred a gain on lease modification of ₱111.0 million for the six months ended June 30, 2022 due to derecognition and termination of rent of the Alabang stores, accounted under PFRS 16, due to the fire incident.

Finance Cost

Finance cost increased from ₱179.8 million for the six months ended June 30, 2021 to ₱200.3 million for the six months ended June 30, 2022 due primarily attributable to the increase in interest on loans payable and slightly offset by decrease in interest expense from lease liability.

Tax Expense

Tax expense decreased by 3% from ₱ 181.1 million for the six months ended June 30, 2021 to ₱175.0 million for the six months ended June 30, 2022 due to lower taxable income for the period.

Fire Loss

On January 8, 2022, the Company's store outlets located at Alabang, Muntinlupa City, were severely damaged by fire. The estimated losses on inventory and property and equipment amounted to ₱83.8 million and ₱219.3 million, respectively.

Net Profit

As a result of the foregoing, the net income decreased by 65% from ₱641.0 million for the six months ended June 30, 2021 to ₱222.1 million for the six months ended June 30, 2022.

FINANCIAL CONDITION

	Unaudited June 30, 2022	Audited December 31, 2021	Horizont al Analysis % Change	Vertical Analysis % of Total Assets 6/30/202212/31/2021	
	(in millions of ₱)				
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	1,291.9	1,885.5	-31%	5%	7%
Trade and other receivables - net	627.0	383.8	63%	2%	1%
Merchandise inventories	6,188.9	7,055.6	-12%	24%	27%
Other current assets	2,497.0	2,139.5	17%	10%	8%
Total Current Assets	10,604.9	11,464.5	-7%	41%	44%
NON-CURRENT ASSETS					
Property and equipment - net	14,050.9	13,605.5	3%	55%	53%
Other non-current assets	1,090.4	742.7	47%	4%	3%
Total Non-current .Assets	15,141.3	14,348.2	6%	59%	56%
TOTAL ASSETS	25,746.2	25,812.7	0%	100%	100%
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade and other payables	972.5	1,229.7	-21%	4%	5%
Loans payable - current portion	2,736.5	2,044.4	34%	11%	8%
Lease liabilities - current portion	527.7	613.8	-14%	2%	2%
Income tax payable	49.7	89.7	-45%	0%	0%
Total Current Liabilities	4,286.4	3,977.6	8%	17%	15%
NON-CURRENT LIABILITIES					
Lease liabilities - net of current portion	3,476.7	3,927.9	-11%	14%	15%
Loans payable - net of current portion	2,700.0	2,900.0	-7%	10%	11%
Deferred tax liabilities - net	357.5	310.8	15%	1%	1%
Retirement benefit obligation	77.5	70.4	10%	0%	0%
Total Non-current Liabilities	6,611.7	7,209.1	-8%	26%	28%
Total Liabilities	10,898.1	11,186.7	-3%	42%	43%
EQUITY					
Capital stock	3,750.0	3,750.0	0%	15%	15%
Additional paid-in capital	7,209.3	7,209.3	0%	28%	28%
Revaluation reserves - net	(0.7)	(0.7)	0%	0%	0%
Retained earnings	3,889.5	3,667.4	6%	15%	14%
Total Equity	14,848.1	14,626.0	2%	58%	57%
TOTAL LIABILITIES AND EQUITY	25,746.2	25,812.7	0%	100%	100%

As of June 30, 2022 vs. December 31, 2021

Total assets amounting to ₱25,746.2 million as of June 30, 2022 recorded a slight increase of -0.3% from the reported amount of ₱25,812.7 million in December 31, 2021 due to the following:

- Cash amounting to ₱1,291.9 million as of June 30, 2022 recorded a decrease of 31% from the reported amount of ₱1,885.5 million in December 31, 2021 as the cash generated were used

primarily for the capital expenditures of new stores undergoing fit-out, setting up of new head offices and data centers as previous offices were damaged by fire, refresh of mature stores and software upgrades.

- Trade and Other Receivables amounting to ₱627.0 million as of June 30, 2022 recorded an increase of 63% from the reported amount of ₱383.8 million reported in December 31, 2021 due to timing difference in collection.
- Merchandise Inventory amounting to ₱6,188.9 million as of June 30, 2022 recorded a decrease of 12% from the ₱ 7,055.6 million reported in December 31, 2021 due primarily to the flush out of slow-moving and non-moving inventories during the period offset by the arrival of inventory orders in the fourth quarter of last year.
- Property and Equipment amounting to ₱14,050.9 million as of June 30, 2022 recorded an increase of 3% from the ₱ 13,605.5 million reported in December 31, 2021 due to capital expenditures spent for new stores undergoing fit-out, setting up of new head offices and data centers as previous offices were damaged by fire, refresh of mature stores and software upgrades.
- Other Asset amounting to ₱3,587.4 million, as of June 30, 2022, recorded an increase of 25% from the amount ₱ 2,882.2 million reported in December 31, 2021 due primarily to advances to suppliers and contractors.

Total liabilities amounting to ₱10,898.1 million as of June 30, 2022 recorded a decrease of 3% from the reported amount of ₱11,186.7 million in December 31, 2021. This was due to the following:

- Trade and other payables amounting to ₱972.5 million, as of June 30, 2022, recorded a decrease of 21% from the ₱1,229.7 million reported in December 31, 2021 due to payments of payables for the purchase of inventories and fit-out construction.
- Loans payable including non-current portion amounting to ₱5,436.5 million, as of June 30, 2022, recorded an increase of 26% from the ₱4,944.4 million reported in December 31, 2021 due to additional borrowings to fund for new stores opened during the period.
- Lease liability including non-current portion amounting to ₱4,004.4 million, as of June 30, 2022, recorded a decrease of 12% from the ₱4,541.7 million reported in December 31, 2021 due to lease payments made.
- Income tax payable amounting to ₱49.7 million, as of June 30, 2022, recorded a decrease of 45% from the ₱89.7 million reported in December 31, 2021 due to lower tax payable for the period.
- Deferred Tax Liability amounting to ₱357.5 million, as of June 30, 2022, recorded an increase of 15% from the amount ₱310.8 million reported in December 31, 2021 due to the adjustment to temporary tax differences for the period.
- Retirement benefit obligation amounting to ₱77.5 million, as of June 30, 2022, recorded an increase of 10% from the ₱70.4 million reported in December 31, 2021 due to adjustment of provision for the retirement benefit.

Total stockholder's equity amounting to ₱14,848.1 million, as of June 30, 2022, recorded an increase of 2% from the ₱14,626 million reported in December 31, 2021 due to net income recorded for the period.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	6/30/2022	6/30/2021
Revenue (₱ millions)	6,265.1	6,723.9
Gross Profit (₱ millions)	2,249.2	2,227.4
Gross Profit Margin (%) ^(a)	35.9%	33.1%
Net Profit or Loss (₱ millions)	222.1	641.0
Net Profit Margin (%) ^(b)	3.5%	9.5%

^(a) Gross Profit Margin: This ratio is obtained by dividing the Gross Profit of the Company by its Revenue

^(b) Net Profit Margin: This ratio is obtained by dividing the Net Profit of the Company by its Revenue

Since there are various calculation methods for the performance indicators above, the Company's presentation may not be comparable to similarly titled measures used by other companies.

Revenues decreased for the six months ended June 30, 2022 compared to the six months ended June 30, 2021 due to the decline in foot traffic due to Covid-19 Omicron infection surge in the first half of the period and despite the improvement in foot traffic in the second half of the period, sales declined due to lost sales from three (3) Alabang stores and weakened sales in the hard category.

Gross Profit and Gross Profit Margin increased for the six months ended June 30, 2022 compared to six months ended June 30, 2021 due to the decrease in sales as well as due to lower cost of goods sold as these were purchased in advance in the previous quarters at lower cost.

Net Profit or Loss, and Net Profit Margin decreased for the six months ended June 30, 2022 compared to six months ended June 30, 2021 due to higher operating expenses, higher finance cost and incurrence of loss on damaged assets due to fire loss. Insurance claim for fire loss is still on process.

Material Changes to the Company's Balance Sheet as of June 30, 2022 compared to December 31, 2021 (increase/decrease of 5% or more)

Cash amounting to ₱1,291.9 million as of June 30, 2022 recorded a decrease of 31% from the reported amount of ₱1,885.5 million in December 31, 2021 as the cash generated were used primarily for the capital expenditures of new stores undergoing fit-out, setting up of new head offices and data centers as previous offices were damaged by fire, refresh of mature stores and software upgrades.

Trade and Other Receivables amounting to ₱627.0 million as of June 30, 2022 recorded an increase of 63% from the reported amount of ₱383.8 million reported in December 31, 2021 due to timing difference in collection.

Merchandise Inventory amounting to ₱6,188.9 million as of June 30, 2022 recorded a decrease of 12% from the ₱ 7,055.6 million reported in December 31, 2021 due primarily to the flush out of slow-moving and non-moving inventories during the period offset by the arrival of inventory orders in the fourth quarter of last year.

Other Asset amounting to ₱3,587.4 million, as of June 30, 2022, recorded an increase of 25% from the amount ₱ 2,882.2 million reported in December 31, 2021 due primarily to advances to suppliers and contractors.

Trade and other payables amounting to ₱972.5 million, as of June 30, 2022, recorded a decrease of 21% from the ₱1,229.7 million reported in December 31, 2021 due to payments of payables for the purchase of inventories and fit-out construction.

Loans payable including non-current portion amounting to ₱5,436.5 million, as of June 30, 2022, recorded an increase of 26% from the ₱4,944.4 million reported in December 31, 2021 due to additional short term borrowings to fund for new stores opened during the period.

Lease liability including non-current portion amounting to ₱4,004.4 million, as of June 30, 2022, recorded a decrease of 12% from the ₱4,541.7 million reported in December 31, 2021 due to lease

payments made.

Income tax payable amounting to ₱49.7 million, as of June 30, 2022, recorded a decrease of 45% from the ₱89.7 million reported in December 31, 2021 due to lower tax payable for the period.

Deferred Tax Liability amounting to ₱357.5 million, as of June 30, 2022, recorded an increase of 15% from the amount ₱310.8 million reported in December 31, 2021 due to the adjustment to temporary tax differences for the period.

Retirement benefit obligation amounting to ₱77.5 million, as of June 30, 2022, recorded an increase of 10% from the ₱70.4 million reported in December 31, 2021 due to adjustment of provision for the retirement benefit.

Material Changes to the Company's Statement of Income for the 6-months of 2022 compared to the 6-months of 2021 (increase/decrease of 5% or more)

The company recorded sales of ₱6,265.1 million for the six months ended June 30, 2022, a decrease of 6.8% from ₱ 6,723.9 million for the six months ended June 30, 2021. This was mainly brought about by the decline in foot traffic due to Covid-19 Omicron infection surge in the first half of the period and despite the improvement in foot traffic in the second half of the period, sales declined due to lost sales from three (3) Alabang stores and weakened sales in the hard categories.

For the six months ended June 30, 2022, cost of merchandise sold was at ₱4,015.9 million, a decrease of 11% from the ₱4,496.5 million for the same period in 2021 corresponding to the decrease in sales as well as due to lower cost of goods sold as these were purchased in advance in the previous quarters at lower cost.

Support, Fees, Rentals and Other Revenues decreased by 16% from ₱148.8 million for the six months ended June 30, 2021 to ₱ 125.3 million for the six months ended June 30, 2022, primarily due to the decrease in vendor's support with lesser large stores opened during the period.

Selling, General and Administrative Expenses increased by 7% to ₱1,473.9 million for the six months ended June 30, 2022 from ₱ 1,374.3 million for the same period in 2021 due to the above-mentioned reasons.

Finance cost increased from ₱179.8 million for the six months ended June 30, 2021 to ₱200.3 million for the six months ended June 30, 2022 due primarily attributable to the increase in interest on loans payable and slightly offset by decrease in interest expense from lease liability.

On January 8, 2022, the Company's store outlets located at Alabang, Muntinlupa City, were severely damaged by fire. The estimated losses on inventory and property and equipment amounted to ₱83.8 million and ₱219.3 million, respectively.

As a result of the foregoing, our net income decreased by 65% from ₱641.0 million for the six months ended June 30, 2021 to ₱222.1 million for the six months ended June 30, 2022.

COMMITMENTS AND CONTINGENCIES

There are no material commitment and contingency as of June 30, 2022 and as of June 30, 2021.

For the 63-month of 2022, there was no seasonal aspect that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

REVIEW OF FIRST QUARTER END 2022 VS FIRST QUARTER END 2021

Results of Operation

Quarter Ended March 31, 2022 compared to Quarter Ended March 31, 2021

	Unaudited	Unaudited	Horizontal Analysis % Change	Vertical Analysis % of Total Sales	
	March 31, 2022	March 31, 2021		3/31/2022	3/31/2021
	(in millions of ₱)				
Sales	3,238.6	3,591.8	-10%	100%	100%
Cost of Merchandise Sold	2,070.3	2,447.5	-15%	64%	68%
Gross Profit	1,168.3	1,144.3	2%	36%	32%
Support, Fess, Rentals and Other Revenues	64.7	70.5	-8%	2%	2%
Gross Profit including Other Revenues	1,233.0	1,214.7	2%	38%	34%
Total Operating Expenses	765.6	673.7	14%	24%	19%
Operating Profit	467.4	541.0	-14%	14%	15%
Finance Costs (Income) - Net					
Finance costs	100.8	82.5	22%	3%	2%
Finance income	(0.3)	(0.4)	-20%	0%	0%
	100.5	82.1	22%	3%	2%
Profit Before Extraordinary Item	366.9	458.9			
Loss from Fire Damage	303.1				
Profit Before Tax	63.8	458.9	-86%	2%	13%
Tax Expense					
Current	73.3	130.9	-44%	2%	4%
Deferred	18.4	(16.2)	-214%	1%	0%
	91.7	114.7	-20%	3%	3%
Net Profit	(27.9)	344.2	-108%	-1%	10%

Sales

The company recorded sales of ₱3,238.6 million for the quarter ended 31 March 2022, a decrease of 9.8% from ₱3,591.8 million for the quarter ended 31 March 2021. This was mainly brought about by the decline in foot traffic in January to mid-February due to Covid-19 Omicron infection surge but eventually improved in the latter part of February and onwards as Alert Level 1 started to be implemented on March 1. The following table shows the key operating performance indicators relevant to the revenues for the period ended 31 March 2022 and 2021.

	As of and for the period ended March 31		
	2022*	2021	Percentage Change
Number of stores	57	52	3.8%
Net Selling Area (in sqms)	297,469	276,043	7.8%
Net Sales (₱ millions)	3,238.6	3,591.8	-9.8%
SSSG	-9.8%	2.8%	-

*Alabang stores are closed temporarily

Cost of Merchandise Sold

For the quarter ended 31 March 2022, cost of merchandise sold was at ₱ 2,070.3 million, a decrease of 15% from the ₱ 2,447.5 million level for the same period in 2021 corresponding to the decrease in sales as well as due to lower cost of goods due to advance inventory buys in the previous quarters.

Support, Fees, Rentals, and Other Revenues

Support, fees, rentals, and other revenues decreased by 8% from ₱ 70.5 million for the quarter ended 31 March 2021 to ₱ 64.7 million for the quarter ended 31 March 2022, primarily due to the decrease in vendor's support.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by 14% to ₱ 765.6 million for the quarter ended 31 March 2022 from ₱ 673.7 million for the same period in 2021, primarily due to the following:

- Increase in professional fees from ₱ 1.2 million for the quarter ended 31 March 2021 to ₱ 3.5 million for the quarter ended 31 March 2022 due to audit fees, BOD fees, and consultancy fees for sustainability reporting and e-commerce.
- Increase in depreciation and amortization from ₱ 253.7 million for the quarter ended 31 March 2021 to ₱ 388.8 million for the quarter ended 31 March 2022 primarily as a result in the increase of the number of stores.
- Increase in commission expense from ₱ 434.5 thousand from quarter ended 31 March 2021 to ₱ 528.5 thousand for the quarter ended 31 March 2022 as most corporate sales during the period were generated by external or third party sales teams.
- Increase in office and store supplies from ₱ 4.5 million for the quarter ended 31 March 2021 to ₱ 5.4 million for the quarter ended 31 March 2022 as most corporate sales during the period were generated by external or third party sales teams.
- Increase in repairs and maintenance from ₱ 4.4 million for the quarter ended 31 March 2021 to ₱ 5.2 million for the quarter ended 31 March 2022 due to additional sanitation implemented due to Covid-19 Omicron surge in the first half of the quarter.
- Increase in advertising and promotions from ₱ 2.2 million for the quarter ended 31 March 2021 to ₱ 2.6 million for the quarter ended 31 March 2022 due to usage of online and digital platforms for marketing purposes especially during the all-out sale of the Company
- Increase in transportation expense from ₱1.1 million for the quarter ended 31 March 2021 to ₱ 1.3 million for the quarter ended 31 March 2022 primarily due to increasing fuel prices and also due to increase in deliveries from distribution centers to stores as well as inter-store stock transfers.
- Increase in salaries and wages from ₱ 85.0 million for the quarter ended 31 March 2021 to ₱ 95.2 million for the quarter ended 31 March 2022 due to the additional manpower for new stores.
- Increase in miscellaneous from ₱ 1.9 million for the quarter ended 31 March 2021 to ₱ 2.1 million for the quarter ended 31 March 2022 due to loss on disposal of defective assets under property and equipment.

- Increase in taxes and licenses from ₱ 26.0 million for the quarter ended 31 March 2021 to ₱ 28.4 million for the quarter ended 31 March 2022 due to the increasing number of newly opened stores.
- Increase in merchant fee from ₱ 29.8 million for the quarter ended 31 March 2021 to ₱ 31.0 million for the quarter ended 31 March 2022 due to the sales contributed by the new stores.
- Increase in outside services from ₱ 74.8 million for the quarter ended 31 March 2021 to ₱ 77.3 million for the quarter ended 31 March 2022 due to the additional manpower from agencies and delivery charges for inventory stocking for new stores and inter-store transfer of inventory stocks.
- Increase in communication and utilities from ₱ 70.2 million for the quarter ended 31 March 2022 to ₱ 70.7 for the quarter ended 31 March 2022 primarily due to the opening of new stores.
- Incurred a gain on lease modification of ₱ 21.4 million for the quarter ended 31 March 2022 due to derecognition and termination of rent of the Alabang stores, accounted under PFRS 16, due to the fire incident.
- Decrease in dues and subscription from ₱ 2.6 million for the quarter ended 31 March 2022 to ₱ 2.5 million for the quarter ended 31 March 2021 due to cost-saving measures implemented which include limited postings in online job portals.
- Decrease in insurance expense from ₱ 1.5 million for the quarter ended 31 March 2021 to ₱ 1.0 million for the quarter ended 31 March 2022 due to Alabang stores temporary closure.
- Decrease in rentals from ₱ 112.8 million for the quarter ended 31 March 2021 to ₱ 70.9 million for the quarter ended 31 March 2022 due to lower sales given the cost structure of rental computation.
- Decrease in representation and entertainment from ₱ 1.7 million for the quarter ended 31 March 2021 to ₱ 0.6 million for the quarter ended 31 March 2022 due to the minimal physical meetings due to Covid-18 Omicron surge in the first half of the quarter.

Finance Cost, net

Finance cost, net increased from ₱ 82.1 million for the quarter ended 31 March 2021 to ₱ 100.5 million for the quarter ended 31 March 2022. The net increase was primarily attributable to the increase of ₱ 19.4 million in interest expense from loans payable and slightly offset by the decrease of ₱ 1.3 million in interest expense from lease liability.

Tax Expense

Tax expense decreased by 20% from ₱ 114.7 million for the quarter ended 31 March 2021 to ₱ 91.7 million for the quarter ended 31 March 2022 due to lower taxable income for the quarter.

Fire Loss

On January 8, 2022, the Company's store outlets located at Alabang, Muntinlupa City, were severely damaged by fire. The estimate losses on inventory and property and equipment amounted to ₱ 83.8 million and ₱ 219.3 million, respectively. **Net Profit**

As a result of the foregoing, our net profit or loss decreased by 108% from ₱ 344.2 million net income for the quarter ended 31 March 2021 to ₱ 27.9 million net loss for the quarter ended 31 March 2022.

As of March 31 2022, no known trends, events, or uncertainties that are reasonably expected to have impact on sales/revenues/income from continuing operations except for those being disclosed in the 3-month of 2022 financial statements.

FINANCIAL CONDITION

	Unaudited March 31, 2022	Audited December 31, 2022	Horizontal Analysis	Vertical Analysis	
	(in millions of ₱)		% Change	% of Total Assets	
				3/31/2022	12/31/2021
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	1,243.4	1,885.5	-34%	5%	7%
Trade and other receivables - net	479.3	383.8	25%	2%	1%
Merchandise inventories	7,160.3	7,055.6	1%	28%	27%
Other current assets	2,084.9	2,139.5	-3%	8%	8%
Total Current Assets	10,967.9	11,464.5	-4%	43%	44%
NON-CURRENT ASSETS					
Property and equipment - net	13,275.4	13,605.5	-2%	52%	53%
Other non-current assets	1,126.4	742.7	52%	4%	3%
Total Non-current Assets	14,401.8	14,348.2	0%	57%	56%
TOTAL ASSETS	25,369.6	25,812.7	-2%	100%	100%
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade and other payables	944.7	1,229.7	-23%	4%	5%
Loans payable - current portion	2,044.4	2,044.4	0%	8%	8%
Lease liabilities - current portion	619.8	613.8	1%	2%	2%
Income tax payable	157.3	89.7	75%	1%	0%
Total Current Liabilities	3,766.2	3,977.6	-5%	15%	15%
NON-CURRENT LIABILITIES					
Lease liabilities - net of current portion	3,702.2	3,927.9	-6%	15%	15%
Loans payable - net of current portion	2,900.0	2,900.0	0%	11%	11%
Deferred tax liabilities - net	329.2	310.8	6%	1%	1%
Retirement benefit obligation	74.0	70.4	5%	0%	0%
Total Non-current Liabilities	7,005.4	7,209.1	-3%	28%	28%
Total Liabilities	10,771.5	11,186.7	-4%	42%	43%
EQUITY					
Capital stock	3,750.0	3,750.0	0%	15%	15%
Additional paid-in capital	7,209.3	7,209.3	0%	28%	28%
Revaluation reserves - net	(0.7)	(0.7)	0%	0%	0%
Retained earnings	3,639.5	3,667.4	-1%	14%	14%
Total Equity	14,598.1	14,626.0	0%	58%	57%
TOTAL LIABILITIES AND EQUITY	25,369.6	25,812.7	-2%	100%	100%

As of 31 March 2022 vs 31 December 2021

Total assets as of 31 March 2022 were ₱ 25,369.6 million compared to ₱ 25,812.7 million as of 31 December 2021, or a 2% decrease due to the following:

- Cash decreased by 34% from ₱ 1,885.5 million as of 31 December 2021 to ₱ 1,243.4 million as of 31 March 2022 as the cash generated were used primarily for the capital expenditures of

new stores undergoing fit-out, and setting up of new head offices and data centers as previous offices were damaged by fire.

- Trade and other receivables increased by 25% from ₱ 383.8 million as of 31 December 2021 to ₱ 479.3 million as of 31 March 2022 due mainly to increase in accredited corporate accounts during the period.
- Merchandise Inventories increased by 1% from ₱ 7,055.6 million as of 31 December 2021 to ₱ 7,160.3 million as of 31 March 2022 due primarily to slightly lower purchases of inventories in the first quarter.
- Property and equipment decreased by 2% from ₱ 13,605.5 million as of 31 December 2021 to ₱ 13,275.4 million as of 31 March 2022 due primarily to disposals attributed to the Alabang fire.
- Other assets increased by 11% from ₱ 2,882.2 million as of 31 December 2021 to ₱ 3,211.3 million as of 31 March 2022 due primarily to advances to suppliers and contractors.

Total liabilities as of 31 December 2021 were ₱ 11,186.7 million compared to ₱ 10,771.5 million as of 31 March 2022, or a 4% decrease. This was due to the following:

- Trade and other payables decreased by 23% from ₱ 1,229.7 million as of 31 December 2021 to ₱ 944.7 million as of 31 March 2022 due to payments of payables for the purchases of inventories and fit-out construction.
- Loans payable including non-current portion as of 31 March is same as of 31 December 2021 at ₱ 4,944.4 million as no additional loan was incurred for the quarter.
- Lease liability including non-current portion decreased by 5% from ₱ 4,541.7 million as of 31 December 2021 to ₱ 4,322.0 million as of 31 March 2022 due to lease payment made.
- Income tax payable increased by 75% from ₱ 89.7 million as of 31 December 2021 to ₱ 157.3 million as of 31 March 2022 due to tax payable for the period.
- Deferred tax liabilities increased by 6% from ₱ 310.8 million as of 31 December 2021 to ₱ 329.2 million as of 31 March 2022 due to the adjustments to temporary tax differences for the period.
- Retirement benefit obligation increased by 5% from ₱ 70.4 million as of 31 December 2021 to ₱ 74 million as of 31 March 2022 due to adjustment of provision for the retirement benefit.

Total stockholder's equity decreased by 0.2% from ₱ 14,626 million as of 31 December 2021 to ₱ 14,598.1 million as of 31 March 2022 due to net loss recorded for the period.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	3/31/2022	3/31/2021
Revenues (₱ millions)	₱3,238.60	₱3,591.80
Gross Profit (₱ millions)	1,168.30	1,144.30
Gross Profit Margin (%) ^(a)	36.10%	31.90%
Net Profit or Loss (₱ millions)	(27.9)	344.2
Net Profit Margin (%) ^(b)	(0.90%)	9.60%

Notes:

^(a) Gross Profit Margin: This ratio is obtained by dividing the Gross Profit of the Company by its Revenues

^(b) Net Profit Margin: This ratio is obtained by dividing the Net Profit of the Company by its Revenues.

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

Revenues decreased for the quarter ended 31 March 2022 compared to quarter ended 31 March 2021. The declined in foot traffic in January to mid-February due to Covid-19 Omicron infection.

Gross Profit and Gross Profit Margin increased for the quarter ended 31 March 2022 compared to quarter ended 31 March 2021 due to lower cost of goods due to advance inventory buys in the previous quarters. Net Profit or Loss, and Net Profit Margin decreased for the quarter ended 31 March 2022 compared to quarter ended 31 March 2021 due to higher operating expenses, higher depreciation,

higher finance cost and incurrence of loss on damaged assets due to fire loss. Insurance claim for the fire loss is still on process.

Material Changes to the Company's Balance Sheet as of 31 March 2022 compared to 31 December 2021 (increase/decrease of 5% or more)

Cash decreased by 34% from ₱ 1,885.5 million as of 31 December 2021 to ₱ 1,243.4 million as of 31 March 2022 as the cash generated were used primarily for the capital expenditures of new stores undergoing fit-out, and setting up new head offices and data centers as previous offices were damaged by fire.

Trade and other receivables increased by 25% from ₱ 383.8 million as of 31 December 2021 to ₱ 479.3 million as of 31 March 2022 due mainly to increase in accredited corporate accounts during the period. Other assets increased by 11% from ₱ 2,882.2 million as of 31 December 2021 to ₱ 3,211.3 million as of 31 March 2022 due primarily to advances to suppliers and contractors.

Trade and other payables decreased by 23% from ₱ 1,229.7 million as of 31 December 2021 to ₱ 944.7 million as of 31 March 2022 due to payments of payables for the purchases of inventories and fit-out construction.

Lease liability including non-current portion decreased by 5% from ₱ 4,541.7 million as of 31 December 2021 to ₱ 4,322.0 million as of 31 March 2022 due to lease payments made.

Deferred tax liabilities increased by 6% from ₱ 310.8 million as of 31 December 2021 to ₱ 329.2 million as of 31 March 2022 due to the adjustments to temporary tax differences for the period.

Retirement benefit obligation increased by 5% from ₱ 70.4 million as of 31 December 2021 to ₱ 74 million as of 31 March 2022 due to adjustment of provision for the retirement benefit.

Material Changers to the Company's Statement of Comprehensive Income for the 3-month of 2022 compared o the 3-month of 2021 (increase/decrease of 5% or more)

The company recorded sales of ₱ 3,238.6 million for the quarter ended 31 March 2022, a decrease of 9.8% from ₱ 3,591.8 million for the quarter ended 31 March 2021. This was mainly brought about by the declined in foot traffic in January to mid-February due to Covid-19 Omicron infection surge but eventually improved in the latter part of February and onwards as Alert Level 1 started to be implemented on March 1.

For the quarter ended 31 March 2022, cost of merchandise sold was at ₱ 2,070.3 million, a decrease of 15% from the ₱ 2,447.5 million level for the same period in 2021 corresponding to the decrease in sales as well as due to lower cost of goods due to advance inventory buys in the previous quarters.

Support, fees, rentals and other revenues decreased by 8% from ₱ 70.50 million for the quarter ended 31 March 2021 to ₱ 64.7 million for the quarter ended 31 March 2022, primarily due to the decrease in vendor's support.

Selling, general and administrative expenses increased by 14% to ₱ 765.6 million for the quarter ended 31 March 2022 from ₱ 673.7 million for the same period in 2021 due to the above-mentioned reasons.

Finance cost, net increased from ₱ 82.1 million for the quarter ended 31 March 2021 to ₱ 100.5 million for the quarter ended 31 March 2022. The net increase was primarily attributable to the increase of ₱ 19.4 million in interest expense from loans payable and slightly offset by the decrease of ₱ 1.3 million in interest expense from lease liability.

On January 8, 2022, the Company's store outlets located at Alabang, Muntinlupa City, were severely damaged by fire. The estimated losses on inventory and property and equipment amounted to ₱ 83.8 million and ₱ 219.3 million, respectively.

As a result of the foregoing, our net profit or loss decreased by 108% from ₱ 344.2 million net income for the quarter ended 31 March 2021 to ₱ 27.9 million net loss for the quarter ended 31 March 2022.

There is no other material change in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion

Commitments and Contingencies

There is no material commitment and contingency as of 31 March 2022 and as of 31 March 2021.

For the 3-month of 2022, there was no seasonal aspect that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

REVIEW OF YEAR END 2021 VS YEAR END 2020

RESULTS OF OPERATIONS

Year Ended December 31, 2021 compared to year ended December 31, 2020

	FY2021	FY2020	Horizontal Analysis % Change	Vertical Analysis % of Total Sales	
	(in millions of ₱)			FY2021	FY2020
Sales	14,324.9	12,414.1	15%	100%	100%
Cost of Merchandise Sold	9,306.1	8,486.1	10%	65%	68%
Gross Profit	5,018.7	3,928.1	28%	35%	32%
Support, Fess, Rentals and Other Revenues	355.9	397.8	-11%	2%	3%
Gross Profit including Other Revenues	5,374.7	4,325.9	24%	38%	35%
Total Operating Expenses	3,156.4	2,539.7	24%	22%	20%
Operating Profit	2,218.3	1,786.2	24%	15%	14%
Finance Costs (Income) - Net					
Finance costs	393.7	377.8	4%	3%	3%
Finance income	(1.2)	(2.3)	-49%	0%	0%
	392.5	375.5	5%	3%	3%
Profit Before Tax	1,825.8	1,410.7	29%	13%	11%
Tax Expense					
Current	373.9	292.6	28%	3%	2%
Deferred	7.5	130.4	-94%	0%	1%
	381.4	423.0	-10%	3%	3%
Net Profit	1,444.3	987.7	46%	10%	8%

Sales

The company recorded sales of ₱14,324.9 million for the year ended December 31, 2021, an increase of 15% from ₱12,414.1 million for the year ended December 31, 2020. This was mainly brought about by the same store sales growth of existing 50 stores as of December 31, 2020 as well as the revenues generated from 7 additional stores launched since then until December 31, 2021. The growth over last year's revenues emanated from the low sales generated last year when the pandemic broke out and

the strictest lockdown ensued, that have temporarily closed all the company's Luzon stores for two months. The lockdown this year allowed all company stores to continue operation although at shortened hours due to curfew restrictions.

The following table shows the key operating performance indicators relevant to the revenues for the period ended December 31, 2021 and 2020. The company has opened seven (7) stores this year, bringing its total net selling space to 297,469 sq. m.

	As of and for the period ended December 31		Percentage Change
	2021	2020	
Number of stores	57	50	14.0%
Net Selling Area (in sq. m.)	297,469	331,590	-10.30%
Net Sales (₱ millions)	14,325	12,414	15.40%
SSSG	8.10%	3.50%	131.40%

Cost of Merchandise Sold

For the year ended December 31, 2021, cost of merchandise sold was at ₱9,306.1 million, an increase of 10% from the ₱8,486.1 million level for the same period in 2020 corresponding to the increase in sales in existing stores and the sales contributed by the new stores added during the year.

Support, Fees, Rentals and Other Revenues

Support, fees, rentals, and other revenues decreased by 11% from ₱397.8 million for the year ended December 31, 2020 to ₱355.9 million for the year ended December 31, 2021, primarily due to the decrease in vendor's support by 20% from ₱305.8 million to ₱246.0 million for the year ended December 31, 2021.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by 24% to ₱3,156.4 million for the year ended December 31, 2021 from ₱2,539.7 million for the same period in 2020, primarily due to the following:

- Increase in impairment loss from ₱5.6 million for the year ended December 31, 2020 to ₱50.1 million for the year ended December 31, 2021 as management assessed that additional receivables are no longer collectible.
- Increase in professional fees from ₱7.4 million for the year ended December 2020 to ₱18.0 million for the year ended December 31, 2021 on account of the corporate notes issued during the period.
- Increase in commission expense from ₱2.6 million for the year ended December 31, 2020 to ₱27.6 million for the year ended December 31, 2021 due to increase in corporate sales during the period.
- Increase in miscellaneous from ₱16.6 million for the year ended December 31, 2020 to ₱27.6 million for the year ended December 31, 2021 due to loss on disposal of defective assets under property and equipment.
- Increase in rental payments from ₱343.4 million for the year ended December 31, 2020 to ₱467.4 million for the year ended December 31, 2021 primarily due to higher sales base of variable lease in existing stores and the sales contributed by the new stores added during the year.
- Increase in depreciation and amortization from ₱905.2 million for the year ended 31, 2020 to

₱1,200.7 million for the year ended December 31, 2021 primarily as a result of increase in the number of stores.

- Increase in outside services from ₱288.3 million for the year ended December 31, 2020 to ₱363.4 million for the year ended December 31, 2021 due to the additional manpower from agencies and delivery charges for inventory stocking for new stores and inter-store transfer of inventory stocks.
- Increase in representation and entertainment from ₱5.5 million for the year ended December 31, 2020 to ₱6.8 million for the year ended December 31, 2021 due to increasing physical meetings and some events being held live in the latter part of the year on account of easing up of restrictions.
- Increase in communication and utilities from ₱271.0 million for the year ended December 31, 2020 to ₱333.4 million for the year ended December 31, 2021 primarily as a result of increase in number of stores.
- Increase in salaries and wages from ₱327.7 million for the year ended December 31, 2020 to ₱363.7 million for the year ended December 31, 2021 due to the additional manpower for new stores
- Increase in taxes and licenses from ₱102.3 million for the year ended December 31, 2020 to ₱107.2 million for the year ended December 31, 2021 due to the increasing number of newly opened stores combined with higher sales of the existing stores.
- Increase in insurance expense from ₱8.9 million for the year ended December 31, 2020 to ₱9.2 million for the year ended December 31, 2021 due to increase in the number of stores.
- Decrease in merchant fee from ₱127.9 million for the year ended December 31, 2020 to ₱120.9 million for the year ended 31 December 2021 primarily due to renegotiated merchant discount rates with debit and credit card acquirers.
- Decrease in office and store supplies from ₱29.4 million for the year ended December 31, 2020 to ₱23.1 million for the year ended December 31, 2021 due to cost-saving measures implemented and transition to more online and electronic transactions.
- Decrease in repairs and maintenance from ₱24.7 million for the year ended December 31, 2020 to ₱19.1 million for the year ended December 31, 2021 due to cost-saving measures implemented.
- Decrease in transportation expense from ₱15.6 million for the year ended December 31, 2020 to ₱9.6 million for the year ended December 31, 2021 due to limited headcount to travel during pandemic and work from home arrangement.
- Decrease in dues and subscription from ₱21.4 million for the year ended December 31, 2020 to ₱11.8 million for the year ended 31 December 2021 due to cost-saving measures implemented.
- Decrease in advertising and promotions from ₱34.9 million for the year ended December 31, 2020 to ₱19.2 million for the year ended December 31, 2021 on account of cost-saving measures implemented and usage of online digital and social media platforms for marketing purposes.

Finance Cost

Finance cost increased from ₱377.8 million for the year ended December 31, 2020 to ₱393.7 million for the year ended December 31, 2021. The increase was primarily attributable to the increase of ₱29.9

million in interest on loans payable and slightly offset by decrease of ₱13.0 million in interest expense from lease liability and ₱0.9 million in interest expense from retirement funds.

Tax Expense

Tax Expense decreased by 10% from ₱423.0 million for the year ended December 31, 2020 to ₱391.4 million for the year ended December 31, 2021 partially as higher current tax expense for the period was offset by lower deferred tax expense.

Net Profit

As a result of the foregoing, our net income increased by about 46% from ₱987.7 million for the year ended December 31, 2020 to ₱1,444.3 million for the year ended December 31, 2021.

For the 12-month of 2021, there was no seasonal aspect that had material effect on the financial condition or results of operation of the Company. Neither were there any trends, events, or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of any events that will cause a material change in the relationship between the cost and revenues.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

FINANCIAL CONDITION

	FY2021	FY2020	Horizontal Analysis % Change	Vertical Analysis % of Total Assets	
	(in millions of ₱)			FY2021	FY2020
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	1,885.5	1,785.6	6%	7%	8%
Trade and other receivables - net	383.8	517.0	-26%	1%	2%
Merchandise inventories	7,055.6	6,288.8	12%	27%	29%
Other current assets	2,139.5	401.2	433%	8%	2%
Total Current Assets	11,464.5	8,992.6	27%	44%	41%
NON-CURRENT ASSETS					
Property and equipment - net	13,605.5	11,987.8	13%	53%	55%
Other non-current assets	742.7	794.6	-7%	3%	4%
Total Non-current Assets	14,348.2	12,782.4	12%	56%	59%
TOTAL ASSETS	25,812.7	21,775.0	19%	100%	100%
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade and other payables	1,229.7	1,315.8	-7%	5%	6%
Loans payable - current portion	2,044.4	2,042.9	0%	8%	9%
Lease liabilities - current portion	613.8	384.8	60%	2%	2%
Income tax payable	89.7	111.9	-20%	0%	1%
Total Current Liabilities	3,977.6	3,855.4	3%	15%	18%
NON-CURRENT LIABILITIES					
Lease liabilities - net of current portion	3,927.9	4,180.7	-6%	15%	19%
Loans payable - net of current portion	2,900.0	-	0%	11%	0%
Deferred tax liabilities - net	310.8	299.6	4%	1%	1%
Retirement benefit obligation	70.4	68.3	3%	0%	0%
Total Non-current Liabilities	7,209.1	4,548.6	58%	28%	21%
Total Liabilities	11,186.7	8,404.1	33%	43%	39%
EQUITY					
Capital stock	3,750.0	3,750.0	0%	15%	17%
Additional paid-in capital	7,209.3	7,209.3	0%	28%	33%
Revaluation reserves - net	(0.7)	(9.1)	-92%	0%	0%
Retained earnings	3,667.4	2,420.7	51%	14%	11%
Total Equity	14,626.0	13,370.9	9%	57%	61%
TOTAL LIABILITIES AND EQUITY	25,812.7	21,775.0	19%	100%	100%

As of December 31, 2021 vs. December 31, 2020

Total assets as of December 31, 2021 were ₱25,812.7 million compared to ₱21,775.0 million as of December 31, 2020, or a 19% increase due to the following:

- Cash increased by 6% from ₱1,785.6 million as of 31 December 2020 to ₱1,885.5 million as of 31 December 2021 as cash used for investing was partially offset by cash generated from operating activities and proceeds from financing activities.
- Trade and other receivables decreased by 26% from ₱517.0 million as of 31 December 2020 to ₱383.8 million as of 31 December 2021 due mainly to collection of receivables during the period as well as due to the recognition of allowance for impairment loss.
- Inventories increased by 12% from ₱6,288.8 million as of 31 December 2020 to ₱7,055.6 million as of 31 December 2021 due primarily to the purchases for new stores, holiday buys and conversion of select concession merchandise to outright to increase GP margin and expansion of in-house brands.
- Property and equipment increased by 14% from ₱11,987.8 million as of 31 December 2020 to ₱13,605.5 million as of 31 December 2021 due primarily to leasehold improvements, acquisition of store equipment, furniture, fixture, and office equipment for new stores, software and computer equipment upgrades.
- Other assets increased by 141% from ₱1,195.8 million as of 31 December 2020 to ₱2,882.2 million as of 31 December 2021 due primarily to increase in advances to contractors, and advances to suppliers related to importation of new inventory orders and advance buys on account of international logistics and supply chain issues.

Total Liabilities as of December 31, 2020 were ₱8,404.1 million compared to ₱11,186.7 million as of December 31, 2021, or a 33% increase. This was due to the following:

- Trade and other payables decreased by 7% from ₱1,315.8 million as of 31 December 2020 to ₱1,229.7 million as of 31 December 2021 due to payment for importation in relation to conversion of some concession merchandise to outright to increase GP margin as well as expansion of in-house brands.
- Loans payable including non-current portion increased by 142% from ₱2,042.9 million as of 31 December 2020 to ₱4,944.4 million as of 31 December 2021 due to additional loans secured during the period to fund primarily new stores, expansion of in-house brands, conversion of select concession merchandise to outright to increase GP margins, and software upgrades.
- Lease liability including non-current portion slightly declined by 0.5% from ₱4,565.5 million as of 31 December 2020 to ₱4,541.7 million as of 31 December 2021 due to lease payments made.
- Income tax payable decreased by 20% from ₱111.9 million as of December 31, 2020 to ₱89.7 million as of 31 December 2021 due to the new lower corporate income tax rate.
- Deferred tax liabilities increased by 4% from ₱299.6 million as of December 31, 2020 to ₱310.8 million as of 31 December 2021 due to the adjustments to temporary tax differences for the period.
- Retirement benefit obligation increased by 3% from ₱68.3 million as of 31 December 2020 to ₱70.4 million as of 31 December 2021 due to adjustment of provision for the retirement benefit.

Total stockholder's equity increased by 9% from ₱13,370.9 million as of 31 December 2020 to ₱14,626.0 million as of 31 December 2021 due to net income recorded for the period.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	12/31/2021	12/31/2020
Revenues (₱ millions)	₱14,324.9	₱12,414.1
Gross Profit (₱ millions)	5,018.7	3,928.1
Gross Profit Margin (%) ^(a)	35.0%	31.6%
Net Profit (₱ millions)	1,444.3	987.7
Net Profit Margin (%) ^(b)	10.1%	8.0%

Notes:

(a) *Gross Profit Margin: This ratio is obtained by dividing the Gross Profit of the Company by its Revenues*

(b) *Net Profit Margin: This ratio is obtained by dividing the Net Profit of the Company by its Revenues. Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.*

Revenues increased for the year ended 31 December 2021 compared to year ended 31 December 2020 due to the same store sales growth of existing stores and the additional revenues generated from the new stores.

Gross Profit increased for the year ended 31 December 2021 compared to year ended 31 December 2020 due to economies of scale achieved resulting from higher purchases made during the period, increased revenue contribution of in-house brands, strategic pricing, and conversion of some concession merchandise to outright.

Net Profit and Net Profit Margin increased for the year ended 31 December 2021 compared to period year ended 31 December 2020 due to improved revenues, gross profit and reduced corporate income tax rate

Material Changes to the Company's Balance Sheet as of December 31, 2021 compared to December 31, 2020 (increase/decrease of 5% or more)

Cash increased by 6% from ₱1,785.6 million as of 31 December 2020 to ₱1,885.5 million as of 31 December 2021 as cash used for investing was partially offset by cash generated from operating activities and proceeds from financing activities.

Trade and other receivables decreased by 26% from ₱517.0 million as of 31 December 2020 to ₱383.8 million as of 31 December 2021 due mainly to collection of receivables during the period as well as due to the recognition of allowance for impairment loss.

Inventories increased by 12% from ₱6,288.8 million as of 31 December 2020 to ₱7,055.6 million as of 31 December 2021 due primarily to the purchases for new stores, holiday buys and conversion of select concession merchandise to outright to increase GP margin and expansion of in-house brands.

Property and equipment increased by 14% from ₱11,987.8 million as of 31 December 2020 to ₱13,605.5 million as of 31 December 2021 due primarily to leasehold improvements, acquisition of store equipment, furniture, fixture, and office equipment for new stores, software and computer equipment upgrades.

Other assets increased by 141% from ₱1,195.8 million as of 31 December 2020 to ₱2,882.2 million as of 31 December 2021 due primarily to increase in advances to contractors, and advances to suppliers related to importation of new inventory orders and advance buys on account of international logistics and supply chain issues.

Trade and other payables decreased by 7% from ₱1,315.8 million as of 31 December 2020 to ₱1,229.7 million as of 31 December 2021 due to payment for importation in relation to conversion of some concession merchandise to outright to increase GP margin as well as expansion of in-house brands.

Loans payable including non-current portion increased by 142% from ₱2,042.9 million as of 31 December 2020 to ₱4,944.4 million as of 31 December 2021 due to additional loans secured during

the period to fund primarily new stores, expansion of in-house brands, conversion of select concession merchandise to outright to increase GP margins, and software upgrades.

Lease liability including non-current portion slightly declined by 0.5% from ₱4,565.5 million as of 31 December 2020 to ₱4,541.7 million as of 31 December 2021 due to lease payments made.

Income tax payable decreased by 20% from ₱111.9 million as of December 31, 2020 to ₱89.7 million as of 31 December 2021 due to the new lower corporate income tax rate.

Total stockholder's equity increased by 9% from ₱13,370.9 million as of 31 December 2020 to ₱14,626.0 million as of 31 December 2021 due to net income recorded for the period.

Material Changes to the Company's Statement of Income for the 12-months of 2021 compared to the 12-months of 2020 (increase/decrease of 5% or more)

Recorded sales increased by 15% to ₱14,324.9 million for the year ended 31 December 2021 from ₱12,414.1 million for the year ended 31 December 2020. This was mainly brought about by the same store sales growth of existing 50 stores as of 31 December 2020 as well as the revenues generated from 7 additional stores launched since then until 31 December 2021.

Cost of merchandise sold increased by 10% to ₱9,306.1 million for the year ended 31 December 2021 from the ₱8,486.1 million for the year ended 31 December 2020 corresponding to the increase in sales in existing stores and the sales contributed by the new stores added during the year.

Selling, general and administrative expenses increased by 24% to ₱3,156.4 million for the year ended 31 December 2021 from ₱2,539.7 million for the same period in 2020 due to increase in impairment loss, professional fees, commission expenses, miscellaneous expenses, rentals, depreciation and amortization, outside services, representation and entertainment, communication and utilities, and salaries, wages and employee benefits.

Finance income decreased by 49% from ₱2.3 million for the year ended 31 December 2020 to ₱1.2 million for the year ended 31 December 2021 due primarily to the decrease in the interest income on deposits.

Support, fees, rentals, and other revenues decreased by 11% from ₱397.8 million for the year ended 31 December 2020 to ₱355.9 million for the year ended 31 December 2021 primarily due to the decrease in vendor's support by 20% from ₱305.8 million to ₱246.0 million for the year ended 31 December 2021.

Tax expense decreased by 10% from ₱423.0 million for the year ended 31 December 2020 to ₱391.4 million for the year ended 31 December 2021 partially as higher current tax expense for the period was offset by lower deferred tax expense.

Net income increased by 46% from ₱987.7 million for the year ended 31 December 2020 to ₱1,444.3 million for the year ended 31 December 2021 due to the foregoing movements in the income statement items.

There is no other material change in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion.

COMMITMENTS AND CONTINGENCIES

There is no material commitment and contingency as of 31 December 2021 and as of 31 December 2020.

REVIEW OF YEAR END 2020 VS YEAR END 2019

RESULTS OF OPERATIONS

Year Ended December 31, 2020 compared to year ended December 31, 2019

	FY2020	FY2019	Horizontal Analysis % Change	Vertical Analysis % of Total Sales	
				FY2020	FY2019
	(in millions of ₱)				
Sales	12,414.1	12,060.3	2.9%	100.0%	100.0%
Cost of Merchandise Sold	8,486.1	8,452.2	0.4%	68.4%	70.1%
Gross Profit	3,928.1	3,608.1	8.9%	31.6%	29.9%
Support, Fess, Rentals and Other Revenues	397.8	352.3	12.9%	3.2%	2.9%
Gross Profit including Other Revenues	4,325.9	3,960.4	9.2%	34.8%	32.8%
Total Operating Expenses	2,539.7	2,069.7	22.7%	20.5%	17.2%
Operating Profit	1,786.2	1,890.7	-5.5%	14.4%	15.7%
Finance Costs (Income) - Net					
Finance costs	377.8	412.1	-8.3%	3.0%	3.4%
Finance income	(2.3)	(20.6)	-88.7%	0.0%	-0.2%
	375.5	391.4	-4.1%	3.0%	3.2%
Profit Before Tax	1,410.7	1,499.3	-5.9%	11.4%	12.4%
Tax Expense					
Current	292.6	329.3	-11.2%	2.4%	2.7%
Deferred	130.4	120.2	8.5%	1.1%	1.0%
	423.0	449.5	-5.9%	3.4%	3.7%
Net Profit	987.7	1,049.7	-5.9%	8.0%	8.7%

Sales

The company recorded revenues of ₱12,414 million for the year ended 31 December 2020, an increase of 2.93% from ₱12,060 million for the year ended 31 December 2019. This was mainly brought about by the same store sales growth of existing 45 stores as of 31 December 2019 as well as the revenues generated from 5 additional stores launched since then until 31 December 2020.

The following table shows the key operating performance indicators relevant to the revenues for the period ended 31 December 2019 and 2020:

	As of and for the period ended December 31		Percentage Change
	2020	2019	
Number of stores	50	45	11.1%
Net Selling Area (in sq. m.)	331,590	296,772	11.7%
Net Sales (₱ millions)	12,414	12,060	2.9%
SSSG	3.5%	41.7%	-91.6%

Cost of Merchandise Sold

For the year ended 31 December 2020, cost of merchandise sold was at ₱8,486 million, an increase of 0.4% from the ₱8,452 million level for the same period in 2019 corresponding to the increase in sales in existing stores and the sales contributed by the 5 new stores added during the period.

Support, Fees, Rentals and Other Revenues

Support, fees, rentals, and other revenues increased by 13% from ₱352 million for the year ended 31 December 2019 to ₱398 million for the year ended 31 December 2020, primarily due to the increase in vendor's support by 25% from ₱244 million for the year ended 31 December 2019 to ₱306 million for the year ended 31 December 2020. This was brought about by higher volume- based incentives from suppliers based on our levels of sales, and opening support for newly opened stores.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by 23% to ₱2,540 million for the year ended 31 December 2020 from ₱2,070 million for the same period in 2019, primarily due to the following:

- Increase in depreciation and amortization from ₱708 million for the year ended 31 December 2019 to ₱905 million for the year ended 31 December 2020 due to the increase in the number of stores.
- Increase in rentals from ₱182 million for the year ended 31 December 2019 to ₱343 million for the year ended 31 December 2020 primarily due to new stores.
- Increase in salaries, wages and employee benefits from ₱273 million for the year ended 31 December 2019 to ₱328 million for the year ended 31 December 2020 due to the additional manpower for new stores.
- Increase in outside services from ₱252 million for the year ended 31 December 2019 to ₱288 million for the year ended December 2020 due to the additional manpower for new stores. This was partially offset by the reduction of manpower due to closure of stores during the ECQ in the second quarter of 2020.
- Increase in communication and utilities from ₱220 million for the year ended 31 December 2019 to ₱271 million for the year ended 31 December 2020 attributable to the increase in the number of stores.
- Increase in merchant fee from ₱117 million for the year ended 31 December 2019 to ₱128 million for the year ended 31 December 2020 primarily due to increase in revenues on account of higher store network.
- Increase in taxes and licenses from ₱77 million for the year ended 31 December 2019 to ₱102 million for the year ended 31 December 2020 due to increase in number of stores as well as the increase in revenues.
- Decrease in advertising and promotions from ₱67 million for the year ended 31 December 2019 to ₱35 million for the year ended 31 December 2020 on account of cost-cutting measures implemented and usage of online digital platforms for marketing purposes.
- Decrease in office and store supplies from ₱33 million for the year ended 31 December 2019 to ₱29 million for the year ended 31 December 2020 due to cost-cutting measures implemented.
- Decrease in repairs and maintenance from ₱27 million for the year ended 31 December 2019 to ₱25 million for the year ended 31 December 2020 due to cost-cutting measures implemented.

- Increase in dues and subscription from ₱18 million for the year ended 31 December 2019 to ₱21 million for the year ended 31 December 2020 due to increase in the number of stores.
- Decrease in transportation expense from ₱35 million for the year ended 31 December 2019 to ₱16 million for the year ended 31 December 2020 due to reclassification of transportation expenses related to deliveries under delivery expenses.
- Increase in insurance from ₱7 million for the year ended 31 December 2019 to ₱9 million for the year ended 31 December 2020 due to the increase in the number of stores.
- Decrease in commission expense from ₱6 million for the year ended 31 December 2019 to ₱3 million for the year ended 31 December 2020 as most corporate sales during the period were generated by in-house sales teams.
- Decrease in professional fees from ₱12 million for the year ended 31 December 2019 to ₱7 million for the year ended 31 December 2020 on account of one-time professional fees incurred in 2019 in relation to the company's initial public offering.
- Decrease in impairment loss from ₱11 million for the year ended 31 December 2019 to ₱6 million for the year ended 31 December 2020 as provision for impairment is enough.
- Decrease in representation and entertainment from ₱11 million for the year ended 31 December 2019 to ₱6 million for the year ended 31 December 2020 due to cost-cutting measures, and minimal physical meetings this year.
- Increase in loss on lease modification from nil for the year ended 31 December 2019 to ₱1 million for the year ended 31 December 2020 due to pre-termination of lease on certain warehouse facilities during the year.

Finance Cost

Finance Cost decreased from ₱412 million for the year ended 31 December 2019 to ₱378 million for the year ended 31 December 2020. The decrease was primarily attributable to the decrease in interest expense during the period from lower balance of interest-bearing loans compared to same period in 2019.

Tax Expense

Tax expense decreased by 6% from ₱450 million for the year ended 31 December 2019 to ₱423 million for the year ended 31 December 2020 primarily due to a lower taxable base for the year.

Net Profit

As a result of the foregoing, our net income decreased by 6% from ₱1,050 million for the year ended 31 December 2019 to ₱988 million for the year ended 31 December 2020.

For the 12-month of 2020, there was no seasonal aspect that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

FINANCIAL CONDITION

	FY2020	FY2019	Horizontal Analysis % Change	Vertical Analysis % of Total Assets	
	(in millions of ₱)			FY2020	FY2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	1,785.6	2,343.0	-23.8%	8.2%	11.9%
Trade and other receivables - net	517.0	276.7	86.8%	2.4%	1.4%
Merchandise inventories	6,288.8	5,208.9	20.7%	28.9%	26.5%
Other current assets	401.2	295.8	35.6%	1.8%	1.5%
Total Current Assets	8,992.6	8,124.4	10.7%	41.3%	41.3%
NON-CURRENT ASSETS					
Property and equipment - net	11,987.8	11,151.0	7.5%	55.1%	56.6%
Other non-current assets	794.6	409.7	93.9%	3.6%	2.1%
Total Non-current Assets	12,782.4	11,560.7	10.6%	58.7%	58.7%
TOTAL ASSETS	21,775.0	19,685.1	10.6%	100.0%	100.0%
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade and other payables	1,315.8	2,023.7	-35.0%	6.0%	10.3%
Loans payable - current portion	2,042.9	-	0.0%	9.4%	0.0%
Lease liabilities - current portion	384.8	371.1	3.7%	1.8%	1.9%
Income tax payable	111.9	70.7	58.4%	0.5%	0.4%
Total Current Liabilities	3,855.4	2,465.5	56.4%	17.7%	12.5%
NON-CURRENT LIABILITIES					
Lease liabilities - net of current portion	4,180.7	4,571.1	-8.5%	19.2%	23.2%
Loans payable - net of current portion	-	-	0.0%	0.0%	0.0%
Deferred tax liabilities - net	299.6	160.3	86.9%	1.4%	0.8%
Retirement benefit obligation	68.3	73.3	-6.8%	0.3%	0.4%
Total Non-current Liabilities	4,548.6	4,804.7	-5.3%	20.9%	24.4%
Total Liabilities	8,404.1	7,270.2	15.6%	38.6%	36.9%
EQUITY					
Capital stock	3,750.0	3,750.0	0.0%	17.2%	19.0%
Additional paid-in capital	7,209.3	7,209.3	0.0%	33.1%	36.6%
Revaluation reserves - net	(9.1)	(29.9)	-69.6%	0.0%	-0.2%
Retained earnings	2,420.7	1,485.5	63.0%	11.1%	7.5%
Total Equity	13,370.9	12,414.9	7.7%	61.4%	63.1%
TOTAL LIABILITIES AND EQUITY	21,775.0	19,685.1	10.6%	100.0%	100.0%

As of December 31, 2020 vs. December 31, 2019

Total assets as of 31 December 2020 were ₱21,775 million compared to ₱19,685 million as of 31 December 2019, or about 11% increase due to the following:

- Cash decreased by 24% from ₱2,343 million as of 31 December 2019 to ₱1,786 million as of 31 December 2020 primarily due to payments made for the inventories and fit-out expenditures for new stores

- Trade and other receivables increased by 87% from ₱277 million as of 31 December 2019 to ₱517 million as of 31 December 2020 due to increased revenues and timing of collection.
- Inventories increased by 21% from ₱5,209 million as of 31 December 2019 to ₱6,289 million as of 31 December 2020 due primarily to inventory of new stores, additional in- house brands and inventory buys for holidays sales.
- Property and equipment increased by 8% from ₱11,151 million as of 31 December 2019 to ₱11,988 million as of 31 December 2020 due primarily to acquisition of store equipment, furniture, fixture, office equipment and leasehold improvements for new stores.
- Other assets increased by 70% from ₱705 million as of 31 December 2019 to ₱1,196 million as of 31 December 2020 due primarily to down payment made to contractors for fit- out construction of planned 2021 stores.

Total liabilities as of 31 December 2020 were ₱8,404 million compared to ₱7,270 million as of 31 December 2019, or about 16% increase. This was due to the following:

- Trade and other payables decreased by 35% to ₱1,316 million as of 31 December 2020 from ₱2,024 million as of 31 December 2019 as the company settled its trade payables and contractor payables for new stores
- Loans payable increased from nil as of 31 December 2019 to ₱2,043 million as of 31 December 2020 due to new loans taken during the period to augment working capital.
- Income tax payable increased by 58% from ₱71 million as of December 31, 2019 to ₱112 million as of 31 December 2020 due to tax payable for the period.
- Lease liability including non-current portion decreased from ₱4,942 million as of 31 December 2019 to ₱4,566 million as of 31 December 2020 due to amortization for the period.
- Deferred tax liabilities increased by 87% from ₱160 million as of December 31, 2019 to ₱300 million as of 31 December 2020 due to the adjustments to temporary tax differences for the period.
- Retirement benefit obligation decreased from ₱73 million as of 31 December 2019 to ₱68 million as of 31 December 2020 due to adjustment of provision for the retirement benefit.

Total stockholder's equity increased by 8% from ₱12,415 million as of 31 December 2019 to ₱13,371 million as of 31 December 2020 due to net income recorded for the period.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	12/31/2020	12/31/2019
Revenues (₱ millions)	₱12,414.1	₱12,060.3
Gross Profit (₱ millions)	3,928.1	3,608.1
Gross Profit Margin (%) ^(a)	31.6%	29.9%
Net Profit (₱ millions)	987.7	1,049.7
Net Profit Margin (%) ^(b)	8.0%	8.7%

Notes:

(a) *Gross Profit Margin: This ratio is obtained by dividing the Gross Profit of the Company by its Revenues*

(b) *Net Profit Margin: This ratio is obtained by dividing the Net Profit of the Company by its Revenues. Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.*

Revenues increased slightly for the year ended 31 December 2020 compared to year ended 31 December 2019 due to additional revenues from new stores.

Gross Profit increased for the year ended 31 December 2020 compared to year ended 31 December 2019 due to the increase in the number of stores. Gross profit margin improved as a result of improved sourcing and better supply terms due to increased store network.

Net Profit and Net Profit Margin decreased for the year ended 31 December 2020 compared to period year ended 31 December 2019 due to fixed operating expenses that were incurred during closure of stores in second quarter.

Material Changes to the Company's Balance Sheet as of December 31, 2020 compared to December 31, 2019 (increase/decrease of 5% or more)

Cash decreased by 24% from ₱2,343 million as of 31 December 2019 to ₱1,786 million as of 31 December 2020 primarily due to payments made for the inventories and fit-out expenditures for new stores.

Trade and other receivables increased by 87% from ₱277 million as of 31 December 2019 to ₱517 million as of 31 December 2020 due mainly to increased revenues and timing of collections.

Inventories increased by 21% from ₱5,209 million as of 31 December 2019 to ₱6,289 million as of 31 December 2020 due primarily to inventory of new stores, additional in-house brands and inventory buys for holidays sales.

Property and equipment increased by 8% from ₱11,151 million as of 31 December 2019 to ₱11,988 million as of 31 December 2020 due primarily to acquisition of store equipment, furniture, fixture, office equipment and leasehold improvements for new stores.

Other assets increased by 70% from ₱705 million as of 31 December 2019 to ₱1,196 million as of 31 December 2020 due primarily to down payments made to contractors for fit-out construction of planned 2021 stores.

Trade and other payables decreased by 35% to ₱1,316 million as of 31 December 2020 from ₱2,024 million as of 31 December 2019 as the company settled its trade payables and contractor payables for new stores.

Loans payable increased from nil as of 31 December 2019 to ₱2,043 million as of 31 December 2020 due to new loans taken during the period to augment working capital.

Income tax payable increased by 58% from ₱71 million as of 31 December 2019 to ₱112 million as of 31 December 2020 due to tax payable for the period.

Lease liability including non-current portion decreased from ₱4,942 million as of 31 December 2019 to ₱4,566 million as of 31 December 2020 due to amortization for the period.

Deferred tax liabilities increased by 87% from ₱160 million as of December 31, 2019 to ₱300 million as of 31 December 2020 due to the adjustments to temporary tax differences for the period.

Retirement benefit obligation decreased by 7% from ₱73 million as of 31 December 2019 to ₱68 million as of 31 December 2020 due to adjustment of provision for the retirement benefit.

Material Changes to the Company's Statement of Income for the 12-months of 2020 compared to the 12-months of 2019 (increase/decrease of 5% or more)

Selling, general, and administrative expenses increased by 23% to ₱2,540 million for the year ended 31 December 2020 from ₱2,070 million for the year ended 31 December 2019, primarily due to the increase in depreciation and amortization, salaries, wages and employee benefits, outside services, variable lease payments, communication and utilities, merchant fees, taxes and licenses, dues and subscription, and insurance.

Finance Cost decreased by 8% from ₱412 million for the year ended 31 December 2019 to ₱378 million for the year ended 31 December 2020 primarily due to the decrease in interest expense during the

period from lower balance of interest-bearing loans.

Support, fees, rentals, and other revenues increased by 13% from ₱352 million for the year ended 31 December 2019 to ₱398 million for the year ended 31 December 2020 primarily due to the increase in vendor's support.

Income tax expense decreased by 6% from ₱450 million for the year ended 31 December 2019 to ₱423 million for the year ended 31 December 2020 primarily due to a lower taxable base for the year.

As a result of the foregoing, our net income decreased by 6% from ₱1,050 million for the year ended 31 December 2019 to ₱988 million for the year ended 31 December 2020.

There is no other material change in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion.

COMMITMENTS AND CONTINGENCIES

There is no material commitment and contingency as of 31 December 2020 and as of 31 December 2019.

IV. NATURE AND SCOPE OF BUSINESS

AllHome Corp. (the "Company") is a pioneering "one-stop shop" home improvement retailer in the Philippines. Since its incorporation on May 29, 2013, it has grown to 57 stores as of December 31, 2021, having an aggregate net selling space of approximately 297,469 sq. m. across 17 provinces and 34 cities and municipalities. The Company's product offering spans seven key categories from over 1,000 local and international brands, including 45 in-house brands. These product categories are furniture, hardware, appliances, tiles and sanitary wares, homewares, linens, and construction materials.

The Company's principal office address is LGF Building B, Evia Lifestyle Center, Daanghari Road, Almanza Dos, Las Piñas City, Philippines, with contact number: (+63)919-081-5302 and (+632) 8880-1100, and its corporate website is www.allhome.com.ph.

V. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

Market Information

The Company's common shares are being traded at the Philippine Stock Exchange. The high and low sales prices for each quarter within the last three fiscal years as traded on the Philippine Stock Exchange are as follows:

Quarter	<u>2022</u>			<u>2021</u>		
	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
1st	<u>7.85</u>	<u>7.60</u>	<u>7.60</u>	<u>8.00</u>	<u>7.70</u>	<u>8.00</u>
2nd	<u>4.75</u>	<u>4.58</u>	<u>4.75</u>	<u>8.05</u>	<u>7.89</u>	<u>7.90</u>
3rd	-	-	-	<u>9.19</u>	<u>8.69</u>	<u>9.10</u>
4th	-	-	-	<u>8.43</u>	<u>8.31</u>	<u>8.39</u>

Quarter	<u>2020</u>			<u>2019</u>		
	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
1st	<u>4.80</u>	<u>4.49</u>	<u>4.68</u>	-	-	-

2nd	<u>7.50</u>	<u>7.21</u>	<u>7.36</u>	-	-	-
3rd	<u>5.80</u>	<u>5.66</u>	<u>5.80</u>	-	-	-
4th	<u>9.15</u>	<u>8.68</u>	<u>9.15</u>	<u>11.64</u>	<u>11.52</u>	<u>11.64</u>

The market capitalization of HOME as of December 31, 2021, based on the closing price of Php 8.39 per share, was approximately Php 31.46 billion.

As of June 30, 2022, HOME's market capitalization stood at Php 17.81 billion on the Php 4.75 per share closing price.

Price Information as of the Latest Practicable Trading Date

<u>Trading Date</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
18 August 2022	4.85	4.50	4.69

Stockholders

There are approximately 33 holders of common equity security of the Company as of June 30, 2022 (based on the number of accounts registered with the Stock Transfer Agent). The following are the holders of the common securities of the Company:

	Name	No. of Shares	Percentage
1	AllValue Holdings Corp	2,540,108,000	67.74%
2	PCD NON-FILIPINO	708,076,893	18.88%
3	PCD FILIPINO	501,587,799	13.38%
4	Jharna P. Chandnani	50,000	0.00%
5	Rolando A. Aralar or Myrna I. Aralar or Roland I. Aralar	45,000	0.00%
6	Myrna P. Villanueva	25,000	0.00%
7	Jose Domingo Poblete Swann	20,000	0.00%
8	Mike Jerome Paulino Salazar	14,700	0.00%
9	Myrna P. Villanueva	10,000	0.00%
10	Milagros P. Villanueva	10,000	0.00%
11	Raul Galvante Coralde	10,000	0.00%
12	Cherrubin Den Tee Chua	10,000	0.00%
13	Arnold Santillan	5,000	0.00%
14	Joyce Anne Malong Coralde	4,500	0.00%
15	Rachel P. Nacion	3,000	0.00%
16	Farida G. de Leon	3,000	0.00%
17	Mylene C. Arnigo	3,000	0.00%
18	Marietta V. Cabreza	2,500	0.00%
19	Juan Carlos V. Cabreza	2,500	0.00%
20	Irvin Dale Pabuaya Valencia	2,000	0.00%
	Total	3,749,992,892	100.00%
	Other Stockholders	7,110	0.00%
	TOTAL OUTSTANDING ISSUED AND SUBSCRIBED (COMMON)	3,750,000,002	100.00%

Dividends

Php 0.0527 per share Regular Cash Dividend

Declaration Date: November 12, 2021

Record Date: November 29, 2021

Payment Date: December 14, 2021

Php 0.014 per share Regular Cash Dividend

Declaration Date: November 25, 2020

Record Date: December 14, 2020

Payment Date: December 28, 2020

Php 1.2785 per share Regular Cash Dividend

Declaration Date: May 28, 2019

Record Date: June 14, 2019

Payment Date: June 29, 2019

Dividend Policy

The Registrant's Board is authorized to declare dividend. A cash dividend declaration does not require any further approval from the Registrant's shareholders. A stock dividend declaration requires the further approval of shareholders representing not less than two-thirds of the Registrant's outstanding capital stock. Dividends may be declared only from unrestricted retained earnings.

In relation to foreign shareholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the Banko Sentral ng Pilipinas.

The Registrant is allowed under the Philippine laws to declare property and stock dividends, subject to certain requirement.

Record Date

Pursuant to existing Philippine SEC rules, cash dividends declared by a company must have a record date not less than 10 nor more than 30 days from the date the cash dividends are declared. With respect to stock dividends, the record date is to be not less than 10 or more than 30 days from the date of shareholder approval, provided however, that the set record date is not to be less than 10 trading days from receipt by the PSE of the notice of declaration of stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the Philippine SEC.

Recent Sale of Unregistered Securities

There have been no sales of unregistered securities in the past three years.

Stock Options

None.

VI. COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

The Company's Board has adopted a Revised Manual on Corporate Governance. The Company's Revised Manual on Corporate Governance describes the terms and conditions by which the Company intends to conduct sound corporate governance practices that are consistent with the relevant laws and regulations of the Republic of the Philippines, and which seek to enhance business transparency and build shareholder value.

Ultimate responsibility and oversight of the Company's adherence to superior corporate governance practices rest with the Board of Directors. As a policy matter, the Board will hold monthly meetings, at

which any number of relevant corporate governance issues may be raised for discussion.

Practical oversight of the Company's corporate governance standards is exercised through the Board's Corporate Governance Committee.

The Company is committed to building a solid reputation for sound governance practices, including a clear understanding by its Directors of the Company's strategic objectives, structures to ensure the Company's obligations are identified and discharged in all aspects of its business. Each January, the Company will issue a certification to the Philippines Security and Exchange Commission and the Philippine Stock Exchange that it has fulfilled its corporate governance obligations.

As of the date of this report, there are no known material deviation from the Company's Manual of Corporate Governance.

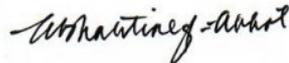
The Company is taking further steps to enhance adherence to principles and practices of good corporate governance.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth on this Report is true, complete and correct. This Report is signed in Las Piñas City on 19 August 2022.

By:



ROBIROSE M. ABBOT
CFO / CRO and Investor Relations Head

Date: 19 August 2022



19 August 2022

Dear Stockholder,

The Board of Directors of AllHome Corp. ("HOME" or the "Company"), in a meeting held on 25 July 2022, resolved to amend the Article II of the Articles of Incorporation of the Company, specifically the Primary Purpose, to state as follows:

To engage in, conduct, and carry on the business of buying, selling, distributing, marketing at wholesale and retail insofar as may be permitted by law, all kinds of goods, commodities, wares and merchandise of every kind description; to enter into all kind of contracts for the export, import, purchase, acquisition, sale at wholesale or retail and other disposition for its own account as principal or in representative capacity as manufacturer's representative, merchandise broker, indenter, commission merchant, factors or agents, upon consignment of all kinds of goods, wares, merchandise of products whether natural or artificial; **to engage in, operate, maintain and carry on business in all kinds of service activities that are incidental or related to the general business such as design, installation, grooming services.**

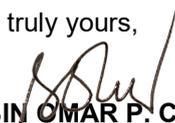
In accordance with Section 15 of the Revised Corporation Code of the Philippines, we are now submitting the aforesaid amendment to the Articles of Incorporation of the Company for the approval of our shareholders of record as of 9 August 2022 through written assent. Enclosed herewith is a form on which you may indicate your vote on the proposed amendment. Please accomplish and sign the form and return the same to the following address at your soonest convenience:

ALLHOME CORP.
Attention: **The Corporate Secretary**
Fax No.: 3226-3552 loc. 0046
Email Address: omar_carino@rlsclawoffices.com

Stockholders are requested to submit their written assent forms not later than 15 September 2022. As soon as the affirmative votes received reach at least two-thirds (2/3) of the outstanding capital stock, the amendment shall be considered approved by the stockholders.

Thank you very much.

Very truly yours,


ARBIN OMAR P. CARIÑO
Corporate Secretary



WRITTEN ASSENT FORM

In accordance with Section 15 of the Revised Corporation Code of the Philippines, and in connection with the proposed amendment the Article II of the Articles of Incorporation of the Company, specifically the Primary Purpose, to state as follows:

To engage in, conduct, and carry on the business of buying, selling, distributing, marketing at wholesale and retail insofar as may be permitted by law, all kinds of goods, commodities, wares and merchandise of every kind description; to enter into all kind of contracts for the export, import, purchase, acquisition, sale at wholesale or retail and other disposition for its own account as principal or in representative capacity as manufacturer's representative, merchandise broker, indenter, commission merchant, factors or agents, upon consignment of all kinds of goods, wares, merchandise of products whether natural or artificial; **to engage in, operate, maintain and carry on business in all kinds of service activities that are incidental or related to the general business such as design, installation, grooming services.**

_____ In favor of the amendment

_____ Against the amendment

Printed Name and Signature of Stockholder

Number of Shares Held: _____

Date: _____