

COVER SHEET

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S.E.C Registration Number

P H I L I P P I N E
 S E V E N
 C O R P O R A T I O N

(Company's full Name)

7 t h F l r . T h e C o l u m b i a T o w e r
 O r t i g a s A v e . M a n d a l u y o n g C i t y

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

**Atty. Evelyn S. Enriquez
 Corporate Secretary**

724-44-41 to 51

Telephone Number Company

Contact Person

1 2 3 1
 Month Day
 Fiscal Year

1 7 . A
 FORM TYPE

0 7 3rd Thursday
 Month Day
 Annual Meeting

ANNUAL REPORT

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic Foreign

To be accomplished by SEC personnel concerned

File Number

LCU

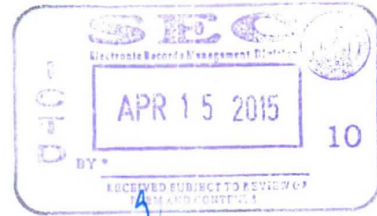
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Cashier

STAMPS

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



CERTIFICATION

I, **PING-HUNG CHEN**, of legal age, R.O.C citizen, with office address at the 7th Floor, The Columbia Tower, Ortigas Avenue, Mandaluyong City, after being sworn in accordance with law, hereby depose and certify:

1. I am the Treasurer and CFO of **PHILIPPINE SEVEN CORPORATION** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office at the 7th Floor, The Columbia Tower, Ortigas Avenue, Mandaluyong City;
2. I hereby certify that the basic and material data in the Annual Report and Audited Financial Statements of the Corporation for the year 2014 are also contained in the compact disc and hard copies.

IN WITNESS WHEREOF, I have hereunto set my hand this 13 day of APR 13 2015 2015, Mandaluyong City, Philippines.

P. H. Chen
PING-HUNG CHEN
Treasurer and CFO

SUBSCRIBED AND SWORN, to before me this 13 day of APR 13 2015 2015 at the City of QUEZON CITY, Philippines, affiant exhibited to me his T.I.N 418-547-911.

Doc. No. 154
Page No. 34
Book No. 48A
Series of 2015.

NOTARY PUBLIC
B. J. Alfonso
ATTY. BENJAMIN B. ALFONSO
NOTARY PUBLIC
UNTIL December 31, 2016
PTR NO. 0632937-C-1-21-13-QUEZON CITY
IBP NO. 975600-12-11-2011-QUEZON CITY
ROLL NO. 12285
ADM. MATTER NO. NP-144 (2015-2016)
TIN NO. 177967619
MCLE EXEMPTED

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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



1. For the fiscal year ended **2014**
2. SEC Identification Number **108476**
3. BIR Tax Identification No. **000-390-189-000**
4. Exact name of registrant as specified in its charter **PHILIPPINE SEVEN CORPORATION**
5. **Philippines**
Province, Country or other jurisdiction of Incorporation or Organization
6. (SEC Use Only)
Industry Classification Code:
7. **7th Floor, The Columbia Tower,
Ortigas Ave., Mandaluyong City** **1550**
Address of principal office Postal Code
8. **(632) 724-4441 to 51**
Registrant's telephone number, including area code
9. Not Applicable
Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding
Common	458,435,323

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

Yes No

Title of Class	Total Shares Listed
Common Shares	459,121,573

12. Check whether the registrant:

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

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

Yes No

13. The aggregate market value of the voting stock held by non- affiliates of the registrant.

The aggregate market value of 148,380,952 share of common stock is Php 12,538,190,444.00 based on the bid price of P84.50 per share as of December 29, 2014, the last transaction date for the year under review.

DOCUMENTS INCORPORATED BY REFERENCE

- (a) List of leased properties for the 7-Eleven Stores operational as Corporate and under a Franchise Agreement (Appendix "A");
- (b) Management's Discussion and Analysis of 2014 Operations as per Item 6 of SEC Form 17-A (Appendix "B");
- (c) Audited Consolidated Financial Statements for the year end December 31, 2014 showing the financial condition of registrant as per Item 7 of SEC Form 17-A (Appendix "C");
- (d) 2014 Consolidated Changes to Annual Corporate Governance Report (ACGR) (Appendix "D").

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

Philippine Seven Corporation (“PSC”) was registered with the Securities and Exchange Commission (“SEC”) on November 23, 1982. It acquired from Southland Corporation (now Seven Eleven, Inc. or “SEI”) of Dallas, Texas the license to operate 7-Eleven stores in the Philippines in December 13, 1982. Operations commenced with the opening of its first store in February 29, 1984 at the corner of Kamias Road and EDSA Quezon City, Metro Manila. Considering the country’s economic condition at that time, the Company grew slowly in its first few years of existence.

In July 28, 1988, PSC transferred the Philippine area license to operate 7-Eleven stores to its affiliate, Phil-Seven Properties Corporation (“PSPC”), together with some of its store properties. In exchange thereof, PSC received 47% of PSPC stock as payment. Concurrent with the transfer, PSC entered into a sublicensing agreement with PSPC to operate 7-Eleven stores in Metro Manila and suburbs. As part of PSPC’s main business, it acquired or leased commercial properties and constructed retail store buildings, leasing the buildings to PSC on long term basis together with most of the capital equipment used for store operations. In effect, PSC concentrated on managing its stores and effectively took the role of a pure retailer.

In May 2, 1996, the stockholders of both PSC and PSPC approved the merger of the two companies to advance PSC group’s expansion. In October 30, 1996, SEC approved the merger and PSPC was then absorbed by PSC as the surviving entity. With the consolidation of the respective lines of business of PSC and PSPC, PSC’s retailing strengths were complemented by PSPC’s property and franchise holdings. Their management as a single entity enhanced operational efficiency and strengthened ability to raise capital for growth. PSC listed its shares (SEVN) in the Philippine Stock Exchange and had its initial public offering in February 04, 1998. The shares were offered at the price of P4.40 per share from its par value of P1.00 per share. In September 17, 1998, PSC established Convenience Distribution Inc. (“CDI”), a wholly owned subsidiary, to provide a centralized warehouse and distribution system to service its 7-Eleven stores.

With the effectivity of the Retail Trade Liberalization Act (R.A. 8762) on March 25, 2000, foreign entities were allowed to invest in an existing retail company subject to the requirements of the law. President Chain Store (Labuan) Holdings, Ltd. (PCSL), a Malaysian investment holding company, purchased 119,575,008 common shares of PSC or 50.4% of PSC’s outstanding capital stock at the price of P8.30 per share. The purchase was made under a tender offer during October 9 to November 7, 2000. PCSL is affiliated with President Chain Store Corporation, which is also the 7-Eleven licensee in Taiwan operating about 2,700 stores. This provided alliance to source for technical support to strengthen PSC’s organizational structure and operating systems and pursue store expansion plans on sound and profitable basis. A new affiliate, Store Sites Holding, Inc., was also established on November 9, 2000, as the entity to own land properties. These land properties are leased to PSC by SSHI.

PSC’s area license to operate 7-Eleven Stores in the Philippines was renewed in August 31, 2007 for another term of 20 years, renewable every 10 years. The Renewal Area License Agreement has been approved by and registered with the Intellectual Property Office as of September 25, 2007.

PSC initiated the establishment of PhilSeven Foundation, Inc. (PFI) in October 2, 2007 to support its corporate social responsibility programs. PFI was granted a certificate of registration by DSWD on August 6, 2010, after completing the 2-year operations requirement. BIR issued a certificate of registration to PFI dated December 21, 2011 recognizing PFI as a donee institution. In May 10, 2013, BIR renewed for another 3 years PFI’s certification as donee institution in accordance with RR No. 13-98. In October 10, 2013, PFI became a member of the League of Corporate Foundations, Inc.

The company had a manpower complement of 4,164 personnel, 902 of whom are regular employees, 153 contractual/probationary and 3,109 cooperative members to augment temporary needs during peak hours or season in the stores and the support services units. There is no existing labor union in the company and collective bargaining agreement. There is a PSC Employees Council which communicates to management the employees concerns. There has been no strike or threat to strike from the employees for the past three years.

The Company has a Retirement Benefit Plan which aims to provide, through a retirement fund, for the payment of retirement, disability, death or separation benefits to its employees or their beneficiaries as the case may be. Further, in accordance with employees’ benefits program, the Company provides health and life insurance coverage, wellness program, and work leaves under the law and company policies. The company provides all regular employees with Health

Insurance where they are eligible for in-patient care, out-patient care, emergency care, dental care, surgical procedures and other sophisticated procedures and maternity benefits. Employees are also covered with Group Life and Accident Insurance Plan which serves as protection in case of death, whether natural cause or accident, and dismemberment. Wellness program are also provided to the employees to further improve health and fitness among them thereby increasing productivity in the workplace.

Recognizing the need of employees for growth, training and development programs are regularly provided by PSC across all levels. For Senior Management and Officers, the company conducts a Leadership Academy & Mentor's Leadership Training Program with the objective in line with the Company's succession planning program. In-house trainings are also provided by the Company to employees with specialist and rank & file level. Topics of these trainings range from basic communication, basic negotiation, and project management among others, these are offered quarterly, every two months or at least twice a year. These trainings are designed to augment and develop the employee skills and competencies.

The top risks in retail industry to which PSC belongs include economic slowdown, increase in competition and brand reputation. Meanwhile, the main risks arising from the Company's financial instruments are credit risk, liquidity risk, and interest rate risk. The Audit Committee ensures the integrity of internal control activities, develops, oversees, checks and preapproves financial management functions and systems in the areas of credit, market, liquidity, operational, legal and other risks and crisis management. The Internal Audit Division and the External Auditor directly report to the Audit Committee regarding the direction, scope and coordination of audit and any related activities.

At year end, PSC is operating 1,281 stores, 563 of which are franchise stores under FC1, 180 franchise stores under FC2, and the remaining 538 are company-owned stores. The store franchise contracts have a minimum term of 5 years each, renewable for a similar term. The stores under franchise are indicated in the store list provided in the discussion of Leases herein.

PSC continually observes the activities of its major competitors in line with its strategy to maintain its leadership in the Convenience Store ("C-Store") Industry. Entry of foreign brand C-Stores increase in 2014 and a number of other generic or hybrid stores or grocery stores including gas marts continue to be present. PSC has forged a non-exclusive tie-up with Chevron Philippines Inc. in August 2009 for opening of 7-Eleven stores in selected Caltex gas stations and there are 50 7-Eleven Stores as of 2014. Another non-exclusive tie-up was concluded in May 2011 with Total (Philippines) Corporation to establish 7-Eleven Stores in identified Total gasoline stations. The Company continues to sustain its leadership by putting stores in strategic locations, carrying product assortment fit for such market.

In spite of the growing competition in convenience store ("C-Store") businesses, PSC maintains its leadership in the industry. The Corporation estimates its market share in branded C-store businesses as of December 31, 2014, in terms of number of C-store outlets in Luzon and Visayas, as follows:

	<i>Number of C-stores</i>	<i>Market Share (as of 31 Dec 2014)</i>
7-Eleven	1,282	49%
Mercury Drug Self Serve	700	27%
Ministop	479	18%
Family Mart	86	3%
San Mig Food Ave.	49	2%
Alfamart	23	1%
Circle K	3	0%
TOTAL	2,622	100%

PSC addresses the threat of competition with expansion and maintaining its dominance in the market. The continuous improvement of the Corporation's supply chain shall generate further efficiencies to effectively compete with the entry of other players in the C-store business. The successful franchise program is another mover to achieve the expansion plans and to dominate the c-store market. The Company expanded operation of 7-Eleven Stores in Visayas in July 2012 and has a total of 103 stores operational, consisting of 76 stores in Cebu, 17 in Negros Occidental and 10 in Iloilo as of end of 2014. PSC shall pursue its expansion in Mindanao for 2015.

The average number of customers that transact in the stores is about 950 per day per store with an average purchase transaction of about P 54.00. The stores carry a wide range of beverages, food service items, fresh foods, hot foods, frozen foods, confectioneries, cookies and chips, personal care products, groceries and other daily needs and

services for modern convenience which neighborhood residents, commuters, students and other urban shoppers would look for in a convenience store. Also offered in the store are proprietary product lines under the 7-Eleven trademark such as but not limited thereto:

TRADEMARKS	DESCRIPTION OF PRODUCT	APPLICATION DATE	STATUS
1. Slurpee	Frozen carbonated beverage, prepared with a variety of high-quality syrups, properly brixed, and served in standardized, trademark SLURPEE cups	Aug. 19, 1992	Renewed as of Aug. 19, 2012
2. Super Big Bite	Sandwiches, hotdogs and buns	Aug. 29, 2003	Registered for 15 years from Aug. 29, 2003 to Nov. 17, 2018
3. Big Gulp	Post-mix fountain beverage, prepared with a variety of high quality syrups	Nov. 16, 1992	Renewed as of Nov. 16, 2012

PSC also sells its developed or own branded products/services under the following trademarks:

TRADEMARKS	DESCRIPTION OF PRODUCT	APPLICATION DATE	STATUS OF REGISTRATION
1. MEDI-EXPRESS	Pharmaceutical	19 January 2006	Registered for 10 years (14 April 2008 to 14 April 2018)
2. HOTTA RICE	Ready-to-eat rice meals with different variants	22 September 2008	Registered for 10 years (23 February 2009 to 23 February 2019)
3. CRISP BITES	hot and fried snacks	17 December 2013	With Notice of Allowance of Registration published on 26 August 2014
4. FUNDAE CONE	Ice cream/Sundae	16 December 2013	Application pending
5. BUSOG MEALS	Budget rice meals	24 January 2014	With Notice of Allowance published in July 2014.
6. HOT POT	Stewed savory snack with different variants	27 March 2014	With Notice of Allowance of Registration published on 20 October 2014
7. BIG TIME MEALS	Rice meals	12 August 2014	Application pending
8. CHEF CREATIONS	Affordable, Chef-quality meals	22 September 2014	Application pending
9. CITY BLENDS	on-the-go premium coffee	22 September 2014	With Notice of Allowance published last 26 January 2015.
10. CLIQQ (LOGO)	provides a fun and interactive all-in-one kiosk that caters a wide range of services	22 September 2014	With Notice of Allowance published last 26 January 2015.
11. EVERY DAY!	7-Eleven corporate tagline	22 September 2014	Application pending
12. EVERY DAY! REWARDS	store loyalty program	22 September 2014	Application pending
13. EVERY DAY! WIFI	store wifi	29 October 2015	Application pending
14. FUNDAE FROYO	yogurt in a cup	22 September 2014	Application pending
15. HOTTAULAM!	pinoy rice meal variants that can be bought without rice	22 September 2014	Application pending
16. SIKSIK MEAL DEALS	a combo promo of BigBite hotdog or Siopao with Gulp softdrink	22 September 2014	With Notice of Allowance published last 16 February 2015.
17. SOFT BITES	Bread and bakery line	22 September 2014	With Notice of Allowance published in January 2015
18. 7-ELECTION	An informal and unique voting campaign through Gulp cups	22 September 2014	Pending application
19. TRAIL LOGO	Charitable fund raising activities; event sponsorship for a cause.	08 October 2014	With Notice of Allowance of Registration issued 12 February 2015 for publication
20. RUN LOGO	Charitable fund raising activities; event sponsorship for a cause	08 October 2014	Application pending
21. TOUR LOGO	Charitable fund raising activities; event sponsorship for a cause	08 October 2014	Application pending
22. PRIMA	represents premium line for coffee product 'City Blends'	18 February 2015	Application pending

Further, the products or services carried by the stores as described above are generally categorized as General Merchandise which accounts for 76.84%, Food Service and Cupdrinks for 22.71% and Services at 0.45%.

The merchandise stocks are supplied by over 350 vendors/suppliers and are mostly governed by the standard trading terms contract prescribed by the Company. Among the largest suppliers for the products carried by the stores are Unilever Philippines Inc., San Miguel Foods Inc., Coca Cola Bottlers Phils. Inc., Pepsi Cola Products Philippines Inc., Absolute Sales Corp., Universal Robina Corporation, PMFTC Inc., British American Tobacco Philippines Ltd., Nestle Philippines Inc. and Del Monte Philippine Inc. These top suppliers account for 49.48% share in the 7-Eleven business.

Item 2. Properties

The following properties are company-owned, free from any lien or encumbrances, as described below:

Condominium (Owned)

Description	Location	Total Lot Area (in square meter)
MH del Pilar Store Branch	Unit Nos. 102 & 201, Ferguson Tower, A. Flores cor. MH del Pilar & Guerrero Sts., Ermita, Manila	151.43
Office Space	All units of 7 th Floor, 4 units of 11 th Floor and 1 unit of 12 th Floor, The Columbia Tower Ortigas Avenue, Mandaluyong City	1,954.00
22 parking units	G/F, Basement 2 and 3 The Columbia Tower	325.00

The Company divested its land holdings to 7 parcels of land, excluding the improvements thereon, to its affiliate, Store Sites Holding, Inc. (SSHI) at book value. SSHI was registered with SEC last November 9, 2000, initially wholly-owned by PSC. It eventually became 40% Company-owned with the 60% investment in SSHI by Bank of Philippine Islands-Asset Management & Trust Group as trustee of the PSC Employee Retirement Fund. Anticipating foreign ownership in PSC to exceed 40%, the divestment was made to SSHI, which is 60% owned by Filipinos and 40% by foreigners to comply with 40% foreign ownership limit for corporations allowed to hold or own land/s in the Philippines.

As part of the normal course of business, the Company shall continue to acquire properties under lease agreement. The Company, on a case to case basis, may consider purchase of real property for store sites or office site if there is an opportunity or offer at a reasonable price. However, there is no capital expenditure allocation for purchase of real properties in the next twelve (12) months.

Leases

The Company leases land or existing building shell for its establishment of 7-Eleven stores. The lease term for these locations ranges mostly from 5 to 10 years. The numbers of locations which shall expire within the next 5 years are as follows:

2015	2016	2017	2018	2019
123	139	135	138	114

Rental rates of 7-Eleven Stores vary depending on transaction type as land or building shell transaction; size of the area being leased; site location in relation to the trade area; and the prevailing real estate market rates. The total amount of lease payments by the Corporation is contained in the Financial Notes on Leases of the audited financial statements attached herein. The list of leased properties for the 7-Eleven Stores operational as Corporate and under a Franchise Agreement is attached hereto as Appendix "A".

Item 3. Legal Proceedings

The Company is a party to certain litigations involving minor issues, from time to time, before the Department of Trade and Industry, employees suing for illegal dismissal, back wages and damage claims, claims arising from store operations and as co-respondents with manufacturers on complaints with BFAD, for specific performance and other civil claims. The Company also filed criminal cases against employees and other persons arising from theft, estafa and robbery; civil claims for collection of sum of money, specific performance and damages. All such cases are in the normal course of business and are not deemed or considered as material legal proceeding as stated in Part I, Paragraph (C) of "Annex C" of SEC checklist 17-A.

Item 4. Submission of Matters to a Vote of Security Holders

A stockholders' meeting was held last July 22, 2014, during which, the amendment of the Third Article of the Amended Articles of Incorporation to state the specific principal office address of the Corporation in compliance with SEC Memorandum Circular no. 6, Series of 2014, was submitted to a vote of security holders. No other stockholders' meeting was held for the period ending December 31, 2014.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Market Information

The Company's common shares were listed in the Philippine Stock Exchange (PSE) on February 04, 1998.

The public ownership level of the Company's shares is 32.37% as of March 31, 2015. This is above the minimum public ownership requirement of 10%.

The trading record of the Company's shares as of December 31, 2013 and 2014 are as follows:

December 31, 2013

Month	Open	High	Low	Close	Volume
1 st Quarter	94.00	94.00	94.00	94.00	200
2 nd Quarter	89.00	91.00	89.00	91.00	5,260
3 rd Quarter	109.00	109.00	109.00	109.00	280,000
4 th Quarter	99.00	99.00	98.00	98.50	1,010

December 31, 2014

Month	Open	High	Low	Close	Volume
1 st Quarter	98.40	98.50	98.00	98.00	540
2 nd Quarter	87.90	87.90	87.90	87.90	310
3 rd Quarter	89.00	91.30	89.00	91.00	17,190
4 th Quarter	89.00	89.00	84.00	84.50	125,950

Latest Trading – updated as of April 2015

Month	Open	High	Low	Close	Volume
January 30, 2015	89.50	90.00	89.50	90.00	11,280
February 27, 2015	95.50	97.00	95.50	97.00	1,130
March 31, 2015	109.00	110.20	109.00	110.20	1,640
April 1, 2015	110.00	110.00	110.00	110.00	10
April 6, 2015	110.00	111.00	110.00	111.00	3,980
April 7, 2015	111.00	111.00	111.00	111.00	10
April 10, 2015	105.00	111.50	105.00	108.50	1,100
April 13, 2015	112.00	112.00	110.90	110.90	160

Dividends and Dividend Policy

PSC considers the benefit of its shareholders as one of its priority management policies. It aims to sustain revenue stream and progressive growth to further enhance shareholder value. PSC shall continue to return capital to shareholders through a sustainable dividend policy. Effective 2015, the Company intends to pay at least 20% of annual net profits by way of cash dividends. This considers future capital requirements and potential growth opportunities. The Board regularly reviews the dividend policy, including the frequency of distribution, taking into account all of the above.

Dividends to be paid in cash by the PSC are subject to approval by a majority of the Board of Directors and no further approval from the PSC's shareholders is required. Dividends to be paid in the form of stock requires both the approval of a majority of the Board of Directors and the approval of shareholders representing not less than two-thirds of PSC's outstanding capital stock. All dividends to be declared are subject to the approval of the SEC. There are no known restrictions to the PSC's ability to pay dividends on shares.

As per SEC Rules, cash dividends declared by a stock corporation must have a record date not less than 10 or more than 30 days from the date the cash dividends are declared. With respect to stock dividends, the record date shall be not less than 10 or more than 30 days from the date of shareholders' 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. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the SEC.

A cash dividend of thirty centavos (Php 0.30) per share was declared and approved during the board of directors meeting last April 24, 2014. Stockholders of record as of May 23, 2014 were entitled to said cash dividend and the corresponding cash payments were paid to stockholders on payment date last June 18, 2014. Total outstanding capital stock of the Corporation after the payment date of the cash dividend is still 458,435,323. Likewise, there was no sale of any unregistered securities. There is no restriction that limits the ability of the Company to pay dividends on common equity. Below is the summary of cash and stock dividend declaration of the Corporation.

YEAR	CASH	AMOUNT	STOCK	NO. OF SHARES
2014	0.30	137,530,597	-	-
2013	0.10	39,863,941	15%	59,795,912
2012	0.10	34,664,297	15%	51,996,445
2011	0.10	30,142,867	15%	45,214,300
2010	0.05	14,353,746	5%	14,353,746
2009	-	-	10%	26,097,720
2008	-	-	10%	23,725,200

Holders

As of March 31, 2015, there were 639 shareholders of the Company's outstanding common shares totaling 458,435,323 shares.

The top 20 shareholders and their corresponding shareholdings as of March 31, 2015 are as follows:

TOP 20 SHAREHOLDERS	CITIZENSHIP	SUBSCRIPTION	% HOLDINGS
1. President Chain Store (Labuan) Holdings, Ltd.	Malaysian	236,376,070	51.56%
2. PCD Nominee Corporation (Non-Filipino)	Non-Filipino	62,534,395	13.64%
3. Arisaig Asia Consumer Fund Ltd.	BVI	48,020,358	10.47%
4. Asian Holdings Corporation	Filipino	30,671,003	6.69%
5. Agus Development Corporation	Filipino	12,956,310	2.83%
6. Jose Victor P. Paterno	Filipino	11,983,375	2.61%
7. Progressive Development Corp.	Filipino	11,510,552	2.51%
8. PCD Nominee Corporation (Filipino)	Filipino	8,967,795	1.96%
9. Ma. Cristina P. Paterno	Filipino	8,000,045	1.75%
10. Ma. Elena P. Locsin	Filipino	6,962,534	1.52%
11. Paz Pilar P. Benares	Filipino	5,665,971	1.24%
12. Ma. Teresa P. Dickinson	Filipino	5,008,310	1.09%
13. Maria Henrietta R. Santos	Filipino	2,031,905	0.44%
14. Seven Eleven, Inc.	American	1,783,249	0.39%
15. Dante G. Santos	Filipino	1,773,291	0.39%
16. Antonio Jose U. Periquet Jr.	Filipino	927,007	0.20%
17. Manuel U. Agustines	Filipino	813,755	0.18%
18. Antonio Diaz Sta Maria	Filipino	193,228	0.04%
19. Felicia R. Santos	Filipino	156,623	0.03%
20. Luis Y. Locsin	Filipino	115,904	0.03%
20. Leandro Y. Locsin Jr.	Filipino	115,904	0.03%
TOTAL OF TOP 20 SHAREHOLDERS		456,567,584	99.59%
OTHER SHAREHOLDERS		1,867,739	0.41%
TOTAL		458,435,323	100.00%

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

The Management’s Discussion and Analysis of 2014 Operations is attached hereto as Appendix “B”.

Item 7. Financial Statements

The Company’s Audited Financial Statements for the year ending December 31, 2014 is attached hereto as Appendix “C”.

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

There are no changes nor disagreements with external accountants on matters concerning adoption of generally accepted accounting practices under the Philippine Financial Reporting Standards and the corresponding reporting and disclosure requirements.

Information on independent accountant and other related matters

External audit fees and services

The following table summarizes the fees paid or accrued for services provided by our external auditors for the fiscal years ended December 31, 2014 and 2013:

	2014	2013
	(in thousands)	
Audit Fees	P2,744	P1,902
Tax Fees	1,710	1,464
All Other Fees	436	148
Total	P4,890	P3,514

Audit Fees. During the years 2014 and 2013, the Company had engaged the professional services of SGV & Co. The Company incurred and accrued an aggregate audit fee of P 2.7 million in 2014 for the said engagement. This covers the examination of the Company’s financial statements in accordance with generally accepted auditing standards. The auditors also provide a discussion of findings and recommendations that will further improve the Company’s accounting and reporting practices. Further, SGV also provides updates on recent pronouncements made by the BIR and the SEC.

Tax Services. This category refers to the tax compliance and advisory services rendered by the tax division of SGV & Co.

All Other Fees. This consists primarily of fees for consultations, special engagements relating to issuance of long form audit report and securing documents, which are required for the payment of dividends and other incidental expenses.

The fees presented above include out-of-pocket expenses incidental to our independent auditors’ work.

The audit committee’s approval policies and procedures for external auditors are as follows:

1. Statutory audit of the Company’s annual financial statements.
 - a) The Audit Committee ensures that the services of the external auditor conform with the provision of the Company’s manual of corporate governance.
 - b) The Audit Committee approves the audit plan and scope of audit presented by the external auditor before the conduct of audit. The audit plan is derived from series of discussions and pre-audit planning with Management.
 - c) The Audit Committee reports to the Board the approved audit plan.
2. For other services other than the audit of the annual financial statements.
 - a) The Audit Committee evaluates the necessity of the proposed services presented by Management taking into account the following factors:
 - i. The impact of new tax and accounting regulations and standards.
 - ii. Cost and benefit of the proposed undertaking.

- b) The Audit Committee approves and ensures that other services provided by the external auditor shall not be in conflict with the functions of the external auditor for the annual audit of its financial statements.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

- a) Directors and Corporate Officers

The eleven (11) directors of the Company are elected at the Annual Stockholders meeting to hold office until the next succeeding annual meeting or until their respective successors have been elected and qualified. The Chairman of the Board and the President are separate individuals. Mr. Vicente T. Paterno served as the Chairman of the Board until his demise last Nov. 21, 2014 and Mr. Jose Victor P. Paterno serves as PSC President and Chief Executive Officer (CEO). The Vice-Chairman Mr. Nan-Bey Lai assumed the functions and duties of the Office of the Chairman of the Board as Acting Chairman on November 21, 2014. The members of the Board of Directors and corporate officers of the Company as of December 31, 2014 are the following:

1. CHIN YEN KAO

Personal Information	Age: 85; Nationality: R.O.C.; Gender: Male; Current Position in PSC: <u>Honorary Chairman of the Board</u>; No. of Years in PSC: 13 yrs.; First Election to the Position: <u>July 26, 2002</u>; Last Election: <u>July 22, 2014</u>
Affiliations in Publicly Listed Companies (PLCs)	<ul style="list-style-type: none"> • Director- Uni-President Enterprise Corp.; President Chain Store Corporation; President Fair Development Corporation
Affiliations in Non-PLCs	<ul style="list-style-type: none"> • Director- President International Development Corp.; President Chain Store (BVI) Holdings Ltd.; Kao Chyuan Investment Co. Ltd.; Tainan Spinning Co., Ltd.; Ton Yi Industrial Corp.
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> • Honorary PhD, Lincoln University, USA; Honorary PhD, Sun Yat-sen University; Honorary PhD, National Cheng Kung University

2. VICENTE T. PATERNO*

*Deceased- November 21, 2014 and disclosure submitted to PSE & SEC last November 21, 2014

Personal Information	Age: 89; Nationality: Filipino; Gender: Male; Current Position in PSC: <u>Chairman of the Board</u>; No. of Years in PSC: 32 yrs.; First Election to the Position: <u>November 23, 1982</u>; Last Election: <u>July 22, 2014</u>
Affiliations in PLCs	<ul style="list-style-type: none"> • None
Affiliations in Non-PLCs	<ul style="list-style-type: none"> • Chairman - Store Sites Holding, Inc.; • Independent Director – First Philippine Holdings Corporation, Benpres Holdings Corp. (1992-2009) • Concurrently Managing Director – Philippine Seven Corporation (1984-1986, 1992-2000) • Former Director - State Land Investment, Inc., First Philippine Holdings Corporation; Benpres Holdings Corporation • Founding Director & Chairman of the Board East ASEAN Business Council (BIMP-EAGA) (1997-1999) • Senator of the Republic of the Philippines; Chairman – Senate Committee on Economic Affairs (1987-1992) • Deputy Executive Secretary of Energy, Office of the President (1986 – 1987) • Chairman/President – Philippine National Oil Company (PNOC) (1986-1987) • Director – Sime Darby Berhad, Malaysia (1982-1986) • Short Term Consultancies, UNDP & UNCTAD-GATT (1981-1982) • Minister of Public Highways (1979-1980) • Minister of Industry (1974-1979) • ASEAN Economic Minister & Chair – ASEAN Committee on Industrial Cooperation (1976-1979) • Director ExOfficio Member of Government Boards- Central Bank, NEDA, DBP,PNOC (1976-1979) • Treasurer, Vice President Finance & Assistant Executive Vice President & General Manager – Meralco (1964 – 1970) • Chairman – Board of Investments (1970-1979) • Vice President for Investment, Commercial Credit Corporation (1960-1964) • Industrial Consultant, General Manager-PHINMA (1956-1960) • Industrial Projects Consultant, Industrial Development Center, PHILCUSA (1954-1956) • Mill Engineer, Central Azucarera Don Pedro, Nasugbu, Batangas (1948-1951)
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> • Master of Business Administration (with Distinction), Harvard Business School, USA • BSc. Mechanical Engineering, University of the Philippines • Awards- RVR Award for Nation Building (JCI Manila & AIM Center for CSR) (2013); 100 Outstanding Engineers of the Century, UP

	College of Engineering (2010); Most Outstanding Alumnus of the Year, UP Alumni Association (1998); Signum Meriti Award, De La Salle University (1993); Doctor in Humanities (Honoris Causa), Xavier University, Cagayan de Oro, Mindanao (1991); Management Man of the Year, 1982 Management Association of the Philippines (1983); Doctor in Humane Letters (Honoris Causa), Ateneo de Manila University (1982); Order of Sacred Treasure, First Class – Imperial Award by Government of Japan (1981)
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3. NAN-BEY LAI

Personal Information	Age: <u>63</u> ; Nationality: <u>R.O.C.</u> ; Gender: <u>Male</u> ; Current Position in PSC: <u>Vice-Chairman and Director</u> ; No. of Years in PSC: <u>4 yrs. & 9 mos.</u> ; First Election to the Position: <u>July 29, 2010</u> ; Last Election: <u>July 22, 2014</u>
Affiliations in PLCs	<ul style="list-style-type: none"> Senior Vice President- President Chain Store Corporation Director- President Chain Store Corporation
Affiliations in Non-PLCs	<ul style="list-style-type: none"> Chairman- Duskin Serve Taiwan Co.; Bank Pro E-Service Technology Co., Ltd; PCSC (Vietnam) Supermarket Ltd. Director- Books.com Co., Ltd.; President Drugstore Business Corp.; Mech-President Corp.; President Transnet Corp.; President Collect Services Co., Ltd.; Uni-President Department Store Corp.; Muji (Taiwan) Co., Ltd.; President Organics, Co.; President SATO Co., Ltd.; Q-ware Systems & Services Corp.; Ren-Hui Investment Corp.; SATO (Shanghai) Catering Mathematics Co., Ltd.; Tong-Ho Development Corp.
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> Bachelor's Degree in Business Administration, Department of Business Administration, Tunghai University

4. JOSE VICTOR P. PATERNO

Personal Information	Age: <u>46</u> ; Nationality: <u>Filipino</u> ; Gender: <u>Male</u> ; Current Position in PSC: <u>President/CEO and Director</u> ; No. of Years in PSC: <u>9 yrs. & 5 mos.</u> ; First Election to the Position: <u>June 21, 2005</u> ; Last Election: <u>July 22, 2014</u>
Affiliations in PLCs	<ul style="list-style-type: none"> None
Affiliations in Non-PLCs	<ul style="list-style-type: none"> Chairman & President – Convenience Distribution, Inc Chairman – Supply Chain Networks, Inc. President – First MFI Network, Inc. Vice-Chairman- PhilSeven Foundation, Inc. Director – Electronic Commerce Payment Network, Inc. (EC-Pay); The Straits Wine Company, Inc. Board Co-Chair (Retailer), ECR Philippines VP-National Chapter Development, Philippine Franchise Association Member- Management Association of the Philippines; Makati Business Club; Young Presidents Organization; Coca-Cola Retailing Research Council
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> BS Mechanical Engineering (Magna Cum Laude), Lehigh University, Bethlehem Pennsylvania, USA Awards- CEO Excel Award, International Association of Business Communicators (IABC), 2013 CEO Excel Awards; Master Entrepreneur Award, 2012 Ernst & Young Entrepreneur of the Year Awards

5. JORGE L. ARANETA

Personal Information	Age: <u>79</u> ; Nationality: <u>Filipino</u> ; Gender: <u>Male</u> ; Current Position in PSC: <u>Director</u> ; No. of Years in PSC: <u>26 yrs.</u> ; First Election to the Position: <u>1988</u> ; Last Election: <u>July 22, 2014</u>
Affiliations in PLCs	<ul style="list-style-type: none"> None
Affiliations in Non-PLCs	<ul style="list-style-type: none"> Consul A.H. – Embassy of the Republic of Colombia Chairman & CEO – Araneta Group Chairman of the Board - Araneta Center Inc.; Progressive Development Corporation; Uniprom, Inc.; Philippine Pizza Inc. Director – Wendy's Philippines
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> Bachelor of Science in Business Administration, University of the Philippines Awards- President's Award as Pioneer of Retail Entertainment, Philippine Retailers Association; UP College of Business Administration 2005 Distinguished Alumni Awardee; Franchisee Awardee of the Year. 2003 and 2002, Philippine Pizza, Inc.; Top 5 Best Employer in Asia/Philippines, 2003, Hewitt Associates/Wall Street Journal/MAP; David Novak YUM Award, 2000; Plaque of Appreciation from Cubao merchants Association; Plaque of Appreciation for Business Leadership from Upsilon Sigma Phi; Plaque of Merit from Quezon City Chamber of Commerce and Industry, Inc. as Recognized Business Leader of Quezon City; Plaque of Appreciation for Outstanding Contribution from the Consular Corps and Diplomatic Corps of the Philippines; Plaque of Appreciation from De La Salle University on the occasion of the establishment of the Don J. Amado Araneta Distinguished Chair of Financial Management.

6. DIANA PARDO-AGUILAR*

**Resigned as of January 20, 2015 and disclosure submitted to PSE & SEC last January 20, 2015*

Personal Information	Age: <u>51</u>; Nationality: <u>Filipino</u>; Gender: <u>Female</u>; Current Position in PSC: <u>Director</u>; No. of Years in PSC: <u>12 yrs. & 5 mos.</u>; First Election to the Position: <u>July 26, 2002</u>; Last Election: <u>July 22, 2014</u>
Affiliations in PLCs	<ul style="list-style-type: none"> • Director- Security Bank Corporation
Affiliations in Non-PLCs	<ul style="list-style-type: none"> • Commissioner- Social Security Commission; Social Security System • Director- Asian Holdings Corporation; WenPhil Corporation; Electronic Commerce Payments Network Inc.; DAJ Property Holdings Corp.; Gate Distribution Enterprises, Inc. • Treasurer & Member- Executive Finance Committee, De La Salle Santiago Zobel School • Director & Treasurer -Modesto Holdings Philippines, Inc.
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> • Masters Degree in Business Administration, Major in International Finance, Pepperdine University, California, U.S.A. • Bachelor of Science in Computer Science (Dean's List) De La Salle University

7. ANTONIO JOSE U. PERIQUET, JR.

Personal Information	Age: <u>53</u>; Nationality: <u>Filipino</u>; Gender: <u>Male</u>; Current Position in PSC: <u>Independent Director</u>; No. of Years in PSC: <u>4 yrs. & 5 mos.</u>; First Election to the Position: <u>July 29, 2010</u>; Last Election: <u>July 22, 2014</u>
Affiliations in PLCs	<ul style="list-style-type: none"> • Independent Director- Ayala Corporation, DMCI Holdings, Inc., Bank of the Philippine Islands, ABS-CBN Holdings Corp., Max's Group, Inc.
Affiliations in Non-PLCs	<ul style="list-style-type: none"> • Chairman- Pacific Main Holdings, Inc; Campden Hill Group, Inc.; Campden Hill Advisors, Inc. • Director- The Straits Wine Company, Inc. • Independent Director- BPI Capital, BPI Family Bank • Trustee- Lyceum University of the Philippines • Member- Deans Global Advisory Council, Darden School of Business, University of Virginia
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> • AB Economics, Ateneo de Manila University • MSc Economics, Oxford University • MBA, University of Virginia

8. MICHAEL B. ZALAMEA

Personal Information	Age: <u>50</u>; Nationality: <u>Filipino</u>; Gender: <u>Male</u>; Current Position in PSC: <u>Independent Director</u>; No. of Years in PSC: <u>9 yrs. & 5 mos.</u>; First Election to the Position: <u>June 21, 2005</u>; Last Election: <u>July 22, 2014</u>
Affiliations in PLCs	<ul style="list-style-type: none"> • None
Affiliations in Non-PLCs	<ul style="list-style-type: none"> • Director- Campden Hill Advisors, Inc; Clark Pipeline & Depot Company, Inc.; Wespak Holdings, Inc; The Straits Wine Company, Inc. • Trustee- The Beacon Academy
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> • BS in Finance, Fordham University USA • MBA, University of Virginia

9. WEN-CHI WU

Personal Information	Age: <u>45</u>; Nationality: <u>R.O.C.</u>; Gender: <u>Female</u>; Current Position in PSC: <u>Director</u>; No. of Years in PSC: <u>6 yrs. & 6 mos.</u>; First Election to the Position: <u>July 17, 2008</u>; Last Election: <u>July 22, 2014</u>
Affiliations in PLCs	<ul style="list-style-type: none"> • Chief Financial Officer- President Chain Store Corporation
Affiliations in Non-PLCs	<ul style="list-style-type: none"> • Director- PCSC Restaurant (Cayman) Holdings, Ltd.; President Investment Trust Corp. • Supervisor – Books.com. Co., Ltd.; Mister Donut Taiwan Corp.; President Coffee Corp.; Q-ware Systems & Services Corp.; President Information Corp.; Ren Hui Investment Corp.; President Chain Store (Shanghai) Ltd.; Shanghai President Starbucks Coffee Corp.; President (Shanghai) Health Product Trading Company Ltd.; Mech-President Corp.; President Collect Services Co., Ltd.; Uni-President Department Store Corp.; President Pharmaceutical Corp.; President Transnet Corp.
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> • Bachelor's Degree in Accountancy, School of Accountancy in University of Missouri in Columbia

10. JUI-TANG CHEN

Personal Information	Age: <u>57</u>; Nationality: <u>R.O.C.</u>; Gender: <u>Male</u>; Current Position in PSC: <u>Director</u>; No. of Years in PSC: <u>2 yrs. & 2 mos.</u>; First Election to the Position: <u>November 13, 2012</u>; Last Election: <u>July 22, 2014</u>
Affiliations in PLCs	<ul style="list-style-type: none"> • President- President Chain Store Corporation • Director- President Chain Store Corporation
Affiliations in Non-PLCs	<ul style="list-style-type: none"> • President- Ren-Hui Investment Corp. • Chairman- President Yilan Art and Culture Corp., President Transnet Corp.; President Collect Services Co., Ltd.; President Coffee Corp.; Retail Support International Corp.; President Musashino Corp.; Ren-Hui Investment Corp.; President Chain Store (Shanghai) Ltd.; Shanghai President Starbucks Coffee Corp.

	<ul style="list-style-type: none"> Director- President Drugstore Business Corp.; President Beijing Corp.; President Pharmaceutical Corp.; Uni-President Department Store Corp.; 21 Century Enterprise Co., Ltd.; Wisdom Distribution Service Corp.; Uni-President Cold-Chain Corp.; President Development Corp.; President International Development Corp.; Shan Dong President Yinzuo Commercial Ltd.; President (Shanghai) Health Product Trading Company Ltd.; President Chain Store (BVI) Holdings, Ltd.; PCSC (China) Drugstore Ltd.; President Chain Store (Labuan) Holdings, Ltd.; President Chain Store (Hong Kong) Holdings Ltd.; President Coffee (Cayman) Holdings Ltd.; Uni-President Logistics (BVI) Holdings, Ltd.; Nanlien International Corp.
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> Bachelor's Degree in Economics, Department of Economics, National Taiwan University

11. MAO-CHIA CHUNG

Personal Information	Age: 56; Nationality: R.O.C.; Gender: Male; Current Position in PSC: Director; No. of Years in PSC: 2 yrs. & 2 mos.; First Election to the Position: November 13, 2012; Last Election: July 22, 2014
Affiliations in PLCs	<ul style="list-style-type: none"> Senior Vice President of President's Office – President Chain Store Corporation
Affiliations in Non-PLCs	<ul style="list-style-type: none"> Chairman – Capital Inventory Services Corp.; President Information Corp.; President Insurance Brokers Co., Ltd.; President Chain Store Good Neighbor Foundation; President (Shanghai) Health Product Trading Company Ltd. Director – President Drugstore Business Corp.; President Being Corp.; President Pharmaceutical (Hong Kong) Holdings Ltd.; Books.com Co., Ltd.; Q-ware Systems & Services Corp.; Bank Pro E-Service Technology Co., Ltd.; PCSC (China) Drugstore Limited; Presiclrc Limited; PK Venture Capital Corp.; President Chain Store (Shanghai) Ltd.; President Pharmaceutical Corp.; President Transnet Corp.; President Collect Services Co., Ltd.;
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> Bachelor's Degree in International Trade, Department of International Trade, Feng Chia University

12. LIEN-TANG HSIEH

Personal Information	Age: 54; Nationality: R.O.C.; Gender: Male; Current Position in PSC: Director; No. of Years in PSC: 2 yrs. & 2 mos.; First Election to the Position: November 13, 2012; Last Election: July 22, 2014
Affiliations in PLCs	<ul style="list-style-type: none"> Vice President of Operations Group– President Chain Store Corporation
Affiliations in Non-PLCs	<ul style="list-style-type: none"> Director- Duskin Serve Taiwan Co.; Uni-President Cold-Chain Corp.; President Baseball Team Corp.; President Information Corp.; ICASH Corporation; President Chain Store Good Neighbor Foundation Supervisor – Capital Inventory Services Corp.
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> Bachelor's Degree in Business Administration, Department of Business Administration, Chinese Culture University

13. PING-HUNG CHEN

Personal Information	Age: 40; Nationality: R.O.C.; Gender: Male; Current Position in PSC: Treasurer/CFO and Vice President for Finance & Administration; No. of Years in PSC: 3 yrs.; First Election to the Position: November 13, 2012; Last Election: July 22, 2014
Affiliations in PLCs	<ul style="list-style-type: none"> Head of Investment Management; Head of Investor Relations, and Financial Planning Specialist - President Chain Store Corporation
Affiliations in Non-PLCs	<ul style="list-style-type: none"> Director- Store Sites Holding, Inc. Trustee- PhilSeven Foundation, Inc.
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> Degree in Economics TungHai University; MBA, National Kaoshiung First University of Science and Technology

14. EVELYN G. SADSAD-ENRIQUEZ

Personal Information	Age: 51; Nationality: Filipino; Gender: Female; Current Position in PSC: Corporate Secretary; No. of Years in PSC: 25 yrs. First Election to the Position: June 21, 2005; Last Election: July 22, 2014
Affiliations in PLCs	<ul style="list-style-type: none"> Legal and Corporate Services Division Head and Compliance Officer- Philippine Seven Corporation
Affiliations in Non-PLCs	<ul style="list-style-type: none"> Director- Store Sites Holding, Inc.; Ferguson Park Tower Condominium Corporation Corporate Secretary - Convenience Distribution Inc.; Store Sites Holding, Inc.; Ferguson Park Tower Condominium Corporation, PhilSeven Foundation, Inc., Sterling Fluid Systems Enterprises, Inc. President and Director– Columbia Owners' Association Inc. Internal Auditor- Good Governance Advocates & Practitioners of the Philippines (GGAPP)
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> B.S. Commerce Major in Economics, University of Santo Tomas Bachelor of Laws (Cum Laude), Faculty of Civil Law University of Santo Tomas

The Board of Directors are expected to attend board meetings held by the Corporation which is scheduled before the start of the financial year. The Chairman, the President & CEO, majority of the directors, and independent directors of PSC attended these meetings. Absence of a director in more than 50% of all the regular and special meetings during his incumbency or any 12 month period during such incumbency is a ground for his temporary disqualification in the

succeeding election unless the absence is due to serious illness, death in the immediate family or serious accident. All directors complied with attendance requirement of at least 50% of all board meetings for the year. Below is the list of directors of PSC and their attendance to board meetings held for the fiscal year 2014.

Director	Position	April 24	July 22	
			AM	PM (Organizational)
1. Vicente T. Paterno ¹	Chairman/Director	✓	✓	✓
2. Nan-Bey Lai	Vice Chairman/Director	✓	✓	✓
3. Jose Victor P. Paterno	President/Director	✓	✓	✓
4. Jorge L. Araneta	Director	x	✓	✓
5. Diana Pardo-Aguilar ²	Director	✓	✓	✓
6. Jui-Tang Chen	Director	✓	✓	✓
7. Mao-Chia Chung	Director	✓	x	✓
8. Lien-Tang Hsieh	Director	✓	✓	✓
9. Wen-Chi Wu	Director	✓	✓	✓
10. Michael B. Zalamea	Independent Director	✓	✓	✓
11. Antonio Jose U. Periquet, Jr.	Independent Director	✓	✓	✓

¹Deceased-November 21, 2014 and disclosure submitted to PSE & SEC last November 21, 2014

²Resigned as of January 20, 2015 and disclosure submitted to PSE & SEC last January 20, 2015

b) *The Executive Officers*

As of December 31, 2014, the Executive Officers and Management of the Corporation are the following:

CHIN-YEN KAO <i>Honorary Chairman of the Board</i>	<i>Please see profile under Directors and Corporate Officers</i>
VICENTE T. PATERNO* <i>Chairman of the Board</i> <small>*Deceased as of November 21, 2014 and disclosure submitted to PSE/SEC last November 21, 2014</small>	<i>Please see profile under Directors and Corporate Officers</i>
NAN-BEY LAI <i>Vice Chairman of the Board</i>	<i>Please see profile under Directors and Corporate Officers</i>
JOSE VICTOR P. PATERNO <i>President & CEO</i>	<i>Please see profile under Directors and Corporate Officers</i>
PING-HUNG CHEN <i>Treasurer/CFO & Vice President for Finance & Administration</i>	<i>Please see profile under Directors and Corporate Officers</i>
EVELYN G. SADSAD-ENRIQUEZ <i>Legal & Corporate Services Division Head; Corporate Secretary; Compliance Officer</i>	<i>Please see profile under Directors and Corporate Officers</i>
YING- JUNG LEE <i>Vice President for Supply Chain</i>	<i>40 years of age, a national of the Republic of China. He has been with PSC since 2010. He is a Director in Convenience Distribution, Inc., a subsidiary/affiliate of PSC. He was the Leader of the E-Service Team of Marketing Department of President Chain Store Corporation. He obtained his Bachelor's Degree in Cooperative Economic at Feng-Chia University, Taiwan.</i>
LAWRENCE M. DE LEON <i>Finance and Accounting Head; Investor Relations Officer</i>	<i>40 years of age, Filipino. He has been with PSC since 2009. He is the Treasurer and Director of Store Sites Holding, Inc., Treasurer and Trustee of PhilSeven Foundation, Inc. and the Treasurer of Convenience Distribution, Inc., all are subsidiaries/affiliates of PSC. He is also a Director of Association of Certified Public Accountants in Commerce and Industry and a member of Philippine Institute of Certified Public Accountants. He obtained his Masters in Business Administration from the Ateneo Graduate School of Business and Bachelor of Science in Commerce, Major in Accountancy from University of Santo Tomas.</i>
CHAO-SHUN TSENG <i>Corporate Planning Head</i>	<i>50 years of age, a national of the Republic of China. He has been with PSC since 2012. He is a Director and Executive Vice President of Convenience Distribution, Inc., a subsidiary/affiliate of PSC. He was the Business Consultant of President Chain Store Corp. and Head of Dermo-Cosmetic Division of President Pharmaceutical Corporation. He obtained his MBA degree from National Chiao Tung University and Management Science Bachelor from National Cheng Kung University- Transportation and Communication Management Science.</i>
LIWAYWAY T. FERNANDEZ <i>Operations Division Head</i>	<i>60 years of age, Filipino. She has been with PSC since 1983. She is a Director in Convenience Distribution, Inc. and a Trustee in PhilSeven Foundation, Inc. both are subsidiaries/affiliates of PSC respectively. She is a graduate of Bachelor of Science in Business Administration Major in Accountancy (Cum Laude) at Philippine Christian University.</i>

FRANCIS S. MEDINA <i>Business Development Division Head</i>	<i>40 years of age, Filipino. He has been with PSC since 2005. He started as a franchise manager in PSC before serving as Business Development Division Head. He is also a Trustee in PhilSeven Foundation, Inc., a subsidiary/affiliate of PSC. He is the Committee Head/member of the Philippine Franchising Association and a member of Certified Franchise Executive Alumni Association. He obtained his Bachelor's Degree in Commerce, Major in Marketing, from San Beda College Manila. He also completed the Certified Franchise Executive Program by the Phil. Franchise Association.</i>
JOSE C. ANG, JR. <i>General Merchandise Division Head</i>	<i>48 years of age, Filipino. He has been with PSC since 2004. He is a Director of Philippine Consumer Centric Trade Association, Inc. (PCCTAI) formerly PASI. He is also a member of National Masters & Senior Athletics Association of the Philippines. He is a BS Electrical Engineering graduate at Adamson University.</i>
ARMI A. CAGASAN <i>Strategic Merchandise Division Head</i>	<i>40 years of age, Filipino. She has been with PSC since 1999. She is a graduate of Bachelor of Science in Industrial Engineering at University of Santo Tomas.</i>
EDUARDO P. BATACLAN <i>Procurement Division Head</i>	<i>62 years of age, Filipino. He has been with PSC since 1984. He is a Director and Vice President of Convenience Distribution, Inc., a subsidiary/affiliate of PSC. He obtained his Bachelor of Science Degree in Mass Communication Major in Broadcast Communication from the University of the Philippines.</i>
VIOLETA B. APOLINARIO <i>Human Resources and Administration Division Head</i>	<i>54 years of age, Filipino. She has been with PSC since 1984. She is the Chairman of the Management Committee of PhilSeven Foundation, Inc., a subsidiary/affiliate of PSC. She is a member of People Management Association of the Philippines and HR Foodlink. She obtained her Bachelor of Arts Degree in English (Cum Laude) from Tanauan Institute.</i>
JASON JAN NGO <i>Information Technology Division Head</i>	<i>39 years of age, Filipino. He has been with PSC since 1999. He obtained his Masters in Business Administration (Regis Program) at the Ateneo Graduate School of Business. He also obtained his degree of Bachelor of Science in Management Engineering from Ateneo de Manila University.</i>
EMMANUEL LEE M. ESGUERRA <i>Marketing Communications Division Head</i>	<i>45 years of age, Filipino. He has been with PSC since 2013. He was the Chief Marketing Officer of Click Licensing Asia and Senior Regional Brand Manager of Unilever Asia Private Ltd. He is a graduate of BA in Broadcast Communication from the University of the Philippines.</i>
MARIA CELINA D. DE GUZMAN <i>Internal Audit Division Manager</i>	<i>51 years of age, Filipino. She has been with PSC since 2005. She was the manager of MIS Business System of PSC before serving as Internal Audit Division Manager. She is a member of Philippine Institute of Certified Public Accountants, Institute of Internal Auditors and Association of Certified Fraud Examiners. She obtained her Bachelor's Degree in Accountancy (Cum Laude) at Polytechnic University of the Philippines.</i>

c) *Significant Employees*

Other than aforementioned Directors and Executive Officers identified in the item on Directors and Executive Officers in this Annual Report, there are no other employees of the Company who may have a significant influence in the Company's major and/or strategic planning and decision-making.

d) *Family Relationships*

Mr. Jose Victor P. Paterno, President of PSC and concurrent Chairman and President of Convenience Distribution, Inc. (CDI), a wholly owned subsidiary of PSC, is the son of PSC Chairman of the Board, Mr. Vicente T. Paterno¹.

Ms. Diana Pardo-Aguilar², director of PSC, is related to PSC Chairman, Mr. Vicente T. Paterno¹, by affinity within the 3rd degree.

Mr. Raymund Aguilar, Director of Gate Distribution Enterprises, Inc. and President of EC Payment Network Inc., a supplier of the Company, is the spouse of Ms. Diana Pardo-Aguilar²

¹Deceased-November 21, 2014 and disclosure submitted to PSE & SEC last November 21, 2014

²Resigned as of January 20, 2015 and disclosure submitted to PSE & SEC last January 20, 2015

e) *Litigation*

To the knowledge and/or information of the Company, the above-named directors of the Company, the present members of its Board of Directors and its Corporate Officers are not, presently or during the past 5 years, involved or have been involved in any material legal proceeding affecting/involving themselves or their property before any court of law or administrative body in the Philippines or elsewhere. Likewise, to the knowledge and/or information of the Company, the said persons have not been convicted by any final judgment of any offense punishable by the laws of the Republic of the Philippines or the laws of any nation/country.

f) Pending Legal Proceedings

The Company is a party to certain litigations involving minor issues, from time to time, before the Department of Trade and Industry, employees suing for illegal dismissal, back wages and damage claims, claims arising from store operations and as co-respondents with manufacturers on complaints with BFAD, actions on leases for specific performance and other civil claims. The Company also filed criminal cases against employees and other persons arising from theft, estafa and robbery; civil claims for collection of sum of money, specific performance and damages. All such cases are in the normal course of business and are not deemed or considered as material legal proceeding as stated in Part I, Paragraph (C) of "Annex C" of SEC checklist 17-A.

g) Qualification of Directors

To the knowledge and/or information of the Company, the above-named directors have all the qualifications and none of the disqualifications as provided in the Company's Manual on Corporate Governance and the revised Securities Regulation Code.

h) Certain Relationships and Related Transactions

The Company (or "PSC") executed a licensing agreement with Seven Eleven, Inc. (SEI), of Texas, USA granting the exclusive right to use the 7-Eleven System in the Philippines and the Company pays, among others, royalty fee to SEI. SEI is also a stockholder in PSC and holds 0.39% of PSC's outstanding stocks.

PSC has transactions with PhilSeven Foundation, Inc. (PFI), a foundation with common key management of the Company. PSC has a MOU with PFI whereby the latter supports the CSR program of PSC in the communities where its 7-Eleven stores are located. The MOU also provides the pledge of PSC to donate ½ of 1% of its net income before tax to support PFI's programs.

The Company has warehousing and distribution management contract with Convenience Distribution Inc. (CDI), its wholly-owned subsidiary. The Chairman of the Board and President of CDI, Mr. Jose Victor Paterno, is the son of Mr. Vicente Paterno, the Chairman of the Board of PSC.

Store Sites Holdings, Inc. is a landholding company affiliated with PSC and it leases on long term basis 7 parcels of land to PSC for its operation of 7-Eleven Stores.

The Company, from time to time, makes purchases of equipment from President Chain Store Corporation (and its subsidiaries/affiliates), which is the parent company of President Chain Store (Labuan) Holding Ltd., holding 51.56% of PSC's outstanding shares. Certain products are also purchased from Uni- President Corporation, which is the parent company of President Chain Store Corporation.

The Company have lease and/or sublease agreements with Wenphil Corporation and Progressive Development Corporation for commercial spaces in excess of the requirements of the Company for its 7-Eleven stores, and supply arrangement for certain products/services carried by the stores with Gate Distribution Enterprises Inc. (GATE) and Electronic Commerce Payments Network Inc. (ECPAY). Ms. Diana Pardo-Aguilar, director of the company, is a Director of Wenphil Corporation (owner of Wendy's Philippine franchise) and GATE, Director and CFO of ECPAY. She is also the wife of Mr. Raymund Aguilar, a Director of GATE and President of ECPAY which is the supplier of physical and electronic phone cards (e-pins) of the company and the system provider for e-pins and bills payment. Mr. Jorge L. Araneta, also a director of the Company, is the Chairman and President of Progressive Development Corporation (owner of Pizza Hut Philippine franchise).

In addition to the preceding paragraphs, the related party transactions are described in detail pursuant to the disclosure requirements prescribed by the Commission. Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions.

The following related party transactions are classified as normal in the ordinary course of business. The commercial terms covering the said transactions are done on an arms length basis and is priced in such a

manner similar to what independent parties would normally agreed with. The discussion on this item can be correlated with Note 25, Related Party Transactions, of the Notes to the 2014 Audited Consolidated Financial Statements of the Company.

Transactions with related parties consist of:

- a. PSC and CDI have transactions with PFI, a foundation with common key management of the Group, consisting of donations and noninterest-bearing advances pertaining primarily to salaries, taxes and other operating expenses initially paid by PSC for PFI. Donations payable to PFI is presented under "Others" in the "Other current liabilities" in the consolidated balance sheets (see Note 13).

Balances arising from the foregoing transactions with related parties are as follows:

Related Parties	Relationship	Nature of Transactions	Terms and Conditions	Transactions for the Year Ended December 31		Outstanding Balance as at December 31	
				2014	2013	2014	2013
Receivables							
PFI (Note 5)	Under common control	Noninterest-bearing advances	Unsecured, no impairment in 2014 and 2013. Amounts are due and demandable.	₱406,473	₱1,481,066	₱3,525,452	₱3,118,978
Other current liabilities							
PFI	Under common control	Donations	0.5% of earnings before income tax from PSC and ₱720,000 annual donation from CDI. Payable within 30 days.	₱7,203,333	₱3,387,500	₱2,894,337	₱-

- b. As at December 31, 2014 and 2013, the Group's defined benefit retirement fund has investments in shares of stock of the Parent Company with a cost of ₱122,417. The retirement benefit fund's incurred a loss arising from changes in market prices amounting to ₱54,140 in 2014 and earned a gain of ₱755,688 in 2013.

i) Election of Directors/Term of Office

The directors of the Company are elected at the Annual Stockholders' Meeting to hold office for one (1) year and until their respective successors have been elected and qualified.

j) Independent Directors

The independent directors of the Company as of December 31, 2014 are Mr. Michael B. Zalamea and Mr. Antonio Jose U. Periquet, Jr., they are not officers or substantial shareholders of Philippine Seven Corporation nor are they the directors or officers of its related companies. Their shareholdings in the Corporation are less than 2% of the Corporation's outstanding capital stock pursuant to Section 38 of the SRC. A brief description of the business experiences of Mr. Michael B. Zalamea and Mr. Antonio Jose U. Periquet, Jr. is included in Item 9 Part III of this report.

Nomination Procedure:

1. A stockholder may recommend the nomination of a director to the Nomination Committee;
2. The nominating stockholder shall submit his proposed nomination in writing to the Nomination & Governance Committee, together with the acceptance and conformity of the would-be nominee;

3. The Nomination & Governance Committee shall screen the nominations of directors prior to the stockholders' meeting and come up with the Final List of Candidates;
4. Only nominees whose names appear in the Final List of Candidates shall be eligible for election as independent director.

k) Board Committees

Audit Committee

The Audit Committee assists the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations. It also provides oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation; and perform oversight functions over the Corporation's internal and external auditors.

Audit Committee Report

Further to our compliance with applicable corporate governance laws and rules, we confirm for the year 2014 that:

The Audit Committee is composed of three (3) directors, including the Chairman who is an independent director;

The Committee had two (2) meetings during the year. The Committee in its meetings, reviewed and approved all audit and review services provided by external auditor, SGV & Co., to PSC, and the related fees for such services;

According to its charter, the primary purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibility for the financial reporting process, the system of internal control, the maintenance of an effective audit process, and monitoring of compliance with applicable legal and regulatory matters.

The Committee discussed with SGV & Co. all the items required to be discussed by the prevailing applicable Auditing Standard, including the required communications to the Audit Committee on the responsibilities under Philippine Standards in Auditing, the confirmation of independence of SGV & Co. from PSC and its subsidiaries and PSC's management as required by the applicable Independence Standards (Statement of Independence), and fraud inquiry which SGV & Co. confirmed that it is not aware of any matters that require communication;

As part of its oversight responsibilities, the Committee reviewed and discussed the audited financial statements of PSC and the consolidated audited financial statements of PSC and its subsidiaries as of and for the year ended December 31, 2014 with the PSC's management and with SGV. SGV has expressed its opinion on PSC's conformity with Philippine Financial Reporting Standards (PFRS);

Based on the foregoing but subject to the limitations of the Committee's role as encompassed in our Audit Committee Charter, the Committee recommended for approval the audited financial statements of PSC and the consolidated audited financial statements of PSC and its subsidiaries for the year ended December 31, 2014 to the Executive Committee and/or the Board of Directors. The Executive Committee, having authority to act during intervals of Board meetings, approved the same.

Compensation Committee

The Compensation Committee consists of 3 directors as voting members, one of whom is an independent director. It also has 2 non-voting members. The Committee shall establish formal and transparent procedures for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.

Nomination and Governance Committee

The Committee is composed of 3 directors as voting members, one of whom is an independent director. It shall review and evaluate the qualifications of all persons nominated to the Board that require Board approval and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors. It also oversees the development and implementation of corporate governance principles and policies as part of its governance functions.

Item 10. Executive Compensation

(a) Name/Position	(b) Year	(c) Salaries	(d) Bonus	(e) Others
Chairman and Top 4				
Vicente T. Paterno* Chairman of the Board				
<i>*Deceased as of November 21, 2014 and disclosure submitted to SEC & PSE last November 21, 2014</i>				
Jose Victor P. Paterno President & CEO				
Jose Ang, Jr. General Merchandise Division Head				
Liwayway Fernandez Operations Division Head				
Francis S. Medina Business Development Division Head				
Total	2015	8,251,648.31	8,053,385.17	N/A
	2014	7,314,726.12	7,129,630.07	
	2013	6,275,974.68	7,086,112.03	
	2012	6,621,039.08	6,379,554.44	
	2011	4,940,936.40	5,133,368.49	
All other Officers and Directors as a Group Unnamed	2015	9,167,004.18	8,299,083.43	N/A
	2014	9,036,757.80	7,544,621.30	
	2013	7,553,463.04	5,672,367.59	
	2012	7,720,485.56	7,690,127.17	
	2011	7,762,145.04	6,319,126.01	

Estimated compensation of director and executive officers for the ensuing year.

The Company has certain standard arrangements with respect to compensation and profit sharing. Per diems of ₱ 7,500.00 (as may be fixed by the Board from time to time) are given for every regular or special meeting of the Board, Executive Committee and Board Committees attended.

The company established a policy effective January 01, 2012 to provide guidelines for director's fee to be provided to Independent Directors. As a director and member of the Board, the Independent Director shall be entitled to an annual director's fee of ₱ 100,000.00. If he is a Chairman of any Board Committees, the Independent Director shall be entitled to an annual director's fee of ₱ 150,000.00, and if a member of any Board Committees, the Independent Director shall be entitled to an annual director's fee of ₱ 50,000.00. The independent director shall also be entitled to per diem of ₱ 7,500.00 for every meeting attended.

In addition to per diems, profit sharing is provided in the Code of By-laws in an amount not exceeding 15% of the net profits of the Corporation (after tax), which shall be distributed to the members of the Board of Directors and Executive Committee members and officers of the Corporation in such amounts and manner as the Board may determine. Profit share not exceeding 15% of net profits after tax of the Corporation shall be submitted to stockholders for approval. The last profit sharing in 1996 was set at 5% of net income after tax thereon. The directors and the executive officers did not receive any profit sharing in the years after 1996. In 2009, Target Incentive and Annual Performance Bonus were granted to management, the officers and support personnel based on achievement of the target rate for pre-tax income for the year as set in the Annual Plan and Budget. These are provided to regular employees and executive officers of the Corporation.

There are no existing options, warrants or stock plan arrangements and none are held by the directors, executive and corporate officers of the Corporation.

Item 11. Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners.

As of March 31, 2015 the following are the record and beneficial owners of more than 5% of registrant's voting securities:

Title of Class	Name and Address of Record/Beneficial Owner	Citizenship	Relationships of the record owner's representative with the issuer and said owner	Amount and Nature of Record/Beneficial Ownership	Percent of Outstanding Common Stock as of Mar. 31, 2014
Common	President Chain Store (Labuan) Holding, Ltd. ¹ 7(E), Main Tower, Financial Park, Labuan, Malaysia	Malaysian	Stockholder	236,376,070 (R)	51.56%
Common	Arisaig Asia Consumer Fund Limited ⁴ Craigmuir Chambers, P.O. Box 71 Road Town, Tortola British Virgin Islands	BVI	Stockholder	48,020,358	10.47%
Common	Jose Victor P. Paterno ³ and siblings 7 th Floor, The Columbia Tower, Ortigas Avenue, Mandaluyong City	Filipino	President/CEO/Director /Stockholder	11,983,375 (R) <u>25,636,860 (B)</u> 37,620,235	2.61% <u>5.59%</u> 8.21%
Common	Asian Holdings Corporation ² 4 th Floor, Uni-Oil Bldg., Commerce Ave. cor. Acacia St., Madrigal Business Park, Ayala Alabang, Muntinlupa City	Filipino	Stockholder	30,671,003 (R)	6.69%

Footnotes:

¹ Mr. Jui-Tang Chen of President Chain Store (Labuan) Holding, Ltd. has the voting power in behalf of the Corporation

² Ms. Elizabeth Orbeta or Ms. Diana Pardo-Aguilar has the voting power in behalf of Asian Holdings Corporation

³ Mr. Jose Victor P. Paterno has the power of attorney to vote the 25,636,860-shares of his siblings: Ma. Cristina Paterno-8,000,045; Paz Pilar P. Benares -5,665,971; Ma. Elena P. Locsin-6,962,534; Ma. Theresa P. Dickinson-5,008,310

⁴ Ms. Rebecca Lewis of Arisaig Asia Consumer Fund Limited has the voting power in behalf of the Corporation

2. Security Ownership of Management as of March 31, 2015

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Jose T. Pardo	1 ¹	Filipino	0.00%
Common	Jose Victor P. Paterno	11,983,375 (R) <u>25,636,860 (B)</u> 37,620,235	Filipino	2.61% <u>5.59%</u> 8.21%
Common	Jorge L. Araneta	1 ³	Filipino	0.00%
Common	Antonio Jose U. Periquet, Jr.	1 ³ <u>927,006</u> ² 927,007	Filipino	0.20%
Common	Michael B. Zalamea	1 ³	Filipino	0.00%
Common	Jui-Tang Chen	1 ³	R.O.C.	0.00%
Common	Mao-Chia Chung	1 ³	R.O.C.	0.00%
Common	Nan-Bey Lai	1 ³	R.O.C.	0.00%
Common	Wen-Chi Wu	1 ³	R.O.C.	0.00%
Common	Lien-Tang Hsieh	1 ³	R.O.C.	0.00%
Common	Evelyn G. Sadsad-Enriquez	3,573 ²	Filipino	0.0008%
Common	Lwayway T. Fernandez	5,104 ²	Filipino	0.0011%
Common	Violeta B. Apolinario	2551 ²	Filipino	0.0006%
Common	Eduardo P. Bataclan	121 ²	Filipino	0.0000%

¹ Shares directly owned Jose Victor Paterno is 11,983,375 which is 2.61%, and he has power of attorney for 25,636,860 shares or 5.59% held by his 4 siblings.

² Directly owned shares

³ Qualifying shares

3. Power of Attorney to vote shares of 5% or more

Mr. Jose Victor P. Paterno, Director and President/CEO, has the power of attorney for 25,636,860 shares or 5.59% owned/registered in the name of his siblings: Ma. Cristina Paterno – 8,000,045 shares, Paz Pilar P. Benares - 5,665,971 shares, Ma. Elena P. Locsin - 6,962,534 shares, and Ma. Theresa P. Dickinson – 5,008,310 shares.

Item 12. Certain Relationships and Related Transactions

The Company (or “PSC”) executed a licensing agreement with Seven Eleven, Inc. (SEI), of Texas, USA granting the exclusive right to use the 7-Eleven System in the Philippines and the Company pays, among others, royalty fee to SEI. SEI is also a stockholder in PSC and holds 0.39% of PSC’s outstanding stocks.

PSC has transactions with PhilSeven Foundation, Inc. (PFI), a foundation with common key management of the Company. PSC has a MOU with PFI whereby the latter supports the CSR program of PSC in the communities where its 7-Eleven stores are located. The MOU also provides the pledge of PSC to donate ½ of 1% of its net income before tax to support PFI’s programs.

The Company has warehousing and distribution management contract with Convenience Distribution Inc. (CDI), its wholly-owned subsidiary. The Chairman of the Board and President of CDI, Mr. Jose Victor Paterno, is the son of Mr. Vicente Paterno, the Chairman of the Board of PSC.

Store Sites Holdings, Inc. is a landholding company affiliated with PSC and it leases on long term basis 7 parcels of land to PSC for its operation of 7-Eleven Stores.

The Company, from time to time, makes purchases of equipment from President Chain Store Corporation (and its subsidiaries/affiliates), which is the parent company of President Chain Store (Labuan) Holding Ltd., holding 51.56% of PSC’s outstanding shares. Certain products are also purchased from Uni- President Corporation, which is the parent company of President Chain Store Corporation.

The Company have lease and/or sublease agreements with Wenphil Corporation and Progressive Development Corporation for commercial spaces in excess of the requirements of the Company for its 7-Eleven stores, and supply arrangement for certain products/services carried by the stores with Gate Distribution Enterprises Inc. (GATE) and Electronic Commerce Payments Network Inc. (ECPAY). Ms. Diana Pardo-Aguilar, director of the company, is a Director of Wenphil Corporation (owner of Wendy’s Philippine franchise) and GATE, Director and CFO of ECPAY. She is also the wife of Mr. Raymund Aguilar, a Director of GATE and President of ECPAY which is the supplier of physical and electronic phone cards (e-pins) of the company and the system provider for e-pins and bills payment. Mr. Jorge L. Araneta, also a director of the Company, is the Chairman and President of Progressive Development Corporation (owner of Pizza Hut Philippine franchise).

In addition to the preceding paragraphs, the related party transactions are described in detail pursuant to the disclosure requirements prescribed by the Commission. Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions.

The following related party transactions are classified as normal in the ordinary course of business. The commercial terms covering the said transactions are done on an arms length basis and is priced in such a manner similar to what independent parties would normally agreed with. The discussion on this item can be correlated with Note 25, Related Party Transactions, of the Notes to the 2014 Audited Consolidated Financial Statements of the Company.

Transactions with related parties consist of:

- a. PSC and CDI have transactions with PFI, a foundation with common key management of the Group, consisting of donations and noninterest-bearing advances pertaining primarily to salaries, taxes and other operating expenses initially paid by PSC for PFI. Donations payable to PFI is presented under “Others” in the “Other current liabilities” in the consolidated balance sheets (see Note 13).

Balances arising from the foregoing transactions with related parties are as follows:

Related Parties	Relationship	Nature of Transactions	Terms and Conditions	Transactions for the Year Ended December 31		Outstanding Balance as at December 31	
				2014	2013	2014	2013
Receivables							
PFI (Note 5)	Under common control	Noninterest-bearing advances	Unsecured, no impairment in 2014 and 2013. Amounts are due and demandable.	₱406,473	₱1,481,066	₱3,525,452	₱3,118,978
Other current liabilities							
PFI	Under common control	Donations	0.5% of earnings before income tax from PSC and ₱720,000 annual donation from CDI. Payable within 30 days.	₱7,203,333	₱3,387,500	₱2,894,337	₱-

- b. As at December 31, 2014 and 2013, the Group's defined benefit retirement fund has investments in shares of stock of the Parent Company with a cost of ₱122,417. The retirement benefit fund's incurred a loss arising from changes in market prices amounting to ₱54,140 in 2014 and earned a gain of ₱755,688 in 2013.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

Please see attached 2014 Consolidated Changes to Annual Corporate Governance Report (ACGR) (Appendix D). The ACGR is also posted on the Corporate Governance section of PSC's website in the link below.

<http://www.7-eleven.com.ph/files/2014%20ACGR%20Consolidated%20Changes%201-8-15%20formatted.pdf>.

Risk Management

PSC recognizes that risk management is an integral part of sound management practice and good corporate governance as it improves decision-making and enhances outcomes and accountability. PSC acknowledges its responsibility to manage risks and supports a structured, systematic and focused approach to managing them by approval of the risk management strategy.

The top risks in retail industry to which PSC belongs include economic slowdown, increase in completion and brand reputation. Meanwhile, the main risks arising from the Company's financial instruments are credit risk, liquidity risk, and interest rate risk. The Audit Committee ensures the integrity of internal control activities, develops, oversees, checks and preapproves financial management functions and systems in the areas of credit, market, liquidity, operational, legal and other risks and crisis management. The Internal Audit Division and the External Auditor directly report to the Audit Committee regarding the direction, scope and coordination of audit and any related activities.

The PSC Board of Directors or Executive Committee, via the Audit Committee, oversees the establishment and implementation of the risk management system and annually reviews the effectiveness of the system. In particular the Audit Committee considers on a regular basis whether:

- PSC's ongoing risk management program identifies all material and critical areas of risk;

- Adequate risk mitigation strategies have been designed and implemented by PSC to manage all material and critical identified risks;
- PSC undertakes a regular program of audits (Internal Audit, Compliance Audit and External Audit) to test the effectiveness of internal controls and compliance with PSC's prescribed policies; and
- Timely remedial action is undertaken to redress areas of weakness.

The Audit Committee also reviews and approves PSC's risk management policy.

Board Committee Composition:

AUDIT COMMITTEE

<u>Name</u>		<u>Position</u>
1. Antonio Jose U. Periquet, Jr.	-	Chairman and Independent Director
2. Jose Victor P. Paterno	-	Member and President
3. Diana Pardo-Aguilar	-	Member and Director

COMPENSATION COMMITTEE

<u>Name</u>		<u>Position</u>
1. Nan-Bey Lai	-	Chairman and Vice-Chairman of the Board
2. Jose Victor P. Paterno	-	Member and President
3. Michael B. Zalamea	-	Member and Independent Director
4. Ping-Hung Chen	-	Non-voting member/Treasurer & CFO
5. Ying-Jung Lee	-	Non-voting member/ Operations Director & Concurrent Marketing Director

NOMINATION & GOVERNANCE COMMITTEE

<u>Name</u>		<u>Position</u>
1. Vicente T. Paterno*	-	Chairman of the Board and the Committee
2. Michael B. Zalamea	-	Member and Independent Director
3. Diana Pardo-Aguilar	-	Member and Director
4. Evelyn S. Enriquez	-	Non-voting member and Corporate Secretary

**Deceased as of November 21, 2014 and disclosure submitted to PSE/SEC on November 21, 2014.*

PART V – EXHIBITS AND SCHEDULES

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

Copies of the reports listed below were submitted to SEC:

<u>Date</u>	<u>Items Reported</u>
March 19, 2014	Item 9: Results for the year ended December 31, 2013
April 25, 2014	Item 9: Cash Dividend Declaration, Board Approval of Amendment to the Third Article of Amended Articles of Incorporation, Annual Meeting Date and Record Date
July 18, 2014	Item 9: Results for the second quarter and first half ended June 30, 2014
July 23, 2014	Item 4: Election of Board of the Directors Item 9: Stockholders Approval of Amendment to the Third Article of the Amended Articles of Incorporation
August 11, 2014	Item 4: Appointment of New Vice Presidents
October 02, 2014	Item 9: SEC Approval of Amendment to the Third Article of Amended Articles of Incorporation
November 10, 2014	Item 9: Results for the third quarter and nine months ended September 30, 2014
November 21, 2014	Item 4: Demise of Director
January 20, 2015	Item 4: Resignation and Election of Directors or Officers
January 26, 2015	Item 9: Total Number of New Stores and 2015 Capital Expenditures
March 12, 2015	Item 9: Results for the Fourth Quarter and 12 months ended December 31, 2014

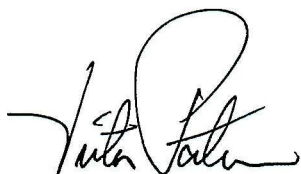
SIGNATURES

Pursuant to the requirements of Section 17 of the SRC and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Mandaluyong on _____, 2015.

PHILIPPINE SEVEN CORPORATION
Issuer

Pursuant to the requirements of the Securities Regulation Code, this annual report has been signed by the following persons in the capabilities and on the dates indicated.

By:



JOSE VICTOR P. PATERNO
President and Chief Executive Officer



PING-HUNG CHEN
Treasurer/Chief Financial Officer and
Vice-President for Finance & Administration



EVELYN S. ENRIQUEZ
Corporate Secretary




LAWRENCE M. DE LEON
Head
Finance & Accounting Services Division

SUBSCRIBED AND SWORN to before me this APR 13 2015 day of _____ 2015 affiants exhibiting to me their T.I.N as follows:

NAME	T.I.N.
Jose Victor P. Paterno	132-688-472
Ping-Hung Chen	418-547-911
Evelyn S. Enriquez	103-122-973
Lawrence M. De Leon	198-167-019

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Book No. 18A
Series of 2015.


ATTY. BENJAMIN E. ALFONSO
NOTARY PUBLIC
UNTIL December 31, 2016
PTR NO. 0682687-C-1-2015 - QUEZON CITY
IBP NO. 975 **NOTARY PUBLIC** QUEZON CITY
ROLL NO. 13356
ADM. MATTER NO. NP-144 (2015 - 2016)
TIN NO. 177967619
MCLE EXEMPTED

List of Leased Properties for the 7-Eleven Stores operational as Corporate and under a Franchise Agreement

1	002 BF Homes^^	Pres. Ave., BF Homes Parañaque
2	003 Libertad^^	Libertad cor., F.B. Harrison, Pasay
3	004 Nagtahan^^	Philamlife Bldg. United Nations Avenue, Ermita, Manila
4	005 U.N. Ave^^	900 U.N. Ave., Ermita, Manila
5	007 Quiapo^^	465 Quezon Blvd., Quiapo, Manila
6	008 Adriatico^^	Adriatico cor., P. Faura, Manila
7	010 Muñoz	Roosevelt Ave, nr. Cor. EDSA-Muñoz, Q.C.
8	011 Airport^^	Quirino Ave., cor. Airport Road Parañaque
9	012 Roces^^	A. Roces St. cor. Quezon Ave., Q.C.
10	017 Buendia**	Sen. Gil Puyat Ave. cor. Taft Ave., Manila
11	020 Boni-EDSA	Boni Avenue cor., EDSA Mandaluyong City
12	022 Retiro	Retiro cor. Dimasalang, Manila
13	024 Paco1 ^^	Pedro Gil St., Paco, Manila
14	030 Burgos^^	Libertad St., cor. Burgos St., Pasay City
15	031 Barangka	Boni Ave., Barangka Drive, Mandaluyong
16	032 Maypajo^^	J.P. Rizal St., cor. Ambini St., Maypajo, Caloocan City
17	033 Dapitan^^	Maceda cor. Dapitan St., Sampaloc, Manila
18	035 Pasig Church**	Caruncho Ave., cor. Sixto Ave., Pasig
19	036 JRC^^	Shaw Blvd. cor. Kalentong St., Mandaluyong City
20	037 Nova1^^	Gen. Luis St, cor. Austria St., Novaliches, Q.C.
21	038 Pilar ^^	Alabang Zapote Rd., Pilar Rd., Alamansa
22	039 MCU**	Edsa cor. Asuncion St., Monumento, Caloocan City
23	040 Almeda^^	Concepcion cor. Almeda, San Joaquin, Pasig City
24	041 Marulas^^	Mc Arthur Hi-way cor. Pio del Pilar, Valenzuela, Manila
25	043 Malibay^^	EDSA cor. C. Jose St., Malibay, Pasay City
26	044 Bacoor^^	G.E. Aguinaldo Hi-way cor. Talaba, Bacoor
27	045 Gagalangin^^	Juan Luna cor., Pampanga St., Gagalangin Tondo, Manila
28	046 Pandacan	Jesus cor., Labores St., Pandacan, Manila
29	047 Singalong^^	Singalong St., cor., san Andres, Malate Manila
30	054 Munti1	Rizal St. cor. National Road, Poblacion, Muntinlupa
31	056 Evangelista^^	Pio del Pilar cor. Evangelista, Makati
32	057 Commonwealth	Tandang Sora Ave., cor. Commonwealth Ave., Q.C.
33	059 Revilla	EDSA cor. C. Revilla St., Pasay City
34	060 Cainta Junction^^	A. Bonifacio St., cor. Ortigas Ave., Ext., Cainta, Rizal
35	063 Guadalupe 1^^	EDSA nr. cor. R. Magsaysay, Guadalupe, Makati
36	064 Masinag^^	Marcos Highway cor. Sumulong Highway, Antipolo, Rizal
37	065 Road 8^^	Road 8 cor. Visayas Ave., Proj. 6, Q.C.

38	066 MH del Pilar	A. Flores St., M.H. del Pilar, Ermita, Manila
39	067 StJames	Tandang Sora Ave., cor. Mindanao Avenue, Q.C.
40	068 Murphy	15th Ave. cor. Liberty Ave., Murphy, Cubao, Q.C.
41	069 PCU^^	Pedro Gil St. cor. L. Guinto St., Malate, Manila
42	071 A. Bonifacio^^	A. Bonifacio St., cor. Shaw Blvd., Mandaluyong City
43	072 Calamba 1^^	National Highway cor. J.P. Rizal
44	074 Canaynay	Dr. A. Santos Ave., cor. Canaynay Ave., Parañaque
45	075 Antipolo Church**	P. Oliveros St. cor Masangkay Rd., Antipolo, Rizal
46	076 Pasig Rotonda**	Pasig Blvd. cor. Sixto Antonio, Pasig City
47	078 Bruger^^	National Rd., Bruger St., Bruger Subd., Muntinlupa City
48	080 Marcelo^^	West Service Road cor. Marcelo Ave., Parañaque
49	082 San Antonio^^	Sucat Rd. cor San Antonio Ave., Parañaque
50	085 Harrison^^	F.B. Harisson St. cor. Vito Cruz, Manila
51	086 Tayuman^^	Tayuman St. cor. Rizal Ave., Manila
52	087 Imus**	Aguinaldo Highway cor. Tanzang Luma, Imus Cavite
53	088 Antip1Cir**	Circumferential Rd. cor. M.L. Quezon St., Antipolo, Rizal
54	090 Bangkal	Evangelista Cor. Alejandro St., Bangkal Mkt.
55	091 San Pedro1^^	Maharlika St. cor. National Highway, San Pedro, Laguna
56	093 Meycauayan2^^	Mc Arthur Hi-way cor. Malhakan Rd., Meycauayan, Bulacan
57	096 San Pedro2^^	A. Mabini St. cor. Garcia St. San Pedro, Laguna
58	097 Cavite City^^	Cajigas St. cor. Burgos St., Cavite City
59	098 Ylaya	Ylaya St. cor. Lakandula St., Binondo, Manila
60	099 Dasma1	P. Campos cor. Cantimbuhan St., Dasmariñas, Cavite
61	100 Balibago**	National Highway cor. R. Lasaga St., Balibago
62	101 Blumentritt2^^	Blumentritt St. cor. Isagani St. Sampaloc, Manila
63	102 Hermosa^^	J. Abad Santos Ave., cor. Hermosa St., Tondo, Manila
64	103 Kabihasan^^	Kabihasan St. cor. San Dionisio Parañaque
65	104 Galas^^	Unang Hakbang St., cor. Luzon Ave., Galas, Q.C.
66	105 Lower Bicutan	Gen. Santos Avenue cor. M.L. Quezon St., Lower Bicutan
67	106 Tamaraw Hills	Mc Arthur Hi-way cor. Tamaraw Hills, Marulas, Valenzuela
68	107 Cabuyao^^	J.P. Rizal cor. Circumferencial Ave., Cabuyao, Laguna
69	108 Chico^^	Chico St. cor. Anonas St., Proj. 2, Q.C.
70	111 Molino1^^	Molino Rd., cor. Bahayang Pag-asa, Bacoor, Cavite
71	112 San Pablo1^^	Rizal Ave., cor. A. Flores St., San Pablo City
72	113 Tanay	Plaza Rizal cor. P. Burgos, Tanay, Rizal
73	114 Dasma2	Mangubat St., cor. Aguinaldo Highway, Dasmariñas, Cavite
74	115 Molino2	Molino Rd., San Nicolas, Mambog, Bacoor, Cavite
75	116 Salinas^^	193 Gen. Trias Drive, Rosario, Cavite

76	118 GMA**	Gov. Drive nr. cor. GMA Drive, Dasmariñas, Cavite
77	119 Biñan2^^	National Highway cor. Malvar St., Biñan, Laguna
78	120 Balagtas	Mc Arthur Hi-way, Wawa, Balagtas, Bulacan
79	121 Pulang Lupa	Quirino Ave., cor. Naga Rd., Pulang Lupa, Las Piñas
80	122 BF Resort^^	Alabang Zapote rd. cor. BF Resort Drive, Pamplona
81	123 Parang**	G. del Pilar cor., M.L. Quezon, Parang, Marikina
82	125 JP Ramoy	Quirino Highway cor. J.P. Ramoy, Barrio Talipapa, Novaliches, Q.C.
83	126 Cainta Church^^	A. Bonifacio Avenue, San Andres, Cainta, Rizal
84	127 Tatlong Hari^^	Rizal Blvd. nr. cor. Tatlong Hari St., Sta. Rosa, Laguna
85	138 Lipa Proper^^	C.M. Recto Ave., Lipa, Batangas
86	128 Los Baños^^	Batang Malaki National Highway, Los Baños, Laguna
87	130 Binakayan^^	Gen. Tirona Highway cor. Bisita St., Binakayan, Kawit, Cavite
88	131 Lipa Highway^^	G/F Big Ben Complex, Pres. Laurel Hi-way, Lipa, Batangas
89	132 Trece ^^	Gov. Drive cor. Indang, Tanza Rd., Trece Martirez, Cavite
90	133 Tagaytay**	Silang-Tagaytay Rd., Rotonda, Tagaytay, Cavite
91	134 Molave Marikina^^	Bayan bayan Ave. cor. Molave St., Concepcion, Marikina
92	135 Panapaan^^	Tirona Hi-way cor. Aguinaldo Hi-way, Panapaan, Cavite
93	136 Apalit^^	San Vicente cor. David St., Mc Arthur Hi-way, Apalit, Pampanga
94	137 San Pedro 3	Pacita cor. Macaria Ave., San Pedro, Laguna
95	141 Camarin^^	Blk 1 Lot 18 & 20 Camarin cor. Susano Rd., Caloocan City
96	142 Tanza	Sta. Cruz cor. San Agustine Poblacion , Tanza, Cavite
97	144 Rev. Aglipay**	Boni Ave., cor. A.T. Reyes Aglipay, Mandaluyong City
98	145 Naic^^	Poblete St., cor. Nazareno St., Poblacion, Naic, Cavite
99	147 Shorthorn^^	Shorthorn cor. Road 20, Project 8, Q.C.
100	148 JP Rizal^^	J.P. Rizal cor. Constancia St., Makati City
101	150 Zabarte^^	Quirino Hiway cor. Zabarte Ave., Novaliches
102	152 Dasma3^^	Congressional Ave., cor. DBB, Dasmariñas, Cavite
103	153 Paco 2	Pedro Gil St. cor. Main St., Paco, Manila
104	154 Insular**	P. Burgos St. cor. Gen. Luna St., Makati
105	155 Onyx**	A. Francisco cor. Onyx and Concha Sts., Sta. Ana, Manila
106	156 Guadalupe 2^^	Sgt. Yabut nr. cor. Anastasio St., Guadalupe, Makati
107	158 N. Domingo	N. Domingo cor. F. Blumentritt St., San Juan
108	160 San Bartolome^^	M. Dela Cruz cor. Quirino Highway, Novaliches, Q.C.
109	162 San Fernando1	B. Mendoza cor. Tiomico St., San Fernando, Pampanga
110	165 Superlines**	EDSA nr. cor. New York St., Cubao, Q.C.
111	166 Columbia	Columbia Tower, Ortigas Ave., Mandaluyong City
112	167 Jupiter^^	Makati Ave., cor. Gil Puyat Ave., Makati
113	168 TM Kalaw	Kalaw cor. A. Mabini St., Ermita, Manila

114	172 West ^^	West Ave., cor. Zamboanga St., Q.C.
115	175 Benin^^	EDSA cor. Benin St., Caloocan City
116	176 Farmers	Space 1&2, 2nd Level New Farmers Plaza, Cubao, Q.C.
117	180 Batangas City^^	P. Burgos Ave. cor. P. Panganiban St., Batangas
118	184 D.Jose^^	Rizal Ave. cor. D. Jose, Sta. Cruz, Manila
119	185 Global^^	Doña Soledad Ave., Better Living, Parañaque
120	187 Virra**	P. Burgos Ave. cor. Dapo St., Makati City
121	188 Panay**	Quezon Avenue cor. EDSA, Q.C.
122	196 Urdaneta^^	Brgy. Poblacion, Urdaneta, Pangasinan
123	198 Matalino	Matalino St. cor. Malakas St., Diliman, Q.C.
124	194 Angono^^	M.L. Quezon Ave., Angono, Rizal
125	195 RFM	RFM Corporate Center, Mandaluyong City
126	192 Turbina	National Highway Brgy., Turbina, Calamba, Laguna
127	200 Carmen^^	Mc Arthur Highway, Carmen, Rosales, Pangasinan
128	199 Rizal Med^^	Pasig Blvd. cor. Banaag, Pineda, Pasig City
129	193 Bauan^^	National Rd., Bauan, Batangas
130	204 Priscilla^^	Pasong Tamo Ext.Kayamanan - C, Makati City
131	205 U.E. Recto	UE, Claro M. Recto Ave., Manila
132	209 Dagupn1^^	Arellano St., Dagupan City
133	206 Zapote Junction	Alabang Zapote Road cor. F. Santos, Las Piñas
134	212 Lemery^^	Ilustre Ave., nr. cor., P. Burgos St., Lemery, Batangas
135	210 Session2^^	G/F B - 105 Lpez Bldg., Session Rd., Baguio City
136	211 Orosa	MY Orosa nr. cor. TM. Kalaw, Ermita, Manila
137	208 Angeles1^^	Sto. Rosario cor. Sukdulan St., Angeles City
138	215 Crame	Boni Serrano cor. 2nd St., Camp Crame, Q.C.
139	213 Parkview**	Valero St. cor. Salcedo Village, Makati City
140	217 Nova 3	Quirino Hi-way cor. Sarmiento St., Novaliches City, Q.C.
141	219 P. Campa^^	España cor. P. Campa Sampaloc St., Manila
142	216 Baclaran2^^	Quirino Ave., cor. Dimasalang St., Baclaran, Parañaque City
143	218 Taytay2^^	Manila-East Road, Taytay, Rizal
144	228 Bocaue^^	Mc Arthur Highway cor. Gov. F. Halili Ave., Binang 2nd, Bocaue, Bulacan
145	221 Baclaran 3**	Roxas Blvd., Baclaran, Parañaque
146	222 Calamba 2^^	National Hi-way nr. cor. Halang St., Calamba, Laguna
147	224 Luisita^^	Mc Arthur Hi-way, San Miguel, Tarlac City
148	227 EPZA^^	Gen. Trias Drive, Brgy. Tejero, Rosario, Cavite
149	229 Cityland^^	LG07 Cityland 10 Tower, Valero cor. Dela Costa St., Salcedo Village, Makati City
150	232 CBC^^	115 G/F Corporate Business Center, Paseo de Roxas cor. Pasay Road, Makati City
151	257 Shoe Ave^^	Shoe Avenue cor. Capt. Venciong, Sta. Elena

152	255 Pateros^^	Herrera St. cor. Morcilla, Pateros
153	240 Salcedo^^	Antel 2000 Bldg., Valero cor. Herrera, Salcedo Village, Makati
154	241 St. Lukes^^	E. Rodriguez cor. Victoria St., New Manila, Q.C.
155	242 Mabini^^	Mabini cor. 10th Avenue, Caloocan City
156	245 QA Araneta	Quezon Avenue cor. Araneta Ave., Q.C.
157	258 Herrera^^	Y-L Bldg., Herrera St. cor. Salcedo St., Legaspi Village, Makati City
158	244 Guadalupe 3**	F. Yabut St., nr. cor. EDSA, Guadalupe Nuevo, Makati City
159	271 Starmall^^	Shaw Blvd. cor. EDSA Mandaluyong
160	243 Merville^^	Moreland Bldg., Merville Access Rd. cor. West Service Rd.
161	249 Binangonan	Quezon St., Libis, Binangonan, Rizal
162	251 Nobel	G/F, 110 Nobel Plaza, Valero St., Makati City
163	254 Salauag	Molino-Paliparan Road, Salawag, Dasmariñas, Cavite
164	264 Trece2	Gov. Drive cor. Indang, Tanza Road
165	272 BetterLiving 2	Doña Soledad Avenue cor. Peru, Better Living, Parañaque City
166	261 Calamba3^^	Along Provincial Road, Calamba-Crossing, Laguna
167	268 Arayat2^^	Arayat cor. Pinatubo St. nr. cor. Edsa, Cubao Q.C.
168	274 Fields**	G/F HHH Commercial Bldg., 932 Fields Ave., Balibago, Angeles City
169	252 Talon	J. Aguilar Ave. cor. Alabang-Zapote Road, Talon, Las Piñas City
170	259 Del Monte^^	Del Monte Avenue cor. Tolentino St. (near Roosevelt), Q.C.
171	262 PCU 2^^	Taft Avenue cor. Pedro Gil, Manila
172	270 Biñan3	A. Bonifacio cor. Gonzales St., Poblacion, Biñan, Laguna
173	256 Marikina Bridge^^	E. Rodriguez cor. J.P. Rizal St., Marikina
174	234 LaHuerta	Quirino Avenue cor. Dandan St., La Huerta, Parañaque
175	276 Hansel	Aurora Blvd. cor. Imperial, Cubao, Q.C.
176	250 Aurora^^	Aurora Blvd. cor. St. Mary, Cubao, Q.C.
177	220 Laguna BelAir**	Sta. Rosa - Tagaytay Rd., Sta. Rosa, Laguna
178	248 Pasig Mega^^	Mega Parking, Caruncho cor. Market Avenue
179	275 FEU	913-919 Nicanor Reyes cor. Estiro de Alix, Sampaloc, Manila
180	231 Makati CityHall^^	9033 Hormiga St., Brgy. Poblacion, Makati City
181	277 Session3^^	Upper Session Rd., Baguio City
182	282 Gatchalian^^	Dr. A. Santos Ave. cor. Palanyag St., Parañaque City
183	278 Sagittarius**	G/F Sagittarius Bldg., H.V. Dela Costa St., Salcedo Village, Makati
184	237 Orient	Ruby Road, Ortigas Ctr., Pasig City
185	236 UP Manila	Pedro Gil St. nr. cor. Taft Avenue, Malate, Manila
186	214 San Pablo2**	Leonor St. cor. Maharlika Hi-way, San Pablo, Laguna
187	279 Marina**	A. Mabini St., Malate, Manila
188	284 Burgundy	G/F One Burgundy Plaza, Katipunan Ave., Q.C.
189	281 T. Morato	Scout Castor cor. T. Morato

190	288 San Fernando2**	Lam Bldg., San Fernando Crossing, San Fernando, Pampanga
191	289 Karuhatan	Gen. T. de Leon cor. Mc Arthur Hi-way, Kahuratan, Valenzuela
192	283 RCBC**	RCBC Bldg. 3rd Flr. RCBC Poduim, Ayala Avenue cor. Buendia, Makati City
193	292 U Batangas	Hilltop, Brgy. Kumintang Ibaba, City of Batangas
194	239 Park N Ride^^	P. Burgos cor. Dr. Basa St., Ermita, Manila
195	293 Plaridel^^	Cagayan Valley Road, Banga 1st, Plaridel, Bulacan
196	285 Emerald**	Emerald Ave., Ortigas Ctr., Pasig City
197	294 Biñan 4**	In front of Perpetual Help Hospital & College, Biñan, Laguna
198	295 King's Plaza	King's Plaza, Juan Luna cor. Padre Rada St., Tondo, Manila
199	297 DFA	G/F AIMS Bldg., Roxas Blvd. Service Rd. cor. Arnaiz St., Pasay City
200	299 Indang^^	San Gregorio nr. cor. Mabini St., Indang, Cavite
201	301 Annapolis^^	G/F Continental Plaza, #45 Annapolis, Greenhills, San Juan, MM
202	296 Manansala	Manansala Bldg., Estrella St., Rockwell Center, Makati City
203	300 Convergys	G/F Convergys, One Ayala Ave., cor. Salcedo St., Makati City
204	304 Starwood	Kisad Road nr. cor. Marcos Hi-way, Baguio City
205	311 PDCP^^	G/F PDCP Bank Center, VA Rufino cor. San Agustin, Salcedo Vill., Makati
206	310 Malayan**	Unit G-1, Malayan Plaza, ADB Avenue, Ortigas Center, Pasig City
207	317 Tanauan^^	JP Laurel Highway cor. Mabini St., Tanauan City, Batangas
208	312 US Embassy**	Roxas Blvd. cor. U.N. Avenue, Ermita, Manila
209	303 Asian Mansion**	G/F Asian Mansion 2 Dela Rosa St., Legaspi Village, Makati City
210	307 Madrigal**	G/F Madrigal Building Ayala Avenue, Makati City
211	318 Pearl Drive^^	Pearl Drive corner Lourdes St., Pasig City
212	309 AIC Galleria	G/F AIC-Burgundy Empire Tower, ADB Ave., cor. Garnet Rd., Ortigas
213	308 LP Cityhall	Alabang-Zapote Rd., F. Ocampo Ave., Pamplona 3, Las Piñas City
214	316 Xavier Hills	Xavier Hills Condo. Tower 1, Granada St. cor. N. Domingo, QC
215	321 Buendia 2**	Gil Puyat Ave. cor. FB Harrison St., Pasay City
216	302 Ayala FGU^^	Ayala Ave., Salcedo Village, Makati City
217	324 Lucena**	Gomez St. cor Quezon Ave. Lucena City
218	325 Sta.Cruz**	P. Guevarra Ave. Brgy 3 Poblacion Sta. Cruz Laguna
219	323 Channel 7**	131 Timog Ave. cor. Samar St., Diliman, QC
220	322 St. Scholastica	896 Vito Cruz cor. Dominga St., Malate, Manila
221	329 Dangwa	1300 Laonlaan St. cor. Don Quijote St. Sampaloc Manila
222	313 Northgate**	F@st bytes @North Gate cyberzone Alabang Muntinlupa
223	326 Gapan^^	GM Bakery Bldg Bucana Gapan Crossing Gapan City
224	330 Imperial^^	Tomas Morato Ave. cor Timog Ave Diliman QC
225	328 Cabanatuan 2^^	199 Gen. Tinio cor. Mabini St., Quezon District, Cabanatuan, Nueva Ecija
226	333 Balibago Complex**	Balibago Complex Balibago Sta. Rosa Laguna
227	332 Legarda2^^	Legarda cor. Jhocson St. Sampaloc Manila

228	340 Manuela	#02-Alabang-Zapote Rd. cor. Real St. Las Piñas City
229	336 Padre Faura^^	P. Faura cor MH del Pilar
230	315 Banaue^^	426 Banaue Ave. cor Tirad Pass St. SMH QC
231	331 Letran	Muralla St. cor. Anda St. Intramuros Manila
232	345 Baliwag2**	Poblacion Plaza Naning Baliuag Bulacan
233	334 OWWA2^^	749 Victoria St. cor. Solana St. Intramuros Manila
234	342 R. Magsaysay	173 Edsa Cor. Ermin Garcia St., Cubao, Quezon City
235	346 Pedro Gil	1578 A. MABINI CORNER PEDRO GIL ST. ERMITA MANILA
236	338 Pagsanjan^^	Calle Rizal Pob. Pagsanjan Laguna
237	341 Olivarez^^	8156 Dr. A. Santos Ave., Brgy. San Dionisio, Sucat, Parañaque City
238	339 Nasugbu**	JP Laurel St cor G. Alvarez St. Nasugbu Batangas
239	335 Mamatid**	Banlic, Cabuyao Laguna
240	343 Fields 2	Mc Arthur Highway, Balibago, Angeles City, Pampanga
241	350 Pacific Center**	San Miguel Ave., Ortigas Center, Pasig
242	344 Molino 3^^	Zapote- Molino Rd. Brgy. Molino3 Bacoor Cavite
243	349 Teachers Bliss^^	#1 Teachers Bliss, Balong bato Balintawak QC
244	347 Bulihan^^	B 275 L13 AFP Housing, Old Bulihan Rd., Bulihan, Silang Cavite
245	352 Baclaran 4	Roxas Blvd. cor. Rivera St., Baclaran, Parañaque
246	355 Vito Cruz^^	Unit 102&103 Cityland Tower One, Vito Cruz, Manila
247	354 Gordon Ave.**	Gordon Ave. cor. 6th St. Asinan, Olongapo City
248	356 Gualberto**	Zunio St. Gualberto Ave., Rosario, Batangas
249	366 SM Clark**	Bayanihan Park, SM Clark, Balibago, Angeles City, Pampanga
250	353 Guagua^^	One Crown Property & Development, Plaza Burgos, Guagua, Pampanga
251	359 Olongapo Rotonda**	1739 Rizal Ave. West Bajac Bajac, olongapo City
252	357 Tanza 2^^	Tanza Crossing, Daang Amaya, Tanza, Cavite
253	364 Alimall	Ali Mall Gen. Romulo Ave., Araneta Center, Q.C.
254	362 T. Mapua^^	1512 C.M. Recto Cor. F. Torres & T. Mapua Sta. Cruz Manila
255	369 Balayan^^	112 Plaza Mabini St. Balayan, Batangas
256	370 Urdaneta 2^^	Alexander St. Urdaneta City, Pangasinan
257	358 Dau^^	#157 McArthur Hi-way, Dau, Mabalacat, Pampanga
258	360 Cabanatuan 3^^	Manson Bldg. Burgos Ave., Cabanatuan City
259	367 Riverbanks	G/F ICT Bldg. 2, Riverbanks Center, Riverbank Ave., Barangka Marikina City
260	363 Lopez Drive^^	RIDC Bldg. Lopez Ave. Cor. Dr. A. Santos Ave., Paranaque City
261	371 Dagupan 3^^	M.H. Del Pilar Cor. A.B. Fernandez Ave., Dagupan City
262	372 Pascor Drive**	Sky Freight Building, Ninoy Aquino Ave., Paranaque City
263	365 McKinley Hill	Unit 1 G/F One Square, Upper McKinley Rd., McKinley Hill, Taguig City
264	377 Lucena 2**	Lot #2771-B along Quezon Avenue, Lucena City
265	383 Maya Arcade**	G/F Maya Arcade 678 Edsa, Cubao, Quezon City

266	379 Olongapo 3**	West 18th St. Corner Anonas West Bajac-Bajac, Olongapo City
267	380 Citadella^^	CAA Rd. Corner Citadella Ave. Las Pinas City
268	361 Carmona^^	Governor's Drive Cor. Purification St. Cabilang Baybay. Carmona Cavite
269	374 Old Sta. Mesa^^	4456 Valenzuela St. Sta. Mesa Manila
270	376 TSU	Brgy. Cut-Cut Romulo Ave. Tarlac City
271	387 Binangonan 2**	National Road Cor. Quarry Road Pantok, Binangonan Rizal
272	378 Blumentritt 1**	Rizal Ave. cor. Blumentritt Sta. Cruz, Manila
273	381 Don Galo^^	0423 Quirino Ave. corner Dimatimbangan St. Don Galo, Parañaque City
274	386 Palico	Aguinaldo Highway Palico II Imus Cavite
275	389 Lucban	Quezon Ave., Miramonte Subdivision Lucban, Quezon
276	391 Manaoag**	Felix St. Cor. Garcia St. Manaoag, Pangasinan
277	384 One E-Com	Unit 4,5 & 6 Harbour Drive Cor. Palm Coast Ave. SM Central Business Park, Pasay City
278	390 One McKinley	One McKinley 26th St. Fort Bonifacio Global City, Taguig City
279	404 Pacific Regency^^	G/F Pacific Regency Bldg., P. Ocampo st. Malate, Mla.
280	398 Gordon Hospital**	104 Rizal Avenue, East Tapinac, Olongapo City
281	407 Abanao^^	Unit 2 Ong Bldg. Abanao St., Baguio City
282	388 Bago Bantay	#131 Ilocos Sur ST. Cor. Bukidnon st. Bago Bantay Quezon City
283	396 DLSU-Lipa	National Hiway, Brgy., Paninsingin, Tambo, Lipa City
284	395 Imus 2**	97-B Aguinaldo Hiway Bayan Luma Imus, Cavite
285	414 Lemery 2^^	Illustre ave. cor. Rajah Matanda st., Lemery, Batangas
286	393 Trancoville^^	148 M Roxas Street, Baguio City
287	410 Sto. Niño - Meyc.^^	L. Camino Real Rd. Sto. Nino Meycauyan Bulacan
288	368 Naguillan^^	Naguillan Rd. Cor. Bokawkan Rd. Baguio City
289	412 Don Bosco^^	Don Bosco Road. Cor Chino Roces Ave., Makati City
290	411 Sta. Maria^^	49 Jose Corazon De Jesus st., Sta. Maria, Bulacan
291	375 Villamor**	Lot 12 B.1 12th St. Airman's Village Airbase Area, Pasay City
292	409 San Pablo 3**	Maharlika Hiway, San Pablo, Laguna
293	415 Mendez Proper	Market Road Corner JP Rizal Mendez, Cavite
294	394 Maragondon	Poblacion 1-A Maragondon Cavite
295	417 Subic Proper**	National Hi-way Brgy. Baraka, Subic, Zambales
296	419 Gate 3**	AFPOVAI Western Bicutan, Taguig City
297	400 FPIP^^	No. 158 Sta. Anastacia, Sto. Tomas, Batangas
298	397 Sta. Rosa Estate	Sta. Rosa Highway, Sta. Rosa Estate, Sta. Rosa, Laguna
299	401 Philcom^^	8755 Paseo de Roxas, Makati City
300	413 BF Homes 2**	Dr. A Santos cor. President's Avenue, P'que City
301	421 AIC Gold^^	Unit 101 AIC Gold Tower F. Ortigas Cor. Garnet Road Ortigas Commercial Center, Pasig City
302	423 Calasiao^^	Pob. East National Rd. Calasiao, Pangasinan
303	453 Tayabas	Quezon Avenue, Tayabas, Quezon

304	420 One San Miguel	<i>UG-01 One San Miguel Ave Condominium One San Miguel Ave, cor Shaw Blvd., Ortigas Center Pasig City</i>
305	428 APC Balanga	<i>Tenejeros St. Balanga, Bataan</i>
306	448 Pavillion Mall	<i>Space Nos. 143-B Bldg A G/F Pavillion Mall, Biñan, Laguna</i>
307	426 Sindalan**	<i>McArthur Hi-way Sindalan, San Fernando Pampanga</i>
308	422 La Union 1**	<i>Rizal Ave. cor. Gov. Ortega st., San Fernando City, La Union</i>
309	444 Calamba 4 **	<i>National Hiway cor Ipil-Ipil St., Calamba, Laguna</i>
310	392 SM San Fernando	<i>Unit AX3 123a & AX3 123c, Building 4, SM City Pampanga, Lagundi, Mexico, Pampanga</i>
311	424 Capaz^^	<i>Mc Arthur Hiway, Poblacion, Capas, Tarlac</i>
312	427 Talavera^^	<i>Maharlika Hiway, Talavera, Nueva Ecija</i>
313	439 Porta Vaga^^	<i>Fr. Carlu st. cor. Cathedral Drive, Baguio City</i>
314	436 Leveriza^^	<i>#665 CRI Bldg. President E. Quirino Ave. cor. Leveriza, Malate, Manila</i>
315	443 Olongapo City Hall^^	<i>23rd st., Rizal Ave., East Bajac-Bajac, Olongapo City</i>
316	468 SM Lucena	<i>115-116 SM City Lucena Dalahican cor. Maharlika Hiway Nat'l Rd. Lucena City</i>
317	440 Total Corporate**	<i>Total Corporate Ctr Bldg., Bonifacio Triangle, Bonifacio Global City, Taguig City</i>
318	450 PWU^^	<i>1807 G/F Nakpil St. cor. L. Guinto St. Malate, Manila</i>
319	451 Civic Prime	<i>Civic drive, Civic Prime Filinvest Corporate City, Alabang</i>
320	435 Angeles 2	<i>Miranda St., Angeles City, Pampanga</i>
321	408 Subic Gate 1	<i>Bldg. 537 Magsaysay Ave, Subic Bay, Freeport Zone, SBMA</i>
322	403 Tagaytay 2**	<i>One Tagaytay Place Calamba Rd., Tagaytay City</i>
323	432 Dakota Mansion^^	<i>G/F Dakota Mansion, Malvar St., Cor. Adriatico St.. Malate, Manila</i>
324	416 AUF**	<i>Mc-Arthur High-way cor. Dona Aurora St., Angeles City, Pampanga</i>
325	447 Kimston^^	<i>2650 Agutaya St. cor. EDSA, Pinagkaisahan, Makati</i>
326	425 Sunny Brooke^^	<i>Blk 31 Lot 6 Brooke side lane brgy. San Francisco, Gen. Trias, Cavite</i>
327	433 Batangas 3^^	<i>Poblacion 18, Rizal Ave., Batangas City</i>
328	449 Eastwood 2	<i>G/F One Orchard Condominium, Orchard Rd., Eastwood City, Bagumbayan, Quezon City</i>
329	458 San Marcelino	<i>G/F CMC Bldg. #710 San Marcelino St., Ermita, Manila</i>
330	431 Iba Zambales**	<i>Magsaysay Ave., Poblacion, Iba, Zambales</i>
331	442 San Jose NE^^	<i>Maharlika Highway National Road, San Jose City N.E.</i>
332	446 Paniqui**	<i>UCPB Building along National Highway, barangay Estacion, Paniqui Tarlac</i>
333	438 Balanga Plaza^^	<i>Aguirre St. Balanga City</i>
334	429 Mendez Crossing	<i>Aguinaldo Hiway Mendez Junction East, Tagaytay City, Cavite</i>
335	459 Palapala**	<i>E.L Toledo Bldg. along National Hiway, Brgy. Sampaloc I, Palapala, Dasmariñas, Cavite</i>
336	466 Sterling Centre	<i>G/F Sterling Centre, Ormaza cor. Dela Rosa Sts, Legaspi Village, Makati City</i>
337	469 Sta. Rosa NE**	<i>Maharlika Hi-Way, Sta. Rosa, Nueva Ecija</i>
338	475 AUF Hospital	<i>AUF Medical Center, Mc Arthur Hi-way, Angeles, Pampanga</i>
339	418 Multinational^^	<i>J&P Bldg (Multinational) Ninoy Aquino Ave., Paranaque City</i>
340	476 Mayapa**	<i>National Highway, Brgy. Paciono, Calamba, Laguna</i>

341	463 San Carlos Pangasinan^^	Virgen Milagrosa University Foundation Compd. San Carlos City, Pangasinan
342	430 Balanga Church**	J.P. Rizal St., Balanga City, Bataan
343	465 Taal Proper^^	Poblacion. 3, Taal Proper, Taal, Batangas
344	472 Nuvali**	Retail Space 1 Nuvali Technopod, Sta. Rosa, Laguna
345	484 Batangas Port	Port Access Road, Brgy. Calicanto, Batangas City
346	479 Caltex NLEX	Caltex NLEX Km17 Canumay Valenzuela Exit
347	471 Valenzuela Exit	Maysan Road, Paseo De Blas, Valenzuela City
348	474 Wynsum^^	Unit G1-C Wynsum Corporate Plaza 22 F. Ortigas Jr. Rd., Ortigas Center, Pasig City
349	455 Pearl Drive 2	G/F Unit 102, Pacific Place Condominium, Pearl Drive, Ortigas Ctr, Pasig City
350	480 Philtranco**	610 Apelo Cruz St., Malibay, Pasay City
351	441 Malolos Poblacion^^	Torres St. cor. M. Tenco, Poblacion Malolos, Bulacan
352	486 Alabang Med^^	Unit 1 G/F Aurora Bldg, Alabang Zapote Rd., Mutinlupa City
353	445 NE Pacific ^^	Km 111, Brgy. H. Concepcion, Maharlika Hi-way, Cabanatuan City
354	460 Telus**	Arcade 6 & 7 G/F Telus Bldg., Araneta Center, Cubao, Quezon City
355	464 OSMAK**	Blk 5 Lot 18 Sampaguita cor. Escarlata, Pembo, Makati City
356	454 Cogeo^^	Marcos Hiway cor. GSIS Ave., Bagong Nayon 1, Antipolo City
357	492 Times Plaza**	G-4 G/F & 2/F Times Plaza UN Ave. cor. Gen Luna st., Manila
358	462 Gen T. De Leon	Gen. T. De Leon St. , MacArthur Highway, Karuhatan, Valenzuela City
359	508 Heart Center	G/F Philippine Heart Center, East Ave., Quezon City
360	452 Pio del Pilar**	Chino Roces Ave. (Pasong Tamo) cor. Dela Rosa st. Makati City
361	457 YP**	YP Bldg. Dr. A. Santos Ave., Sucat, Parañaque City
362	487 Vista Verde**	G/F Unit 1,2,3,4 Vista Square Comm'l Center, Felix ave., Cainta, Rizal
363	495 Sun Plaza^^	G/F Sun Plaza Shaw Boulevard, cor Princeton st., Mandaluyong City
364	496 Tordesillas**	108 Tordesillas cor. Gallardo st., Salcedo Village, Makati City
365	498 SM Cyber One	Retail Space 4, Buendia Ave., Makati City
366	513 One Solaris^^	Retail 2 G/F One Solaris Bldg, Dela Rosa St., Legaspi Village, Makati City
367	525 Muñoz 2	Blk 3 Lot 7 R. Magsaysay. EDSA, Munoz, Quezon City
368	434 Malibay Plaza 2**	Reance Bldg. 93 C. Jose st. cor. Malibay Ave., Pasay City
369	490 12th Ave.^^	Ten Commandments Bldg. 689 Rizal Ave, Grace Park, Caloocan City
370	481 Net Plaza^^	Unit 14 E-Square Zone, Crescent Park West, Bonifacio Global City, Taguig
371	516 NE Crossing^^	Maharlika Highway , cor. Burgos Ext., Sanigtan East Cabanatuan City
372	504 Paragon Plaza	Upper G/F Paragon Plaza Condominium, EDSA cor. Reliance St., Mandaluyong City
373	510 LKG	11/F LKG Tower 6801-6803 Ayala Avenue, Makati City
374	528 BPO San Lazaro **	Retail 4, Vortex 1 Bldg. Yuseco cor. Felix Huertas, San Lazaro Racetrack, Sta. Cruz, Manila
375	542 Malugay (G)**	Chino Roces Ave., cor. Malugay and Gil Puyat, Brgy., San Antonio, Makati
376	543 Connecticut (G)**	EDSA cor., Connecticut, San Juan, City
377	548 SLEX (G)**	Km. 22 SLEX, San Antonio, San Pedro Laguna
378	547 Coastal (G)**	Aguinaldo Highway, Brgy., Tambo, Parañaque City

379	546 Boni- Malamig (G)**	708 Boni Ave., Brgy., Malamig, Boni., Mandaluyong City
380	545 Capas- Junction (G)**	Nat'l Road, Sto., Domingo Junction, Capas, Tarlac
381	478 JP Rizal 2^^	347 JP Rizal Ave., cor. Pasong Tamo Ave., Makati City
382	529 Port Area**	637 Bonifacio Drive, Port Area, Manila
383	544 Q, Ermita (G)**	Quirino Ave., cor. Mabini Ave., Manila M.M.
384	549 Filinvest (G)**	Alabang- Zapote Rd., Filinvest, Muntinlupa City
385	531 La Trinidad**	National Road, KM5 La Trinidad, Benguet
386	552 Malolos Crossing	E & R Building, McArthur Hi-way cor. Mabini St., Malolos Bulacan
387	512 Philam^^	9/F Philam Life Building, Paseo de Roxas, Makati City
388	470 Balanga Kapitolyo**	Capitol Drive Balanga Bataan
389	473 VG Cruz	Ramon Magsaysay Blvd. Cor. Vicente Cruz St. Sampaloc Manila
390	533 Dagupan 4	G/F Orient Pacific Center cor. Perez Blvd., Rizal Ext., Dagupan City, Pangasinan
391	489 Eco Plaza^^	Pasong Tamo Extension, Makati city
392	501 Sto. Domingo**	McArthur Hi-Way cor. Apo rd. Sto. Domingo, Angeles, Pampanga
393	527 Retiro 2**	311-313 N.S. Amoranto St. Sta Mesa Heights, Quezon City
394	540 Grand Hampton	Grand Hampton Place, 1st Ave & 31st St., Fort Bonifacio Global City, Taguig
395	562 Daang Sarile (G)**	Daang Sarile Caltex Station, Daang Sarile, Cabanatuan City
396	518 SM Cyber Two	cor Sen. Gil Puyat Avenue and Zodiac St, Bel-air Village, Makati City
397	570 Wilson (G)**	Wilson cor. Ortigas San Juan, City
398	591 Tikay Malolos (G)**	Mc Arthur Hi-way, Tikay, Malolos Bulacan
399	560 San Fernando NLEX (G)**	KM 62 NLEX North Bound Brgy. San Felipe, San Fernando Pampanga
400	561 Tarlac 2 (G)**	Mc. Arthur Hi-Way, Tarlac Tarlac City.
401	582 McKinley San Juan (G)**	Ortigas Ave., McKinley, San Juan
402	576 Boni EDSA (G)**	EDSA cor., Boni Ave., Mandaluyong
403	577 Sta. Rosa Paseo (G)**	Tagaytay Road. Sta. Rosa Laguna
404	535 ATC^^	Entertainment Complex, Alabang Town Center, Muntinlupa City
405	583 Harvard EDSA (G)**	EDSA corner Harvard St., Makati City
406	483 Fort Legend**	Blk 7 Lot 3 3rd ave. cor. 31st st. Fort Bonifacio Global City, Taguig City
407	575 Halang Calamba (G)**	National Highway Brgy. Halang Calamba Laguna
408	537 Angeles 3	G/F 294 Sto. Rosario St., Angeles City, Pampanga
409	559 Clark Hostel**	2041 Ninoy Aquino Ave., cor., M.A. Roxas, Clark Freeport Zone, Pampanga
410	599 Burnham (G)**	Chanum cor., Otek St., Burnham Park, Baguio City
411	524 R. Papa	813 R. Papa and S. H Loyola St., Sampaloc Manila
412	596 San Pascual (G)**	San Pascual, Batangas
413	598 Upper Session (G)**	GSIS Compound, Marcoville Baguio City
414	519 UP Los Baños	Student Union Bldg. University of the Philippines Los Baños, Laguna
415	502 Rockwell Business Center**	Tower 2 (North) Level 1 Unit No. N-02 Rockwell Business Center
416	461 Lamuan-Manotok	JP Rizal, cor. Visayas st., Filipinas Village, Malanday, Marikina City

417	505 Makati Ave. 2^^	Makati Ave. Cor. Constellation St., Brgy. Bel-air, Makati City
418	511 PBCOM	7/F PBCOM Tower Ayala Ave., cor. Rufino St., Makati City M.M.
419	517 New Port	G/F Unit R2, Newport Office Bldg 1, Andrews St. Pasay City
420	581 DMG Center**	DMG Center, Libertad cor. Calbayog St., Mandaluyong City
421	493 San Pablo 5^^	Brgy. 6A Mabini St., San Pablo City, Laguna
422	565 Mabalacat**	Velasquez st., Mabalacat Proper, Pampanga
423	594 Victoria de Manila**	G/F- 101, Victoria De Manila, Taft Ave., Manila
424	530 Net Square**	3rd Avenue cor., 28th St., E- Square, Crescent Park West, Bonifacio Global City, Taguig M.M.
425	534 Eastwood 3**	Unit 2/F-A, Eastwood Citywalk Phase II, Eastwood City Cyber Park, 188 E. Rodriguez Jr. Ave., Bagumbayan, Q.C.
426	539 Tagaytay 3**	Magallanes Square, Silang Junction West, Tagaytay City
427	580 Silver City**	L1-003A, Silver City, Frontera Verde, Ortigas Ave. cor C-5, Pasig City
428	586 Muzon**	Brgy. Muzon San Jose del Monte Bulacan
429	482 Villa Amparo^^	Villa Amparo Subd., Aguinaldo Highway, Imus Cavite
430	506 Ascendas**	G/F-01 Net One Center, Third Ave., cor. 26th St., Crescent Park West, Bonifacio Global City, Taguig City
431	563 Concepcion Tarlac**	Brgy. San Nicolas, Concepcion Tarlac
432	585 TRAG	GL 10 The Residences, Arnaiz St., Makati City
433	500 Binondo^^	Burke Plaza Sto. Cristo cor. San Fernando St. Binondo Manila
434	485 Berthaphil 4^^	Bldg 2 - Retail 1 Berthaphil 4, Clark Aviation Complex, A. Bonifacio Avenue, CFZ, Pampanga
435	538 Redemptorist^^	Lot 18 Redemptorist Rd., Baclaran Parañaque City
436	572 Herco Center^^	HERCO Center, 114 Benavidez St., Legaspi Village, Makati City
437	541 San Miguel^^	906 Norberto St., Brgy. San Jose, San Miguel, Bulacan
438	593 Farmers Market	Space No. 00363- Farmers Market Arcade, Araneta Center Q.C.
439	226 Legarda^^	2108 Legarda St., Quiapo, Manila
440	639 Lingayen 1**	National Hi-way, Lingayen Pangasinan
441	603 Fortune Square**	McArthur Hi-way, cor. Villa Julita Subdivision, Brgy. Saguin, San Fenando, Pampanga
442	554 N. Garcia**	158 Jupiter St., corner N. Garcia St., Bel Air Village, Makati City
443	558 Welding Bldg.	Oppen Building, 349 Sen Gil Puyat Ave., Makati City
444	610 Olongapo Public Market**	Canda St., East Bajac-Bajac, Olongapo City
445	494 Los Baños 2^^	Lopez Ave. cor. Mt. Halcon St., Los Baños Subd, Batong Malake/San Antonio, Los Baños, Laguna
446	613 Baliuag Highway**	Doña Remedios Hi-way, Brgy. Pinagbarilan, Baliuag Bulacan
447	658 LRT2 Santolan**	Lot 2, C5-A, Santolan, Pasig City
448	515 Castillejos**	San Juan, Castillejos, Zambales
449	564 Rosario 2	No. 42 Ortigas Ave., Rosario, Pasig City
450	621 Lifestones^^	Lot 1-B-1-B, Ortigas Ave., Ext., cor. Alfonso St., Brgy. Rosario, Pasig City
451	587 Marvin Plaza	Chino Roces cor., Herrera St., Makati City
452	615 San Pedro 5**	Lot 8, A-B, National Hi-way corner Garcia St., Nueva (Poblacion), San Pedro, Laguna
453	608 Zaragoza^^	Corner Concepcion, Zaragoza, Nueva Ecija

454	567 San Isidro	No. 35 Brgy. San Isidro , Cabuyao, Laguna
455	568 Camiling^^	Arellano St., cor., Quezon Ave., Camiling Tarlac
456	590 Kingswood^^	U/ GF Kingswood Makati Condominium, Vito Cruz Ext., cor., Makati City
457	595 Tiaong**	Doña Tating St., cor., Alabastro St., Tiaong Quezon
458	536 San Andres	Mabini cor., San Andres St., Malate, Manila 1004 Philippines
459	503 Centris 1	G/ F Eton Cyberpod Centris EDSA, near cor. Quezon Ave.n Quezon City
460	606 Diamond Square**	Service Road, Mc Arthur Highway cor. Charlotte St. Balibago, Angeles Pampanga
461	648 Guadalupe 4^^	Kimston Plaza Building, P. Burgos St., Guadalupe, Makati City
462	589 Manila Executive Regency	Unit 5 & 6 Ground Floor, Manila Executive Regency, Jorge Bocobo St., Ermita Manila
463	617 Grandview Angeles**	Lot 19-B, Don Juico Ave., Malabanas, Angeles City
464	551 Woodridge**	Unit 5-6, The Woodridge Residences, Mckinley Hill, Fort Bonifacio, Taguig City
465	556 Batangas 4^^	Manuela Pastor Avenue corner Highway, Pallocan West, Batangas City
466	614 Bansalangin	No. 4 Bansalangin St., Project 7, Quezon City, Metro Manila
467	616 Engineers Hill^^	101 Engineers Hill St., Jude Thaddeus Complex cor. Nevada Road and Guinto Alley, Baguio City
468	607 Enclave^^	The Enclave, Fil-Am Friendship Hi-way, Pampanga, Angeles City
469	630 Mayfair Tower	Commercial C, G/F Mayfair Tower, UN Ave., cor. Mabini St., Ermita Manila
470	649 St. Francis Towers**	St. Francis Drive, Ortigas Center, Pasig City
471	646 Pulilan^^	National Rd., Brgy., Pobalcion, Pulilan Bulacan
472	650 Sienna del Monte**	555 Del Monte Ave., Brgy., Manresa, Quezon City
473	624 Tagaytay 4**	Olivarez Plaza along E. Aguinaldo Highway, Tagaytay City
474	619 Buendia 4	No. 317 Sen Gil Puyat Ave., Pasay City
475	688 Cabanas Mall**	Kilometer 44/45, McArthur Hi-way, Brgy. Longos Malolos Bulacan
476	628 Subic International Hotel**	Unit 142/ 144 & 146/148, SIH Alpha Bldg. Freeport Zone, Subic Bay, Olongapo City
477	579 Malinta 2^^	Unit 17, Danding Bldg., Cecilio J. Santos St., Valenzuela City
478	641 España Grand^^	España cor., Tolentino cor., Eloisa, Metro Manila
479	497 Molito Complex^^	Madrigal Ave., Madrigal Business Park, Alabang Muntinlupa
480	638 Carmelray^^	Makiling Drive., Carmelray Industrial Park II, Calamba Laguna
481	640 Mangaldan**	National Road, Mangaldan Pangasinan
482	635 Noveleta	Poblacion Noveleta, Cavite City
483	574 Salawag 2	Paliparan Road, Salawag Crossing Dasmariñas, Cavite
484	623 Hidalgo^^	Unit 2 & 3, Isabelle de Hidalgo Bldg. Hidalgo St., cor., Cancer St., Quiapo Manila
485	604 Dewey Avenue	Lot 2, Block 18, Dewey Ave., cor. Aguinaldo Highway, CBD, Subic Bay Freeport Zone
486	578 Malanday 2^^	Brgy. Malanday McArthur Highway, Valenzuela City
487	633 R. Salas 2	Casa Blanca, 529-531 Romero. Salas St., Ermita Manila
488	636 Betterliving 3^^	27 Doña Solidad cor. Australia Sts. Better Living Subdivision, Don Bosco, Parañaque City
489	612 Pag-asa Imus^^	Centennial Rd, Pagasa III, Imus, Cavite
490	679 NAIA 3**	MIAA, 4th Level, Unit 37, Southwing of, NAIA Terminal 3, Pasay City
491	668 V. Santos**	16 V. Santos cor., Santos St. Sto. Niño, Marikina City

492	675 Patts**	<i>Dr. A. Santos Avenue, San Isidro, Parañaque City</i>
493	620 FVR	<i>Area D (Sta. Cruz), Sapang Palay, San Jose Del Monte City, Bulacan</i>
494	611 San Marcelino Zambales**	<i>Brgy. Central, San Marcelino, Zambales</i>
495	625 JP Laurel Malate**	<i>G/F JP Laurel Memorial Bldg., M.H. del Pilar cor. Pedro Gil St., Ermita, Manila</i>
496	632 Sixto A. Ave. **	<i>Dr. Sixto Antonio Ave, Maybunga, Pasig City</i>
497	709 Caltex Balibago**	<i>Balibago cor. San Lorenzo Rd. Sta. Rosa Laguna</i>
498	553 Tustine Alabang	<i>Molino St., South Super Highway, Alabang, Muntinlupa City</i>
499	629 Pansol^^	<i>Purok 1, Pansol, Calamba City Laguna</i>
500	669 City Oil Fairview^^	<i>Commonwealth Ave., cor. Pearl St., Fairview Quezon City</i>
501	734 Sumulong Hi-way	<i>KM 23, Sumulong highway, Brgy. Sta. Cruz, Antipolo City</i>
502	673 Burke Quintin Paredes	<i>Burke House No. 8, Quintin Paredes cor. San Vicente St., Binondo Manila</i>
503	626 Berthaphil 5**	<i>Berthaphil V, Gil Puyat Ave., cor. Panday-Pira Rd., CFEZ, Angeles, Pampanga</i>
504	717 Malasiqui**	<i>Montemayor St., Poblacion Malasiqui, Calasiao Rd. Pangasinan</i>
505	711 Tanauan 2**	<i>Brgy. Darasa, Tanauan City, Batangas</i>
506	605 Molino 5	<i>Molino Rd., Brgy. Molino III, Bacoor Cavite</i>
507	509 Woodlands Pioneer**	<i>G/F Pioneer Woodlands Showroom, EDSA near cor. Pioneer St., Mandaluyong City</i>
508	592 Sampol^^	<i>Brgy. Bagong Buhay, San Jose Del Monte Bulacan</i>
509	680 Taytay 3^^	<i>Manila East Road, corner Italia St., Brgy., Muzon Taytay, Rizal</i>
510	622 Makati Executive Tower 3	<i>Unit 6 and 7, G/F Makati Executive Tower 3, Sen. Gil J. Puyat Ave., Makati City</i>
511	713 Suburbia**	<i>McArthur Hi-way Brgy. Maimpis San Fernando Pampanga</i>
512	654 Paniqui 2**	<i>M. H Del Pilar cor., Luna St., Paniqui, Tarlac</i>
513	674 Zapanta	<i>Santa Rita St., cor., Orense St., Makati City</i>
514	557 La Salle Med**	<i>Bario Pasang Tala, Dasmariñas Cavite</i>
515	618 Angelo King - CSB	<i>Arellano Ave., Malate Manila</i>
516	681 DENR	<i>DENR Bldg., 1515 Roxas Blvd., Manila</i>
517	685 Friendship Highway**	<i>Lot 15, Blk 6, Frienship Hi-way, Brgy. Anunas, Angeles City</i>
518	684 Escoda	<i>Leon Guinto St. near cor. Escoda St. Ermita Manila</i>
519	642 Mary Homes Molino^^	<i>Molino Rd., Mary Homes Sbdv. Brgy. Molino IV, Bacoor Cavite</i>
520	645 MCU 3	<i>EDSA cor., Serrano Ave., Caloocan City</i>
521	652 Lagro	<i>Block 91 Lot 1 Ascencion Ave., Lagro Subdivision, Novaliches Quezon City</i>
522	665 A. Mabini ^^	<i>2116-2117 A. Mabini St., Malate Manila</i>
523	670 Mercedes Ave.	<i>Evergreen 101, C. Raymundo Ave., San Miguel, Pasig City</i>
524	682 Lucao District^^	<i>National Rd. cor. Jose De Venecia Rd., Dagupan City, Pangasinan</i>
525	657 G. Tuazon 2	<i>1850 G. Tuazon St., Sampaloc Manila</i>
526	706 Aria**	<i>Real St. cor. Aria St. Las Piñas City</i>
527	689 Burnham Park 2**	<i>Shanum St.cor. Otek St. cor. Lake Drive, Burnham Park, Baguio City</i>
528	664 Tejeron	<i>Tejeron St., Sta. Ana Manila</i>
529	701 Sanrise M.H. Del Pilar**	<i>2164 M. H. del Pilar St., Malate Manila</i>

530	694 Pili**	Maharlika Highway cor., Santiago St., Brgy. San Vicente, Pili, Camarines Sur
531	698 4th Ave.	4th Ave. cor. P. Sevilla St. Grace Park (West), Caloocan City
532	697 Bayambang**	National Highway, Bayambang Pangasinan
533	660 Scout Tobias**	Cedar Executive Bldg., # 26 Timog Ave., cor., Scout Tobias., Brgy Laging Handa, Q.C.
534	456 Sariaya	Gen. Luna St. National Hi-Way Sariaya, Quezon
535	692 Attivo SF**	G/F Unit101B and 102B , Gapan- Olongapo Rd. San Fernando, Pampanga
536	721 San Mateo**	103 Gen, Luna Ave., Gitnang Daan 1. San Mateo Rizal
537	569 Mabolo Bacoor	Mabolo, Bacoor Cavite
538	686 Lubao Pampanga**	#24 J.P. Rizal St., Sta. Cruz, Lubao, Pampanga
539	662 Lingayen 2**	cor. Artacho and Alvear Sts., Lingayen, Pangasinan
540	672 Bauan 2^^	Manghinao Proper, Bauan Batangas
541	695 Syquia	2356 Jose Syquia St., cor., M. Rozas St., Sta. Ana Manila
542	712 Cardinal Santos Hospital	Medical Arts Building Cardinal Santos Medical Canter, Wilson St. San Juan City
543	677 Tugatog Malabon^^	17 M.H. Del Pilar Rd., cor. Pureza St.,Tugatog Malabon City
544	723 Angono 2^^	Manila East Road cor., Col. Guido St. Angono Rizal
545	727 Agoo La Union^^	16 McArthur Highway, Agoo, La Union
546	732 Bauang La Union	Central East, Bauang, La Union
547	637 Malaya Marikina	JP Rizal St., Malanday, Lamuan, Marikina City
548	687 Taytay 4	J. P. Rizal Avenue, Taytay Rizal
549	767 Dagupan Lyceum**	A.B Fernandez Ave. Dagupan City
550	663 Moriones	557 Moriones St., Tondo Manila
551	644 Citrus	Brgy Minuyan, San Jose Del Monte, Bulacan
552	785 Total Yacht Club**	Rizal Highway, Subic Bay Freefort Zone
553	661 Tarlac Crossing (Banco San Juan)	Lot B, Plaza de Oro Arcade along McArthur Highway, Poblacion 2, Tarlac City
554	699 Dagupan 5**	Burgos St. cor. Bonifacio St. Dagupan City, Pangasinan
555	729 Anabu Kostal**	Anabu Wet and Dry Market, Aguinaldo Highway, Anabu II-A, Imus Cavite
556	722 Alimall 2	G/F Alimall, P. Tuazon, Araneta Center, Q.C.
557	627 BSA Tower**	G-4 BSA Tower Condominium, No. 108 Legaspi St. Legaspi Village, Makati City
558	676 Rivercity Residences (LUI bldg)	2143 Carreon St., Sta. Ana Manila
559	696 Betterliving 4 (Caltex Doña Soledad)	Lot 18, Doña Soledad Ave. Betterliving Subd. Parañaque City
560	716 Tumana	Farmers Ave., cor. J.P. Rizal St., Concepcion, Marikina
561	714 System Plus**	Diamond Service Road, Mc Arthur Hi-way, Angeles City
562	671 Maybunga	Pag-asa Street. Pasig City
563	704 Mindanao Avenue**	547 Quirino Hi-way. cor. Mindanao Ave. Talipapa, Novaliches, Q.C.
564	731 Southwoods Exit^^	Rosario Complex, San Vicente, San Pedro Laguna
565	690 Net Cube	Unit 9-2, 9th flr. Net One Center, 3rd Ave., cor., 26th St., E-Square, Crescent Park West, Bonifacio Global City, Taguig, MM
566	728 University of Baguio**	FB bldg., Assumption Rd., Baguio City
567	719 Deparo**	Deparo Rd., cor. T. Samson Ave., North Caloocan City

568	730 Washington**	Unit 3, AGS Plaza, Washington St., Brgy. Pio Del Pilar, Makati City
569	736 F. Tañedo 1^^	F. Tañedo St., San Nicolas, Tarlac City
570	703 Mckinley 1820**	Unit A, McKinley Road McKinley Town Center, Fort Bonifacio, Taguig City
571	702 Naga 1**	Grand Imperial Plaza cor. P. Burgos and J. Hernandez Ave. Naga City 4400
572	715 One Archer's**	Unit 6, G/F of One Archers Place, Taft Ave., Malate Manila
573	726 Paliparan	Mabuhay City, Paliparan Dasmariñas Cavite
574	780 Pulang lupa 2**	B5 Lot 6 Guinto Park Sudv. Naga Road cor., St. Joseph Ave., Pulang Lupa II, Las Piñas City
575	742 Gastambide**	621-629 Dormitory, Gastambide, Sampaloc Manila
576	745 Antel Spa**	7829 Makati Avenue cor., Valdez St., Makati City
577	750 Mabini Soldado^^	G/F 1533 A. Mabini St., cor. Soldado St., Ermita, Manila
578	789 Caltex BSU**	Caltex Gas Station; McArthur Highway, BO., Guinhawa, Malolos City, Bulacan
579	735 West Rembo^^	Lot 1 Blk. 76, Brgy. West Rembo, Makati City
580	744 F. Manalo**	F. Blumentritt cor., F. Manalo, San Juan City
581	765 Zobel Roxas	No. 1289, Zobel Roxas St., Malate Manila
582	720 El Jardin	Retail Unit 1, El Jardin del Presidente, No. 41 Sgt. Esguerra St. Cor Scout Bayoran, Quezon City
583	764 Carluyan N.U.	M.F Jhocson St., Sampaloc, Manila
584	707 Concepcion Uno**	Bayan Bayanan Ave. Brgy. Concepcion 1, Marikina City
585	653 Bacoor 2	141 Evangelista St. Daang Bukid, Bacoor Cavite
586	718 Towerville^^	Brgy. Minuyan Proper, San Jose Del Monte, Bulacan
587	743 Pulong Buhangin	National Hi-way, Brgy Pulong Buhangin, Sta. Maria Bulacan
588	839 Total Tarlac**	Mc Arthur Highway, Tarlac City, Tarlac
589	772 Tanay 2	Market Road cor. F.T. Catapusan St. Brgy. Plaza-Aldea, Tanay Rizal
590	691 Sta. Ana Church	Lot 32-B-1 Pedro Gil St., Sta. Ana, Manila
591	769 San Fernando 3	Gen. Hizon Avenue, San Fernando, Pampanga
592	760 Comembo**	Comembo Commercial Complex. JP Rizal Extension, Makati City
593	813 Biñan Caltex**	Malvar St. Brgy. San Antonio, Biñan Laguna
594	755 Sunshine Plaza	Sunshine Boulevard Plaza, Quezon Ave., cor., Scout Santiago and Panay Ave., Quezon City
595	776 CBD Hotel (Naga Terminal)**	G/F of CBD II Hotel, Ninoy and Cory Ave., Brgy. Triangulo, Naga City
596	738 Sumulong 2^^	Sumulong Highway cor. B Soliven Ave., Antipolo City
597	758 Dalandanan^^	Brgy. Dalandanan, Lazaro St. cor. Mc Arthur Highway, Valenzuela City
598	838 Mariveles**	No. 91 Lakandula St., cor., P. Burgos St., Poblacion, Mariveles, Bataan
599	848 Total Balintawak	1178 EDSA, Balintawak, Quezon City
600	643 Edsa Grand	EDSA cor Corregidor St. Bago Bantay Q.C
601	651 Total Balanga	National Rd., Calero St., Brgy., Ibayo, Balanga, Bataan
602	678 Xevera**	Brgy. Tabun, Mac Arthur Highway, Mabalacat, Pampanga
603	710 Tejero**	Antero Soriano Highway Tejero, General Trias Cavite
604	791 Imus 4**	Buhay na Tubig, Imus Cavite
605	808 Binmaley**	G/F Purification Building Poblacion, Binmaley, Pangasinan

606	811 Tanauan 3^^	<i>Pres. Laurel Highway cor., Molave St., Tanauan Batangas</i>
607	822 Palico 2	<i>Aguinaldo Hi-way, Palico IV, Imus Cavite</i>
608	733 Forest Hill^^	<i>Quirino Highway and Forest Hills Drive. Forest Hills Subd., Novaliches, Quezon City</i>
609	796 San Fernando 4	<i>Consunji cor., Abad Santos St., Poblacion, San Fernando, Pampanga</i>
610	795 BF Resort 2	<i>Blk. 1 Lot 4 BF Drive BF Resort Village, Las Piñas City</i>
611	797 Old Balara	<i>#986 Tandang Sora Ave., Brgy., Old Balara, Quezon City</i>
612	705 CWC**	<i>Cadlan, Municipality of Pili, Province of Camarines Sur</i>
613	753 F. Tañedo 2**	<i>F. Tañedo St., Tarlac City</i>
614	768 Navotas^^	<i>635 M. Naval St., cor. C-4 Rd., Bagumbayan North, Navotas City</i>
615	778 Expo Cubao	<i>G/F VI-LA Bldg. Unit- B, EDSA, Q.C</i>
616	741 Earnshaw	<i>Lot 2-B J. Figueras St. cor. Palmera St., Sampaloc, Manila</i>
617	756 Paramount	<i>135 West Ave. near EDSA, Quezon City</i>
618	770 Manila Cityhall	<i>Arroceros St., Ermita, Manila</i>
619	874 Kidney Center**	<i>East Ave. Quezon City</i>
620	826 Phoenix	<i>Phoenix Lucena, Maharlika Highway, Lucena City</i>
621	762 Supercenter^^	<i>00040/00041 Superstore Arcade, Araneta Center, Quezon City</i>
622	814 Lian Batangas**	<i>J.P Laurel St., cor., Kapitan Isko St., Lian, Batangas</i>
623	872 Total San Pablo	<i>Total Gas Station, Maharlika Highway San Pablo City Laguna</i>
624	773 Raon	<i>G. Puyat cor., Quezon Blvd., Raon, Quiapo Manila</i>
625	830 Total Cutcut	<i>Friendship Hi-way corner Poinsettia St.Angeles, Pampanga</i>
626	856 Guimba**	<i>No. 16 A Salvador St., Bargain St. Guimba, Nueva Ecija</i>
627	842 Naguillan Poblacion	<i>Naguillan road corner Rimando St., Naguillan La union</i>
628	724 Manila Residences**	<i>Unit 101-102 and 127-128, The Manila Residences, 2320 Taft Ave., Malate Manila</i>
629	748 Camp John Hay^^	<i>Space 4, Baguio Technohub Retail Plaza BPO-A, Camp John Hay, Baguio</i>
630	757 Naga 3 (Sunny View Hotel)	<i>Panganiban Drive, San Francisco, Naga City</i>
631	805 East Ave. 2**	<i>G/F NCHP Bldg. EDSA cor. East Avenue, Brgy. Pinyahan, Quezon City</i>
632	827 Tagaytay City Market**	<i>City Market, Tagaytay Sta. Rosa Road, Brgy San Franciso , Tagaytay City.</i>
633	828 Bay^^	<i>Brgy. Dila, Bay, Laguna</i>
634	829 Areza**	<i>National Highway Brgy., Canlalay</i>
635	889 Eastern Petroleum**	<i>Rizal ave. and Argonaut Highway NSD Compound, Subic Bay Freeport zone</i>
636	790 Sta. Cruz 2	<i>Sitio Sampaguita, Brgy. Bubukal, Sta. Cruz Laguna</i>
637	775 Cabanatuan 4	<i>Mahalika Highway, Cabanatuan City</i>
638	824 St. Aquinas Sto. Tomas^^	<i>General Malvar Avenue, Sto. Tomas, Batangas</i>
639	876 Magalang**	<i>Sta. Cruz, Magalang Pampanga</i>
640	807 Urdaneta 3**	<i>Mc Arthur Hi-way, San Vicente,Urdaneta City, Pangasinan</i>
641	894 Macablang**	<i>Brgy. Macablang, Sta. Rosa, Laguna</i>
642	819 St. Lukes 2^^	<i>St., Luke's Medical Bldg., E. Rodriguez Sr., Quezon City</i>
643	846 Tanza 3**	<i>Blk 1 Lots 4 and 5, Filinvest West, Brgy. Paradahan, Tanza Cavite</i>

644	752 Bustos^^	Brgy. Poblacion Bustos Bulacan
645	781 Kingsville**	Marcos Hi-way Brgy. Mayamot, Antipolo City
646	788 SLU Baguio**	A. Bonifacio St., across SLU Main Gate, Baguio City
647	866 Gumaca**	Andres bonifacio Street, corner J.P Brgy Rizal, Gumaca, Quezon
648	818 Lucban 2	Brgy. Tinamnan, Lucban, Quezon
649	792 Sta. Monica (Ave. of the Arts Residences)**	Roxas Boulevard corner Sta. Monica & L.M. Guerrero St., Ermita, Manila
650	852 Bucandala**	Patindig araw corner alapan road, bucandala Imus Cavite
651	887 San Antonio Zambales**	San Marcelino-San Antonio-San Narciso Road, Poblacion San Antonio, Zambales
652	782 SeaOil Pritil^^	1688 Juan Luna St. Brgy. 61, Zone 005, Tondo, Manila
653	777 P. Guevarra	Santolan Rd. cor. P. Guevarra San Juan City
654	784 Teresa	Magsaysay Ave., Brgy., San Gabriel Teresa Rizal
655	882 Atimonan Poblacion	G/F Renegado Property Rizal Street corner Quezon St., Atimonan, Quezon
656	806 Villaflor**	National Rd., Brgy. Poblacion, Dagupan City, Pangasinan
657	812 Paciano	Paciano Highway, Brgy. Paciano Rizal, Calamba, Laguna
658	725 Bagong Ilog	G/F AVC Bldg., E. Rodriguez Ave., cor., Sta. Rosa St., Bagong Ilog Pasig
659	761 Naga 2 (Ateneo Ave.)**	No. 2, Ateneo Ave., cor. Bagumbayan St., Naga city
660	821 Cityplace Binondo**	City Place Binondo, Sta. Elena St., Binondo, Manila
661	815 Pila Highway	Brgy. Labuin, Pila Laguna
662	836 Torre Venezia	Sct. Santiago, corner Timog Ave., Quezon City
663	555 C. Raymundo	#64 Stella Mariz cor., C. Raymundo Ave., Maybunga Pasig City
664	751 Emar Suites**	409 Shaw Blvd., Mandaluyong City
665	804 Amorsolo**	# 146 Amorsolo St., Legaspi Village, Makati City
666	786 BF Homes 3	G/F of Omega Star Bldg. 1112 Aguirre BF Homes, Parañaque City
667	851 Lopez, Quezon**	Maharlika Highway, corner San Isidro Street, Lopez, Quezon
668	783 Divine Mercy**	Marilao- Muzon Rd., Brgy., Sta Rosa 1, Marilao Bulacan
669	843 Mayapa 2**	Mayapa Road, Brgy. Mayapa, Calamba Laguna
670	898 San Carlos 2**	33 Rizal St., San Carlos City, Pangasinan
671	817 Malinta 3	Mc Arthur Hi-way corner Gov. Santiago Malinta, Valenzuela City
672	746 Gen. Luna (Baguio)	Gen. Luna St. Baguio City, Benguet
673	841 United Paranaque 2**	Tindalo corner E. Services Road, Paranaque City
674	896 Katipunan**	48 Esteban Abada St., corner Rosa Alvero St., Loyola Heights, Katipunan, Quezon City
675	831 Marcos Hiway Baguio City (ECC)**	ECC Building Brgy. Bakekang, along Marcos Highway, Baguio City
676	865 Perez	Inong Building, Governor's Drive corner Hugo Perez Drive Trece Martirez, Cavite
677	832 Regent Hotel	Caceres St., Naga City
678	859 Landayan**	Brgy. Landayan, San Pedro, Laguna
679	802 Market Avenue**	Market Ave., cor. M.H. Del Pilar Pasig City
680	895 Cuenca**	Poblacion 1 National Highway, Cuenca, Batangas
681	853 Tayug**	Bonifacio St. Poblacion, Tayug Pangasinan

682	835 Banawe 2	Banawe St. Brgy Josefa Quezon City
683	908 Dinalupihan**	#3 San Ramon Highway, Dinalupihan, Bataan
684	857 Dita Margarita**	Brgy. Dita, Sta. Rosa City, Laguna
685	763 Manhattan**	G/F Manhattan Parkway, Araneta Center, Quezon City
686	825 Lucena 3**	Quezon Avenue, Lucena City
687	801 Riverbanks 2	73 A. Bonifacio cor. Chorillo St. Brgy. Barangka, Marikina City
688	810 Macabebe**	Poblacion, Macabebe, Pampanga
689	877 Tune Hotel**	1740 A. Mabini Street, Malate, Manila, Phiippines
690	893 Famy	Manila East Road cor. Infanta Quezon Road, tunhac, Famy, Laguna
691	799 Doña Aurora (Milan Residences)	G/F Milan Residences 16 Plaridel St., cor. E. Jacinto St., Quezon City
692	737 San Roque Tarlac	Brgy. San Roque, Tarlac, Tarlac
693	847 Alaminos**	Teodoro Bldg., Quezon Ave., Across NEPO Mart, Alaminos City Poblacion
694	779 Sta. Quiteria**	Sta. Quiteria, Caloocan City
695	860 Asuncion (ex MS)	Asuncion St., cor., Zaragosa St., Divisoria, Tondo, Manila
696	837 Tiaong Stop Over	Villa Escudero, Maharlika Hi-way, Brgy Lalig, Tiaong
697	886 Libmanan	G/F Dy Property, Poblacion Street, corner Bigaon St., Libmanan, Camarines Sur
698	845 Plaridel Waltermart	Banga 1, Plaridel, Bulacan
699	759 CDC Clark (Our Homeplate)**	E. Aguinaldo Ave., cor. E. Quirino St., Clark Freeport Zone
700	903 OYG Building**	G/F OYG Building B. Mendoza St., San Fernando, Pampanga
701	888 La Union 2 (DMMMSU)**	McArthur Highway, Sevilla, Sam Fernando City, La Union
702	794 Bagtikan**	1180 Chino Roces cor., Bagtikan St., Brgy. San Antonio, Makati City
703	890 Lima Tech (Malvar Batangas) **	Santiago, JP Laurel Highway, Malvar, Batangas
704	892 Raffles	Ground level, Emerald Avenue, Ortigas Centre, Ortigas, Pasig City
705	912 Calamba Science Park**	Science park II, National Rd., Real Calamba Laguna
706	809 Paliparan 2**	Paliparan- Molino Road, Paliparan III, Dasmariñas Caviite
707	875 Menzy Land	Brgy Mojon, Malolos, Bulacan
708	878 Shell Diversion	Roxas Ave. Triangulo, Naga City, Camarines Sur
709	855 UERM**	R.Magsaysay Blvd. Ext. Quezon City
710	747 Lyceum (Ex-Maritime Agency)**	465 Muralla corner Real St., Intramuros, Manila
711	942 Munoz, Nueva Ecija**	D. Delos Santos St. Science City of Muñoz, Nueva Ecija
712	883 Madapdap**	San Fernando Avenue corner Porac Avenue, Brgy. Dapdap, Mabalacat, Pampanga
713	885 San Fabian**	Quezon Highway San Fabian, Pangasinan
714	914 Nabua **	San Roque Poblacion, Nabua, Camarines Sur
715	869 Finman	117 Tordesillas St. Salcedo Village, Makati City, Metro Manila
716	884 Galicia Property**	Galicia st. corner España, Sampaloc, Manila City
717	766 K- Zone	K-Zone Bldg., NIA-PDEA cor., EDSA, Brgy. Pinyahan, Quezon City
718	863 Tanauan 4**	A. Mabini Avenue, Tanauan City, Batangas
719	897 Lucena 4 (Lee Property)	M.L Tagarao Street, Barangay Iyam, Lucena City

720	899 Sotto	<i>Unit 117 Sotto-Yuvienco Building, 910 Gonzales St., cor., Gen Luna St., Ermita, Manila</i>
721	901 Gen Trias Poblacion	<i>Sampalukan St., Poblacion, Gen. Trias, Cavite</i>
722	925 Tuy^^	<i>Rizal st., Poblacion, Tuy, Batangas</i>
723	933 UCLM**	<i>MYFC Building, A.C. Cortez Avenue, Mandaue City</i>
724	948 Escario Central**	<i>N. Escario, Barangay Kamputhaw, Cebu City</i>
725	934 JY Square Mall	<i>Salinas Drive, corner Gorordo avenue, Lahug Cebu City</i>
726	834 Remington Hotel**	<i>Ground Floor Shop 2, Remington Hotel, Newport City</i>
727	935 Tune Hotel Cebu	<i>36 Archbishop Reyes Avenue, Cebu City</i>
728	938 Ibaan, Batangas**	<i>J. Pastor St. Poblacion, Ibaan, Batangas</i>
729	754 Mines View Plaza	<i>Outlook Drive, Mines View Park, Baguio City</i>
730	749 SM TwoE-com	<i>Retail 10 G/F, Two Ecom Center Ocean Drive, Mall of Asia Complex, Pasay City</i>
731	913 Pagsawitan	<i>Brgy. Pagsawitan, Sta. Cruz, Laguna</i>
732	940 Rada **	<i>G/F HRC Center located at 104 Rada St. Legaspi Village Makati City</i>
733	950 Bigfoot	<i>G/F Bigfoot Center F. Ramos St, Cogon Central Cebu City</i>
734	989 CPI Mango Ave.**	<i>Gen. Maxilom Avenue (Mango Ave.), corner Juana Osmena Street, Cebu City</i>
735	991 CPI NRA (North Reclamation)**	<i>Ounao Ave., North Reclamation Area, Mandaue City</i>
736	937 VRP-Sierra Madre**	<i>Sierra Madre St., Brgy Highway Hills Mandaluyong City</i>
737	920 Malvar Poblacion**	<i>Poblacion, Malvar, Batangas</i>
738	990 Banilad**	<i>AS Fortuna Street, corner Gov. M. Cuenco, Banilad, Cebu City</i>
739	915 Alaminos, Laguna	<i>Del Pilar St., Alaminos, Laguna</i>
740	850 Airport Road 2	<i>Roxas Boulevard coner Airport Road, Baclaran, Parañaque City</i>
741	864 Legislative Bldg.	<i>Rizal St., cor. Hilario St., Tarlac City</i>
742	909 Plaza 66	<i>Plaza 66 New Port City</i>
743	1006 Caltex Basak**	<i>MC Briones Street, Mandaue City</i>
744	1007 Caltex Labogon**	<i>Cebu North Road, Labogon, Mandaue City</i>
745	900 Catanauan ^^	<i>Poblacion 10, Catanauan, Quezon</i>
746	656 Marquinton Cordova Tower	<i>C-101 & C-102, Marquinton Cordova Tower, Sumulong Highway, Marikina City</i>
747	930 Caltex Sto. Tomas**	<i>Maharlika Highway Brgy. San Antonio, Sto. Tomas, Batangas</i>
748	953 San Jose, Batangas**	<i>Brgy. Taysan, SanJose, Batangas</i>
749	800 UST Campus**	<i>University of Santo Tomas, Sampaloc Manila</i>
750	868 Armstrong ave**	<i>160 Armstrong Ave., Cor E. Rodriguez Moonwalk Village, Brgy Moonwalk Parañaque City</i>
751	946 Cebu Capitol	<i>Don Gil Garcia St., cor N.G. Escario St., Capitol, Cebu City</i>
752	947 CDU**	<i>Phase 2 Carvelco Canteen, North Reclamation Area, Mandaue City, Cebu</i>
753	926 Sangley point	<i>Dra. Salamanca St. Sangley Point, Cavite City</i>
754	911 Balayan 2 (Gibson)	<i>Antorcha St., Corner Paz St., Balayan, Batangas</i>
755	998 Mambog, Bacoor	<i>New Molino Blvd., Bacoor Cavite</i>
756	929 Calauan ^^	<i>Brgy. Kanluran, Calauan, Laguna</i>
757	870 Soho	<i>Units 12/13, Level 1, Soho Central, Green Field District, Mandaluyong City</i>

758	922 Angono Medics	<i>Quezon Ave. Hihgway, Brgy. San Isidro, Angono Rizal</i>
759	798 C5 Damayan**	<i>Blk. 51 Lot 8 Phase 2, Bgry., Pinagsama, Taguig City</i>
760	659 Lung Center^^	<i>Diliman, Quezon City</i>
761	849 Caltex San Simon**	<i>Mac Arthur hi-way San Simon Exit, Pampanga</i>
762	1016 Clark County**	<i>1st Floor of Tower B., Clark Ode County, C.M. Recto Highway, Clark Freeport Zone, Pampanga</i>
763	945 CSPC**	<i>GF, CSPC-Entrepreneurs Training Center, Camarines Sur Polytechnic Colleges-Naga Campus</i>
764	952 Montalban, Burgos	<i>J.P Rizal cor. Montaña drive, Brgy. Burgos, Montalban Rizal</i>
765	1019 Banay-Banay**	<i>Brgy. Banay-Banay, Cabuyao, Laguna</i>
766	961 La Paz**	<i>La-Paz Concepcion Road, Brgy. San Isidro, La Paz, Tarlac</i>
767	968 Tagudin**	<i>Barangay Rizal, Tagudin, Ilocos Sur</i>
768	854 Naga 4	<i>Liboton St., cor Jacob St. Naga City Camarines Sur</i>
769	873 San Sebastian	<i>San Sebastian Cathedral, Lipa City</i>
770	963 Bayani Road**	<i>Bayani Road cor. Diego Silang, Taguig City</i>
771	993 San Felix	<i>Sto. Tomas, Batangas</i>
772	971 Pila Poblacion	<i>Rizal St., Sta. Clara Sur, Pila, Laguna</i>
773	910 500 Shaw	<i>500 Shaw Blvd. cor S. Laurel, Mandaluyong</i>
774	962 Masapang, Victoria	<i>National Highway, Brgy. Masapang, Victoria, Laguna</i>
775	927 Dasma 4	<i>B61 L1 Brgy., San Juan, Dasmariñas City, Cavite</i>
776	941 Sariaya 2	<i>Maharlika Highway, Brgy., Santo Cristo, Sariaya</i>
777	924 Tawilisan ^^	<i>Brgy. Bihis, Tawilisan, Taal, Batangas</i>
778	1020 St. Louis College**	<i>McArthur Highway, San Fernando, La Union</i>
779	976 San Vicente, LIPA (Banay Banay)**	<i>Brgy. Banay-Banay, Lipa City, Batangas</i>
780	928 Arayat 3	<i>Mangga-Cacutud Road, Poblacion, Arayat, Pampanga</i>
781	959 Jaen**	<i>San Isidro-Jaen Road, Jaen, Nueva Ecija</i>
782	966 Yellow Bldg	<i>Unit 1 Yellow Building 2A South Station Alabang Muntinlupa</i>
783	988 Ongpin	<i>1043 Ongpin St. cor. Gonzalo Puyat, Manila City</i>
784	1030 Caltex Plaridel (Cebu)**	<i>Plaridel Street, Brgy. Alang-Alang, Mandaue City</i>
785	1021 Talamban Crossing (Cebu)**	<i>M. Cuenco Ave., cor., M.L. Quezon St. Talamban, Cebu</i>
786	1054 Grotto Vista**	<i>Sta. Maria Tungkong Mangga Road, Graceville, Tungko, SJDM, Bulacan</i>
787	1028 Caltex N. Bacalso (Cebu)**	<i>N. Bacalso Street, Cebu City</i>
788	943 Daet (Louie's Restaurant)**	<i>Louie's Restaurant, F. Pimentel Avenue, corner, JP Rizal St., Daet, Camarines Norte</i>
789	955 Victoria**	<i>Tarlac-Victoria Highway, Victoria, Tarlac</i>
790	982 RM Olongapo**	<i>RM Centerpoint Bldg. Brgy. East Tanipac, Magsaysay Drive, Olongapo City</i>
791	951 San Agustin (Sto. Tomas)**	<i>Brgy San Agustine, Sto. Tomas, Batangas</i>
792	978 Naic 2	<i>A. Soriano Highway Naic, Cavite</i>
793	957 Bamban**	<i>McArthur Highway, Bamban Crossing, Bamban Tarlac</i>
794	1034 Calamba 6**	<i>Brgy. Parian cor. Lawa Road, Calamba City, Laguna</i>

795	904 Langkaan, Dasma**	<i>Governor's Drive cor Langkaan Drive, Langkaan Dasmaringas Cavite</i>
796	1038 Total Lucena**	<i>National Highway, Lucena City, Quezon Province</i>
797	905 Harbor Point	<i>Harbor Point, Rizal Highway, Subic bay Freeport Zone 2222</i>
798	965 Siniloan**	<i>L. De Leon St., Brgy. Acevida, Siniloan, Laguna</i>
799	1080 CPI Soldier's Hill**	<i>National Highway cor. Soldier Hills, Muntinlupa City</i>
800	939 Samal**	<i>Brgy Poblacion Samal, Bataan</i>
801	994 St. Theresa (Casa Rosario)	<i>101-F Aboitiz Street, Cebu City</i>
802	1056 Calaca	<i>Poblacion 3, Calaca, Batangas</i>
803	954 Matatalaib**	<i>Sitio Buno, Matatalaib, Tarlac City</i>
804	986 San Sebastian College	<i>Mendiola Square, 2144-46 Claro M. Recto, Manila</i>
805	1014 RCEE DORM (Cebu)**	<i>N. Bacalso Ave., Brgy. Duljo, Cebu City</i>
806	1037 D'Ace Plaza**	<i>United Avenue cor. Brixton St., Pioneer, Pasig City.</i>
807	974 Splendor Place	<i>G/F of Splendor Place, J. Nakpil St. cor., J. Bocobo St. Malate, Manila</i>
808	983 Bonifacio Technology Center (BTC)	<i>G/F Bonifacio Technology Center 2nd Ave., Global City, Taguig</i>
809	1022 Colon (Lucky 99)**	<i>Colon Street, corner Pelaez Street, Downtown, Cebu City</i>
810	919 San Felipe**	<i>Poblacion, San Felipe, Zambales</i>
811	981 LB Square**	<i>Lopez Drive, Batong Malake, Los Baños, Laguna</i>
812	931 Gagfa I.T. Center (Cebu)**	<i>G/F Gagfa IT Center, F. Cabahug St. Maboloc Cebu City</i>
813	1050 UV Main**	<i>Brgy. Parian Colon St., Cebu City</i>
814	1049 Magellan's Cross**	<i>Islands Sinulog Square, Cebu City</i>
815	1060 J. Center Mall**	<i>LGF-04 J. Center Mall, A.S. Fortuna, Brgy. Bakilid, Mandaue City</i>
816	1065 CPI Pasay Rd**	<i>EDSA/ Dela Cruz St., Pasay City</i>
817	980 Legazpi Centro**	<i>Lapu-Lapu St. cor. Quezon Ave. Legaspi City</i>
818	987 Manila Cathedral**	<i>GF Ferlaw Building, Cabildo St. Intramuros, Manila</i>
819	1084 San Matias**	<i>McArthur Hi-way, San Matias, Sto. Tomas, Pampanga</i>
820	916 GMA 2**	<i>Congressional Road, Poblacion GMA Cavite</i>
821	1094 Calyx**	<i>#5 of Calyx Centre, Cebu IT Park, Lahug, Cebu City</i>
822	1062 Gerona Poblacion**	<i>McArthur Highway Brgy. Poblacion, Gerona, Tarlac</i>
823	1048 Conchita Building**	<i>Conchita Bldg., 311 Jones Avenue, Cebu City</i>
824	906 Aseana One	<i>Aseana One, BRADCO Avenue, Parañaque</i>
825	1033 San Isidro, NE**	<i>Poblacion, San Isidro, Nueva Ecija</i>
826	1044 Liliw Poblacion	<i>Gat Tayaw St., Liliw, Laguna</i>
827	1005 Alfonso	<i>Mabini Corner Mojica, Poblacion, Alfonso, Cavite</i>
828	1058 Silang	<i>M.H. Del Pilar St., Poblacion, Silang Cavite</i>
829	1017 World Citi **	<i>Aurora Blvd. Cubao, Quezon City</i>
830	996 CPI Pagbilao	<i>Brgy. Bukal (Poblacion), Pagbilao, Quezon</i>
831	1091 CPI Guagua**	<i>GSO Road cor. San Matias, Guagua, Pampanga</i>
832	1088 Mataas na Kahoy**	<i>Brgy. Poblacion, Mataas na Kahoy, Batangas</i>

833	969 Entec Bldg.**	<i>Doña Teresa cor. Don Juan Nepomuceno Ave. Nepo mart Complex Angeles Pampanga</i>
834	1003 Tiaong 3	<i>National Highway, Lusacan Tiaong, Quezon Province</i>
835	1068 CPI FTI - E. Service Road**	<i>FTI, Taguig</i>
836	1055 Culiati	<i>Tandang Sora Ave., cor. San Ponciano St. Brgy. Culiati Quezon City</i>
837	1029 Caltex Tipolo Basak **	<i>MC Briones Street, Tipolo, Mandaue City</i>
838	932 IMEZ 2**	<i>Pueblo Verde in Mactan Economic zone II, Basak, Lapu-Lapu City</i>
839	1090 Imus 5 (Pasong Buaya)**	<i>Pasong Buaya 2, Imus, Cavite</i>
840	708 Northwalk**	<i>Unit 6A, Northwalk Clark, M.A. Roxas Highway cor. New Friendship Gate, Clark Freeport Zone, Angeles city</i>
841	1143 Apple One**	<i>Unit 105 Apple One Tower, Mindanao Ave., cor. Biliran Road, Ayala Business Park, Cebu City</i>
842	1036 Sta Rosa 5 (Amihan)**	<i>261 B Sampaguita St., Amihan Village I, Tagapo, Sta. Rosa, Laguna</i>
843	1052 Canlubang Exit**	<i>National Highway, Brgy. Mayapa, Calamba, Laguna</i>
844	1087 Legaspi 2 (BU Main)**	<i>1106 Rizal St., Brgy. 1, EM's Barrio, Legazpi City</i>
845	1057 AMC Belfrant**	<i>Belfrant Bldg. P. Burgos St., Angeles City, Pampanga</i>
846	1115 Sto Domingo Ilocos Sur**	<i>Sto. Domingo, Bagsakan, along Maharlika Highway, Sto. Domingo, Ilocos Sur</i>
847	1066 Caltex Mindanao Ave.**	<i>Mindanao Ave., Bahay Toro, Quezon City</i>
848	1025 Vigan Landmark**	<i>Vigan Landmark building, along Jose singson Vigan City</i>
849	1082 Calumpit**	<i>Brgy. Bulangao, Calumpit Bulacan</i>
850	1009 Lyceum Alabang	<i>Lyceum Alabang, Brgy. Tunasan Muntinlupa City</i>
851	1092 Cabuyao 4 (Pulo)**	<i>Brgy. Pulo, Cabuyao, Laguna</i>
852	995 Pines City	<i>Manuel L. Quezon Extension, Antipolo City</i>
853	1002 Antipolo 3	<i>Circumferential Rd., cor. J. Sumulong Highway, Brgy. San Roque, Antipolo City</i>
854	1035 Canlubang**	<i>Blk 47 Phase 1 Kapayapaan Vill. Calamba City, Laguna</i>
855	1083 New Era**	<i>Central Ave. cor. St. Mary St., New Era, Quezon City</i>
856	1114 Sta. Cruz, Ilocos Sur**	<i>National Highway, Sta. Cruz, Ilocos Sur</i>
857	1010 Masinloc**	<i>Mercedes cor. Kapitan Tinong Streets, North Poblacion, Masinloc Poblacion, Zambales</i>
858	1111 Two SANPARQ**	<i>San Antonio Park Square, Lacson St. Mandalagan, Bacolod City</i>
859	1107 Karangalan**	<i>F.P. Felix Ave., Karangalan village Gate 2, Cainta, Rizal</i>
860	984 Merge Point C-store^^	<i>Along National Highway, Vigan Junction - Bantay, Ilocos Sur</i>
861	1012 Sta. Rosa 3 (Nissin Balibago)	<i>F. Reyes St. Balibago, Sta. Rosa, Laguna</i>
862	977 Pansol 2	<i>National Highway, Bagong Kalsada, Calamba, Laguna</i>
863	1098 Angat**	<i>265 M.A. Fernando St., Angat, Bulacan</i>
864	1099 Vermont**	<i>Marcos Highway, Brgy. Mayamot, Antipolo City</i>
865	1105 Sabang**	<i>Don P. Campos Ave., Brgy. Sabang, Dasmariñas City, Cavite</i>
866	1124 Mabiga**	<i>Pineda Building, Mac Arthur Highway, Mabiga, Mabalacat, Pampanga</i>
867	956 Candaba**	<i>Main Road, Poblacion, Candaba, Pampanga</i>
868	1008 Alangilan**	<i>Brgy. Alangilan, Batangas City</i>
869	1187 Gen.Trias Manggahan**	<i>Newhall Commercial Complex, Manggahan, Gen. Trias, Cavite</i>

870	1093 Victoria Laguna	<i>Brgy. Nanyaha, Poblacion Victoria, Laguna</i>
871	1067 CPI Shaw Pioneer	<i>Pioneer Shaw Blvd., Mandaluyong City</i>
872	1120 San Luis, Batangas	<i>National Road at Brgy. Muzon, San Luis, Batangas</i>
873	1053 Calamba 7	<i>Pabalan St. Calamba City, Laguna</i>
874	1134 Lipa City Hall**	<i>Brgy. Maraouy, Lipa City, Batangas</i>
875	1023 Cab Central Terminal**	<i>Along Circumferential Road, Cabanatuan Central Terminal Cabanatuan City, Nueva Ecija</i>
876	1069 Montillano 1	<i>89 Montillano cor. Ilaya Brgy. Alabang, Muntinlupa</i>
877	1046 Shangri-La Plaza	<i>s103-105, Level 1, Main Wing Shangri-La Plaza EDSA cor. Shaw Boulevard, Mandaluyong City</i>
878	1031 Sta. Rosa 4**	<i>Brgy. Kanluran, Sta. Rosa, Laguna</i>
879	936 Pilar, Bataan	<i>Gov. J. Linao Road, Panilao, Pilar, Bataan</i>
880	1059 San Mateo 2	<i>Gen. Luna Ave. Brgy. Ampid, San Mateo, Rizal</i>
881	1183 Bacolod Capitol**	<i>G/F of VSB Building, Lacson St., Bacolod City, Negros Occidental</i>
882	1085 USC Main**	<i>University GOLS Computer Shop Jonquera St. Cebu City</i>
883	1219 Pan-Asiatic**	<i>Carlos Hidalgo Hi-way, Bacolod City, Negros Occidental</i>
884	1197 Silay**	<i>Rizal St., Silay City, Negros Occidental</i>
885	1072 Rainforest	<i>F. Cabahug, Ayala Access Road, cebu City</i>
886	1063 Cuyapo**	<i>Quezon Avenue, Poblacion, Cuyapo, Nueva Ecija</i>
887	1103 Bacoor 3**	<i>Km 16, Aguinaldo Highway, Niog, Bacoor, Cavite</i>
888	1018 Daet 2	<i>Vinzon's Avenue Daet, Camarines Norte</i>
889	871 Almanza Uno	<i>481 Real St., Almanza 1, Las Piñas City (across SM Southmall)</i>
890	1064 West Lake Med	<i>National Highway Brgy. Nueva, San Pedro Laguna</i>
891	1074 New Sacred Heart Pharmacy**	<i>B. Rodriguez St. Brgy. Sambag 2, Cebu City</i>
892	1070 Sta. Rita, Guiguinto**	<i>Mc Arthur Hiway, Sta. Rita, Guiguinto, Bulacan</i>
893	1147 St. Joseph**	<i>E-18th St., Brgy. East Bajac Bajac, Olongapo City</i>
894	1129 Lumban	<i>Zamora St. Lumban, Laguna</i>
895	1045 Mactan Newtown**	<i>GF Retail 2- The Mactan Ocean Town, Lapu-Lapu City</i>
896	970 Orani Rural Bank**	<i>Poblacion, Brgy. Centro 1, Orani, Bataan</i>
897	1081 Ayala Imus	<i>Aguinaldo Highway cor. Daang Hari, Imus Cavite</i>
898	1137 Cintiley Residences	<i>Cintiley Residences located at Jose Abad Santos cor. P Algue St. Tondo, Manila</i>
899	1041 Pureza 2**	<i>350 Pureza St., Sta. Mesa, Manila</i>
900	1108 Roosevelt	<i>Roosevelt St. cor PAT Senador St., Brgy. San Del Monte Quezon City</i>
901	1144 Laoag U-belt	<i>#40 P. Gomez St., Brgy. 5, San Pedro Laoag City, Ilocos Norte</i>
902	1207 Angeles 4**	<i>ENGIE KEI BLDG. McArthur Highway, Brgy. Pulong-Bulo, Angeles City</i>
903	1155 Daet 3**	<i>Gov. Panotes Ave., Daet, Camarines Norte</i>
904	1104 Lucena 5**	<i>ML Tagarao St., cor. Abellariosa St., Lucena City</i>
905	1135 Calauag Poblacion	<i>Jose Rizal St. cor. Arguelles St., Calauag, Quezon</i>
906	1125 Sto. Tomas**	<i>Brgy. San Pedro, Sto. Tomas, Batangas</i>
907	1152 SWU**	<i>Brgy. Sambag II, Aznar St., Cebu City</i>

908	1116 Biñan 5	Lot 1 Blk 2, Southville Commercial, Brgy. Sto. Tomas, Biñan City
909	1051 California Village	Katipunan St. California Village Brgy. San Bartolome, Quezon City
910	1210 L'Fisher**	Lourdes C. Center Building 2, Lacson St. cor. 14th St., Bacolod City
911	1096 Libertad-Aurora**	135 Antonio Arnaiz cor. Aurora St. Pasay City
912	1133 Malagasang	Malagasang Road, Imus, Cavite
913	1089 Paoay	Centro Marcelino Building Brgy. 9, San Pedro Paoay, Ilocos Norte
914	1073 MSI Lapu-Lapu**	G/F MSI Building Lopez-Jaena St., Upon, Lapu-Lapu City
915	1228 Barreto 2**	#73 National Highway, Brgy. Baretto, Olongapo City
916	1013 Batac Colleges	Batac College, Along Washington St., Batac City, Ilocos Norte
917	1175 Daraga**	Rizal St., Brgy. Sagpon, Daraga Albay
918	1161 La Trinidad 2**	A-70 San Jose St. cor. Halsema Hi-way Poblacion, La Trinidad, Benguet
919	1113 CPI Ireneville**	Caltex Station Sucat Road cor. Doña Irene St., Parañaque City
920	1126 The Persimmon Plus	M.J. Cuenco Ave., Brgy. Mabolo, Cebu City, Cebu
921	1131 Bulakan, Bulacan**	Brgy. San Jose, Poblacion, Bulakan, Bulacan
922	1157 Plaza Borromeo**	Ground Floor, Plaza Borromeo IV, P. Lopez St. Cebu City
923	1127 USJR Basak**	Cebu South Road. Brgy. Basak-Pardo, Cebu City
924	1043 New York Residences **	901 Leon Guinto St., cor., Estrada St., Malate
925	1159 Baler	89 Baler St. West Avenue, Quezon City
926	1102 Concepcion Malabon**	General Luna St., Concepcion Uno, Malabon
927	1249 Pandan**	Pandan Tabun, Angeles City, Pampanga
928	1164 Bogo Poblacion**	R. Fernan St. Brgy. Carbon, Bogo City, Cebu
929	1246 Shell Dolores**	McArthur Highway, Dolores, San Fernando Pampanga
930	1032 San Pablo Palengke	Lopez Jaena St. cor. Regidor St., San Pablo, Laguna
931	1079 Mabini Batangas**	#N/A
932	1247 EPSON Lima Tech**	Lima Technology Center, Lipa City, Batangas
933	1097 CPI Aurora Blvd.	Lot 4 & 5 Blk 3 Aurora Blvd. cor. J.P. Rizal St. Brgy. Marilag Quezon City
934	1132 Luxur Place**	Luxur Place, Lacson st. cor., Magsaysay Ave., Bacolod City, Negros Occidental
935	1109 Cabugao^^	National Highway, Brgy. Bonifacio Cabugao, Ilocos Sur
936	1186 Bagbag	633 Quirino Highway, Brgy. Bagbag, Novaliches, Quezon City
937	1253 Aliaga, N.E.**	Poblacion Road, Aliaga, Nueva Ecija
938	1170 Batac 2	Brgy. Caunayan, Batac City, Ilocos Norte
939	1154 San Nicolas	Madamba St. cor. Maharlika Highway, Brgy. 12, San Nicolas, Ilocos Norte
940	1015 Alpha Land Makati Mall	7232 Ayala Ave. Ext. cor. Malugay St. Makati City
941	1220 Unisan Quezon	Carillo St. cor. San Pedro St., Brgy. Poblacion, Quezon Ave., Unisan, Quezon
942	1153 Transcom City**	Door 8, Lopue's South Square Commercial Complex, Brgy. Alijis, Bacolod City
943	1171 V. Mapa	Buenviaje St. cor. V. Mapa, Sta. Mesa, Manila City
944	1200 Sandoval Ave.	A. Sandoval Avenue, Pasig City
945	1165 CTU	G/F Cianna Residences, V. Guillas St. cor. P. Burgos St., Cebu City

946	1166 Delos Santos Hospital**	<i>Delos Santos Medical Center 201 E. Rodriguez Boulevard Sr. Boulevard, Brgy. Kalusugan, Quezon City</i>
947	1122 Montillano 2	<i>249 Montillano St. Alabang, Muntinlupa</i>
948	1204 Cebu Salinas Drive**	<i>Alfonso and Sons Bldg., Salinas Drive, Lahug, Cebu City</i>
949	1130 Binangonan 3	<i>Brgy. Calumpang, Binangonan, Rizal</i>
950	997 BF Almanza	<i>Aragon Bldg. 212 CRM ave. cor. Cardinal St., BF Almanza, Las Piñas City</i>
951	979 Phoenix Bacoor	<i>Aguinaldo Highway cor. Hawaii St. Brgy. Salinas, Bacoor, Cavite</i>
952	1189 PTT San Jose	<i>Abar 1st, Maharlika Highway, San Jose City, Nueva Ecija</i>
953	1194 Rosario, La Union	<i>McArthur Highway, Brgy. Camp One, Rosario. La Union</i>
954	1139 Villa Cristina	<i>#11 Villa Cristina Ave., Villa Cristina Subd., Pamplona Tres, Las Piñas City</i>
955	1100 PTT Osmeña	<i>Estrella and Macabulos Sts., South Superhighway, Makati City</i>
956	1212 Bonuan**	<i>Bonuan Gueset, Dagupan City, Pangasinan</i>
957	1181 Clark Star**	<i>Clark Star Hotel, Balibago, Angeles City</i>
958	1221 Sta Maria, Laguna	<i>Real Velasquez St. cor. Burgos St., Sta. Maria, Laguna</i>
959	1229 Bacoor 4	<i>Magdiwang Highway, Green Valley, Bacoor, Cavite</i>
960	1149 Canossa, Lipa**	<i>Brgy. Mataas na Lupa, Lipa City, Batangas</i>
961	1188 San Jose 2**	<i>Brgy. Malasin, Maharlika Highway, San Jose City, Nueva Ecija</i>
962	1195 Agoncillo**	<i>Poblacion, Agoncillo, Batangas</i>
963	1042 Espeleta**	<i>Avenida Rizal St. Espeleta, Imus, Cavite</i>
964	1118 CPI J. Vargas	<i>Meralco Ave. cor. J. Vargas, Ortigas Pasig</i>
965	1254 Polangui**	<i>National Road, Brgy. Ubaliw, Polangui, Albay</i>
966	1141 New Cabalan**	<i>Dinalupihan-Olongapo Road, Olongapo</i>
967	1150 Baras	<i>J.P. Rizal St., Poblacion, Baras, Rizal</i>
968	1259 Meralco Village**	<i>Brgy. Lias, Marilao, Bulacan</i>
969	1172 Danao Poblacion**	<i>F. Ralota St., Poblacion, Danao City</i>
970	1176 Bustos Sta. Cruz	<i>505 Bustos St., Sta. Cruz, Manila</i>
971	1123 Greenfield IT	<i>Greenfield District, I.T. Building, GF, Unit no. CS01-03</i>
972	1177 Pureza 3**	<i>Pureza cor. Magsaysay Boulevard, Sta. Mesa, Manila</i>
973	1140 Regalado Hive	<i>Regalado Hive Commercial Center, Regalado Avenue, Fairview, Quezon City</i>
974	1198 S.H. Loyola	<i>Lacson Ave. and Loyola Street, Sampaloc, Manila</i>
975	1119 CPI Hillcrest	<i>Shaw Blvd. cor. Hillcrest Drive, Pasig City</i>
976	1027 Candon	<i>Samonte Road, Candon City, Ilocos Sur</i>
977	1190 San Jacinto**	<i>Manaoag Road-San Jacinto Road. San Jacinto, Pangasinan</i>
978	1179 Urdaneta 4**	<i>103 Alexander St., Urdaneta City, Pangasinan</i>
979	1209 Guadalupe Cebu**	<i>2211 V. Rama Avenue, Guadalupe Cebu City</i>
980	1312 Dolores**	<i>McArthur Highway, Brgy. Dolores, San Fernando, Pampanga</i>
981	973 LP District Hospital	<i>G/F of 387-389 Padre Diego Cera Ave., Brgy. Pulang Lupa Las Piñas City</i>
982	1182 UNO-R	<i>Lizares St., Bacolod City, Negros Occidental</i>
983	1215 Bacolod Doctors**	<i>G/F McMetroplex B.S Aquino Drive, Bacolod City</i>

984	1256 Caltex Bacao (EFZA)**	Centennial Highway, Brgy. Bacao, General Trias, Cavite
985	1299 Caltex Lipa Balintawak**	Caltex Gas Station, Brgy. Balintawak, Lipa City, Batangas
986	1061 Kingspoint**	Kingspoint St. cor Quirino Highway, Novaliches, Quezon City
987	1148 San Pascual 2**	Poblacion Public Market, San Pascual, Batangas City
988	1106 Tayabas 2	Brgy. Angeles, Lucena-Tayabas Road, Tayabas City
989	1252 Sto. Domingo, NE**	Quezon-Sto. Domingo Road, Sto. Domingo, Nueva Ecija
990	1261 Sipocot**	Lot 1-I San Juan Ave., North Centro, Sipocot, Camarines Sur
991	1218 Tabunok**	Mang Tinapay, Rafael Rabaya cor. Cebu South Road, Tabunok, Talisay City
992	1145 Caloocan HS	33 West Macario Asisitio Ave., Grace Park, Caloocan City
993	1217 i1 Building**	i1 Building GF Unit A107, Asiatown IT Park, Apas, Cebu City
994	1173 Labangon**	Salvador St. cor. Katipunan St., Labangon, Cebu City
995	1233 South of Market (SOMA)	Ground Floor South of Market Condominium, Global City, Taguig
996	902 Sitio Gitna	#986 Gen. Luis St. Cor P. Dela Cruz St. Brgy. Kaybiga, Caloocan City
997	1142 Tambo**	0195 cor. Delos Santos St., Quirino Ave., Brgy. Tambo, Parañaque City
998	985 Capitol Medical Center**	Scout Magbanua, Timog Quezon City
999	1162 LP College	Blk 3 Lot 2 Rose Ave. cor. Pilar Rd., Almanza Uno, Las Piñas City
1000	1251 Alabang NB Exit	East Service Road, Alabang, Muntinlupa City
1001	1185 Uptown Center**	56-58 Madison St., Uptown Bldg., Mandaluyong City
1002	1367 Assumption Iloilo**	Vidal Building, General Luna cor. Quezon St., Brgy Sampaguaita, Iloilo City
1003	1191 Minglanilla Poblacion**	Ward IV, Minglanilla, Cebu City
1004	1203 Lapu-Lapu Arcade**	Arcade Quezon National Highway, Lapu-Lapu
1005	1071 Saver's Plaza**	Unit 1 & 2 Savers Plaza, Basak-Maragondon Road, Mactan, Lapu-Lapu
1006	1121 Mauban**	Municipality of Mauban, Province of Quezon
1007	1101 Ok Plaza**	Victory Liner Compound, Monumento, Caloocan
1008	1216 La Salle Bacolod**	La Salle Ave., Bacolod Negros Occidental in front of Gate 1 University of La Salle
1009	992 RL Mall	G/F 001 Isquare Mall, Quirino Highway, Brgy. Gulod, Novaliches
1010	1206 WCC Caloocan	William Shaw St., Caloocan City
1011	1290 Natividad Lopez**	G/F of CCI Building, 1091 Natividad Lopez St., Ermita, Manila
1012	1226 Talisay**	Brgy. Poblacion, Talisay, Batangas
1013	1267 Carcar City**	Barili St., Carcar City, Rotunda, Cebu
1014	1293 Rosario 3	Purissima Building, Marceilla St., Ligdong III, Rosario, Cavite
1015	1241 Caltex San Pablo	Rizal Ave., San Pablo City, Laguna
1016	1376 La Fiesta**	G/F La Fiesta Hotel, MH Del Pilar Iloilo R-1, Iloilo City
1017	1248 P. Noval	1037, 1041, 1039, 1043 P. Noval St., Sampaloc, Manila
1018	1255 Ocampo	Barrio Poblacion, Municipality of Ocampo, Province of Camarines Sur
1019	1156 RP Gulod**	Marianito St., Brgy. Gulod, Novaliches, Quezon City
1020	1180 Bagong Silang	Langit Road, Bagong Silang, Caloocan City
1021	1250 Sta. Ignacia**	Romulo Highway, Poblacion, Sta. Ignacia, Tarlac

1022	1211 Balaoan**	National Highway, Balaoan Poblacion, La Union
1023	1311 RCBC The Fort**	Unit G06 RSB Corporate Center 26th St cor 5th Ave., Bonifacio South, Bonifacio Global City, Taguig City
1024	1262 CPI C5 Ugong	Barrio Ugong, Pasig City
1025	1238 MPT Suites**	Kalayaan Ave. cor. P. Burgos St., Bel-Air, Makati City
1026	1270 Mandaue City Hall**	Ground Floor, The Ellian Tower, A. Mabini St. Mandaue City
1027	1237 Manggahan Industrial Park**	Amang Rodriguez Ave., Manggahan, Pasig City
1028	1275 Legazpi 5	Imperial St., Brgy. Bitano, Legazpi City
1029	1239 Quiapo 2	374 Quezon Ave., Quiapo, Metro Manila
1030	1330 Legazpi 3**	Magallanes St., Brgy. San Rafael, Legazpi, Albay
1031	1291 Macalelon	La Purisima St. Brgy. Poblacion, Macalelon, Quezon
1032	1305 Mulanay Quezon	San Carlos St., Brgy. 3 Poblacion, Mulanay, Quezon
1033	1266 Poblacion Moalboal	Poblacion East, Moalboal, Cebu
1034	1244 Katipunan 2**	Katipunan Ave. cor. Esteban Abada, Quezon City
1035	1362 Pozorrubio**	Brgy. Poblacion, Pozorrubio, Pangasinan
1036	1242 Angono 4	P. Tolentino, San Isidro, Angono, Rizal
1037	1264 Square One**	G/F, Sqaure 1, Highway Mandaue cor. Singson Village, Tipolo, Mandaue City, Cebu
1038	1296 Biñan 6	Brgy. San Francisco, Biñan, Laguna
1039	1288 Jetti Dahlia	Dahlia Ave. cor. Chestnut St., West Fairview, Quezon City
1040	1223 Forbeswood Parklane**	Unit 6, The Parklane Strip, Rizal Drive, FBGC, Taguig
1041	1236 Pagbilao Poblacion**	J.P. Rizal St. cor. Gloria St., Brgy. Poblacion, Pagbilao, Quezon Province
1042	1320 CPI Tayuman**	1868 A.H. Lacson cor. P. Guevarra Sta. Cruz, Manila
1043	1327 Silang 2	Bo. Of San Miguel 1, Silang, Cavite
1044	1076 Fortunata	MTF Building located at Dr. A. Santos Ave., Sucat, Parañaque
1045	1158 Camarin 2	Zapote St. Franglo Building Area D, Camarin, Caloocan City
1046	1276 Guinobatan**	Rizal St., Brgy. Poblacion, Guinobatan, Albay
1047	1196 Sta. Rosa 6**	Olympia Subd., Brgy. Labas, Sta. Rosa City, Laguna
1048	1322 Royal Gold Plaza**	G/F Royal Gold Plaza, AC Cortes Avenue, Guizo, Mandaue City
1049	Hi-way Mabini St. cor. Bonifacio St., Talisay, Negros Occidental	
1050	1232 Wynn Plaza	1674 Leon Guinto, Malate, Manila
1051	1260 Sta. Ana- Market Plaza	2235 M. Roxas cor. Suter Sts., Sta. Ana, Manila
1052	1235 11th Avenue**	M.H. Del Pilar St. cor. 11th Ave., Grace Park, Caloocan City
1053	1231 Camarin 3	Purok 4. San Isidro, Kiko Camarin, North Caloocan City
1054	1307 Naic 3**	Bo. Of Timalan, Naic, Cavite
1055	1163 Francisco Homes**	Blk. 9 Lot 1, Ph-GIII, Francisco Homes, City of San Jose Del Monte, Bulacan
1056	1436 Sta. Cruz, Zambales**	National Road cor. Misola St., Poblacion, Santa Cruz, Zambales
1057	1258 Farmers Plaza 2	0085, The New Farmers Plaza, G/F Arcade, Araneta, Cubao, Quezon City
1058	1110 Tropicana Garden**	Tropicana Garden City, Sumulong Highway, Marikina City
1059	1112 Maceda	Maceda St. near cor. España, Sampaloc, Manila

1060	1315 Escriva	<i>GF Amber Square Escriva Drive Ortigas Center, Pasig City</i>
1061	1280 Caltex Regalado	<i>Commonwealth Ave. cor. Regalado, Fairview, Quezon City</i>
1062	1410 Tagaytay 5**	<i>Maharlika West, Tagaytay City, Cavite</i>
1063	1323 City Times Square**	<i>A-103 & 104, Ground Floor, City Time Square, Brgy. Subangdaku, NRA, Mandaue City, Cebu</i>
1064	1336 FEU-Paredes	<i>Unit GF of Don Lorenzo Bldg. 889 P. Paredes St., Sampaloc, Manila</i>
1065	1136 Rizal, NE**	<i>Poblacion Sur, Rizal, Nueva Ecija</i>
1066	1382 Rosales**	<i>Brgy. Pobalcion, Rosales, Pangasinan</i>
1067	1419 San Bartolome Parish**	<i>J.P. Rizal Ave., Brgy. San Agustin, Malabon City</i>
1068	1128 ETON Cyberpod 3	<i>Edsa cor. Quezon Ave., Quezon City</i>
1069	1388 Naga Cebu**	<i>Leah's Square cor. Mejia St. & National Highway, West Poblacion, Naga City, Cebu</i>
1070	1205 Liloan Poblacion**	<i>Poblacion Liloan, Cebu City</i>
1071	1366 Dapitan 2	<i>Unit 101 at Golden Emerald Mansion, 1513 Dapitan St. Sampaloc, Manila</i>
1072	1227 Harmony Hills	<i>Harmony Hills Subd., Muzon, SJDM, Bulacan</i>
1073	1370 WVCST- Burgos**	<i>50 Burgos St. La Paz, Iloilo</i>
1074	1039 Bangar**	<i>Bangar Poblacion, Bangar, La Union</i>
1075	1353 Liberty Shaw	<i>Unit Nos. 1 & 2, GF-Retail row, Freedom Plaza at Liberty Center, Shaw Blvd., Mandaluyong City</i>
1076	1335 Baesa**	<i>Quirino Highway, Balong-Bato, Balintawak, Quezon City</i>
1077	1329 Alfonso 2	<i>Mangas St., Brgy. Lukshuhin, Alfonso, Cavite</i>
1078	1184 Atherton	<i>Don Mariano Marcos Highway cor. Atherton, North Fairview, Quezon City</i>
1079	1343 Suntree Tower	<i>#13 Meralco Ave. #27 Sapphire Road, San Antonio, Ortigas Center, Pasig City</i>
1080	1342 BSA Twin Towers	<i>BSA Twin Tower Bank Drive, Ortigas Center, Mandaluyong City</i>
1081	1300 San Pedro 6	<i>26 Brgy. Riverside, San Pedro, Laguna</i>
1082	1302 139 Corporate Center^^	<i>Unit 102 Ground Floor, 139 Corporate Center (Antel Tower), Valero St. cor. Valero Access Road, Salcedo Village, Makati City</i>
1083	1350 Sandra Mall**	<i>Sandra Mall, Angeles-Porac-Floridablanca-Dinalupihan Road, cor. Sandra St., Angeles city</i>
1084	1387 Zerenity Suites	<i>San Miguel Road, Brgy. Apas, Cebu City</i>
1085	1243 Golden Acres**	<i>Blk. 1 Lot 8, Marcos Alvarez Ave., Golden Acre, Talon 1, Las Piñas City</i>
1086	1338 Prince Plaza 2	<i>G6 Prince Plaza 2 Condominium Building, Dela Rosa St., Legazpi Village, Makati City</i>
1087	1339 Laoag 2	<i>Brgy. Of No. 9, Sta. Angela, Rurban, Laoag City, Ilocos Norte</i>
1088	1332 Navotas 2	<i>Noval St. cor. E. Naval St., Brgy. San Jose, Navotas City</i>
1089	1328 Ternate	<i>H. Ventura cor. Sto. Niño, Brgy. Poblacion 2, Ternate, Cavite</i>
1090	1285 Eusebio Arcade	<i>Hernaez St. cor. Araneta Ave., Bacolod City, Negros Occidental</i>
1091	1303 N. Garcia 2**	<i>N. Garcia St. cor. Milagros St., Brgy. Valenzuela, Makati City</i>
1092	1265 CDH**	<i>Brgy. Capitol, City of Cebu</i>
1093	1321 Punta Princesa**	<i>Ground Floor, Miramontes Building, F. Llamas St., Punta Princesa, Cebu City</i>
1094	1377 Tune Hotel QC	<i>100 Lot 8 Timog Ave., Quezon City</i>
1095	1424 Maligaya Park	<i>4 Maligaya Drive, Brgy. Pasong Putik, Quezon City</i>
1096	1284 Bacolod Regional Hospital**	<i>N & M Pharmacy, Lacson St., Bacolod City</i>

1097	1301 Orion Bataan**	<i>Brgy. Arellano, Orion, Bataan</i>
1098	1240 LSPU San Pablo**	<i>Brgy. Del Remedios, San Pablo City, Laguna</i>
1099	1383 Uptown Place	<i>General Luna St., Iloilo City</i>
1100	1371 La Paz Plaza**	<i>Huervana St., cor. Divinagracia District of La Paz, Iloilo City</i>
1101	1368 Injap Tower**	<i>Cor. Divrsion Road and Jaladoni St., Mandurrio, Iloilo City</i>
1102	1359 Alcala	<i>National Road, Alcala Poblacion, Pangasinan</i>
1103	1386 Binangonan 4	<i>Brgy. Tayuman, Binangonan, Rizal</i>
1104	1287 Candelaria Poblacion**	<i>J.P. Rizal St. cor. Valle St., Candelaria, Quezon</i>
1105	1340 Evangelista 2	<i>GF 1837 Evangelista St. cor. Dallas St., Brgy. Pio Del Pilar, Makati City</i>
1106	1317 Admiral**	<i>G/F Citywalk Building, Admiral Road, Talon 3, Las Piñas City</i>
1107	1345 Kamias 2	<i>No. 1 Kamias Road, Quezon City</i>
1108	1378 Royal Plaza	<i>648 Remedios St., Malate, Manila</i>
1109	1222 BF Homes Aguirre	<i>#21 Aguirre Ave., Bf Homes, Parañaque City</i>
1110	1234 Adriatico Courtyard	<i>1917 Adriatico St. Malate, Manila</i>
1111	1325 Wilson Abad Santos	<i>3 Jose Abad Santos St., Brgy. Little Baguio, San Juan City</i>
1112	1309 LHK Square	<i>288 N Domingo St. San Juan City</i>
1113	1341 AIC Empire Sapphire	<i>AIC Burgundy Empire Tower, Sapphire Road, Ortigas Center, Pasig City</i>
1114	1337 Mayapyap	<i>Mayapyap Sur, Cabanatuan City, Nueva Ecija</i>
1115	1421 Bigte**	<i>Bigte, Norzagaray, Bulacan</i>
1116	1351 Morong Poblacion	<i>65 Tomas Claudio St. Brgy. San Juan, Morong, Rizal</i>
1117	1245 Katipunan 3**	<i>Dela Rosa Loyola Heights, Balara, Quezon City</i>
1118	1086 Solemare**	<i>Space 15 Tower A Solemare Parksuites located at Brado Ave., Parañaque City</i>
1119	1398 Mactan Doctors**	<i>G/F, JS Realty, Washington St. cor. Cagudoy St., Lapu-Lapu City</i>
1120	1214 Bago City**	<i>Gen. Luna St., Poblacion, Bago City, Negros Occidental</i>
1121	1151 Adriatico Garden	<i>Adriatico St. Malate, Manila</i>
1122	1304 Trece 4	<i>Brgy. Luciano, Trece Martirez, Cavite</i>
1123	1314 Sta. Maria Highway**	<i>McArthur Highway, Brgy. Danuman West, Sta. Maria, Ilocos Sur</i>
1124	1385 Marco Polo**	<i>Meralco Ave. and Sapphire Road, Ortigas Center, Pasig City</i>
1125	1356 Lucena Diversion	<i>Brgy. Gulang Gulang, Lucena City, Quezon</i>
1126	1375 Fuente Circle**	<i>Door 5, G/F Ybañez Bldg., Fuente Osmeña Blvd., Cebu City</i>
1127	1405 San Juan Batangas**	<i>General Luna St., San Juan, Batangas</i>
1128	1331 BDO Greenhills	<i>G/F BDO Greenhills-Ortigas Building 2, Ortigas cor. Roosevelt Ave. Greenhills, San Juan City</i>
1129	1192 Red Square	<i>Bagbaguin Road cor. P. Jacinto St., Caloocan City</i>
1130	1257 Manhattan Parkview	<i>Space #00017, G/F Manhattan Parkview, Araneta Center, Quezon City</i>
1131	1224 V Corporate Center^^	<i>125 LP Leviste, Salcedo Village, Makati City</i>
1132	1439 San Beda**	<i>1st Street, Dr. Concepcion Aguila, San Miguel, Manila</i>
1133	1279 The Beacon	<i>Unit 2B The Beacon cor. Chino Roces and Armaiz Ave. San Lorenzo Village, Makati City</i>
1134	1491 Bel-Air Soho**	<i>Unit G103, Bel-Air Soho, 45 Polaris cor. Badajos St. Brgy. Poblacion, Makati City</i>

1135	1485 Tagaytay Highlands**	<i>Tagaytay Highlands, Tagaytay, Cavite</i>
1136	1412 Tanza Bagtas	<i>Tanza-Trece Road, Brgy. Bagtas, Tanza, Cavite</i>
1137	1358 Nagcarlan	<i>Brgy. Poblacion 1, Nagcarlan, Laguna</i>
1138	1319 Trece 3	<i>166 Trece-Indang Road, Brgy. Luciano, Trece Martirez City</i>
1139	1174 Danao Mitsumi**	<i>Central Nautica Highway, Sabang, Danao City, Cebu</i>
1140	1278 ETON Greenbelt Parkview	<i>Unit B, Eton Greenbelt Parkview, Gamboa St., Legaspi Village, Makati City</i>
1141	1390 Cordova**	<i>Poblacion Cordova Cebu</i>
1142	1384 Princeton Residences	<i>Aurora Blvd. . Quezon City</i>
1143	1413 Tanza Amaya	<i>Amaya Road, Brgy. Amaya-I, Tanza, Cavite</i>
1144	1380 Lower Bicutan 2**	<i>#1 M.L Quezon St. Lower Bicutan, Taguig City</i>
1145	1225 Laurel Batangas**	<i>Poblacion 3, Laurel, Batangas</i>
1146	1437 Manila Sanitarium	<i>San Juan St., Pasay City</i>
1147	1450 Goa**	<i>San Jose St. Goa, Camarines Sur</i>
1148	1281 Bayfront Hotel**	<i>Kaoshiung St., North Reclamation Area, Cebu City</i>
1149	1473 Magalang Avenue**	<i>McArthur Highway cor. Magalang Ave., Angeles City, Pampanga</i>
1150	1347 Sangandaan (Tandang Sora Ext.)**	<i>369 Tandang Sora Extension, Brgy. Sangandaan, Quezon City</i>
1151	1392 Kabankalan**	<i>Guanzon St., Kabankalan City, Negros Occidental</i>
1152	1168 ACT Tower**	<i>135 H.V. Dela Costa St., Makati City</i>
1153	1561 Bauan 3**	<i>J.P. Rizal St. cor. Kapitan Ponso St., Poblacion 2, Bauan, Batangas</i>
1154	1447 Daang-Batang**	<i>15303 cor. Daang Batang St., Rodriguez Ave., San Agustin, Parañaque City</i>
1155	1334 Iriga 2**	<i>San Francisco, Iriga City, Camarines Sur</i>
1156	1272 Sacred Heart Hospital**	<i>Ground Floor, TSC Property Holdings, Inc., Urgello St., Cebu City</i>
1157	1404 Amadeo Cavite	<i>119 A. Mabini St., Amadeo, Cavite</i>
1158	1269 Shaw MRT	<i>Greenfield District Station, Second Floor Concourse Southbound CS-2</i>
1159	1472 Bacnotan**	<i>Nationa Highway Poblacion, Bacnotan, La Union</i>
1160	1409 Batangas 5**	<i>G/F, Rentable 4, Cham Building, Brgy. Balagtas, Batangas City, Batangas</i>
1161	1407 Mamatid 2**	<i>Brgy. Mamatid, Cabuyao City, Laguna</i>
1162	1364 Unioil Kalayaan**	<i>Unioil Kalayaan Station, Malingap St., Quezon City</i>
1163	1539 Baloc, N.E.**	<i>Cagayan Valley Rd., Brgy. Baloc, Nueva Ecija</i>
1164	1298 CEO Flats^^	<i>27 Canopus cor. Jupiter Sts., Bel Air Village, Makati City</i>
1165	1611 Blue Residences	<i>Katipunan Ave. cor. Aurora Blvd., Quezon City</i>
1166	1268 Sta. Lucia Residenze	<i>Imelda Ave. cor. Marcos Highway, Cainta, Rizal</i>
1167	1349 WPAZ	<i>349 JP Rizal St. Sta. Elena, Marikina City</i>
1168	1352 Betterliving 5	<i>Unit 1-D Benrosi Plaza Condominium, Fastrack St. Brgy. Moonwalk, Parañaque City</i>
1169	1442 CAVSU Indang	<i>Cavite State University, Indang-Trece Martires Road, Indang, Cavite</i>
1170	1443 M Place	<i>Panay Ave., South Triangle, Quezon City</i>
1171	1397 Two Quad	<i>2Quad Building, Cebu Business Park, Cebu City</i>
1172	1395 A Square Anonas	<i>#2 Anonas St. cor. Aurora Blvd., Project 2, Cubao, Quezon City</i>

1173	1515 Plaza Hotel, La Union**	Brgy. Poblacion, San Fernando City, La Union
1174	1399 Argao	839 Cor. Dr. T.S. Kintanar St. & National Highway, Argao, Cebu
1175	1418 Salcedo 2	159 Salcedo St., Legazpi Village, Makati City
1176	1577 Cabiao, N.E.**	Pobalcion Road, Cabiao, Nueva Ecija
1177	1510 The Strip Meralco	The Strip along Ortigas Ave., Pasig City
1178	1505 Batangas 6**	P. Prieto St. Batangas City
1179	1549 Shell San Roque	Brgy. San Roque, San Pablo City, Laguna
1180	1308 Paliparan 3**	Brgy. Paliparan, Dasmariñas, Cavite
1181	1467 CVSU Rosario **	Gen. Trias Drive, Brgy. Tejeros Convention, Rosario, Cavite
1182	1562 Lemery 3**	National Road, Brgy. Malinis, Lemery, Batangas
1183	1557 Mapandan**	Pandan Ave Poblacion, Mapandan, Pangasinan
1184	1286 Sum-Ag**	Araneta Ave. cor Sum-Ag Abuanan Rd., Brgy. Sum-Ag, Bacolod City, Negros Occidental
1185	1513 University of Manila	Ventura Residences, 646-B, M.V. Delos Santos, Sampaloc, Manila
1186	1402 Talamban Proper**	Dr. J.B. Vizcayno Bldg., Talamban, Cebu City
1187	1471 Sual	National Highway, Brgy. Poblacion, Sual, Pangasinan
1188	1520 Kornerwalk**	Unit 3 Kornerwalk Commercial Center, Olongapo-Gapan Road, San Antonio, Guagua, Pampanga
1189	1408 G. Tuazon 3**	Lot 1 & 2, No. 2000 G. Tuazon St. cor. Masbate St., Balic Balic, Sampaloc, Manila
1190	1501 Juan Luna	788-790 Juan Luna St., Binondo, Manila
1191	1608 Golden Town	Brgy. Maduya, Carmona, Cavite
1192	1363 Kaybiga	Lot 24 Blk 32 Gen. Luis St., Kaybiga Road, Caloocan City
1193	1453 Fly Ace-Coral Way	Fly Ace Corporate Center, 13 Coral Way, Central Business Park, Pasay City
1194	1498 Biñan Doctors	Brgy. Platero, Biñan City, Laguna
1195	1435 8 Adriatico	Padre Faura St., cor. J. Bocobo St., Manila City
1196	1400 Guadalupe Church**	V. Rama Avenue, Guadalupe, Cebu City
1197	1486 Beata Pandacan	Unit A GF, The Streamline Plaza Building, Baeta, Pandacan, Manila
1198	1273 Tunasan**	Km 29 National Highway, Tunasan, Muntinlupa City
1199	1401 University of Iloilo**	Rizal Street, Iloilo City
1200	1482 San Agustin Iloilo**	Maria Clara Ave., cor., Jalandoni St., Iloilo City
1201	1428 Boton (PTT)**	Gobstopper Area, Argonaut Highway, Subic Bay Freeport Zone, Pampanga
1202	1310 Seoail P. Tuazon**	Seaoil Station, EDSA cor. P. Tuazon St., Cubao, Quezon City
1203	1201 LB City Hall**	Economic Garden, Timugan, Los Baños, Laguna
1204	1532 PUP Teresa**	Aguida Building #265 Teresa St., Sta Mesa, Manila
1205	1077 E-Luxury One**	5077 P. Burgos st. Poblacion, Makati City
1206	1545 Wind Residences	GF Wind Residences, Tagaytay-Nasugbi Highway, Tagaytay City
1207	1484 Mangatarem**	Along National Highway Road, Brgy. Poblacion, Mangatarem, Pangasinan
1208	1448 CPI Congressional	Congressional Ave. cor. Cagayan Ave., Brgy. R. Magsaysay, Quezon City
1209	1306 Bagong Barrio^^	76 Malolos Ave. cor Gregorio de Jesus St., Bagong Barrio, Balintawak Subdivision, Caloocan City
1210	1689 CPI OG Road**	Caltex, Olongapo-Gapan, Road, San Fernando, Pampanga

1211	1516 Sacred Heart Lucena**	12 Merchan St., Brgy. 11, Lucena City, Quezon
1212	1530 Gateway Tower**	Space #5002, Gateway Tower, Araneta Center, Quezon City
1213	1502 CPI E. Rod	E. Rodriguez Ave. cor. Sunnyside Drive, Quezon City
1214	1452 Sauyo**	32 Sauyo Road, Brgy. Sauyo, Novaliches, Quezon City
1215	1469 Linear Makati	Tower 1A-Unit No . FC1 CU007 The Linear, Mayapis, Yakal and Malugay Sts., San Antonio Village, Makati City
1216	1529 City Oil Old Sta. Mesa	4872 Old Sta. Mesa Rd.,Sampaloc, Manila
1217	1292 Ugong, Valenzuela	Brgy. Ugong, Valenzuela City
1218	1641 San Pedro 7	Brgy. San Antonio, San Pedro City, Laguna
1219	1438 Taguig City Hall**	Gen. Luna St. cor. M. Santos St., Brgy. Tuktukan, Taguig City
1220	1490 University Tower	Commercial F, G/F, University Tower Malate, Pedro Gil, Malate, Manila
1221	1518 St. Joseph San Pedro	St. Joseph Village 10, Brgy. Langgam, San Pedro City, Laguna
1222	1283 CPI Opon**	Caltex Opon, ML Quezon cor. Sangi Road, lapu-Lapu City
1223	1481 Legarda-Arlegui**	504 Nepomuceno St. (Formerly Tanduay St.) cor. Arlegui St., Quiapo, Manila
1224	1417 Sgt. Bumatay**	#717 Sgt. Bumatay cor., Katarungan St., Brgy. Plainview, Mandaluyong City
1225	1596 Canlubang Terminal**	Jose Yulo Sr Ave., Canlubang, Laguna City
1226	1616 Paete Poblacion	#20-5 J.P. Rizal St., Paete, Laguna
1227	1463 Gaisano Cordova	G/F, Unit A1-A2, Gaisano Grand Mall Cordova, Cebu
1228	1564 West Negros University**	G/F SMEI Bldg., Burgos Ave., Bacolod City, Negros Occidental
1229	1446 Fatima 2	32 McArthur Highway, Brgy. Marulas, Valenzuela City
1230	1508 Somerset Olympia	Upper Ground Floor, Somerset Olympia Makati, Makati Ave. cor. Sto. Tomas St., Makati City
1231	1026 Sumacab Este**	Maharlika Highway, Brgy. Sumacab Este, Cabanatuan, Nueva Ecija
1232	1434 Chimes Square	Congressional Extn. Cor. Kalaw, Mira Nila Homes, Brgy. Pasong Tamo, Quezon City
1233	1625 Western Bicutan**	AP Housing, NRT ave cor., C-5 road, Taguig City
1234	1449 Balamban	Sto. Niño, Balamban, Cebu
1235	1612 Goa 2	Melba Bldg., San Juan Bautista St., Goa, Camarines Sur
1236	1711 Tabaco**	GF & 2nd Floor of the Centerpoint Bldg., Ziga Ave., Tabaco City, Albay
1237	1416 Eton Baypark Manila	Unit 1 Eton Baypark Manila, Roxas Blvd. cor. Kalaw St., Manila
1238	1451 Capitol Drive**	16A Capitol Hills Drive Diliman, Quezon Cty
1239	1429 Botolan, Zambales**	Paco, Botolan, Zambales
1240	1488 Tambo Exit, Lipa**	Tambo Exit, Brgy. Tambo, Lipa City, Batangas
1241	1687 Lipa San Sebastian**	Brgy. Mataas na Lupa, Lipa, Batangas
1242	1414 Villasis**	Brgy. Poblacion, Villasis, Pangasinan
1243	1552 Narciso Avenue**	140 Narciso St., Josefa Subd., Malabanais, Angeles City, Pampanga
1244	1642 Waltermart Makiling	Brgy. Makiling, Calamba, Laguna
1245	1631 CPI EPSA**	Pulung Cicutud, Angeles City, Pampanga
1246	1500 Bagong Silang 2	Langit Road cor. St. Joseph St., Bagong Silang, Caloocan City
1247	1578 San Leonardo, N.E.**	Brgy. Poblacion, San Leonardo, Nueva Ecija
1248	1464 Cebu San Nicolas	GF Antigua Bldg. cor. B. Aranas St. cor. T. Abellas St., Cebu City

1249	1440 Phoenix Kalayaan	Brgy. Panamitan, Kawit, Cavite
1250	1433 Vicas Caloocan	Congressional Road Ext. Vicas, North Caloocan City
1251	1297 Dita 2	Brgy. Dita, Sta. Rosa, Laguna
1252	1541 Badoc Highway**	National Highway, Brgy. 9 Paltit, Badoc, Ilocos Norte
1253	1632 Malabon 3**	GF of Abacon Bldg., Pampano St., Brgy. Longos, Malabon City
1254	1466 Lorex Ave.**	1000 Lorex St., Tañada Subd., Valenzuela
1255	1355 San Mateo 3**	#22 Gen. Luna St., Brgy. Maly, San Mateo, Rizal
1256	1568 Tisa**	Katipunan Street, Tisa, Labangon, Cebu City
1257	1444 Nuvo City	G/F, Aspire Tower, The Nuvo City Lifestyle Center, 150 E. Rodriguez Jr. Ave. cor. Calle Industria, Libis, Quezon City
1258	1534 PTT Lucena**	Maharlika Highway, Brgy. Bacohan, Lucena City, Quezon
1259	1595 Ligas Bacoor	Brgy. Ligas, Bacoor, Cavite
1260	1621 Kalayaan**	Jacinto Residences, 1223 General E. Jacinto St. cor. Kalayaa Ave., Makati City
1261	1605 Sta. Maria, Pangasinan**	National Highway Poblacion East, Sta. Maria, Pangasinan
1262	1499 Sanciangco	Sanciangco St. cor. Panganiban St., Pahina Central, Cebu City
1263	1531 Paco 3**	Pako Bldg., Pedro Gil cor. A. Linao and Gen. Luna St. Manila
1264	1348 Calumpang	Nicanor Roxas St. cor. Manuel Roxas St., Brgy. Calumpang, Marikina City
1265	1504 PKI Lipa**	Brgy. Inosluban, Lipa City, Batangas
1266	1517 Biñan Technopark^^	Brgy. Timboa, Biñan City, Laguna
1267	1465 Rephil Pasay	Rephil Station. F.B. Harrison cor. EDSA, Pasay City
1268	1558 Abucay, Bataan	Abucay, Bataan
1269	1477 Alta Tierra**	Alta Minimart, Phase V, Alta Tierra Village, Tabuc Suba, Jaro, Iloilo
1270	1497 Greenbelt Madison	Greenbelt Madisons, Makati
1271	1623 Francesca Tower	C-1, G/F, Francesca Tower- EDSA Ave. cor. Scout Borromeo St., Quezon City
1272	1360 Santolan Malabon	Rodriguez St. cor E. Martin St., Brgy. Santulan, Malabon City
1273	1470 Sta. Lucia Mall	Marcos Highway cor. Felix Ave., Cainta, Rizal
1274	1372 JM Basa**	Villanueva International Bldg., J.M. Basa St. cor. Aldeguer St., Iloilo City
1275	1594 Dela Costa Homes	VP Building Dela Costa Homes, Quirino Highway, Sacred Village, Caloocan City
1276	1487 EDSA M. Dela Cruz**	EDSA cor. M. Dela Cruz, Pasay City
1277	1167 Samson Road**	No. 90 & 92 A. Mabini St., Sangandaan, Caloocan City
1278	1271 UC Main**	G/F, Coast Pacific Downtown Center, Sanciangko St., Cebu City
1279	1282 Barili	National Highway, Poblacion, Barili, Cebu
1280	1553 CPI Sauyo	Sauyo Road, Brgy. Sauyo, Quezon City
1281	1324 Doña Aurora-E. Rod.**	78-A E. Rodriguez cor. Plaridel St. Quezon City
1282	1559 Bagong Silang 3	Blk 15 Lt 12 Package 6 Phase X, Bagong Silang Project, Caloocan City

** FC1

^^ FC2



PHILIPPINE SEVEN CORPORATION

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Telephone Nos. (632) 724-44-41 to 53 / 705-52-00
www.7-eleven.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Philippine Seven Corporation is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended December 31, 2014 and 2013, including the additional components attached herein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors or the Executive Committee or the Audit Committee, as authorized by the Board, reviews and approves the consolidated financial statements and submits the same to the stockholders.

SyCip Gorres Velayo & Co. the independent auditor appointed by the stockholders for the period December 31, 2014 and 2013, respectively, have examined the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such examination.

NAN-BEY LAI

Vice Chairman of the Board

JOSE VICTOR P. PATERNO

Chief Executive Officer

PING-HUNG CHEN

Treasurer & Chief Financial Officer

LAWRENCE M. DE LEON

Head
Finance & Accounting Services Division

SUBSCRIBED AND SWORN TO
BEFORE ME ON THIS ___ DAY OF ___
20___ AT QUEZON CITY, PHILIPPINES.
HIS / HER RES. CERT. NO. _____
ISSUED ON _____ AT _____

APR 13 2015

ATTY. BENJAMIN A. ALFONSO
NOTARY PUBLIC

UNTIL December 31, 2016
PTR NO. 0682037-C-1-08-05 - QUEZON CITY
LP NO. 975600 - 12-11-08M - QUEZON CITY
ROLL NO. 12395
ADM. MATTER NO. 117-116 (2015 - 2016)
TIN NO. 150-51570
MCLEB REGISTERED

COC. NO. 158
PAGE NO. 32
BOOK NO. 32A
SERIES OF 20 15
Signed this 17th day of February, 2015.

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Management's Discussion and Analysis of Results of Operations and Financial Condition

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the accompanying consolidated financial statements and the related notes as of December 31, 2014 and 2013. This discussion contains forward-looking statements that reflect our current views with respect to future events and our future financial performance. These statements involve risks and uncertainties and our actual results may differ materially from those anticipated in these forward-looking statements. On a periodic basis, we evaluate our estimates, including those related to revenue recognition, capitalized assets and income taxes. We base our estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances.

SELECTED FINANCIAL DATA

	For the Period Ended and as at December 31,				
	2014	2013	2012	2014 vs. 2013	2014 vs. 2012
SYSTEM WIDE SALES	20,571,035	17,240,457	13,363,925	19.3%	53.9%
Statement of Income Data:					
Revenues and other income					
Revenue from merchandise sales	17,107,375	14,133,649	11,713,760	21.0%	46.0%
Franchise revenue	1,647,590	1,367,253	683,573	20.5%	141.0%
Marketing income	463,413	380,794	405,856	21.7%	14.2%
Others	449,306	313,796	241,551	43.2%	86.0%
Cost and expenses					
Cost of merchandise sales	12,861,596	10,661,630	8,553,239	20.6%	50.4%
General & administrative expenses	5,516,374	4,520,385	3,784,875	22.0%	45.7%
Interest expense	16,196	16,248	16,597	-0.3%	-2.4%
Net income	873,345	682,628	465,176	27.9%	87.7%
Other comprehensive gain(loss)-					
Remeasurement gain/loss on retirement obligations	15,289	-	-	n/a	n/a
Revaluation increment on land-net of tax (Note 8)	(2,800)	(10,696)	(431)	-73.8%	550.0%
Total comprehensive income	885,834	671,931	464,745	31.8%	90.6%
Earnings per share (EPS)	1.91	1.49	1.01	28.2%	89.1%
Balance Sheet Data:					
Total assets	7,882,305	6,024,713		30.8%	
Total liabilities	4,592,769	3,483,480		31.8%	
Total stockholders' equity	3,289,537	2,541,233		29.4%	
Cash Flow Data:					
Net cash from operating activities	2,175,488	1,844,716	869,491	17.9%	150.2%
Net cash used in investing activities	(1,942,349)	(1,313,319)	(900,455)	47.9%	115.7%
Net cash used in financing activities	35,520	26,536	51,849	33.9%	-31.5%

* Amount in thousands of Pesos, except EPS

OVERVIEW

We operate the largest convenience store network in the country. We acquired from Southland Corporation (now Seven Eleven Inc.) of Dallas, Texas the area license to operate 7-Eleven convenience stores in the Philippines in December 1982.

We opened our first store in February 1984 at the corner of Kamias Road and EDSA Quezon City, and grew slowly as the economy struggled. Expansion was stepped up in 1993, followed by an IPO in 1998. President Chain Store Corporation of Taiwan took a majority stake in 2000 at management's invitation, providing technology transfer from a more advanced market.

After a period of consolidation of organization, processes, and systems, the rate of expansion was stepped up further in 2007 through the franchise business model and close collaboration with business partners. This was backed by a strong logistics system and head office support.

At the end of 2014, we have 1,282 7-Eleven convenience stores, mainly in Metro Manila and in major towns and cities in Luzon. We penetrated the Visayas during the middle of 2012 and we ended 2014 with 103 stores in the Cebu and Bacolod market.

Cebu is the 2nd largest city after Metro Manila, and, we believe, the key to the Visayas. It is a tourist favorite, has a fast growing BPO sector, and is rapidly urbanizing. Given the importance of this market, we invested in logistics and advertising, and were rewarded with sales that exceeded our expectations. We intend to have over two hundred stores on our 5th year.

This is the Company's first venture outside Luzon, which is home to half the country's population as well as the capital of Metro Manila. It is a significant first step in the company's push to bring modern convenience wherever feasible to the rest of the archipelago – a more logistically complex market than the contiguous and highly urbanized Luzon.

Our retail chain of convenience stores is sustained by a manpower complement of 4,164 employees engaged in corporate store operations and in support service units. Despite of growing competition, we maintain our leadership in the CVS industry.

We seek to meet the needs of our customers and maintain a leadership position in the C-store industry by taking advantage of economies of scale, technology, people and a widely recognized brand. Our vision is to be the best retailer of convenience for emerging markets.

Financial Condition and Results of Operations in 2014

Results of Operations

For the Fourth Quarter

The net income of Philippine Seven Corporation (PSC) in the fourth quarter rose by 61.3 percent to ₱ 405.1 million, from ₱ 251.2 million registered in the same period in 2013. This was mainly driven by the increase in sales and improvement in gross margin during the period.

System-wide sales, which represent sales of all corporate and franchise-operated stores, rose by 38.8 percent to ₱ 5.8 billion during the quarter. Revenue from merchandise sales, which pertains to retail sales of corporate stores and merchandise sold to franchised stores, grew by 30.8 percent in the fourth quarter. The year ended with 1,282 stores, up by 27.1 percent from 1,009 stores by the end of 2013.

Gross margin improved to 27.8 percent of revenue from merchandise sales in the fourth quarter from only 26.4 percent during the same period in 2013. This can be attributed to the higher discounts and rebates earned.

Earnings per share (EPS) likewise increased by 61.3 percent to ₱ 0.88 per share in the fourth quarter.

For the Twelve Months Ended December 31

PSC registered an increase of 27.9 percent in net income at the end of 2014. Full year net profits reached ₱ 873.3 million from ₱ 682.6 million in 2013. This translated into earnings per share of ₱ 1.91, up by the same rate compared with the preceding year's level of ₱ 1.49.

The improved financial performance was largely driven by the increase in retail sales of all corporate and franchise operated stores, which posted growth of 19.3 percent from ₱ 17.2 billion at the end of 2013 to ₱ 20.6 billion in 2014. Total number of stores reached 1,282, a net increase of 273 stores from 1,009 stores at the end of 2013.

The Company opened the most number of new stores in its history last year. It intends to accelerate the rate of new store openings over the medium-term at a rate of at least twenty percent per year to take advantage of improving economic conditions and to protect its market share in light of increased competition. PSC believes that the CVS sector will remain to be crowded over the next five years. It intends to capitalize on its first-mover advantage and economies of scale to remain the market leader.

PSC has taken steps to protect and expand its leadership in light of increased competition, recognizing that rewards for market share are especially strong in the convenience store sector. This involves not only an increased pace of expansion in areas contested by competition, but strategic entry into new territories. The latter may be unprofitable for the first few years due to the high fixed costs of logistics, but the Company will later be rewarded with strong first mover advantages. Last year, PSC entered Panay and built on its entry into Negros and Cebu the years prior. This year 7-Eleven will be entering Mindanao via Davao and Cagayan de Oro.

Further, new operators boosted franchise store count to 811 franchisees from 690 a year ago. As a result, total franchise revenues went up by 20.5 percent to ₱ 1.6 billion as a result of the higher number of franchisees and also attributed to the restructuring of the industrial-type franchise package or FC2. Previously, under FC2, only the service fees are recorded and the corresponding merchandise sales are recognized by PSC. Under the new setup, revenue from merchandise sales are now credited to the franchisee, while the corresponding share of PSC in the gross profit is treated as part of franchise revenues. There is no significant impact on net income as a result of the restructuring.

Marketing income continued to enhance the bottom-line by generating ₱ 463.4 million as 7-Eleven expanded brand building opportunities for vendor partners, and as increased sales made it easier to request for more equitable treatment vis-à-vis other channels.

As the Company continues to scale up, total selling, general and administrative expenses (SG & A) slightly grew as a percentage of revenues from 32.0 percent in 2013 to 32.2 percent in 2014

EBITDA (earnings before interest, taxes, depreciation and amortization) rose by 24.9 percent from ₱ 1.7 billion in 2013 to ₱ 2.1 billion at end 2014 while EBITDA margin improved to 12.5 percent of revenue from merchandise sales from 12.1 in 2013. Operating margin likewise increased to 7.4 percent from 7.1 percent in 2014 and 2013, respectively.

The ability of the Company to generate free cash flow became stronger in 2014 as cash inflow from operations exceeded cash outflow used in investing activities by ₱ 233.1 million. This enabled the Company to be in a net cash position of ₱ 502.6 million by the end of the year.

Stock price ranged from ₱ 80-90 per share during the fourth quarter. Dividends paid to shareholders were in the form of cash and amounted to ₱ 0.30 per share. Dividends paid correspond to 20.1 percent of previous year's earnings, which is consistent with the 20-25 percent dividend payout policy.

Revenue and Gross Margin

The Company closed the year with total revenue from merchandise sales of ₱17.1 billion, an increase of 21.0 percent compared to ₱14.1 billion in 2013. Cost of merchandise sold rose by ₱2.2 billion to ₱12.9 billion As at December 31, 2014.

Gross Profit stood at ₱ 4.2 billion, an increase of .01 percent compared to Last year's rate of 24.81 percent.

Along with its 24/7 convenience, PSC also offers services including bills payment, phone/call cards, and 7-Connect that allows customers to pay for selected online purchases with cash through any 7-Eleven store. These products in the services category plus consigned goods formed part of commission income, which declined in 2014 as a result of the temporary suspension of services with the aim of enhancing internal controls. The services line were restored to normal prior to the end of the year.

	2014	2013	Increase (Decrease)	
			Value	Percentage
Revenue from merchandise sales	17,107,375	14,133,649	2,973,726	21.0
Cost of merchandise sales	12,861,596	10,661,630	2,199,967	20.6
Gross profit	4,245,779	3,472,020	773,759	22.3
Commission income	39,215	43,402	(4,187)	-9.6
<i>(amount in thousand Pesos)</i>				

Other Income

Other income mainly consists of franchise revenues, marketing and rental income. The Company's total other income increased by ₱ 498.5 million, to almost ₱ 2.56 billion as a result of the following:

Franchise revenues went up by 20.5 percent to ₱ 1.6 billion due to the increase in the number of franchisees from 690 at the end of 2013 to 732 in 2014.

In order to conform reporting of financial performance to the practice of listed local and international retailers, some components of cost of goods sold were reclassified to marketing income.

Net marketing income increased resulting from the reclassification. However, total discounts, rebates and marketing income grew both in absolute terms and as percentage of revenues mainly driven by the increase in sales volume and also due to increased supplier-supported ad and promo spending, driven by system innovations that allow an increasing number of options for our supplier partners to build their brands in our stores. The goal is to leverage the convenience of our locations and the interconnectedness of our systems to become the preferred venue for manufacturer's brand building needs. Increased sales have also made it easier for us to seek a fairer share of manufacturer's trade spend vis-à-vis other more established channels such as supermarkets.

Moreover, rent income related to the stores' subleased spaces increased by 5.7 percent to ₱ 51.1 million and can be attributed to the increase in occupancy rate.

Other income rose by 50.0 percent to ₱ 398.2 million partly due to penalties imposed on suppliers, which incurred low inbound fill rate and delayed deliveries.

No significant element of income came from sources other than the result of the Company's continuing operations.

	2014	2013	Increase (Decrease)	
			Value	Percentage
Franchise revenue	1,647,590	1,367,253	280,337	20.5
Marketing income	463,413	380,794	82,619	21.7
Rental income	51,119	48,342	2,777	5.7
Other income	398,188	265,454	132,734	50.0
Total	2,560,309	2,061,843	498,467	24.2
<i>(amount in thousand Pesos)</i>				

Selling, General and Administrative Expense

Selling, general and administrative (SG & A) expenses which is comprised of store operating and selling expenses and headquarters' expenses went up by 22.0 percent or almost ₱ 996.0 million to ₱ 5.5 billion in 2014. The rate of increase in SG & A expense of 22.0 percent, while close to the growth rate in system-wide sales of 21.0 percent, is slower than the increase in number of stores of 27.1 percent. This is favorable as managed spending contributed positively to the bottom-line.

Communication, light and water were the highest contributor as it increased by 22.3 percent to ₱ 1.1 billion and was pegged at 6.5 percent of Merchandise sales. The increase was due mainly to the opening of new stores since electricity generation cost was higher in 2014 than 2013.

Depreciation and amortization expense rose by 21.7 percent but its percentage to sales remained at 5.0 percent. Higher depreciation was a result of opening of new stores and renovation of existing stores.

The Company continued to employ outsourced manpower on its new corporate stores and warehouse facilities. However, since new franchised store opened, outsourced services as percentage of sales dropped to 4.6 percent from 4.7 percent in 2013. Franchisees pay for store manpower costs.

Rent, as percentage of sales went up to 4.2 percent, due to store opening, while warehouse and trucking services grew because of Visayas operations.

All other expense types went up over preceding year's level as a result of the increased number of stores. The said growth is considered to be incidental and proportionate as PSC continues to grow its store base.

There are no significant nor unusual expense incurred during the calendar year and is considered to be in the normal course of business

	2014	2013	Increase (Decrease)	
			Value	Percentage
Communication, light and water	1,111,566	908,792	202,775	22.3
Depreciation and amortization	862,760	709,519	153,241	21.6
Outside services	787,036	668,605	118,431	17.7
Rent	716,894	553,791	163,103	29.5
Personnel costs	365,590	342,606	22,984	6.7
Advertising and promotion	293,246	218,413	74,834	34.3
Trucking services	281,259	246,559	34,699	14.1
Royalties	204,756	171,715	33,041	19.2
Warehousing services	199,369	141,077	58,291	41.3
Repairs and maintenance	149,835	113,160	36,675	32.4
Supplies	145,070	136,666	8,404	6.1
Taxes and licenses	103,144	104,670	-1,525	-1.5
Entertainment and amusement	61,541	46,379	15,162	32.7
Transportation and travel	38,931	33,472	5,459	16.3
Others	195,377	124,961	70,416	56.4
Total	5,516,374	4,520,385	995,989	22.0
<i>(amount in thousand Pesos)</i>				

Interest Expense

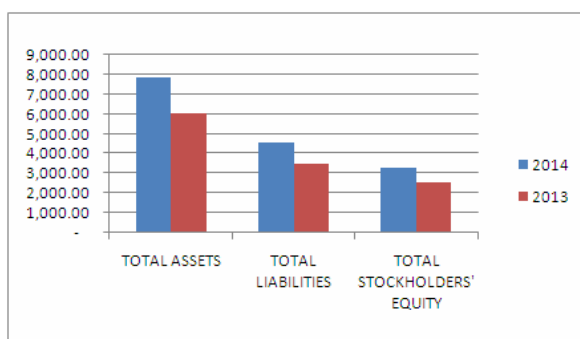
Interest incurred to service debt slightly decreased by .32 percent to ₱ 16.2 million. Outstanding loan balance at the end of 2014 was pegged at ₱ 750.0 million, up by ₱ 190.0 million or 33.9 percent from the start of the year. Loans are short-term in nature and proceeds were used to fund expansion.

Net Income

Net income in 2014 grew by ₱ 190.7 million or 27.9 percent to ₱ 873.3 million. This was primarily due to improved sales, higher margins and continued store expansion.

The net income generated during the year translated into a 4.3 percent return on system wide sales, higher compared with 4.0 percent in 2013, while return on equity went down to 30.0 percent from 30.7 percent. Moreover, EPS reached ₱ 1.91 per share at the end of 2014, up from ₱ 1.49 in 2013.

Financial Condition



Balance Sheet Highlights (in Php Million except book value per share)	2014	% Change
Total Assets	7,882.3	30.8
Current Assets	3,365.5	28.2
Non-current Assets	4,516.9	32.8
Current Liabilities	4,225.3	33.0
Total Liabilities	4,592.8	31.8
Stockholders' Equity	3,289.5	29.4
Book Value Per Share (P)	7.2	29.4

Total assets went up by ₱ 1.86 billion or 30.8 percent to ₱ 7.9 billion at the end of 2014.

This was mainly driven by the increase in Merchandise inventories that reached ₱ 1.2 billion, an increase of ₱ 264.2 million or 29.3 percent compared with 2013 level attributed to forward buying aimed towards generating additional revenues. Inventory turnover slowed to 11.08 times from 11.8 times in the preceding year.

Cash and cash equivalents also increased by 27.6 percent to end the year with ₱ 1.2 billion. Cash level grew as a result of improved profitability and net working capital increase.

Receivables rose by ₱ 120.5 million or 25.7 percent due to the increase in supplier collectibles arising from ad and promo programs implemented during the year. Other receivables also grew as the company leverages its balance sheet to provide collateralized financing to franchisees.

The increase in non-current assets of 32.8 percent was mainly due to store expansion and renovation that drove the 29.5 percent growth in property and equipment account, which stood at ₱ 3.56 billion at the end of 2014. Rental deposits made to acquire new sites contributed to the 46.7 percent increase in this account and reached ₱ 460.5 million at the end of the year.

Property and equipment, net of accumulated depreciation increased by 29.5 percent mainly due to capital expenditure spent in relation to store expansion and investment in store equipment to support new product lines.

On the other hand, current liabilities rose by ₱ 1.05 billion or 33.0 percent owing to the increase in accounts payable and accrued expenses and outstanding loans. Payables grew as a result of increase in inventories, while loan balance was higher by 33.9 percent to partly finance expansion. Average payable period was longer at 51.87 days in 2014 compared to 46.69 days last year.

The Company operates on a negative working capital position, which is manifested by a current ratio of 0.80:1 from 0.83:1 in 2013. This is because cash proceeds from retail sales are invested in long-term assets and at the same time utilizing credit term extended by trade suppliers.

Stockholders' equity at the end of 2014 comprises 41.7 percent of total assets, compared to 42.2 percent at the beginning of the year. The increase in equity account was driven by improved profitability and was reduced by dividends paid to shareholders, which were in the form of stock and cash.

Liquidity and Capital Resources

The ability of the Company to generate free cash flow further strengthened in 2014. Operating cash flow reached ₱ 2.2 billion against net cash outflow from investing activities of P1.9 billion. This translated into a free cash flow of ₱ 233.1 million, which was significantly lower compared with same period in 2013.

The Company obtains majority of its working capital and capital expenditure requirements from cash generated by retailing operations and franchising activities and short-term borrowings under the revolving facility extended by banks

PSC believes that operating activities and available working capital sources will provide sufficient liquidity in 2015 as it continues to expand its store base. This will enable the Company to fund its capital expenditures, pay dividends and other general corporate purposes.

Management believes that this trend will be favorable in the long term, as rate of store expansion will be entering a more rapid stage augmented by improving economic outlook and prevailing positive investor sentiment in the country.

The following are the discussion of the sources and uses of cash in 2014.

	2014	2013	Variance	
	(in million PhP)		Value	Percentage
Income before income tax	1,255.3	983.4	271.8	27.6
Depreciation and amortization	862.8	709.5	153.2	21.6
Working capital changes	57.5	151.8	(94.3)	(62.1)
Net cash from operating activities	2,175.5	1,844.7	330.8	17.9
Additions to property and equipment	(1,653.6)	(1,179.3)	(474.3)	40.2
Increase in other assets	(288.8)	(134.0)	(154.7)	115.4
Net cash used in investing activities	(1,942.3)	(1,313.3)	(629.0)	47.9
Net availment of bank loan	190.0	82.2	107.8	131.1
Payment of cash dividend	(137.5)	(39.9)	(97.7)	245.0
Interest paid	(16.9)	(15.8)	(1.1)	7.1
Net cash from financing activities	35.5	26.5	9.0	33.9
Effect of exchange rate changes on Cash and Cash Equivalents	0.0	(0.2)	0.2	(111.2)
Net increase in cash	268.7	557.7	(289.0)	(51.8)
Cash and cash equivalent, beginning	973.0	415.3	557.7	134.3
Cash and cash equivalent, ending	1,241.7	973.0	268.7	27.6

Cash Flows from Operating Activities

Net cash generated from operating activities in 2014 totaled to ₱ 2.1 billion, 21 percent higher compared to ₱ 1.8 billion generated in 2013. The improvement in operating cash flow can be attributed to the growth in net income and working capital contribution resulting from higher level of current liabilities.

Cash Flows from Investing Activities

Net cash used in investing activities, primarily for capital expenditures, rose by 53.0 percent to almost ₱ 1.95 billion. Major cash outlay went to new store constructions and renovations and acquisition of new equipment to support new product lines. There were 273 new stores that opened in 2014, up by 86 stores or 46.0 percent over 2013 same period.

Cash Flows from Financing Activities

Net cash flow from financing activities reached ₱ 34.6 million representing net availments of new short-term loans in the amount of ₱ 190 million and payment of 30-centavo cash dividend totaling to ₱ 137.5 million.

We expect to take advantage of our working capital and utilizing the short-term line extended by leading local banks in funding our growth strategies.

Discussion of the Company's Key Performance Indicators

- ***System Wide Sales***
System-wide sales represents the overall retail sales to customers of corporate and franchise-operated stores.
- ***Revenue from Merchandise Sales***
Revenue from merchandise sales corresponds to the retail sales of corporate owned stores plus sales to franchised stores.
- ***Net Income Margin***
Measures the level of recurring income generated by continuing operations relative to revenues and is calculated by dividing net income over revenue from merchandise sales.
- ***EBITDA Margin***
The ratio of earnings before interest, taxes, depreciation and amortization over revenue from merchandise sales. This measures the level of free cash flow generated by retail operations and is a main indicator of profitability.
- ***Return on Equity (ROE)***
The amount of net income returned as a percentage of equity. ROE measures profitability by revealing how much profit a company generates with the money shareholders have invested. This is computed by dividing net income over average equity.

Full Year	2014	2013	% change
System wide Sales (in '000s)	20,571,035	17,240,457	19.3
Revenue from Merchandise Sales (in '000s)	17,107,375	14,133,649	21.0
EBITDA (in '000s)	2,134,224	1,709,197	24.9
EBITDA Margin *	12.5%	12.1%	3.2
EBIT Margin *	7.4%	7.1%	5.1
Net income (in '000s)	873,345	682,628	27.9
Net Income Margin *	5.1%	4.8%	6.4
Return on Equity	30.0%	30.7%	(2.4)
Earnings Per Share	1.91	1.49	28.2

* Margin is calculated based from revenue from merchandise sales

System wide sales generated by all 7-Eleven stores continued with its upward trajectory by posting growth of 19.3 percent to almost ₱ 20.6 billion at the end of 2014.

The increase in total sales can be attributed to the opening of new stores and improvement in average sales of mature stores.

At the end of the year, 7-Eleven stores in the Philippines totaled to 1,282, up by 273 stores or 27.1 percent from same period in 2013.

EBITDA margin improved to 10.4 percent of system wide sales from 9.9 percent during the same period in 2013. As percentage of revenue from merchandise sales, EBITDA rose to 12.5 percent from 12.1 percent.

This was largely driven by the increase in operating income resulting from the faster rate of increase in sales by 27.2 percent compared to the 22.0 percent increase in SG & A expense. Operating income or EBIT margin stood at 7.4 percent of revenues from 7.1 percent in 2013.

Net income rose by 27.9 percent to ₱ 873.3 million, translating into a net margin and EPS of 5.11 percent and ₱ 1.91, respectively.

Financial Soundness Indicator

Full Year	Formula	2014	2013
Liquidity Ratio			
Current ratio	Current Assets/Current Liabilities	0.80	0.83
Quick ratio	Cash + Receivables/Current Liabilities	0.43	0.46
Financial Leverage			
Debt ratio	Total Debt/Total Assets	0.58	0.58
Debt to equity ratio	Total Debt/Total Equity	1.40	1.37
Interest coverage	EBIT/Interest charges	78.51	61.53
Asset to equity ratio	Total Assets/Total Equity	2.40	2.37
Profitability Ratio			
Gross profit margin	Gross profit/Revenue from merchandise sales	24.82%	24.57%
Net profit margin	Net income/Revenue from merchandise sales	5.11%	4.83%
Return on assets	Net income/Total Assets	11.08%	11.33%
Return on equity	Net income/Average Equity	29.96%	30.70%
Price/earnings ratio	Stock price (end of year)/EPS	44.24	67

Discussion and Analysis of Material Events and Uncertainties

1. There are no known trends, events and uncertainties that will have a material impact on liquidity after the balance sheet date.
2. There are no material off-balance sheet transactions, arrangements and obligations of the Company with unconsolidated entities during the reporting period.
3. All of the Company's income was earned in the ordinary course of business.
4. There are no seasonal aspects that have a potentially material effect on the financial statements.
5. The Company's financial risk management objectives and policies are discussed in Note 30 of the December 31, 2014 Notes to Audited Consolidated Financial Statements.
6. There are no other known trends, events and uncertainties that will have a material impact on the Company's liquidity.

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 thereunto duly authorized.

Registrant: **PHILIPPINE SEVEN CORPORATION**



JOSE VICTOR P. PATERNO

President and CEO

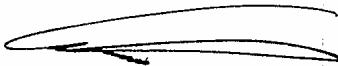
April 15, 2015



PING-HUNG CHEN

Treasurer and CFO

April 15, 2015



LAWRENCE M. DE LEON

Head

Finance & Accounting Services Division

April 15, 2015

Philippine Seven Corporation and Subsidiaries

**Consolidated Financial Statements
December 31, 2014 and 2013
and Years Ended December 31, 2014, 2013 and 2012**

and

Independent Auditors' Report

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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Company Name

P	H	I	L	I	P	P	I	N	E	S	E	V	E	N	C	O	R	P	O	R	A	T	I	O	N	A
N	D	S	U	B	S	I	D	I	A	R	I	E	S													

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

7	T	H	F	L	O	O	R	,	T	H	E	C	O	L	U	M	B	I	A	T	O	W	E	R	,

Form Type

A	C	F	S
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Department requiring the report

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Secondary License Type, If Applicable

		N	/A
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COMPANY INFORMATION

Company's Email Address

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Company's Telephone Number/s

705-5200

Mobile Number

(0922) 879 2134

No. of Stockholders

640

Annual Meeting
Month/Day

07/17

Fiscal Year
Month/Day

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Steve Chen

Email Address

pchen@7-eleven.com.ph
--

Telephone Number/s

705-5241

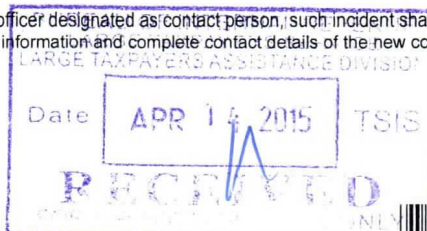
Mobile Number

--

Contact Person's Address

7 th Floor, The Columbia Tower, Ortigas Avenue, Mandaluyong City

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





Building a better
working world

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1226 Makati City
Philippines

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Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 28, 2012, valid until December 31, 2015
SEC Accreditation No. 0012-FR-3 (Group A),
November 15, 2012, valid until November 16, 2015

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Philippine Seven Corporation
7th Floor, The Columbia Tower
Ortigas Avenue, Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Philippine Seven Corporation and Subsidiaries (the Group) as at December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, included in this Form 17-A, and have issued our report thereon dated February 17, 2015. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

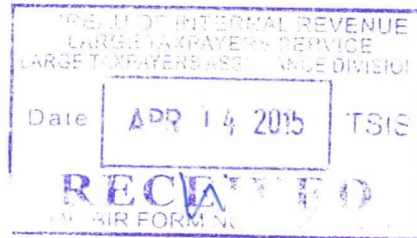
SYCIP GORRES VELAYO & CO.

Belinda T. Beng Hui

Belinda T. Beng Hui
Partner

CPA Certificate No. 88823
SEC Accreditation No. 0923-AR-1 (Group A),
March 25, 2013, valid until March 24, 2016
Tax Identification No. 153-978-243
BIR Accreditation No. 08-001998-78-2012,
June 19, 2012, valid until June 18, 2015
PTR No. 4751259, January 5, 2015, Makati City

February 17, 2015



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Philippine Seven Corporation
7th Floor, The Columbia Tower
Ortigas Avenue, Mandaluyong City

We have audited the accompanying consolidated financial statements of Philippine Seven Corporation and Subsidiaries, which comprise the consolidated balance sheets as at December 31, 2014 and 2013, and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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- 2 -

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Philippine Seven Corporation and Subsidiaries as at December 31, 2014 and 2013, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

Belinda T. Beng Hui

Belinda T. Beng Hui

Partner

CPA Certificate No. 88823

SEC Accreditation No. 0923-AR-1 (Group A),

March 25, 2013, valid until March 24, 2016

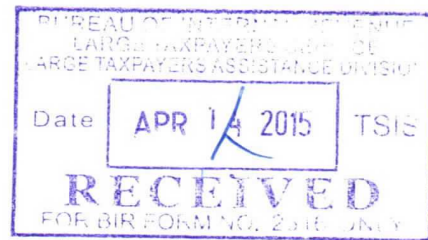
Tax Identification No. 153-978-243

BIR Accreditation No. 08-001998-78-2012,

June 19, 2012, valid until June 18, 2015

PTR No. 4751259, January 5, 2015, Makati City

February 17, 2015



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Philippine Seven Corporation

We have audited the accompanying consolidated financial statements of Philippine Seven Corporation and Subsidiaries, which comprise the consolidated balance sheets as at December 31, 2014 and 2013, and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

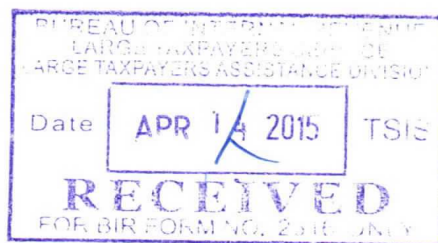
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Philippine Seven Corporation and Subsidiaries as at December 31, 2014 and 2013, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

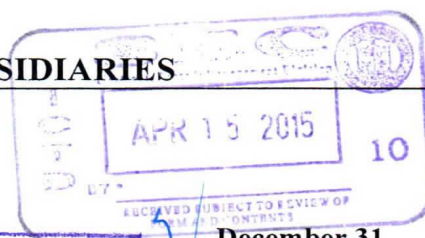
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February 17, 2015



PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS



	December 31	
	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4, 29 and 30)	₱1,241,685,743	₱973,002,633
Short-term investment (Notes 4, 29 and 30)	10,884,130	10,810,229
Receivables (Notes 5, 29 and 30)	589,387,141	468,845,049
Inventories (Note 6)	1,165,094,076	900,849,891
Prepayments and other current assets (Note 7)	358,396,530	270,748,698
Total Current Assets	3,365,447,620	2,624,256,500
Noncurrent Assets		
Property and equipment (Note 8)	3,558,089,998	2,746,672,621
Deposits (Notes 9, 29 and 30)	460,528,797	313,888,467
Deferred income tax assets - net (Note 27)	79,238,167	63,203,127
Goodwill and other noncurrent assets (Notes 10, 29 and 30)	419,000,444	276,692,257
Total Noncurrent Assets	4,516,857,406	3,400,456,472
TOTAL ASSETS	₱7,882,305,026	₱6,024,712,972
LIABILITIES AND EQUITY		
Current Liabilities		
Bank loans (Notes 11, 29 and 30)	₱750,000,000	₱560,000,000
Accounts payable and accrued expenses (Notes 12, 29 and 30)	2,445,160,713	1,872,703,489
Income tax payable	176,425,816	109,792,774
Other current liabilities (Notes 13 and 25)	853,722,638	634,006,329
Total Current Liabilities	4,225,309,167	3,176,502,592
Noncurrent Liabilities		
Deposits payable (Note 14)	234,502,609	202,888,935
Net retirement obligations (Note 24)	100,404,074	96,481,142
Cumulative redeemable preferred shares (Note 15)	6,000,000	6,000,000
Deferred revenue - net of current portion (Note 16)	26,552,651	1,607,183
Total Noncurrent Liabilities	367,459,334	306,977,260
Total Liabilities	4,592,768,501	3,483,479,852

(Forward)



	December 31	
	2014	2013
Equity		
Common stock (Notes 17 and 31) - ₱1 par value		
Authorized - 600,000,000 shares		
Issued - 459,121,573 shares	₱459,121,573	₱459,121,573
Additional paid-in capital (Note 31)	293,525,037	293,525,037
Retained earnings (Notes 17 and 31)	2,546,335,563	1,810,521,305
Other comprehensive income (loss):		
Remeasurements loss on net retirement obligations - net of deferred income tax asset (Notes 24 and 27)	(25,041,697)	(22,241,444)
Revaluation increment on land - net of deferred income tax liability (Notes 8 and 27)	18,519,295	3,229,895
	3,292,459,771	2,544,156,366
Cost of 686,250 shares held in treasury (Note 17)	(2,923,246)	(2,923,246)
Total Equity	3,289,536,525	2,541,233,120
TOTAL LIABILITIES AND EQUITY	₱7,882,305,026	₱6,024,712,972

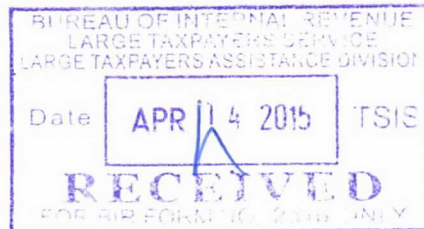
See accompanying Notes to Consolidated Financial Statements.



PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2014	2013	2012
REVENUES			
Revenue from merchandise sales	P17,107,375,250	P14,133,649,192	P11,713,760,468
Franchise revenue (Note 32)	1,647,589,963	1,367,253,289	683,572,827
Marketing income (Note 20)	463,413,150	380,793,855	405,856,204
Rental income (Note 26)	51,118,568	48,341,871	45,751,718
Commission income (Note 32)	39,214,967	43,402,035	67,396,391
Interest income (Note 22)	5,741,549	7,165,804	5,377,093
Other income	353,231,243	214,886,062	123,025,663
	19,667,684,690	16,195,492,108	13,044,740,364
EXPENSES			
Cost of merchandise sales (Note 18)	12,861,596,475	10,661,629,518	8,553,239,221
General and administrative expenses (Note 19)	5,516,373,836	4,520,385,066	3,784,875,178
Interest expense (Note 21)	16,195,818	16,247,890	16,596,830
Other expenses	18,249,864	13,799,871	14,595,186
	18,412,415,993	15,212,062,345	12,369,306,415
INCOME BEFORE INCOME TAX	1,255,268,697	983,429,763	675,433,949
PROVISION FOR INCOME TAX (Note 27)	381,923,842	300,802,114	210,257,926
NET INCOME	873,344,855	682,627,649	465,176,023
OTHER COMPREHENSIVE INCOME (LOSS) NOT TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS			
Revaluation increment on land - net of tax (Note 8)	15,289,400	-	-
Remeasurement loss on net retirement obligations - net of tax (Note 24)	(2,800,253)	(10,696,341)	(430,788)
TOTAL COMPREHENSIVE INCOME	P885,834,002	P671,931,308	P464,745,235
BASIC/DILUTED EARNINGS PER SHARE (Note 28)			
	P1.91	P1.49	P1.01

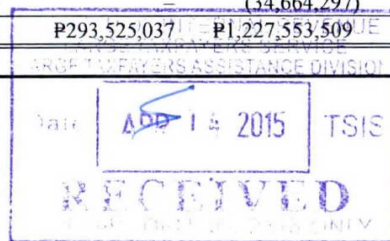
See accompanying Notes to Consolidated Financial Statements.



PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 and 2012

	Common Stock (Note 17)	Additional Paid-in Capital	Retained Earnings (Note 17)	Other Comprehensive Income (Loss)		Total	Treasury Stock (Note 17)	Total
				Remeasurement Loss on Net Retirement Obligations - Net of Tax	Revaluation Increment on Land - Net of Tax			
Balances at January 1, 2014	P459,121,573	P293,525,037	P1,810,521,305	(P22,241,444)	P3,229,895	P2,544,156,366	(P2,923,246)	P2,541,233,120
Net income	-	-	873,344,855	-	-	873,344,855	-	873,344,855
Revaluation increment on land (Note 8)	-	-	-	-	15,289,400	15,289,400	-	15,289,400
Remeasurement loss on net retirement obligations	-	-	-	(2,800,253)	-	(2,800,253)	-	(2,800,253)
Total comprehensive income	-	-	873,344,855	(2,800,253)	15,289,400	885,834,002	-	885,834,002
Cash dividends (Note 17)	-	-	(137,530,597)	-	-	(137,530,597)	-	(137,530,597)
Balances at December 31, 2014	P459,121,573	P293,525,037	P2,546,335,563	(P25,041,697)	P18,519,295	P3,292,459,771	(P2,923,246)	P3,289,536,525
Balances at January 1, 2013	P399,325,661	P293,525,037	P1,227,553,509	(P11,545,103)	P3,229,895	P1,912,088,999	(P2,923,246)	P1,909,165,753
Net income during the year	-	-	682,627,649	-	-	682,627,649	-	682,627,649
Remeasurement loss on net retirement obligations	-	-	-	(10,696,341)	-	(10,696,341)	-	(10,696,341)
Total comprehensive income	-	-	682,627,649	(10,696,341)	-	671,931,308	-	671,931,308
Stock dividends (Note 17)	59,795,912	-	(59,795,912)	-	-	-	-	-
Cash dividends (Note 17)	-	-	(39,863,941)	-	-	(39,863,941)	-	(39,863,941)
Balances at December 31, 2013	P459,121,573	P293,525,037	P1,810,521,305	(P22,241,444)	P3,229,895	P2,544,156,366	(P2,923,246)	P2,541,233,120
Balances at January 1, 2012	P347,329,216	P293,525,037	P849,038,228	(P11,114,315)	P3,229,895	P1,482,008,061	(P2,923,246)	P1,479,084,815
Net income during the year	-	-	465,176,023	-	-	465,176,023	-	465,176,023
Remeasurement loss on net retirement obligations	-	-	-	(430,788)	-	(430,788)	-	(430,788)
Total comprehensive income	-	-	465,176,023	(430,788)	-	464,745,235	-	464,745,235
Stock dividends (Note 17)	51,996,445	-	(51,996,445)	-	-	-	-	-
Cash dividends (Note 17)	-	-	(34,664,297)	-	-	(34,664,297)	-	(34,664,297)
Balances at December 31, 2012	P399,325,661	P293,525,037	P1,227,553,509	(P11,545,103)	P3,229,895	P1,912,088,999	(P2,923,246)	P1,909,165,753

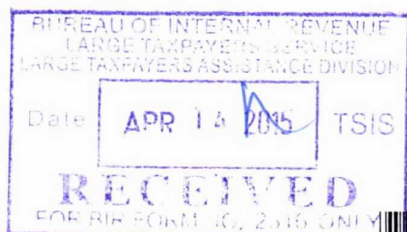
See accompanying Notes to Consolidated Financial Statements.



PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱1,255,268,697	₱983,429,763	₱675,433,949
Adjustments for:			
Depreciation and amortization (Notes 8 and 19)	862,759,509	709,518,959	527,786,925
Amortization of:			
Deferred revenue on exclusivity contract (Notes 16 and 32)	(25,446,429)	(818,452)	(1,934,524)
Deferred lease (Notes 10 and 26)	2,277,636	2,410,613	2,485,728
Software and other program costs (Notes 10 and 19)	655,605	1,316,561	1,490,475
Deferred revenue on finance lease (Notes 16 and 26)	(589,567)	(589,567)	(589,567)
Net retirement benefits cost (Notes 23 and 24)	19,867,370	16,858,692	15,420,495
Interest expense (Note 21)	16,195,818	16,247,890	16,596,830
Interest income (Note 22)	(5,741,549)	(7,165,804)	(5,377,093)
Noncash donation expense	297,731	-	-
Unrealized foreign exchange loss (gain)	(24,209)	296,601	439,728
Operating income before working capital changes	2,125,520,612	1,721,505,256	1,231,752,946
Increase in:			
Receivables	(120,327,092)	(94,042,512)	(130,841,872)
Inventories	(264,244,185)	(173,863,328)	(207,727,627)
Prepayments and other current assets	(87,665,635)	(11,740,811)	(97,485,749)
Increase in:			
Accounts payable and accrued expenses	573,804,626	610,988,026	17,353,481
Other current liabilities	184,520,376	89,054,748	244,555,664
Deposits payable	31,613,674	20,987,697	10,443,405
Deferred revenue	86,177,397	3,442,212	-
Retirement benefits contributions (Note 24)	(19,944,800)	(21,670,730)	(20,279,212)
Cash generated from operations	2,509,454,973	2,144,660,558	1,047,771,036
Income taxes paid	(336,660,528)	(304,294,983)	(181,147,036)
Interest received	2,693,092	4,350,085	2,866,833
Net cash provided by operating activities	2,175,487,537	1,844,715,660	869,490,833
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property and equipment (Note 8)	(1,653,573,106)	(1,179,270,533)	(858,674,993)
Software and other program costs (Note 10)	(1,247,000)	(3,019,195)	(190,000)
Increase in:			
Deposits	(143,591,873)	(61,940,757)	(35,553,176)
Goodwill and other noncurrent assets	(143,994,428)	(68,910,637)	(7,405,740)
Short-term investment	(73,901)	(178,114)	(222,208)
Collection of lease receivable (Note 26)	-	-	1,591,280
Proceeds from sale of property and equipment	131,360	-	-
Net cash used in investing activities	(1,942,348,948)	(1,313,319,236)	(900,454,837)

(Forward)

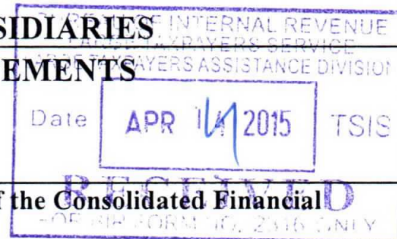


	Years Ended December 31		
	2014	2013	2012
CASH FLOWS FROM FINANCING ACTIVITIES			
Availments of bank loans (Note 11)	₱950,000,000	₱550,000,000	₱210,000,000
Payments of bank loans (Note 11)	(760,000,000)	(467,777,778)	(106,888,889)
Interest paid	(16,949,091)	(15,822,416)	(16,597,779)
Cash dividends paid (Note 17)	(137,530,597)	(39,863,941)	(34,664,297)
Net cash provided by financing activities	35,520,312	26,535,865	51,849,035
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	24,209	(215,225)	(296,211)
NET INCREASE IN CASH AND CASH EQUIVALENTS	268,683,110	557,717,064	20,588,820
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 4)	973,002,633	415,285,569	394,696,749
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱1,241,685,743	₱973,002,633	₱415,285,569

See accompanying Notes to Consolidated Financial Statements.



PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



1. Corporate Information and Authorization for Issuance of the Consolidated Financial Statements

Corporate Information

Philippine Seven Corporation (the Company or PSC) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on November 24, 1982. The Company and its subsidiaries (collectively referred to as the “Group”), are primarily engaged in the business of retailing, merchandising, buying, selling, marketing, importing, exporting, franchising, acquiring, holding, distributing, warehousing, trading, exchanging or otherwise dealing in all kinds of grocery items, dry goods, food or foodstuff, beverages, drinks and all kinds of consumer needs or requirements and in connection therewith, operating or maintaining warehouses, storages, delivery vehicles and similar or incidental facilities. The Group is also engaged in the management, development, sale, exchange, and holding for investment or otherwise of real estate of all kinds, including buildings, houses and apartments and other structures.

The Company is controlled by President Chain Store (Labuan) Holdings, Ltd., an investment holding company incorporated in Malaysia, which owns 51.56% of the Company’s outstanding shares. The remaining 48.44% of the shares are widely held. The ultimate parent of the Company is President Chain Store Corporation (PCSC), which is incorporated in Taiwan, Republic of China.

The Company has its primary listing on the Philippine Stock Exchange. As at December 31, 2014 and 2013, the Company has 640 and 650 equity holders, respectively.

The registered business address of the Company is 7th Floor, The Columbia Tower, Ortigas Avenue, Mandaluyong City.

Authorization for Issuance of the Consolidated Financial Statements

The consolidated financial statements were authorized for issue by the Board of Directors (BOD) on February 17, 2015.

2. Summary of Significant Accounting Policies and Financial Reporting Practices

Basis of Preparation

The consolidated financial statements are prepared under the historical cost basis, except for parcels of land, which are carried at revalued amount. The consolidated financial statements are presented in Philippine Peso (Peso), which is the Group’s functional currency and all amounts are rounded to the nearest Peso except when otherwise indicated.

Statement of Compliance

The consolidated financial statements are prepared in compliance with Philippine Financial Reporting Standards (PFRS).



Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended PFRS which became effective on January 1, 2014.

The nature and the impact of each new standard and amendment are described below:

- Investment Entities (Amendments to PFRS 10, *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and Philippine Accounting Standards (PAS) 27, *Separate Financial Statements*)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. The amendments must be applied retrospectively, subject to certain transition relief. These amendments have no impact to the Group, since none of the entities within the Group qualifies to be an investment entity under PFRS 10.

- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments)

These amendments clarify the meaning of ‘currently has a legally enforceable right to set-off’ and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and are applied retrospectively. These amendments affect presentation only and have no impact on the Group’s financial position or performance.

- PAS 36, *Recoverable Amount Disclosures for Non-Financial Assets* (Amendments)

These amendments remove the unintended consequences of PFRS 13, *Fair Value Measurement*, on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period. The application of these amendments has no material impact on the disclosure in the Group’s consolidated financial statements.

- PAS 39, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting* (Amendments)

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. These amendments have no impact on the Group’s consolidated financial statements.

- Philippine Interpretation International Financial Reporting Interpretations Committee (IFRIC) 21, *Levies*

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Group as it has applied the recognition principles under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, consistent with the requirements of IFRIC 21 in prior years.

- *Annual Improvements to PFRSs* (2010-2012 cycle)

In the 2010-2012 annual improvements cycle, seven amendments to six standards were issued, which included an amendment to PFRS 13. The amendment to PFRS 13 is effective immediately and it clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. These amendments have no significant impact on the Group’s consolidated financial statements.

- *Annual Improvements to PFRSs* (2011-2013 cycle)

In the 2011-2013 annual improvements cycle, four amendments to four standards were issued, which included an amendment to PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards*. The amendment to PFRS 1 is effective immediately. It clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity’s first

PFRS financial statements. This amendment has no impact on the Group as it is not a first time PFRS adopter.

New Accounting Standards, Interpretations, and Amendments
to Existing Standards Effective Subsequent to December 31, 2014

The Group will adopt the following standards, interpretations and amendments to existing standards enumerated below when these become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended standards and interpretations to have a significant impact on the Group's consolidated financial statements:

Standards issued but not yet effective

- PFRS 9, *Financial Instruments - Classification and Measurement* (2010 version)
PFRS 9 (2010 version) reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

PFRS 9 (2010 version) is effective for annual periods beginning on or after January 1, 2015. This mandatory adoption date was moved to January 1, 2018 when the final version of PFRS 9 was adopted by the Financial Reporting Standards Council (FRSC). Such adoption, however, is still for approval by the Board of Accountancy (BOA).

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*
This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. Adoption of the interpretation will not have any impact on the financial statements of the Group.

The following new standards and amendments issued by the IASB were already adopted by the FRSC but are still for approval by BOA.

Effective in 2015

- PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions*(Amendments)
PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after

January 1, 2015. It is not expected that this amendment would be relevant since the Group has no defined benefit plans with contributions from employees or third parties.

Annual Improvements to PFRS (2010-2012 cycle)

The *Annual Improvements to PFRSs* (2010-2012 cycle) are effective for annual periods beginning on or after January 1, 2015 and are not expected to have a material impact on the Group's consolidated financial statements. They include:

- *PFRS 2, Share-based Payment - Definition of Vesting Condition*
This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:
 - a. A performance condition must contain a service condition
 - b. A performance target must be met while the counterparty is rendering service
 - c. A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
 - d. A performance condition may be a market or non-market condition
 - e. If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

- *PFRS 3, Business Combinations - Accounting for Contingent Consideration in a Business Combination*
The amendment is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PAS 39 (or PFRS 9, if early adopted). The Group shall consider this amendment for future business combinations.

- *PFRS 8, Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
The amendments are applied retrospectively and clarify that:
 - a. An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
 - b. The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

- *PAS 16, Property, Plant and Equipment and PAS 38, Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*
The amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.

- *PAS 24, Related Party Disclosures - Key Management Personnel*
The amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

Annual Improvements to PFRS (2011-2013 cycle)

The *Annual Improvements to PFRSs* (2011-2013 cycle) are effective for annual periods beginning on or after January 1, 2015 and are not expected to have a material impact on the Group's consolidated financial statements. They include:

- *PFRS 3, Business Combinations - Scope Exceptions for Joint Arrangements*
The amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:
 - a. Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.

b. This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

- *PFRS 13, Fair Value Measurement - Portfolio Exception*
The amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39.
- *PAS 40, Investment Property*
The amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment).

Effective in 2016

- *PFRS 10, Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)*
These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are effective from annual periods beginning on or after January 1, 2016. These amendments will not have any impact on the Group's consolidated financial statements.
- *PFRS 11, Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (Amendments)*
The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.

- *PFRS 14, Regulatory Deferral Accounts*
PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the balance sheet and present movements in these account balances as separate line items in the statement of comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. Since the Group is an existing PFRS preparer, this standard would not apply.
- *PAS 16, Property, Plant and Equipment, and PAS 38, Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)*
The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted.

These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its noncurrent assets.

- **PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants* (Amendments)**
The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as it does not have any bearer plants.
- **PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements* (Amendments)**
The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have any impact on the Group's consolidated financial statements.

Annual Improvements to PFRSs (2012-2014 cycle)

The *Annual Improvements to PFRSs (2012-2014 cycle)* are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact on the Group's consolidated financial statements. They include:

- **PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal***
The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.
- **PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts***
PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.
- **PFRS 7 - *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements***
This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.
- **PAS 19, *Employee Benefits - Regional Market Issue Regarding Discount Rate***
This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'*

The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Effective in 2018

- PFRS 9, *Financial Instruments- Hedge Accounting and amendments to PFRS 9, PFRS 7 and PAS 39* (2013 version)

PFRS 9 (2013 version) already includes the third phase of the project to replace PAS 39 which pertains to hedge accounting. This version of PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a derivative instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 (2013 version) has no mandatory effective date. The mandatory effective date of January 1, 2018 was eventually set when the final version of PFRS 9 was adopted by the FRSC. The adoption of the final version of PFRS 9, however, is still for approval by BOA.

- PFRS 9, *Financial Instruments*(2014 or final version)

In July 2014, the final version of PFRS 9 was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39 and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015.

The following new standard issued by the IASB has not yet been adopted by the FRSC:

- International Financial Reporting Standard (IFRS) 15, *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted.

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to the December 31, 2014 consolidated financial statements. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

Basis of Consolidation

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

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the Company’s share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Company had directly disposed of the related assets or liabilities

The consolidated financial statements include the accounts of the Company and the following wholly owned subsidiaries:

	Country of Incorporation	Principal Activity	Percentage of Ownership
Convenience Distribution, Inc. (CDI)	Philippines	Warehousing and Distribution	100
Store Sites Holding, Inc. (SSHI)	Philippines	Holding	100

SSHI’s capital stock, which is divided into 40% common shares and 60% preferred shares are owned by the Company and by Philippine Seven Corporation-Employees Retirement Plan (PSC-ERP) through its trustee, Bank of the Philippines Islands-Asset Management and Trust Group (BPI-AMTG), respectively. These preferred shares which accrue and pay guaranteed preferred dividends and are redeemable at the option of the holder are recognized as a financial liability in accordance with PFRS (see Note 15). The Company owns 100% of SSHI’s common shares, which, together with common key management, gives the Company control over SSHI.

The financial statements of the subsidiaries are prepared for the same financial reporting period as the Company, using uniform accounting policies. Intercompany transactions, balances and unrealized gains and losses are eliminated in full.

Cash and Cash Equivalents

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

Financial Instruments

The Group recognizes a financial asset or a financial liability in the consolidated balance sheet when it becomes a party to the contractual provisions of the instrument.

Initial Recognition and Measurement

Financial assets and financial liabilities are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets and financial liabilities, except for financial instruments measured at fair value through profit or loss (FVPL).

All regular way purchases and sales of financial assets are recognized on the trade date, i.e., the date the Group commits to purchase or sell the financial asset. Regular way purchases or sales of financial assets require delivery of assets within the time frame generally established by regulation in the market place.

The Group classifies its financial assets as financial assets at FVPL, held-to-maturity (HTM) investments, available-for-sale (AFS) financial assets or loans and receivables. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or other financial liabilities. The classification depends on the purpose for which the financial assets and financial liabilities were acquired. Management determines the classification at initial recognition and, where allowed and appropriate, re-evaluates classification at every balance sheet date.

As at December 31, 2014 and 2013, the Group's financial instruments include loans and receivables and other financial liabilities.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as financial assets at FVPL, HTM investments or AFS financial assets. After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment. The amortization is included as part of interest income in the consolidated statement of comprehensive income. Losses arising from impairment are recognized in the consolidated statement of comprehensive income. Loans and receivables are classified as current assets if maturity is within 12 months from balance sheet date. Otherwise, these are classified as noncurrent assets.

The Group's loans and receivables consists of cash and cash equivalents, short-term investment, receivables and deposits (excluding rent deposits) as at December 31, 2014 and 2013 (see Notes 4, 5, 9 and 10).

Other Financial Liabilities

This category pertains to financial liabilities that are neither held-for-trading nor designated as at FVPL upon the inception of the liability. Other financial liabilities are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

Other financial liabilities are classified as current liabilities if maturity is within the normal operating cycle of the Company and it does not have unconditional right to defer settlement of the liability for at least 12 months from balance sheet date. Otherwise, these are classified as noncurrent liabilities.

The Group's other financial liabilities consist of bank loans, accounts payable and accrued expenses, other current liabilities (excluding statutory liabilities), and cumulative redeemable preferred shares as at December 31, 2014 and 2013 (see Notes 11, 12, 13 and 15).

Classification of Financial Instruments Between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

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- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

Determination of Fair Value

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

- Level 1 - quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

"Day 1" Difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of Financial Assets

The Group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired.

Financial Assets Carried at Amortized Cost

The Group first assesses whether objective evidence of impairment exists for financial assets that are individually significant and collectively for financial assets that are not individually significant. Objective evidence includes observable data that comes to the attention of the Group about loss events such as but not limited to significant financial difficulty of the counterparty, a breach of contract, such as a default or delinquency in interest or principal payments, probability that the borrower will enter bankruptcy or other financial reorganization. If it is determined that no objective evidence of impairment exists for an individually or collectively assessed financial asset, whether significant or not, the asset is included in the group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continue to be recognized are not included in a collective assessment of impairment. The impairment assessment is performed at each balance sheet date. For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics such as customer type, payment history, past-due status and term.

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced by the impairment loss, which is recognized in profit or loss.

Loans and receivables, together with the related allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Derecognition of Financial Assets and Liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities

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

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value (NRV). Cost of inventories is determined using the first-in, first-out method. NRV is the selling price in the ordinary course of business, less the estimated cost of marketing and distribution.

Prepayments and Other Current Assets

Prepayments and other current assets are primarily comprised of advances to suppliers, deferred input value-added tax (VAT), prepaid rent and prepaid store expenses. Prepayments and other current assets that are expected to be realized for no more than 12 months after the balance sheet date are classified as current assets; otherwise, these are classified as other noncurrent assets. These are recorded as assets and expensed when utilized or expired.

Advances to suppliers are downpayments for acquisitions of property and equipment not yet received. Once the property and equipment are received, the asset is recognized together with the corresponding liability. These are stated at cost less any impairment in value.

Property and Equipment

Property and equipment, except for land, are carried at cost less accumulated depreciation and amortization, and any impairment in value.

The initial cost of property and equipment consists of its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as repairs and maintenance and overhaul costs, are recognized in profit or loss in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of the assets.

Construction in-progress includes cost of construction and other direct costs and is stated at cost less any impairment in value. Construction in-progress is not depreciated until such time the relevant assets are completed and put into operational use.

Depreciation and amortization commence once the assets are available for use. It ceases at the earlier of the date that it is classified as noncurrent asset held-for-sale and the date the asset is derecognized.

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

	Years
Buildings and improvements	10 to 12
Store furniture and equipment	5 to 10
Office furniture and equipment	3 to 5
Transportation equipment	3 to 5
Computer equipment	3

Leasehold improvements are amortized over the estimated useful life of the improvements, ranging from five to ten years, or the term of the lease, whichever is shorter.

The assets' estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of property and equipment. When assets are retired or otherwise disposed of, the cost or revalued amount and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts and any resulting gain or loss is recognized in profit or loss. The revaluation increment in equity relating to the revalued asset sold is transferred to retained earnings.

Fully depreciated assets are retained in the books until disposed.

Land is carried at revalued amount less any impairment in value. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the financial reporting period. When the fair value of a revalued land differs materially from its carrying amount, a further revaluation is required.

A revaluation surplus is recorded in OCI and credited to the “Revaluation increment on land - net of deferred income tax liability” account in equity. However, to the extent that the Group reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in profit or loss. A revaluation deficit is recognized in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in “Revaluation increment on land -net of deferred income tax liability” account in equity.

Deposits

Deposits are amounts paid as guarantee in relation to noncancelable lease agreements entered into by the Group. These deposits are recognized at cost and can be refunded or applied to future billings.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment loss, if any. Internally-generated intangible assets, if any, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and amortization method for an intangible asset with a finite useful life is reviewed at least at each balance sheet date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible asset. Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level and are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite useful life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Software and Program Cost

Software and program cost, which are not specifically identifiable and integral to a specific computer hardware, are shown under “Goodwill and other noncurrent assets” in the consolidated balance sheet. These are carried at cost, less accumulated amortization and any impairment in value. Amortization is computed on a straight-line method over their estimated useful life of five years.

Goodwill

Goodwill, included in “Goodwill and other noncurrent assets” account in the consolidated balance sheet, represents the excess of the cost of an acquisition over the fair value of the businesses acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Impairment of Non-financial Assets

The Group assesses at each balance sheet date whether there is an indication that its non-financial assets such as property and equipment, rent deposits and intangible assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU’s fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. For land, the asset’s recoverable amount is the higher of the land’s net selling price, which may be obtained from its sale in an arm’s-length transaction, and its value-in-use. For goodwill, the asset’s recoverable amount is its value-in-use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Impairment losses, if any, are recognized in profit or loss, except for revalued land when revaluation was taken to OCI. In this case, the impairment is also recognized in OCI up to the amount of any previous revaluation.

For non-financial assets, excluding goodwill, an assessment is made at each balance sheet date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in previous years. Such reversal is recognized in profit or loss, unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Goodwill is reviewed for impairment, annually or more frequently if event or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGU or group of CGUs to which the goodwill relates. Where the recoverable amount of the CGU or group of CGUs is less than the carrying amount of the CGU or group of CGUs to which goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Deposits Payable

Deposits payable are amounts received from franchisees, store operators and sublessees as guarantee in relation to various agreements entered into by the Group. These deposits are recognized at cost and payable or applied to future billings.

Cumulative Redeemable Preferred Shares

Cumulative redeemable preferred shares that exhibit characteristics of a liability is recognized as a financial liability in the consolidated balance sheet, net of transaction cost. The corresponding dividends on those shares are charged as interest expense in profit or loss.

Deferred Revenue

Deferred revenue is recognized for cash received for income not yet earned. Deferred revenue is recognized as revenue over the life of the revenue contract or upon delivery of goods or services.

Equity

Common Stock

Common stock is measured at par value for all shares issued and outstanding.

Additional Paid-in Capital

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Group, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Retained Earnings

Retained earnings represent the cumulative balance of periodic net income or loss and changes in accounting policy. When the retained earnings account has a debit balance, it is called "deficit." A deficit is not an asset but a deduction from equity.

Stock Dividends

Stock dividends are distribution of the earnings in the form of own shares. When stock dividends are declared, the amount of stock dividends is transferred from retained earnings to capital stock.

Treasury Stock

Treasury stock is stated at acquisition cost and is deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

OCI

OCI comprises of items of income and expenses that are not recognized in profit or loss as required or permitted by other PFRS. The Group's OCI pertains to actuarial gains and losses from pension benefits and revaluation increment on land which are recognized in full in the period in which they occur.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. The Group has assessed its revenue arrangements against the criteria enumerated under PAS 18, *Revenue Recognition*, and concluded that it is acting as principal in all arrangements, except for its sale of consigned goods. The following specific recognition criteria must also be met before revenue is recognized:

Merchandise Sales

Revenue from merchandise sales is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue is measured at the fair value of the consideration received, excluding discounts, returns, rebates and sales taxes.

The Group operates a customer loyalty programme, Every Day! Rewards, which allows customers to accumulate points when they purchase products in the stores. The points can be redeemed for free products, subject to a minimum number of points being obtained.

Consideration received is allocated between the products sold and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is equal to the retail value of the products that can be redeemed multiplied by the redemption rate. The fair value of the points issued is deferred (included as part of "Other current liabilities" account in the consolidated balance sheet) and recognized as revenue when the points are redeemed.

Franchise

Franchise fee is recognized upon execution of the franchise agreement and performance of initial services required under the franchise agreement. Franchise revenue is recognized in the period earned.

Marketing

Marketing income is recognized when service is rendered. In case of marketing support funds, revenue is recognized upon start of promotional activity for the suppliers.

Rental

Rental income is accounted for on a straight-line basis over the term of the lease.

Commission

Commission income is recognized upon the sale of consigned goods.

Interest

Interest income is recognized as it accrues based on the effective interest rate method.

Other Income

Other income is recognized when there are incidental economic benefits, other than the usual business operations, that will flow to the Group and can be measured reliably.

Costs and Expenses Recognition

Costs of merchandise sold are recognized in profit or loss at the point of sale. Expenses are recognized in profit or loss upon utilization of the services or when they are incurred.

Retirement Benefits

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the financial reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Net retirement benefits cost comprises the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Termination Benefit

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee Leave Entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Leases

Finance leases, which transfer to the lessee substantially all the risks and rewards of ownership of the asset, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the interest income and reduction of the lease receivable so as to achieve a constant rate of interest on the remaining balance of the receivable. Interest income is recognized directly in profit or loss.

Leases where the lessor retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Operating leases are recognized as an expense in profit or loss on a straight-line basis over the lease term.

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- a. there is a change in contractual terms, other than a renewal or extension of the arrangement; or
- b. a renewal option is exercised or extension is granted, unless the term of the renewal or extension was initially included in the lease term; or
- c. there is a change in the determination of whether fulfillment is dependent on a specified asset; or
- d. there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstance gave rise to the reassessment for scenarios (a), (c) or (d) above, and the date of renewal or extension for scenario (b).

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign Currency-denominated Transactions

The consolidated financial statements are presented in Philippine Peso, which is the Parent Company's functional and presentation currency. All subsidiaries evaluate their primary economic and operating environment and determine their functional currency. Transactions in foreign currency are initially recorded at the exchange rate at the date of transaction. Outstanding foreign currency-denominated monetary assets and liabilities are translated using the applicable exchange rate at balance sheet date. Exchange differences arising from translation of foreign currency monetary items at rates different from those at which they were originally recorded are recognized in profit or loss.

Taxes

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the balance sheet date.

Deferred Income Tax

Deferred income tax is recognized for all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

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

VAT

Input VAT is the 12% indirect tax paid by the Group in the course of the Group's trade or business on local purchase of goods or services, including lease or use of property, from a VAT-registered entity. For acquisition of capital goods over ₱1,000,000, the related input taxes are deferred and amortized over the useful life of the asset or 60 months, whichever is shorter, commencing on the date of acquisition. Deferred input VAT which is expected to be utilized for more than 12 months after the balance sheet date is included under "Goodwill and other noncurrent assets" account in the consolidated balance sheet.

Output VAT pertains to the 12% tax due on the sale of merchandise and lease or exchange of taxable goods or properties or services by the Group.

If at the end of any taxable month the output VAT exceeds the input VAT, the excess shall be paid by the Group. Any outstanding balance is included under "Other current liabilities" account in the consolidated balance sheet. If the input VAT exceeds the output VAT, the excess shall be carried over to the succeeding month or months. Excess input VAT is included under "Prepayments and other current assets" account in the consolidated balance sheet. Input VAT on capital goods may, at the option of the Group, be refunded or credited against other internal revenue taxes, subject to certain tax laws.

Revenue, expenses and assets are recognized net of the amount of VAT.

Earnings Per Share

Basic earnings per share is calculated by dividing the net income or for the year attributable to common shareholders by the weighted average number of shares outstanding during the year, excluding treasury shares.

Diluted earnings per share is calculated by dividing the net income for the year attributable to common shareholders by the weighted average number of shares outstanding during the year, excluding treasury shares and adjusted for the effects of all potential dilutive common shares, if any.

In determining both the basic and diluted earnings per share, the effect of stock dividends, if any, is accounted for retrospectively.

Segment Reporting

Operating segments are components of an entity for which separate financial information is available and evaluated regularly by management in deciding how to allocate resources and assessing performance. The Group considers the store operation as its primary activity and its only business segment. Franchising, renting of properties and commissioning on bills payment services are considered an integral part of the store operations.

Provisions

Provisions are recognized when: (a) the Group has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. When the Group expects a provision or loss to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain and its amount is estimable. The expense relating to any provision is presented in profit or loss, net of any reimbursement.

Contingencies

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

probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements.

Events after the Balance Sheet Date

Post year-end events that provide additional information about the Group's position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. **Use of Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the consolidated financial statements in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes. The judgments, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at balance sheet date. Future events may occur which can cause the assumptions used in arriving at those judgments, estimates and assumptions to change. The effects of any changes will be reflected in the consolidated financial statements of the Group as they become reasonably determinable.

Judgments

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

Determination of Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency of the Group has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Group operates. It is the currency that mainly influences the revenue, costs and expenses of the Group.

Classification of Financial Instruments

The Group classifies a financial instrument, or its components, on initial recognition as a financial asset, liability or equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, liability or equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated balance sheet.

Financial assets are classified as financial assets at FVPL, HTM investments, AFS financial assets and loans and receivables. Financial liabilities, on the other hand, are classified as financial liabilities at FVPL and other financial liabilities.

The Group classifies the cumulative redeemable preferred shares as liability in accordance with the redemption features contained in the shareholders agreement (see Note 15). The cumulative redeemable preferred shares are redeemable at the option of the holder.

The Group determines the classification at initial recognition and, where allowed and appropriate, re-evaluates this classification at every balance sheet date.

The Group's financial instruments consist of loans and receivables and other financial liabilities (see Note 29).

Classification of Leases

a. Finance lease as lessor

The Group entered into a sale and leaseback transaction with an armored car service provider where it has determined that the risks and rewards related to the armored vehicles leased out will be transferred to the lessee at the end of the lease term. As such, the lease agreement was accounted for as a finance lease (see Note 26).

- b. Operating lease as lessee
The Group entered into various property leases, where it has determined that the risks and rewards related to the properties are retained with the lessors. As such, the lease agreements were accounted for as operating leases (see Note 26).
- c. Operating lease as lessor
The Company entered into property subleases on its leased properties. The Company determined that it retains all the significant risks and rewards of these properties which are leased out on operating leases (see Note 26).

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities follow:

Determination of Fair Values

The fair value for financial instruments traded in active markets at the balance sheet date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and ask prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which observable market prices exist, options pricing models, and other relevant valuation models.

Note 29 presents the fair values of the financial instruments and the methods and assumptions used in estimating their fair values.

Impairment of Loans and Receivables

The Group reviews its loans and receivables at each balance sheet date to assess whether a provision for impairment should be recognized in profit or loss or loans and receivables balance should be written off. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance. Moreover, management evaluates the presence of objective evidence of impairment which includes observable data that comes to the attention of the Group about loss events such as but not limited to significant financial difficulty of the counterparty, a breach of contract, such as a default or delinquency in interest or principal payments, probability that the borrower will enter bankruptcy or other financial re-organization.

In addition to specific allowances against individually significant loans and receivables, the Group also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This takes into consideration the credit risk characteristics such as customer type, payment history, past due status and term.

The carrying value of loans and receivables amounted to ₱2,026,522,005 and ₱1,579,848,392 as at December 31, 2014 and 2013, respectively (see Notes 4, 5, 9, 10 and 30). Allowance for impairment on loans and receivables amounted to ₱18,960,182 as at December 31, 2014 and 2013 (see Note 5). Provision for impairment amounted to nil, ₱12,671,486 and ₱788,778 in 2014, 2013 and 2012, respectively (see Note 19).

Decline in Inventory Value

Provisions are made for inventories whose NRV are lower than their carrying cost. This entails determination of replacement costs and costs necessary to make the sale. The estimates are based on a number of factors, such as but not limited to the age, status and recoverability of inventories.

The carrying value of inventories amounted to ₱1,165,094,076 and ₱900,849,891 as at December 31, 2014 and 2013, respectively (see Note 6). No provisions for decline in inventory value were recognized in 2014, 2013 and 2012.

Impairment of Non-financial Assets Other than Goodwill

The Group assesses whether there are any indicators of impairment for all non-financial assets, other than goodwill, at each balance sheet date. These non-financial assets (property and equipment, rent deposits, and software and program cost) are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

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

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

As at December 31, 2014 and 2013, the Group has not identified any indicators or circumstances that would indicate that the Group's property and equipment, rent deposits and software and program cost are impaired. Thus, no impairment losses on these non-financial assets were recognized for the years ended December 31, 2014, 2013 and 2012.

The carrying values of these non-financial assets are as follows:

	2014	2013
Property and equipment (Note 8)	₱3,558,089,998	₱2,746,672,621
Rent deposits (Note 9)	324,638,850	232,020,464
Software and program cost (Note 10)	3,477,680	2,886,285

Estimation of Useful Lives of Property and Equipment and Software and Program Cost

The Group estimates the useful lives of its property and equipment and software and program cost based on a period over which the assets are expected to be available for use and on collective assessment of industry practices, internal evaluation and experience with similar arrangement. The estimated useful lives of property and equipment and software and program cost are revisited at the end of each financial reporting period and updated if expectations differ materially from previous estimates.

Property and equipment, net of accumulated depreciation and amortization, amounted to ₱3,558,089,998 and ₱2,746,672,621 as at December 31, 2014 and 2013, respectively (see Note 8). The carrying amount of software and program cost amounted to ₱3,477,680 and ₱2,886,285 at December 31, 2014 and 2013, respectively (see Note 10).

Revaluation of Land

The Group's parcels of land are carried at revalued amounts, which approximate its fair values at the date of the revaluation, less any subsequent accumulated impairment losses. The valuations of land are performed by independent appraisers. Revaluations are made every three to five years or more frequently as necessary, to ensure that the carrying amounts do not differ materially from those which would be determined using fair values at balance sheet date.

The last appraisal made on the Group's parcels of land was in June 2014, where it resulted to an additional appraisal increase of ₱15,289,400, net of ₱6,552,600 deferred income tax liability. The carrying amount of land amounted to ₱66,323,000 and ₱44,481,000 as at December 31, 2014 and 2013, respectively.

Impairment of Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGUs to which the goodwill is allocated. Estimating the value-in-use amount requires management to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Based on the assessment made by the Group, there is no impairment of goodwill as the recoverable amount of the CGUs exceeds the carrying amount of the unit, including goodwill as at December 31, 2014 and 2013. The carrying value of goodwill amounted to ₱65,567,524 as at December 31, 2014 and 2013 (see Note 10). No impairment losses were recognized in 2014, 2013 and 2012.

Estimation of Retirement Benefits

The net retirement benefits cost and the present value of retirement obligations are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

The Group's net retirement obligations amounted to ₱100,404,074 and ₱96,481,142as at December 31, 2014 and 2013, respectively (see Note 24). Retirement benefits cost amounted to ₱19,867,370, ₱16,858,692 and ₱15,420,495in 2014, 2013 and 2012, respectively (see Notes 23 and 24).

Provisions and Contingencies

The Group has pending legal cases. The Group's estimate of the probable costs for the resolution of these legal cases has been developed in consultation with in-house and outside legal counsels and is based upon the analysis of the potential outcomes. It is possible, however, that future results of operations could be affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings.

As at December 31, 2014 and 2013, the Group has provisions amounting to ₱8,718,853 and ₱13,420,068, respectively and is reported as part of "Others" under "Accounts payable and accrued expenses" in the consolidated balance sheets (see Note 12). Provisions and contingencies are further explained in Note 34.

Realizability of Deferred Income Tax Assets

Deferred income tax assets are recognized for all temporary deductible differences to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized. Management has determined based on business forecast of succeeding years that there is enough taxable profits against which the recognized deferred income tax assets will be realized.

The Group's recognized deferred income tax assets amounted to ₱95,008,691 and ₱69,131,632as at December 31, 2014 and 2013, respectively (see Note 27).

4. **Cash and Cash Equivalents and Short-Term Investment**

	2014	2013
Cash on hand and in banks	₱1,241,685,743	₱922,422,571
Cash equivalents	-	50,580,062
	₱1,241,685,743	₱973,002,633

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods up to three months depending on the immediate cash requirements of the Group and earn interest at the respective cash equivalent rates.

As at December 31, 2014 and 2013, short-term investment amounting to ₱10,884,130 and ₱10,810,229, respectively, pertains to time deposit which has a maturity date of more than 90 days.

Interest income from savings and deposits accounts and short-term investment amounted to ₱2,545,822, ₱4,298,717and ₱2,749,430in 2014, 2013 and 2012, respectively (see Note 22).

5. **Receivables**

	2014	2013
Franchisees (Note 32)	₱403,074,403	₱397,720,727
Suppliers	159,162,156	48,657,689
Employees	17,206,304	14,936,783
Store operators	12,048,431	12,547,006
Rent	5,363,909	4,760,464
Due from PhilSeven Foundation, Inc. (PFI) (Note 25)	3,525,452	3,118,978
Current portion of lease receivable - net of unearned interest income amounting to ₱5,773 and ₱96,445 as at December 31, 2014 and 2013, respectively (Notes 10 and 26)	3,742,000	3,086,114
Notes receivable	990,917	1,033,914
Insurance receivable	1,155,417	585,057
Others	2,078,334	1,358,499
	608,347,323	487,805,231
Less allowance for impairment	18,960,182	18,960,182
	₱589,387,141	₱468,845,049

The classes of receivables of the Group are as follows:

- Franchisees - pertains to receivables for the inventory loans obtained by the franchisees at the start of their store operations, cash deposits and deposits still in transit, negative balance on franchisees' holding account and inventory variation noted during monthly store audits.
- Suppliers - pertains to receivables from the Group's suppliers for display allowances, annual volume discount and commission income from different service providers.
- Employees - includes car loans, salary loans and cash shortages from stores which are charged to employees. Interest earned on receivable from employees amounted to ₱13,660, ₱17,037 and nil in 2014, 2013 and 2012, respectively (see Note 22).
- Store operators - pertains to the advances given to third party store operators under service agreements (see Note 32).
- Rent - pertains to receivables from sublease agreements with third parties, which are based on an agreed fixed monthly rate or as agreed upon by the parties.
- Lease receivable - pertains to a five-year sale and leaseback finance lease agreement entered by the Company with an armored car service provider (see Note 26).
- Notes receivable - pertains to a receivable from third party borrowers evidenced by a written promise of payment with a five-year term maturing on January 31, 2015. As at December 31, 2014 and 2013, unamortized discount amounted to nil and ₱37,165, respectively. Accretion of interest income amounted to ₱37,165, ₱123,182 and ₱236,517 in 2014, 2013 and 2012, respectively (see Note 22).

Receivables are noninterest-bearing and are generally on 30 to 90 day terms except for loans to employees, lease receivable and notes receivable with annual interest rates of 10.00%, 7.00% and 6.32%, respectively (see Note 26).

Impairment on receivables is based on individual assessment of accounts. Movements in allowance for impairment are as follows:

2014				
	Beginning balances	Provision for the year (Note 19)	Write-off	Ending balances
Franchisees	P214,342	P-	P-	P214,342
Suppliers	15,565,934	-	-	15,565,934
Employees	539,921	-	-	539,921
Store operators	365,801	-	-	365,801
Rent	2,274,184	-	-	2,274,184
Total	P18,960,182	P-	P-	P18,960,182

2013				
	Beginning balances	Provision for the year (Note 19)	Write-off	Ending balances
Franchisees	P214,342	P-	P-	P214,342
Suppliers	5,804,455	11,700,044	(1,938,565)	15,565,934
Employees	391,918	148,003	-	539,921
Store operators	365,801	-	-	365,801
Rent	1,450,745	823,439	-	2,274,184
Total	P8,227,261	P12,671,486	(P1,938,565)	P18,960,182

6. **Inventories**

	2014	2013
At cost (Note 18):		
Warehouse merchandise	P716,772,116	P618,738,640
Store merchandise	448,321,960	282,111,251
	P1,165,094,076	P900,849,891

No inventories are pledged nor treated as security to outstanding liabilities as at December 31, 2014.

7. **Prepayments and Other Current Assets**

	2014	2013
Current portion of:		
Deferred input VAT	P99,572,933	P78,364,535
Deferred lease (Notes 10 and 26)	3,554,358	1,421,460
Prepaid:		
Rent (Note 10)	133,107,466	63,373,604
Store expenses	33,469,093	34,455,780
Taxes	7,548,088	4,765,253
Uniform	1,531,177	6,066,259
Repairs and maintenance	46,294	1,218,655

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Advances to suppliers	₱33,409,032	₱55,761,777
Advances for expenses	25,820,535	13,788,613
Supplies	5,810,873	3,528,830
Dues and subscription	706,584	571,651
Others	13,820,097	7,432,281
	₱358,396,530	₱270,748,698

Deferred input VAT pertains to the input VAT on the acquisition of capital goods over ₱1,000,000 which are being amortized over the useful life or 60 months, whichever is shorter, commencing on the date of acquisition.

8. Property and Equipment

Movements in property and equipment are as follows:

	2014									Total
	At Cost									
	Land- at Revalued Amount	Buildings and Improvements	Store Furniture and Equipment	Office Furniture and Equipment	Transportation Equipment	Computer Equipment	Leasehold Improvements	Construction In-Progress		
Cost/Revalued Amount										
Beginning balances	₱44,481,000	₱118,154,849	₱2,200,106,026	₱763,055,302	₱45,130,103	₱244,985,364	₱1,421,900,034	₱95,198,923	₱4,933,011,601	
Additions	-	9,397,840	746,231,018	265,953,317	10,688,290	66,548,549	222,127,663	332,626,429	1,653,573,106	
Retirements	-	-	(48,699,654)	(72,902,381)	(3,470,814)	(13,346,315)	(144,419,280)	-	(282,838,444)	
Reclassifications	-	28,773,655	-	-	-	-	213,928,133	(242,701,788)	-	
Revaluation increment	21,842,000	-	-	-	-	-	-	-	-	21,842,000
Ending balances	66,323,000	156,326,344	2,897,637,390	956,106,238	52,347,579	298,187,598	1,713,536,550	185,123,564	6,325,588,263	
Accumulated Depreciation and Amortization										
Beginning balances	-	74,124,862	978,021,331	358,827,296	19,367,872	165,369,417	590,628,202	-	2,186,338,980	
Depreciation and amortization (Note 19)	-	4,058,141	449,334,458	150,730,603	10,103,916	35,087,298	213,445,093	-	862,759,509	
Retirements	-	-	(48,699,654)	(72,771,021)	(2,363,954)	(13,346,315)	(144,419,280)	-	(281,600,224)	
Reclassifications	-	2,041,196	-	-	-	-	(2,041,196)	-	-	
Ending balances	-	80,224,199	1,378,656,135	436,786,878	27,107,834	187,110,400	657,612,819	-	2,767,498,265	
Net Book Values	₱66,323,000	₱76,102,145	₱1,518,981,255	₱519,319,360	₱25,239,745	₱111,077,198	₱1,055,923,731	₱185,123,564	₱3,558,089,998	

	2013									Total
	At Cost									
	Land- at revalued Amount	Buildings and Improvements	Store Furniture and Equipment	Office Furniture and Equipment	Transportation Equipment	Computer Equipment	Leasehold Improvements	Construction In-Progress		
Cost/Revalued Amount										
Beginning balances	₱44,481,000	₱118,154,849	₱1,740,413,143	₱57,937,098	₱43,646,176	₱211,556,349	₱1,201,609,870	₱67,369,298	₱4,006,601,783	
Additions	-	-	525,981,492	207,878,659	10,587,673	33,864,213	205,469,305	195,489,191	1,179,270,533	
Retirements	-	-	(66,288,609)	(24,194,455)	(9,103,746)	(435,198)	(152,838,707)	-	(252,860,715)	
Reclassifications	-	-	-	-	-	-	167,659,566	(167,659,566)	-	
Ending balances	44,481,000	118,154,849	2,200,106,026	763,055,302	45,130,103	244,985,364	1,421,900,034	95,198,923	4,933,011,601	
Accumulated Depreciation and Amortization										
Beginning balances	-	70,181,591	677,113,640	270,477,867	20,199,135	134,639,263	557,069,243	-	1,729,680,739	
Depreciation and amortization (Note 19)	-	3,943,271	367,196,300	112,543,884	8,272,483	31,165,352	186,397,669	-	709,518,959	
Retirements	-	-	(66,288,609)	(24,194,455)	(9,103,746)	(435,198)	(152,838,710)	-	(252,860,718)	
Ending balances	-	74,124,862	978,021,331	358,827,296	19,367,872	165,369,417	590,628,202	-	2,186,338,980	
Net Book Values	₱44,481,000	₱44,029,987	₱1,222,084,695	₱404,228,006	₱25,762,231	₱79,615,947	₱831,271,832	₱95,198,923	₱2,746,672,621	

Construction in-progress pertains to costs of constructing new stores and renovation of old stores. Completion of construction and renovation is expected within three months to one year from construction date. The costs of constructed stores are accumulated until such time the relevant assets are completed and put into operational use.

In June 2014, the Group revalued its land with cost amounting to ₱39,866,864 at appraised value of ₱66,323,000, as determined by a professionally qualified independent appraiser. The additional appraisal increase of ₱15,289,400, net of ₱6,552,600 deferred income tax liability (see Note 27), resulting from the revaluation was credited to "Revaluation increment on land - net of deferred income tax liability" account under equity section of the consolidated balance sheets. The appraised value was determined using the market data approach, wherein the value of the land is based on sales and listings of comparable properties registered within the vicinity. Land is categorized under level 3 in the fair value hierarchy.

The cost of fully depreciated property and equipment that are still being used in operations amounted to ₱642,631,189 and ₱428,587,084 as at December 31, 2014 and 2013, respectively. No property and equipment are pledged nor treated as security for the outstanding liabilities as at December 31, 2014 and 2013.

9. **Deposits**

	2014	2013
Rent	₱324,638,850	₱232,020,464
Refundable (Notes 29 and 30)	75,964,346	34,871,384
Utilities (Notes 29 and 30)	53,374,427	42,509,396
Others (Notes 29 and 30)	6,551,174	4,487,223
	₱460,528,797	₱313,888,467

Refundable

Refundable deposits on rent are computed at amortized cost as follows:

	2014	2013
Face value of security deposits	₱52,776,018	₱46,053,889
Additions	59,908,303	7,446,475
Refunded	(7,785,736)	-
Unamortized discount	(28,934,239)	(18,628,980)
	₱75,964,346	₱34,871,384

Movements in unamortized discount are as follows:

	2014	2013
Beginning balance	₱18,628,980	₱20,210,218
Additions	13,353,716	948,411
Accretion (Note 22)	(3,048,457)	(2,529,649)
Ending balance	₱28,934,239	₱18,628,980

10. **Goodwill and Other Noncurrent Assets**

	2014	2013
Noncurrent portion of:		
Deferred input VAT	₱204,816,161	₱143,808,850
Prepaid rent	64,581,202	-
Due from franchisees (Note 32)	48,675,044	44,763,037
Deferred lease (Note 26)	21,762,365	12,819,183
Lease receivable - net of unearned interest income amounting to nil and ₱5,773 as at December 31, 2014 and 2013, respectively (Notes 26, 29 and 30)	-	559,441

(Forward)

	2014	2013
Intangible assets:		
Goodwill	₱65,567,524	₱65,567,524
Software and program cost	3,477,680	2,886,285
Garnished accounts (Note 34)	7,945,958	4,876,522
Others	2,174,510	1,411,415
	₱419,000,444	₱276,692,257

Deferred Lease

Deferred lease pertains to “Day 1” loss recognized on refundable deposits on rent, which is amortized on a straight-line basis over the term of the related leases.

Movements in deferred lease are as follows:

	2014	2013
Beginning balance	₱14,240,643	₱15,702,845
Additions	13,353,716	948,411
Less amortization (Note 26)	(2,277,636)	(2,410,613)
Ending balance	25,316,723	14,240,643
Less current portion (Note 7)	3,554,358	1,421,460
Noncurrent portion	₱21,762,365	₱12,819,183

Goodwill

On March 22, 2004, the Group purchased the leasehold rights and store assets of Jollimart Philippines Corporation (Jollimart) for a total consideration of ₱130,000,000. The excess of the acquisition cost over the fair value of the assets acquired was recorded as goodwill amounting to ₱70,178,892. In 2008, the Group recognized an impairment loss in goodwill amounting to ₱4,611,368.

The recoverable amount of the goodwill was estimated based on the value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a five year period. The pre-tax discount rate applied to cash flow projections is 12.70% in 2014 and 8.27% in 2013. The cash flows beyond the five-year period are extrapolated using a 3.00% growth rate in 2014 and 2013 which is the same as the long-term average growth rate for the retail industry.

No store acquired from Jollimart was closed in 2014 and 2013. In 2011, the Group has closed one store out of the 25 remaining stores it purchased from Jollimart. No impairment loss was recognized in 2014, 2013 and 2012.

Goodwill is allocated to the group of CGU which comprises the working capital and property and equipment of all the purchased stores’ assets.

Key assumptions used in value-in-use calculations in 2014 and 2013 follow:

a. Sales and Cost Ratio

Sales and cost ratio are based on average values achieved in the three years preceding the start of the budget period. These are increased over the budget period for anticipated efficiency improvements. Sales are projected to increase by 2.00% per annum while the cost ratio is set at 69.30% - 70.30% of sales per annum.

b. Discount Rates

Discount rates reflect management’s estimates of the risks specific to the CGU. Management computed for its weighted average cost of capital (WACC). In computing for its WACC, the following items were considered:

- Average high and low range of average bank lending rates as of year-end
- Yield on a 10-year Philippine zero coupon bond as of valuation date
- Market risk premium
- Company relevered beta
- Alphas risk

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c. Growth Rate Estimates

Rates are based on average historical growth rate which is consistent with the expected average growth rate for the industry. Annual inflation and rate of possible reduction in transaction count were also considered in determining growth rates used.

Management recognized that unfavorable conditions could materially affect the assumptions used in the determination of value-in-use. An increase of 26.25% and 6.84% in the discount rates, or a reduction of growth rates by 13.00% and 12.90%, would give a value-in-use equal to the carrying amount of the CGU in 2014 and 2013, respectively.

Software and Program Cost

Movements in software and program cost are as follows:

	2014	2013
Cost:		
Beginning balance	P17,871,180	P14,851,985
Additions	1,247,000	3,019,195
Ending balance	19,118,180	17,871,180
Accumulated amortization:		
Beginning balance	14,984,895	13,668,334
Amortization (Note 19)	655,605	1,316,561
Ending balance	15,640,500	14,984,895
Net book value	P3,477,680	P2,886,285

Garnished Accounts

Garnished accounts pertain to the amount set aside by the Group, as required by the courts, in order to answer for litigation claims should the results be unfavorable to the Group (see Note 34).

11. **Bank Loans**

Bank loans in 2014 and 2013 represent unsecured Philippine Peso-denominated short-term borrowings from various local banks, payable in lump-sum in 2015 and 2014, respectively, with annual interest rates ranging from 2.00% to 2.50%, 2.50% to 3.30%, and 3.30% to 3.75% in 2014, 2013 and 2012, respectively, which are repriced monthly based on market conditions. The proceeds of these loans were used for the operations of the Group.

Movements in bank loans are as follows:

	2014	2013
Beginning balance	P560,000,000	P477,777,778
Availments	950,000,000	550,000,000
Payments	(760,000,000)	(467,777,778)
Ending balance	P750,000,000	P560,000,000

Interest expense from these bank loans amounted to P16,060,038, P16,033,270 and P16,338,080 in 2014, 2013 and 2012, respectively (see Note 21). Interest payable amounted to P800,000 and P1,689,053 as at December 31, 2014 and 2013, respectively (see Note 12).

12. **Accounts Payable and Accrued Expenses**

	2014	2013
Trade payable	P2,031,839,981	P1,575,446,279
Utilities	90,223,127	71,354,276
Employee benefits	71,421,033	39,622,810
Rent (Note 26)	65,729,071	58,097,685
Advertising and promotion	41,339,695	37,844,609
Outsourced services	41,302,057	24,844,921

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	2014	2013
Bank charges	14,254,500	13,487,060
Security services	9,112,687	3,375,831
Interest (Notes 11 and 15)	1,058,750	1,947,803
Others (Note 34)	78,879,812	46,682,215
	₱2,445,160,713	₱1,872,703,489

The trade suppliers generally provide 15 or 30-day credit terms to the Group. Prompt payment discounts ranging from 0.5% to 5.0% are given by a number of trade suppliers. All other payables are due within 3 months.

Others include provisions and accruals of various expenses incurred in the stores' operations.

13. Other Current Liabilities

	2014	2013
Non-trade accounts payable	₱441,307,059	₱362,508,354
Due to franchisees	128,356,232	62,939,640
Retention payable	81,784,397	48,466,743
Output VAT	74,165,095	61,134,099
Withholding taxes	43,688,935	33,462,627
Current portion of deferred revenue on:		
Exclusivity contract (Notes 16 and 32)	25,000,000	446,429
Customer loyalty programme	18,173,684	7,040,017
Finance lease (Notes 16 and 26)	98,264	589,567
Royalty (Note 32)	19,330,605	16,305,559
Service fees payable	8,012,505	10,381,467
Others (Notes 25 and 34)	13,805,862	30,731,827
	₱853,722,638	₱634,006,329

Non-trade accounts payable pertains to payable to suppliers of goods or services that forms part of general and administrative expenses. These are noninterest-bearing and are due within one year.

Retention payable pertains to the 10% of progress billings related to the construction of stores to be paid upon satisfactory completion of the construction.

Service fees payable pertains to management fee to store operators of service agreement stores computed based on a graduated percentage multiplied to stores' gross profit (GP) and is payable the following month.

14. Deposits Payable

	2014	2013
Franchisees (Note 32)	₱124,767,926	₱99,370,298
Service agreements (Note 32)	95,268,832	89,707,363
Rent	14,465,851	13,811,274
	₱234,502,609	₱202,888,935

15. Cumulative Redeemable Preferred Shares

Cumulative redeemable preferred shares, which are redeemable at the option of the holder, represent the share of PSC-ERP through its trustee, BPI-AMTG, in SSHI's net assets pertaining to preferred shares. PSC-ERP is entitled to an annual "Guaranteed Preferred Dividend" in the earnings of SSHI starting April 5, 2002, the date when the 25% of the subscription on preferred shares have been paid, in accordance with the Corporation Code.

The guaranteed annual dividends shall be calculated and paid in accordance with the Shareholder's Agreement dated November 16, 2000 which provides that the dividend shall be determined by the BOD of

SSHI using the prevailing market conditions and other relevant factors. Further, the preferred shareholder shall not participate in the earnings of SSHI except to the extent of guaranteed dividends and whatever is left of the retained earnings will be declared as dividends in favor of common shareholders. Guaranteed preferred dividends included under "Interest expense" in the consolidated statements of comprehensive income amounted to P135,780, P214,620, and P258,750 in 2014, 2013 and 2012, respectively (see Note 21). Interest payable amounted to P258,750 as at December 31, 2014 and 2013 (see Note 12).

16. **Deferred Revenue**

	2014	2013
Noncurrent portion of deferred revenue on:		
Exclusivity contracts (Note 32)	P25,000,000	P-
Finance lease (Note 26)	-	98,264
Others	1,552,651	1,508,919
	P26,552,651	P1,607,183

Deferred Revenue on Finance Lease

Movements in deferred revenue on finance lease are as follows:

	2014	2013
Beginning balance	P687,831	P1,277,398
Less amortization (Note 26)	589,567	589,567
Ending balance (Note 26)	98,264	687,831
Less current portion (Notes 13 and 26)	98,264	589,567
Noncurrent portion (Note 26)	P-	P98,264

Deferred Revenue on Exclusivity Contracts

Movements in deferred revenue on exclusivity contracts are as follows:

	2014	2013
Beginning balance	P446,429	P1,264,881
Addition	75,000,000	-
Less amortization (Notes 20 and 32)	25,446,229	818,452
Ending balance (Note 32)	50,000,000	446,429
Less current portion (Note 13)	25,000,000	446,429
Noncurrent portion	P25,000,000	P-

17. **Equity**

Common Stock

The Company was listed with the Philippine Stock Exchange on February 4, 1998 with total listed shares of 71,382,000 common shares consisting of 47,000,000 shares for public offering and 24,382,000 shares for private placement. The Group offered the share at a price of P4.40.

Below is the Company's track record of the registration of securities:

Date of SEC order rendered effective or permit to sell/ Date of SEC approval	Event	Authorized Capital Stock	Issued shares	Issue price/ Par value
January 9, 1998	Outstanding common shares	400,000,000	166,556,250	P1.00
	Listed shares:			
February 4, 1998	Public offering	400,000,000	47,000,000	4.40
	Private placement	400,000,000	24,382,000	4.40
August 15, 2008	10% stock dividends	400,000,000	23,725,200	1.00
August 4, 2009	10% stock dividends	400,000,000	26,097,720	1.00

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August 27, 2010	5% stock dividends	400,000,000	14,353,746	1.00
August 19, 2011	15% stock dividends	400,000,000	45,214,300	1.00
November 15, 2012	15% stock dividends	600,000,000	51,996,445	1.00
August 15, 2013	15% stock dividends	600,000,000	59,795,912	1.00
As at December 31, 2014			459,121,573	

As at December 31, 2014 and 2013, the Company has a total of 640 and 650 shareholders on record.

On July 24, 2012, the BOD and at least 2/3 of the Company's stockholders approved the increase of the Company's authorized common stock from ₱400,000,000, divided into 400,000,000 common shares with par value of ₱1 per share, to ₱600,000,000, divided into 600,000,000 common shares with a par value of ₱1 per share.

The Philippine SEC approved the Company's application for the increase in its authorized capital stock on October 19, 2012.

Retained Earnings

The Group's retained earnings is restricted to the extent of ₱107,463,213 and ₱83,238,361 as at December 31, 2014 and 2013, respectively, for the undistributed earnings of subsidiaries and ₱2,923,246 as at December 31, 2014 and 2013 for the cost of treasury shares.

Stock Dividends

There was no stock dividend declaration in 2014. Details of the Group's stock dividend declaration for the years ended December 31, 2013 and 2012 are as follows:

Declaration date	Record date	Stock dividend %	Outstanding no. of common shares as at declaration date	Total stock dividend issued
July 18, 2013	August 15, 2013	15%	398,639,411	59,795,912
July 24, 2012	November 15, 2012	15%	346,642,966	51,996,445

The Group's BOD and at least 2/3 of the Group's stockholders approved all the aforementioned stock dividend declarations.

Cash Dividends

Details of the Group's cash dividend declaration for the years ended December 31, 2014, 2013 and 2012 are shown below:

Declaration date	Record date	Payment date	Dividend per share	Outstanding no. of common shares as of declaration date	Total cash dividends
April 24, 2014	May 23, 2014	June 18, 2014	₱0.30	458,435,323	₱137,530,597
July 18, 2013	August 15, 2013	September 9, 2013	0.10	398,639,411	39,863,941
July 24, 2012	August 22, 2012	September 14, 2012	0.10	346,642,966	34,664,297

The Group's BOD approved all the cash dividends presented above.

Treasury Shares

There are 686,250 shares that are in treasury amounting to ₱2,923,246 as at December 31, 2014 and 2013. There is no movement in the Group's treasury shares in 2014 and 2013.

18. **Cost of Merchandise Sales**

	2014	2013	2012
Merchandise inventory, beginning (Note 6)	P900,849,891	P726,986,563	P519,258,936
Net purchases	13,125,840,660	10,835,492,846	8,760,966,848
	14,026,690,551	11,562,479,409	9,280,225,784
Less merchandise inventory, ending (Note 6)	1,165,094,076	900,849,891	726,986,563
	P12,861,596,475	P10,661,629,518	P8,553,239,221

19. **General and Administrative Expenses**

	2014	2013	2012
Communication, light and water	P1,111,566,076	P908,791,566	P822,136,123
Depreciation and amortization (Note 8)	862,759,509	709,518,959	527,786,925
Outside services (Note 32)	787,035,907	668,604,676	663,221,838
Rent (Note 26)	716,894,020	553,791,399	488,292,500
Personnel costs (Note 23)	365,590,415	342,606,112	269,182,182
Trucking services	293,246,442	218,412,580	171,676,338
Advertising and promotion	281,258,513	246,559,168	139,445,376
Royalties (Note 32)	204,755,907	171,714,747	133,085,007
Warehousing services	199,368,536	141,077,370	95,052,873
Supplies	149,834,763	113,159,695	119,944,818
Repairs and maintenance	145,069,812	136,666,288	120,154,712
Taxes and licenses	103,144,450	104,669,922	85,985,255
Transportation and travel	61,541,457	46,379,337	38,476,668
Inventory losses	23,252,340	12,561,816	23,875,151
Entertainment, amusement and recreation	38,931,132	33,472,479	24,609,677
Provision for impairment of receivables (Note 5)	-	12,671,486	788,778
Dues and subscription	14,609,800	11,579,746	9,355,941
Insurance	12,136,880	10,311,574	8,968,897
Amortization of software and program cost (Note 10)	655,605	1,316,561	1,490,475
Others	144,722,272	76,519,585	41,345,644
	P5,516,373,836	P4,520,385,066	P3,784,875,178

20. **Marketing Income**

	2014	2013	2012
Promotions	P318,031,168	P288,895,179	P339,113,279
Marketing support funds (Notes 16 and 32)	145,381,982	91,898,676	66,742,925
	P463,413,150	P380,793,855	P405,856,204

21. Interest Expense

	2014	2013	2012
Interest on bank loans (Note 11)	₱16,060,038	₱16,033,270	₱16,338,080
Guaranteed preferred dividends (Note 15)	135,780	214,620	258,750
	₱16,195,818	₱16,247,890	₱16,596,830

22. Interest Income

	2014	2013	2012
Bank deposits (Note 4)	₱2,450,337	₱4,103,156	₱2,480,805
Accretion of refundable deposits (Note 9)	3,048,457	2,529,649	2,099,941
Finance lease (Note 26)	96,445	197,219	291,205
Short-term investment (Note 4)	95,485	195,561	268,625
Accretion of note receivable (Note 5)	37,165	123,182	236,517
Receivable from employees (Note 5)	13,660	17,037	-
	₱5,741,549	₱7,165,804	₱5,377,093

23. Personnel Costs

	2014	2013	2012
Salaries and wages	₱184,489,666	₱175,765,448	₱217,356,126
Employee benefits	161,233,379	149,981,972	36,405,561
Net retirement benefits cost (Note 24)	19,867,370	16,858,692	15,420,495
	₱365,590,415	₱342,606,112	₱269,182,182

24. Retirement Benefits

The Group maintains a trustee, non-contributory defined benefit retirement plan covering all qualified employees administered by a trustee bank under the supervision of the Board of Trustees of the plan. The Board of Trustees is responsible for investment of the assets. It defines the investment strategy as often as necessary, at least annually, especially in the case of significant market developments or changes to the structure of the plan participants. When defining the investment strategy, it takes account of the plans' objectives, benefit obligations and risk capacity. The investment strategy is defined in the form of a long-term target structure (investment policy). The Board of Trustees delegates the implementation of the investment policy in accordance with the investment strategy as well as various principles and objectives to an Investment Committee, which also consists of members of the Board of Trustees, a Director and a Controller. The Controller of the fund is the one who oversees the entire investment process.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Changes in net defined benefit liability of funded funds in 2014 are as follows:

	Net retirement benefits cost in consolidated statement of comprehensive income				Remeasurements in other comprehensive income						December 31, 2014
	January 1, 2014	Current service cost	Net interest	Subtotal	Benefits paid	Remeasurement on plan assets	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal	Contribution by employer	
Present value of the retirement obligations											
PSC	(P138,054,970)	(P14,826,166)	(P6,322,918)	(P21,149,084)	P2,176,317	P-	P742,576	(P2,612,499)	(P1,869,923)	P-	(P158,897,660)
CDI	(8,206,463)	(641,611)	(353,699)	(995,310)	-	-	199,383	(546,175)	(346,792)	-	(9,548,565)
	(146,261,433)	(15,467,777)	(6,676,617)	(22,144,394)	2,176,317	-	941,959	(3,158,674)	(2,216,715)	-	(168,446,225)
Fair value of plan assets											
PSC	48,701,153	-	2,230,513	2,230,513	(2,176,317)	(1,737,143)	-	-	(1,737,143)	18,444,800	65,463,006
CDI	1,079,138	-	46,511	46,511	-	(46,504)	-	-	(46,504)	1,500,000	2,579,145
	49,780,291	-	2,277,024	2,277,024	(2,176,317)	(1,783,647)	-	-	(1,783,647)	19,944,800	68,042,151
Net retirement obligations	(P96,481,142)	(P15,467,777)	(P4,399,593)	(P19,867,370)	P-	(P1,783,647)	P941,959	(P3,158,674)	(P4,000,362)	P19,944,800	(P100,404,074)

Changes in net defined benefit liability of funded funds in 2013 are as follows:

	Net retirement benefits cost in consolidated statement of comprehensive income				Remeasurements in other comprehensive income						December 31, 2013
	January 1, 2013	Current service cost	Net interest	Subtotal	Benefits paid	Remeasurement on plan assets	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal	Contribution by employer	
Present value of the retirement obligations											
PSC	(P109,977,260)	(P11,184,138)	(P5,806,799)	(P16,990,937)	P4,021,523	P-	(P14,261,393)	(P846,903)	(P15,108,296)	P-	(P138,054,970)
CDI	(6,625,244)	(1,145,926)	(334,575)	(1,480,501)	-	-	(451,957)	351,239	(100,718)	-	(8,206,463)
	(116,602,504)	(12,330,064)	(6,141,374)	(18,471,438)	4,021,523	-	(14,713,350)	(495,664)	(15,209,014)	-	(146,261,433)
Fair value of plan assets											
PSC	29,548,266	-	1,560,148	1,560,148	(4,021,523)	(56,468)	-	-	(56,468)	21,670,730	48,701,153
CDI	1,041,545	-	52,598	52,598	-	(15,005)	-	-	(15,005)	-	1,079,138
	30,589,811	-	1,612,746	1,612,746	(4,021,523)	(71,473)	-	-	(71,473)	21,670,730	49,780,291
Net retirement obligations	(P86,012,693)	(P12,330,064)	(P4,528,628)	(P16,858,692)	P-	(P71,473)	(P14,713,350)	(P495,664)	(P15,280,487)	P21,670,730	(P96,481,142)

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Changes in net defined benefit liability of funded funds in 2012 are as follows:

	Net retirement benefits cost in consolidated statement of comprehensive income				Remeasurements in other comprehensive income						December 31, 2012
	January 1, 2012	Current service cost	Net interest	Subtotal	Benefits paid	Remeasurement on plan assets	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal	Contribution by employer	
Present value of the retirement obligations											
PSC	(P96,296,328)	(P9,655,975)	(P5,585,187)	(P15,241,162)	P4,686,898	P-	(P8,858,149)	P5,731,481	(P3,126,668)	P-	(P109,977,260)
CDI	(6,764,360)	(545,788)	(374,746)	(920,534)	1,245,962	-	(225,804)	39,492	(186,312)	-	(6,625,244)
	(103,060,688)	(10,201,763)	(5,959,933)	(16,161,696)	5,932,860	-	(9,083,953)	5,770,973	(3,312,980)	-	(116,602,504)
Fair value of plan assets											
PSC	12,239,143	-	709,870	709,870	(4,686,898)	2,687,354	-	-	2,687,354	18,598,797	29,548,266
CDI	565,547	-	31,331	31,331	(1,245,962)	10,214	-	-	10,214	1,680,415	1,041,545
	12,804,690	-	741,201	741,201	(5,932,860)	2,697,568	-	-	2,697,568	20,279,212	30,589,811
Net retirement obligations	(P90,255,998)	(P10,201,763)	(P5,218,732)	(P15,420,495)	P-	P2,697,568	(P9,083,953)	P5,770,973	(P615,412)	P20,279,212	(P86,012,693)

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The fair value of plan assets by each class as at the end of each balance sheet date are as follows:

	PSC		CDI	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
BPI short term fund:				
Unit investment trust fund	₱55,493,618	₱38,677,625	₱2,067,114	₱1,079,138
BPI ALFM mutual fund	-	-	512,031	-
Investments in equity securities:				
PSC - listed shares - 40,848 as at December 31, 2014 and 2013	3,969,388	4,023,528	-	-
SSHI - unlisted shares	6,000,000	6,000,000	-	-
Fair value of plan assets	₱65,463,006	₱48,701,153	₱2,579,145	₱1,079,138

The trustee exercises voting rights over the PSC and SSHI shares held by the retirement fund.

The retirement benefits cost and the present value of the retirement are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining the net retirement obligations are shown below:

	PSC		CDI	
	2014	2013	2014	2013
Discount rates	4.61%	5.28%	4.63%	5.05%
Salary increase rates	5.50%	5.50%	5.50%	5.50%
Turnover rates:				
Age 17-24	5.00%	5.00%	5.00%	5.00%
25-29	3.00%	3.00%	3.00%	3.00%
30-49	1.00%	1.00%	1.00%	1.00%
50-59	0.00%	0.00%	0.00%	0.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2014, assuming if all other assumptions were held constant:

	Increase (Decrease)	PSC	CDI
		Discount rates	
	+0.5%	(₱11,714,458)	(₱288,081)
	-0.5%	13,054,484	317,083
Turnover rate			
	+1%	26,665,679	649,259
	-1%	(21,860,805)	(534,339)
Average remaining years of service			
	+3 years	4,015,070	12,104
	-3 years	(492,444)	161,053

The Group expects to contribute ₱18,018,753 and ₱1,112,050 to the defined benefit retirement plans of PSC and CDI, respectively, in 2015.

Shown below is the maturity analysis and weighted average duration of the retirement benefits obligations:

	Benefits Payments	
	PSC	CDI
Not exceeding 1 year	₱5,938,805	₱4,957,725
More than 1 year to 5 years	5,590,580	290,012
More than 5 to 10 years	33,969,262	1,953,798
More than 10 to 15 years	133,779,302	3,835,523
More than 15 years to 20 years	307,334,651	5,340,767
More than 20 years	1,932,543,485	41,404,367

25. Related Party Disclosures

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors or its stockholders.

Transactions with related parties consist of:

- a. PSC and CDI have transactions with PFI, a foundation with common key management of the Group, consisting of donations and noninterest-bearing advances pertaining primarily to salaries, taxes and other operating expenses initially paid by PSC for PFI. Donations payable to PFI is presented under "Others" in the "Other current liabilities" in the consolidated balance sheets (see Note 13).

Balances arising from the foregoing transactions with related parties are as follows:

Related Parties	Relationship	Nature of Transactions	Terms and Conditions	Transactions for the Year Ended December 31		Outstanding Balance as at December 31	
				2014	2013	2014	2013
Receivables							
PFI (Note 5)	Under common control	Noninterest-bearing advances	Unsecured, no impairment in 2014 and 2013. Amounts are due and demandable.	₱406,473	₱1,481,066	₱3,525,452	₱3,118,978
Other current liabilities							
PFI	Under common control	Donations	0.5% of earnings before income tax from PSC and ₱720,000 annual donation from CDI. Payable within 30 days.	₱7,203,333	₱3,387,500	₱2,894,337	₱-

- b. As at December 31, 2014 and 2013, the Group's defined benefit retirement fund has investments in shares of stock of the Parent Company with a cost of ₱122,417. The retirement benefit fund's incurred a loss arising from changes in market prices amounting to ₱54,140 in 2014 and earned a gain of ₱755,688 in 2013.

3. Compensation of key management personnel are as follows:

	2014	2013	2012
Short-term employee benefits	₱44,638,652	₱35,130,247	₱34,979,611
Post-employment benefits	2,699,447	2,855,806	430,000
Other long-term benefits	-	776,964	376,073
	₱47,338,099	₱38,763,017	₱35,785,684

26. Leases

Finance Lease as Lessor

In March 2007, PSC entered into a five-year sale and leaseback finance lease agreement with an armored car service provider. The lease has no terms of renewal and no escalation clauses. Unguaranteed residual values accruing to the Company amounted to ₱300,000.

In March 2010, the Company amended its agreement with the armored car service provider extending the lease term for another five years from March 1, 2010 to February 1, 2015, imposing 7% interest per annum on the restructured loan obligation and reducing its monthly rental payments. The unguaranteed residual values accruing to the Company was retained.

a. Lease Receivable (Notes 5 and 10)

Future minimum lease receivables under this lease as at December 31 are as follows:

	2014	2013
Within one year	₱3,747,773	₱3,182,560
After one year but not more than five years	-	565,213
Total minimum lease payments receivable	3,747,773	3,747,773
Less unearned interest income	5,773	102,218
Present value of future minimum lease payments receivable	3,742,000	3,645,555
Less current portion (Note 5)	3,742,000	3,086,114
Noncurrent portion (Note 10)	₱-	₱559,441

There were no collections of lease receivable in 2014 and 2013.

Present value of lease receivable as at December 31 is as follows:

	2014	2013
Within one year	₱3,742,000	₱3,086,114
After one year but not more than five years	-	559,441
Total minimum lease payments receivable	3,742,000	3,645,555
Less current portion	3,742,000	3,086,114
	₱-	₱559,441

Unearned interest income as at December 31, 2014 and 2013 amounted to ₱5,773 and ₱102,218, respectively. Related interest income amounted to ₱96,445, ₱197,219 and ₱291,205 in 2014, 2013 and 2012, respectively (see Note 22).

b. Deferred Revenue on Finance Lease

Difference between the original lease agreement's present value of minimum lease payments at the date of lease inception against the carrying value of the finance lease asset resulted in a deferred revenue on finance lease amounting to ₱6,550,753, which is to be amortized on a straight-line basis over the lease term. The related deferred revenue amounted to ₱98,264 and ₱687,831 as at December 31, 2014 and 2013, respectively, with current portion amounting to ₱98,264 and ₱589,567 as at December 31, 2014 and 2013, respectively (see Notes 13 and 16). Noncurrent portion amounted to nil and ₱98,264 as at December 31, 2014 and 2013, respectively. Amortization of deferred revenue on finance lease amounted to ₱589,567 in 2014, 2013 and 2012 (see Note 16).

Operating Lease as Lessee

a. PSC has various lease agreements with third parties relating to its store operations. Certain agreements provide for the payment of rentals based on various schemes such as an agreed percentage of net sales for the month and fixed monthly rate.

Rent expense related to these lease agreements amounted to ₱673,566,162, ₱515,939,520 and ₱449,915,799 in 2014, 2013 and 2012, respectively (see Note 19). Of the total rent expense, ₱5,654,193, ₱2,658,415 and ₱2,573,518 in 2014, 2013 and 2012, respectively, pertains to contingent rent of some stores based on percentage ranging from 1.5% to 3.0% of merchandise sales. Amortization of deferred lease amounted to ₱545,297, ₱627,081 and ₱719,536 in 2014, 2013 and 2012, respectively (see Note 10).

In 2014, PSC entered into various long-term operating lease contracts for its warehouses in Pasig, Cebu, Iloilo and Pampanga. Rent expense for warehouse leases amounted to ₱27,334,418 and ₱20,351,496 and nil in 2014, 2013 and 2012, respectively (see Note 19). Amortization of deferred lease amounted to ₱1,717,475, ₱1,090,500 and nil in 2014, 2013 and 2012, respectively (see Note 10).

The approximate annual future minimum rental payments of the PSC under its existing lease agreements as at December 31 are as follows:

	2014	2013
Within one year	₱93,555,952	₱77,013,775
After one year but not more than five years	325,588,151	183,063,024
More than five years	256,080,754	74,506,720
	₱675,224,857	₱334,583,519

b. In 2012, CDI entered into a 2-year lease contract for the lease of a warehouse in Cebu commencing in April 2012 until April 2014. The lease has a renewal option and is subject to an annual escalation rate of 5%. Upon expiration in April 2014, CDI renewed the lease contract for another eight months from May to December 2014. On January 1, 2015, CDI again renewed the lease contract for one year from January to December 2015.

In 2011, CDI entered into a 10-year lease contract for the lease of its warehouse extension effective March 2011. The lease is subject to an annual escalation rate of 4.0% starting on the second year of the lease. The lease contract was transferred to PSC on January 1, 2014 and rent expenses for this lease agreement were recorded by PSC.

In 2005, CDI entered into a 15-year operating lease contract for the lease of its warehouse effective November 1, 2005.

On June 30, 2007, PSC has assumed the lease agreement for the warehouse and subleased the warehouse back to CDI. The lease has a renewal option and is subject to an escalation rate of 7.0% every after two years starting on the third year of the lease. In February 2013, CDI transferred the lease contract to PSC and the sublease was terminated. Rent expense related to the lease agreement was recorded by PSC.

Rent expense related to these lease agreements amounted to ₱1,288,305, ₱12,260,201 and ₱33,952,195 and in 2014, 2013 and 2012, respectively (see Note 19). Amortization of deferred lease amounted to ₱14,864, ₱693,032 and ₱1,766,192 in 2014, 2013 and 2012, respectively (see Note 10).

The approximate annual future minimum rental payments of CDI under its existing lease contract as at December 31 are as follows:

	2014	2013
Within one year	₱4,309,312	₱8,804,554
After one year but not more than five years	-	32,978,408
More than five years	-	17,674,722
	₱4,309,312	₱59,457,684

CDI also has other various short-term operating leases pertaining to rental of warehouse and equipments. Related rent expense amounted to ₱14,705,135, ₱5,240,182 and ₱4,424,506 in 2014, 2013 and 2012, respectively (see Note 19).

Operating Lease as Lessor

The Group has various sublease agreements with third parties which provide for lease rentals based on an agreed fixed monthly rate or as agreed upon by the parties. Rental income related to these sublease agreements amounted to ₱51,118,568, ₱48,341,871 and ₱45,751,718 in 2014, 2013 and 2012, respectively.

27. Income Tax

- a. The components of the Group's provision for income tax are as follows:

	2014	2013	2012
Current:			
Regular corporate income tax	₱403,038,636	₱308,105,233	₱211,923,436
Final tax on interest income	272,737	838,382	445,546
	403,311,373	308,943,615	212,368,982
Deferred	(21,387,531)	(8,141,501)	(2,111,056)
	₱381,923,842	₱300,802,114	₱210,257,926

- b. The components of the Group's net deferred income tax assets are as follows:

	2014			
	PSC	CDI	SSHI	Total
Deferred income tax assets:				
Net retirement obligations	₱28,030,396	₱2,090,826	₱-	₱30,121,222
Accrued rent	19,385,001	333,721	-	19,718,722
Deferred revenue on exclusivity contracts	15,000,000	-	-	15,000,000
Unamortized discount on refundable deposit	8,680,272	-	-	8,680,272
Unamortized past service cost	6,904,279	485,921	-	7,390,200
Allowance for impairment on receivables	5,688,055	-	-	5,688,055
Deferred revenue on customer loyalty programme	5,452,105	-	-	5,452,105
Provision for litigation losses	709,523	1,991,335	-	2,700,858
Unearned rent income	254,885	-	-	254,885
Unrealized foreign exchange loss	-	2,372	-	2,372

	90,104,516	4,904,175	-	95,008,691
Deferred income tax liabilities:				
Deferred lease expense	7,595,017	-	-	7,595,017
Unamortized discount on purchase of refundable deposit	229,032	-	-	229,032
Revaluation increment on land	-	-	7,936,841	7,936,841
Unrealized foreign exchange gain	9,634	-	-	9,634
	7,833,683	-	7,936,841	15,770,524
Net deferred income tax assets (liability)	₱82,270,833	₱4,904,175	(₱7,936,841)	₱79,238,167

	2013			Total
	PSC	CDI	SSHI	
Deferred income tax assets:				
Net retirement obligations	₱26,806,145	₱2,138,198	₱-	₱28,944,343
Accrued rent	16,833,945	595,361	-	17,429,306
Unamortized discount on refundable deposit	4,031,977	1,556,717	-	5,588,694
Allowance for impairment on receivables	6,269,624	-	-	6,269,624
Provision for litigation losses	2,119,887	1,991,335	-	4,111,222
Unamortized past service cost	6,193,281	294,794	-	6,488,075
Deferred revenue on exclusivity contracts	133,929	-	-	133,929
Unearned rent income	95,040	-	-	95,040
Unamortized discount on receivable	11,820	-	-	11,820
Unrealized foreign exchange loss	59,579	-	-	59,579
	62,555,227	6,576,405	-	69,131,632
Deferred income tax liabilities:				
Deferred lease expense	2,858,206	1,413,987	-	4,272,193
Unamortized discount on purchase of refundable deposit	267,083	-	-	267,083
Revaluation increment on land	-	-	1,384,241	1,384,241
Unrealized foreign exchange gain	-	4,988	-	4,988
	3,125,289	1,418,975	1,384,241	5,928,505
Net deferred income tax assets (liability)	₱59,429,938	₱5,157,430	(₱1,384,241)	₱63,203,127

- c. The reconciliation of the provision for income tax computed at the statutory income tax rate to provision for income tax shown in the consolidated statements of comprehensive income follow:

	2014	2013	2012
Provision for income tax computed at statutory income tax rate	₱376,580,609	₱295,028,929	₱202,630,185
Adjustments for:			
Nondeductible expenses:			
Inventory losses	4,608,692	3,768,545	7,162,545
Interest expense and others	1,263,705	2,446,834	867,483
Tax effect of rate difference between final tax and statutory tax rate on bank interest income	(491,010)	(404,040)	(364,133)
Nontaxable other income	(38,154)	(38,154)	(38,154)
	₱381,923,842	₱300,802,114	₱210,257,926

- d. Republic Act No. 9504, effective on July 7, 2008, allows availment of optional standard deductions (OSD). Corporations, except for nonresident foreign corporations, may now elect to claim standard deduction in an amount not exceeding 40% of their gross income. The Group did not avail of the OSD for the computation of its taxable income in 2014, 2013 and 2012.

28. Basic/Diluted Earnings Per Share

	2014	2013	2012
a. Net income	₱873,344,855	₱682,627,649	₱465,176,023
b. Weighted average number of shares issued	459,121,573	459,121,573	459,121,573
c. Less weighted average number of shares held in treasury	686,250	686,250	686,250
d. Weighted average number of shares outstanding (b-c)	458,435,323	458,435,323	458,435,323
e. Basic/diluted earnings per share (a/d)	₱1.91	₱1.49	₱1.01

The Group does not have potentially dilutive common shares as at December 31, 2014, 2013 and 2012. Thus, the basic earnings per share is equal to the diluted earnings per share as at those dates.

29. Financial Instruments

The comparison of the carrying value and fair value of all of the Group's financial instruments (those with carrying amounts that are not equal to their fair values) as at December 31 are as follows:

	2014		2013	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
<i>Loans and Receivables</i>				
Receivables-				
Lease receivable	₱3,742,000	₱3,742,000	₱3,645,555	₱3,691,723
Deposits-				
Refundable	75,964,346	80,515,547	34,871,384	41,815,472
	₱79,706,346	₱84,257,547	₱38,516,939	₱45,507,195

Lease receivable and refundable deposits are categorized under level 3 in the fair value hierarchy.

Fair Value Information

Current Financial Assets and Financial Liabilities

The fair value of lease receivable as at December 31, 2014 approximates its carrying value. Due to the short-term nature of the related transactions, the fair values of cash and cash equivalents, short-term investment, receivables(except for lease receivables), accounts payable and accrued expenses and other current liabilities approximates their carrying values as at balance sheet date.

Lease Receivable

The fair value of lease receivable as at December 31, 2014 approximates its carrying value. The fair value of lease receivable as at December 31, 2013 is determined by discounting the sum of future cash flows using the prevailing market rates for instruments with similar maturities as at December 31, 2013 which is 2.73%.

Utility and Other Deposits

The fair value of utility and other deposits approximates its carrying value as it earns interest based on repriced market conditions.

Refundable Deposits

The fair value of refundable deposits is determined by discounting the sum of future cash flows using the prevailing market rates for instruments with similar maturities as at December 31, 2014 and 2013 ranging from 2.55% to 4.76% and 0.50% to 4.35%, respectively.

Bank Loans

The carrying value approximates fair value because of recent and monthly repricing of related interest based on market conditions.

Cumulative Redeemable Preferred Shares

The carrying value approximates fair value because corresponding dividends on these shares that are charged as interest expense in profit or loss are based on recent treasury bill rates repriced annually at yearend.

Fair Value Hierarchy

As at December 31, 2014 and 2013, the Group has no financial instruments measured at fair value.

30. Financial Risk Management Objectives and Policies

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and foreign exchange risk. The BOD reviews and approves policies for managing each of these risks. The BOD also created a separate board-level entity, which is the Audit Committee, with explicit authority and responsibility in managing and monitoring risks. The Audit Committee, which ensures the integrity of internal control activities throughout the Group, develops, oversees, checks and pre-approves financial management functions and systems in the areas of credit, market, liquidity, operational, legal and other risks of the Group, and crisis management. The Internal Audit Department and the External Auditor directly report to the Audit Committee regarding the direction, scope and coordination of audit and any related activities.

Listed below are the summarized risk identified by the BOD.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The receivable balances are monitored on an ongoing basis with the result that the Group's exposure to impairment is managed to a not significant level. The Group deals only with counterparty duly approved by the BOD.

The following tables provide information regarding the maximum credit risk exposure of the Group as at December 31:

	2014	2013
Cash and cash equivalents (excluding cash on hand)		
Cash in bank	₱1,067,252,100	₱734,552,645
Cash equivalents	-	50,580,062
	1,067,252,100	785,132,707
Short-term investment	10,884,130	10,810,229
Receivables		
Franchisees	402,860,061	397,506,385
Suppliers	143,596,222	33,091,755
Employees	16,666,383	14,396,862
Store operators	11,682,630	12,181,205
Rent	3,089,725	2,486,280
Due from PFI	3,525,452	3,118,978
Current portion of:		
Lease receivable	₱3,742,000	₱3,086,114
Notes receivable	990,917	1,033,914
Insurance receivable	1,155,417	585,057
Others	2,078,334	1,358,499
	589,387,141	468,845,049
Deposits		
Refundable	75,964,346	34,871,384
Utilities	53,374,427	42,509,396
Others	6,551,174	4,487,223
	135,889,947	81,868,003
Other noncurrent assets		
Noncurrent portion of:		
Due from franchisees	48,675,044	44,763,037

Lease receivable	-	559,441
	48,675,044	45,322,478
	P1,852,088,362	P1,391,978,466

The following tables provide information regarding the credit risk exposure of the Group by classifying assets according to the Group's credit ratings of debtors:

	2014			Total
	Neither Past Due nor Impaired		Past Due Or Impaired	
	High Grade	Standard Grade		
Cash and cash equivalents				
Cash in bank	P1,067,252,100	P-	P-	P1,067,252,100
Cash equivalents	-	-	-	-
	1,067,252,100	-	-	1,067,252,100
Short-term investment	10,884,130	-	-	10,884,130
Receivables				
Franchisees	-	402,860,061	214,342	403,074,403
Suppliers	-	120,628,776	38,533,380	159,162,156
Employees	-	16,666,383	539,921	17,206,304
Store operators	-	11,682,630	365,801	12,048,431
Rent	-	3,089,725	2,274,184	5,363,909
Due from PFI	-	3,525,452	-	3,525,452
Current portion of:				
Lease receivable	-	3,742,000	-	3,742,000
Notes receivable	-	990,917	-	990,917
Insurance receivable	-	1,155,417	-	1,155,417
Others	-	2,078,334	-	2,078,334
	-	566,419,695	41,927,628	608,347,323
Deposits				
Utilities	-	53,374,427	-	53,374,427
Refundable	-	75,964,346	-	75,964,346
Others	-	6,551,174	-	6,551,174
	-	135,889,947	-	135,889,947
Other noncurrent asset				
Noncurrent portion of receivable from franchisees	-	48,675,044	-	48,675,044
	-	48,675,044	-	48,675,044
	P1,078,136,230	P750,984,686	P41,927,628	P1,871,048,544

	2013			Total
	Neither Past Due nor Impaired		Past Due Or Impaired	
	High Grade	Standard Grade		
Cash and cash equivalents				
Cash in bank	P734,552,645	P-	P-	P734,552,645
Cash equivalents	50,580,062	-	-	50,580,062
	785,132,707	-	-	785,132,707
Short-term investment	10,810,229	-	-	10,810,229
Receivables				
Franchisees	-	397,506,385	214,342	397,720,727
Suppliers	-	28,271,501	20,386,188	48,657,689
Employees	-	14,396,862	539,921	14,936,783
Store operators	-	12,181,205	365,801	12,547,006
Rent	-	2,486,280	2,274,184	4,760,464
Due from PFI	-	3,118,978	-	3,118,978
Current portion of:				
Lease receivable	-	3,086,114	-	3,086,114
Notes receivable	-	1,033,914	-	1,033,914
Insurance receivable	-	585,057	-	585,057
Others	-	1,358,499	-	1,358,499
	-	464,024,795	23,780,436	487,805,231
Deposits				
Utilities	-	42,509,396	-	42,509,396
Refundable	-	34,871,384	-	34,871,384
Others	-	4,487,223	-	4,487,223
	-	81,868,003	-	81,868,003
Other noncurrent assets				
Noncurrent portion of:				
Receivable from franchisees	-	44,763,037	-	44,763,037
Lease receivable	-	559,441	-	559,441
	-	45,322,478	-	45,322,478
	P795,942,936	P591,215,276	P23,780,436	P1,410,938,648

The Group uses the following criteria to rate credit quality:

Class	Description
High Grade	Financial assets that have a recognized foreign or local third party rating or instruments which carry guaranty/collateral.
Standard Grade	Financial assets of companies that have the apparent ability to satisfy its obligations in full.

The credit qualities of the financial assets were determined as follows:

Cash in banks and cash equivalents and short-term investment are classified as high grade, since these are deposited or transacted with reputable banks which have low probability of insolvency.

Receivables, deposits and other noncurrent assets are classified as standard grade, since these pertain to receivables considered as unsecured from third parties with good paying habits.

The following tables provide the analysis of financial assets that are past due but not impaired and past due and impaired:

2014						
	Aging analysis of financial assets past due but not impaired				Past due and	Total
	31 to 60 days	61 to 90 days	> 90 days	Total	Impaired	
Receivables:						
Franchisees	P-	P-	P-	P-	P214,342	P214,342
Suppliers	995,763	4,689,937	17,281,746	22,967,446	15,565,934	38,533,380
Employees	-	-	-	-	539,921	539,921
Store operators	-	-	-	-	365,801	365,801
Rent	-	-	-	-	2,274,184	2,274,184
	P995,763	P4,689,937	P17,281,746	P22,967,446	P18,960,182	P41,927,628

2013						
	Aging analysis of financial assets past due but not impaired				Past due and	Total
	31 to 60 days	61 to 90 days	> 90 days	Total	Impaired	
Receivables:						
Franchisees	P-	P-	P-	P-	P214,342	P214,342
Suppliers	1,601,652	868,379	2,350,223	4,820,254	15,565,934	20,386,188
Employees	-	-	-	-	539,921	539,921
Store operators	-	-	-	-	365,801	365,801
Rent	-	-	-	-	2,274,184	2,274,184
	P1,601,652	P868,379	P2,350,223	P4,820,254	P18,960,182	P23,780,436

Receivables from suppliers are noninterest-bearing and are generally on 30 to 90 day terms.

There are no significant concentrations of credit risk within the Group.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and service its maturing debts. To cover for its financing requirements, the Group intends to use internally generated funds and sales of certain assets.

As part of its liquidity risk management program, the Group regularly evaluates projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund raising initiatives. The Group uses historical figures and experiences and forecasts of collections and disbursements. These initiatives may include drawing of loans from the approved credit line intended for working capital and capital expenditures purposes and equity market issues.

The tables below summarize the maturity profile of the financial assets of the Group:

	2014				Total
	Three months or less	More than three months to one year	More than one year to five years	More than five years	
Cash and cash equivalents					
Cash on hand and in banks	P1,241,685,743	P-	P-	P-	1,241,685,743
Short-term investment	10,884,130	-	-	-	10,884,130
Receivables					
Franchisees	402,860,061	-	-	-	402,860,061
Suppliers	120,628,776	22,967,446	-	-	143,596,222
Employees	16,666,383	-	-	-	16,666,383
Store operators	11,682,630	-	-	-	11,682,630
Rent	3,089,725	-	-	-	3,089,725
Due from PFI	3,525,452	-	-	-	3,525,452
Current portion of:					
Lease receivable	3,442,000	300,000	-	-	3,742,000

(Forward)

2014			
Three months	More than three months	More than one year	More than

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	or less	to one year	to five years	five years	Total
Notes receivable	₱990,917	₱-	₱-	₱-	₱990,917
Insurance receivable	-	1,155,417	-	-	1,155,417
Others	2,078,334	-	-	-	2,078,334
	564,964,278	24,422,863	-	-	589,387,141
Deposits					
Utilities	-	-	53,374,427	-	53,374,427
Refundable	-	-	10,395,653	65,568,693	75,964,346
Others	-	-	6,551,174	-	6,551,174
	-	-	70,321,254	65,568,693	135,889,947
Other noncurrent asset					
Noncurrent portion of:					
Receivable from franchisee	-	-	48,675,044	-	48,675,044
Lease receivable	-	-	-	-	-
	-	-	48,675,044	-	48,675,044
	₱1,817,534,151	₱24,422,863	₱118,996,298	₱65,568,693	₱2,026,522,005

	2013				Total
	Three months or less	More than three months to one year	More than one year to five years	More than five years	
Cash and cash equivalents					
Cash on hand and in banks	₱922,422,571	₱-	₱-	₱-	₱922,422,571
Cash equivalents	50,580,062	-	-	-	50,580,062
	973,002,633	-	-	-	973,002,633
Short-term investment	10,810,229	-	-	-	10,810,229
Receivables					
Franchisees	397,506,385	-	-	-	397,506,385
Suppliers	28,271,501	4,820,254	-	-	33,091,755
Employees	14,396,862	-	-	-	14,396,862
Store operators	12,181,205	-	-	-	12,181,205
Rent	2,486,280	-	-	-	2,486,280
Due from PFI	3,118,978	-	-	-	3,118,978
Current portion of:					
Lease receivable	1,955,265	1,130,849	-	-	3,086,114
Notes receivable	1,033,914	-	-	-	1,033,914
Insurance receivable	-	585,057	-	-	585,057
Others	1,358,499	-	-	-	1,358,499
	462,308,889	6,536,160	-	-	468,845,049
Deposits					
Utilities	-	-	42,509,396	-	42,509,396
Refundable	-	-	26,697,286	8,174,098	34,871,384
Others	-	-	4,487,223	-	4,487,223
	-	-	73,693,905	8,174,098	81,868,003
Other noncurrent assets					
Noncurrent portion of:					
Receivable from franchisees	-	-	44,763,037	-	44,763,037
Lease receivable	-	-	559,441	-	559,441
	-	-	45,322,478	-	45,322,478
	₱1,446,121,751	₱6,536,160	₱119,016,383	₱8,174,098	₱1,579,848,392

The tables below summarize the maturity profile of the financial liabilities of the Group based on remaining undiscounted contractual obligations:

	2014			Total
	Three months or less	More than three months to one year	More than one year	
Bank loans	₱650,000,000	₱100,000,000	₱-	₱750,000,000
Accounts payable and accrued expenses				
Trade payable	2,031,839,981	-	-	2,031,839,981
Utilities	90,223,127	-	-	90,223,127
Rent	65,719,071	-	-	65,729,071
Employee benefits	71,421,033	-	-	71,421,033
Advertising and promotion	41,339,695	-	-	41,339,695
Outsourced services	41,302,057	-	-	41,302,057
Bank charges	14,254,500	-	-	14,254,500
Security services	9,112,687	-	-	9,112,687
Interest	1,058,750	-	-	1,058,750
Others	78,879,812	-	-	78,879,812
	2,445,160,713	-	-	2,445,160,713
Other current liabilities				
Non-trade accounts payable	41,686,571	399,620,488	-	441,307,059
Due to franchisees	128,356,232	-	-	128,356,232
Retention payable	-	81,784,397	-	81,784,397
Royalty	19,330,605	-	-	19,330,605
Service fees payable	-	8,012,505	-	8,012,505
Others	-	13,805,862	-	13,805,862
	189,373,408	503,223,252	-	692,596,660
Cumulative redeemable preferred shares	6,000,000	-	-	6,000,000
	₱3,290,534,121	₱603,223,252	₱-	₱3,893,757,373

	2013			Total
	Three months or less	More than three months to one year	More than one year	
Bank loans	₱350,000,000	₱210,000,000	₱-	₱560,000,000
Accounts payable and accrued expenses				
Trade payable	1,575,446,279	-	-	1,575,446,279
Utilities	71,354,276	-	-	71,354,276
Rent	58,097,685	-	-	58,097,685
Employee benefits	39,622,810	-	-	39,622,810
Advertising and promotion	37,844,609	-	-	37,844,609
Outsourced services	24,844,921	-	-	24,844,921
Bank charges	13,487,060	-	-	13,487,060
Security services	3,375,831	-	-	3,375,831
Interest	1,947,803	-	-	1,947,803
Others	46,682,215	-	-	46,682,215
	1,872,703,489	-	-	1,872,703,489
Other current liabilities				
Non-trade accounts payable	43,501,002	319,007,352	-	362,508,354
Due to franchisees	62,939,640	-	-	62,939,640
Retention payable	-	48,466,743	-	48,466,743
Royalty	16,305,559	-	-	16,305,559
Service fees payable	-	10,381,467	-	10,381,467
Others	27,210,000	3,521,826	-	30,731,826
	149,956,201	381,377,388	-	531,333,589
Cumulative redeemable preferred shares	6,000,000	-	-	6,000,000
	₱2,378,659,690	₱591,377,388	₱-	₱2,970,037,078

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Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's fair value and cash flows interest rate risk mainly arise from bank loans with floating interest rates. The Group is expecting to substantially reduce the level of bank loans over time. Internally generated funds coming from its cash generating units and from its franchising business will be used to pay off outstanding debts and consequently reduce the interest rate exposure.

The maturity profile of financial instruments that are exposed to interest rate risk are as follows:

	2014	2013
Due in less than one year	₱756,000,000	₱566,000,000
Rate	2.0%-2.5%	2.5%-3.6%

Interest of financial instruments classified as floating rate is repriced at intervals of 30 days. The other financial instruments of the Group that are not included in the above tables are noninterest-bearing and are therefore not subject to interest rate risk.

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

	2014		2013	
	Increase/ Decrease in Basis Points	Effect on Income Before Income Tax	Increase/ Decrease in Basis Points	Effect on Income Before Income Tax
Bank loans - floating interest rate	+100	(₱7,500,000)	+100	(₱5,600,000)
	-100	7,500,000	-100	5,600,000
Cumulative redeemable preferred shares				
- floating interest rate	+100	(60,000)	+100	(60,000)
	-100	60,000	-100	60,000

There is no other impact on the Group's equity other than those already affecting profit or loss.

Foreign Exchange Risk

Foreign exchange risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Group's foreign exchange exposure arises from holding foreign currency denominated rates, cash and cash equivalents and loans and receivables. In order to balance this exposure, the Group maintains a foreign currency accounts in a reputable commercial bank. The Group does not enter into derivatives to hedge the exposure. The Group's cash and receivables denominated in foreign currency and converted into Peso using the closing exchange rates at each balance sheet date are summarized below.

	2014		2013	
	Dollar	Peso	Dollar	Peso
Cash in banks	\$59,635	₱2,666,877	\$94,533	₱4,197,265

As at December 31, 2014 and 2013, the closing functional currency exchange rate is ₱44.72 and ₱44.40 to US\$1, respectively.

The following table represents the impact on the Group's income before income tax brought about by reasonably possible changes in Peso to Dollar exchange rate (holding all other variables constant) as at December 31, 2014 and 2013 until its next financial reporting date:

	Change in Peso to Dollar Exchange Rate	Effect on Income before Income Tax
2014	Increase by 0.72%	(₱19,202)
	Decrease by 0.72%	19,202
2013	Increase by 8.16%	(₱342,497)
	Decrease by 8.16%	342,497

There is no other effect on the Group's equity other than those already affecting profit or loss.

31. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

In the light of changes in economic conditions, the Group manages dividend payments to shareholders, pay-off existing debts, return capital to shareholders or issue new shares. The Group mainly uses financing from local banks. The Group considers equity attributable to shareholders as capital. The Group manages its capital structure by keeping a net worth of between 30% to 50% in relation to its total assets. The Group's net worth ratio is 42% as at December 31, 2014 and 2013. No changes were made in the objectives, policies and processes during the year.

	2014	2013
Common stock	₱459,121,573	₱459,121,573
Additional paid-in capital	293,525,037	293,525,037
Retained earnings	2,546,335,563	1,810,521,305
	3,298,982,173	2,563,167,915
Less cost of shares held in treasury	2,923,246	2,923,246
	₱3,296,058,927	₱2,560,244,669
Total assets	₱7,882,305,026	₱6,024,712,972
Net worth	42%	42%

As at December 31, 2014 and 2013, the Group was able to meet its objective.

32. Significant Agreements

a. Franchise Agreements

The Group has various store franchise agreements with third parties for the operation of certain stores. The agreement includes a one-time franchise fee payment and an annual 7-Eleven charge for the franchisee, which is equal to a certain percentage of the franchised store's gross profit. Details follow:

	2014	2013	2012
Share in gross profit of franchisees	₱1,534,585,425	₱1,265,753,174	₱602,379,025
Franchise fee	113,004,538	101,500,115	81,193,802
	₱1,647,589,963	₱1,367,253,289	₱683,572,827

Receivable from franchisees as at December 31, 2014 and 2013 amounted to ₱451,535,105 and ₱442,264,422, respectively (see Notes 5, 10, 29, and 30). Due to franchisees as at December 31, 2014 and 2013 amounted to ₱128,356,232 and ₱62,939,640, respectively (see Note 13). The Company also has outstanding deposits payable to franchisees amounting to ₱124,767,926 and ₱99,370,298 as at December 31, 2014 and 2013, respectively (see Note 14).

b. Service Agreements

The Group has service agreements with third parties for the management and operation of certain stores. In consideration thereof, the store operator is entitled to a service fee based on a certain percentage of the store's gross profit and operating expenses as stipulated in the service agreement. Service fees included under outside services shown as part of "Outside services" in "General and administrative expenses" account amounted to ₱103,989,092 in 2014, ₱140,848,888 in 2013 and ₱231,622,046 in 2012 (see Note 19). The Group also has outstanding deposits payable to third parties in relation to service agreements amounting to ₱95,268,832 and ₱89,707,363 as at December 31, 2014 and 2013, respectively (see Note 14).

- c. Commission Income
The Group has entered into agreements with a phone card supplier and various third parties. Under the arrangements, the Group earns commission on the sale of phone cards and collection of bills payments based on a certain percentage of net sales and collections for the month and a fixed monthly rate. Commission income amounted to ₱39,214,967, ₱43,402,035 and ₱67,396,391 in 2014, 2013 and 2012, respectively.
- d. 2014 Exclusivity Contract
In 2014, the Group has entered into a 3-year exclusivity contract with a third party ice cream distributor in the Philippines effective January 2014 to December 2016. The contract indicates that the third party ice cream distributor will exclusively supply all ice cream products of 7-Eleven stores. The Group received a one-time signing bonus amounting to ₱75,000,000 upon the effectivity of the exclusivity supply contract amortized over three years. Income from exclusivity contract included as part of "Marketing support funds" under "Marketing income" in profit or loss amounted to ₱25,000,000 in 2014 (see Note 20). Deferred revenue as at December 31, 2014 amounted to ₱50,000,000 (see Notes 13 and 16).
- e. 2010 Exclusivity Contract
The Group has entered into a 3-year exclusivity contract with a third party soda manufacturer in the Philippines effective April 2010 to March 2013. The contract indicates the third party soda manufacturer will exclusively supply all slurpee products of 7-Eleven. The Group received a one-time signing bonus amounting to ₱4,464,286 upon the effectivity of the exclusivity supply contract amortized over three years. Income from exclusivity contract included as part of "Marketing support funds" under "Marketing income" in profit or loss amounted to ₱372,023 and ₱1,488,095 in 2013 and 2012, respectively (see Note 20). Deferred revenue as at December 31, 2014 and 2013 amounted to nil.
- f. 2010 Signing Bonus
In 2010, the Group collected a signing bonus amounting to ₱2,232,143 from one of the Group's food suppliers for awarding half of the Group's existing Hotdog Stock Keeping Units (SKUs) to the food supplier for the next five years starting January 1, 2010. Income from exclusivity contract included as part of "Marketing support funds" under "Marketing income" in profit or loss amounted to ₱446,429 both in 2014, 2013 and 2012 (see Note 20). Deferred revenue as at December 31, 2014 and 2013 amounted to nil and ₱446,429, respectively (see Notes 13 and 16).
- g. Memorandum of Agreement (MOA) with Chevron Philippines, Inc.
The Group has entered into MOA with Chevron Philippines, Inc. (CPI) on August 6, 2009, wherein CPI has granted the Group as authorized co-locator for a full term of three-years to establish operate and/or franchise its 7-Eleven stores in CPI service stations. Both parties have identified 22 CPI service stations, wherein the Group will give the Retailers of these service stations a Letter Offer to Franchise (LOF) 7-Eleven stores. Upon acceptance of the Retailers of the LOF, the Retailers will sign a Store Franchise Agreement (SFA) with the Group. If LOF is not accepted by one of the 22 original service stations identified, that service station will be replaced with another mutually acceptable service station site.
Upon signing of the MOA, CPI executed a Caltex Retail Agreement with each of the 22 service station Retailers, which shall have a full term of three years and which will be co-terminus with the SFA.

As at December 31, 2014 and 2013, the Group has already opened 35 and 32 franchised serviced stations, respectively.
- h. Licensing Agreement with Seven Eleven, Inc. (SEI)
The Group executed a licensing agreement with SEI, a stockholder organized in Texas, U.S.A. This grants the Group the exclusive right to use the 7-Eleven System in the Philippines. In accordance with the agreement, the Group pays, among others, royalty fee to SEI based on a certain percentage of monthly gross sales, net of gross receipts tax. Royalty fee amounted to ₱204,755,907, ₱171,714,747 and ₱133,085,007 in 2014, 2013 and 2012, respectively (see Note 19). As at December 31, 2014 and 2013, royalty payable amounted to ₱19,330,605 and ₱16,305,559, respectively (see Note 13).

33. Segment Reporting

The Group considers the store operations as its only business segment based on its primary business activity. Franchising, renting of properties and commissioning on bills payment services are considered an integral part of the store operations. The Group's identified operating segments below are consistent with the segments reported to the BOD, which is the Chief Operating Decision Maker of the Group.

The products and services from which the store operations derive its revenues from are as follows:

- Merchandise sales
- Franchise revenue
- Marketing income
- Rental income
- Commission income
- Interest income

The aforementioned revenues are all revenues from external customers.

The segment's relevant financial information is as follows:

	2014	2013	2012
Revenue			
Revenue from merchandise sales	₱17,107,375,250	₱14,133,649,192	₱11,713,760,468
Franchise revenue	1,647,589,963	1,367,253,289	683,572,827
Marketing income	463,413,150	380,793,855	405,856,204
Rental income	51,118,568	48,341,871	45,751,718
Commission income	39,214,967	43,402,035	67,396,391
Interest income	5,741,549	7,165,804	5,377,093
Other income	353,231,243	214,886,062	123,025,663
	₱19,667,684,690	₱16,195,492,108	₱13,044,740,364
Expenses			
Cost of merchandise sales	₱12,861,596,475	₱10,661,629,518	₱8,553,239,221
General and administrative expenses:			
Depreciation and amortization	862,759,509	709,518,959	527,786,925
Others	4,653,614,327	3,810,866,107	3,257,088,253
Interest expense	16,195,818	16,247,890	16,596,830
Other expenses	18,249,864	13,799,871	14,595,186
	18,412,415,993	15,212,062,345	12,369,306,415
Income before income tax	1,255,268,697	983,429,763	675,433,949
Provision for income tax	381,923,842	300,802,114	210,257,926
Segment Profit	₱873,344,855	₱682,627,649	₱465,176,023
Segment Assets	₱7,882,305,026	₱ 6,024,712,972	₱4,571,816,164
Segment Liabilities	₱ 4,592,768,501	₱ 3,483,479,852	₱2,662,650,411
Capital Expenditure for the Year	₱1,653,573,106	₱1,179,270,533	₱858,674,993

34. Provisions and Contingencies

The Group is a party to various litigations and claims. All cases are in the normal course of business and are not deemed to be considered as material legal proceedings. Further, the cases are either pending in courts or under protest, the outcome of which are not presently determinable. Management and its legal counsel believe that the liability, if any, that may result from the outcome of these litigations and claims will not materially affect their financial position or financial performance.

As at December 31, 2014 and 2013, the Group has provisions amounting to ₱8,718,853 and ₱13,704,073, respectively, and is reported as part of "Others" under "Accounts payable and accrued expenses" account in the consolidated balance sheets (see Note 12).

35. Note to Consolidated Statements of Cash Flows

The principal non-cash transaction of the Group under financing activities pertains to the issuance of stock dividends (see Note 17).

36. Reclassification of Accounts

The Group made reclassification of certain consolidated balance sheet and consolidated statement of comprehensive income accounts in its 2013 consolidated financial statements to conform with the 2014 consolidated financial statement presentation. The reclassifications have no impact on the 2013 profit or loss as well as the December 31, 2013 equity of the Group. A third statement of financial position as at the beginning of the preceding period is not presented because the reclassifications do not have a material impact on the consolidated balance sheets as at December 31, 2013 and January 1, 2013.

The consolidated balance sheet as at December 31, 2013 was restated to effect the reclassification of due to franchisees amounting to ₱62,939,640 which was previously offset from "Receivables" account to "Other current liabilities" account, and noncurrent portion of due from franchisees amounting to ₱44,763,037 from "Receivables" account to "Goodwill and other noncurrent assets" account. The consolidated statements of comprehensive income for the years ended December 31, 2013 and 2012 were restated to effect the reclassification of the marketing support funds amounting to ₱34,657,908 in 2013 and ₱30,087,947 in 2012 which were previously offset from the "Cost of merchandise sales" account to "Marketing income" account.



Philippine Seven Corporation
Schedule of Receivables

	2014	2013
Franchisees (Note 32)	₱403,074,403	₱397,720,727
Suppliers	159,162,156	48,657,689
Employees	17,206,304	14,936,783
Store operators	12,048,431	12,547,006
Rent	5,363,909	4,760,464
Due from PhilSeven Foundation, Inc. (PFI) (Note 25)	3,525,452	3,118,978
Current portion of lease receivable - net of unearned interest income amounting to ₱5,773 and ₱96,445 as at December 31, 2014 and 2013, respectively (Notes 10 and 26)	3,742,000	3,086,114
Notes receivable	990,917	1,033,914
Insurance receivable	1,155,417	585,057
Others	2,078,334	1,358,499
	608,347,323	487,805,231
Less allowance for impairment	18,960,182	18,960,182
	₱589,387,141	₱468,845,049

The classes of receivables of the Group are as follows:

- Franchisees - pertains to receivables for the inventory loans obtained by the franchisees at the start of their store operations, cash deposits and deposits still in transit, negative balance on franchisees' holding account and inventory variation noted during monthly store audits.
- Suppliers - pertains to receivables from the Group's suppliers for display allowances, annual volume discount and commission income from different service providers.
- Employees - includes car loans, salary loans and cash shortages from stores which are charged to employees. Interest earned on receivable from employees amounted to ₱13,660, ₱17,037 and nil in 2014, 2013 and 2012, respectively (see Note 22).
- Store operators - pertains to the advances given to third party store operators under service agreements (see Note 32).
- Rent - pertains to receivables from sublease agreements with third parties, which are based on an agreed fixed monthly rate or as agreed upon by the parties.
- Lease receivable - pertains to a five-year sale and leaseback finance lease agreement entered by the Company with an armored car service provider (see Note 26).
- Notes receivable - pertains to a receivable from third party borrowers evidenced by a written promise of payment with a five-year term maturing on January 31, 2015. As at December 31, 2014 and 2013, unamortized discount amounted to nil and ₱37,165, respectively. Accretion of interest income amounted to ₱37,165, ₱123,182 and ₱236,517 in 2014, 2013 and 2012, respectively (see Note 22).

Receivables are noninterest-bearing and are generally on 30 to 90 day terms except for loans to employees, lease receivable and notes receivable with annual interest rates of 10.00%, 7.00% and 6.32%, respectively (see Note 26).

PHILIPPINE SEVEN CORPORATION
Reconciliation of Retained Earnings
Available for Dividend Declaration
As at December 31, 2014

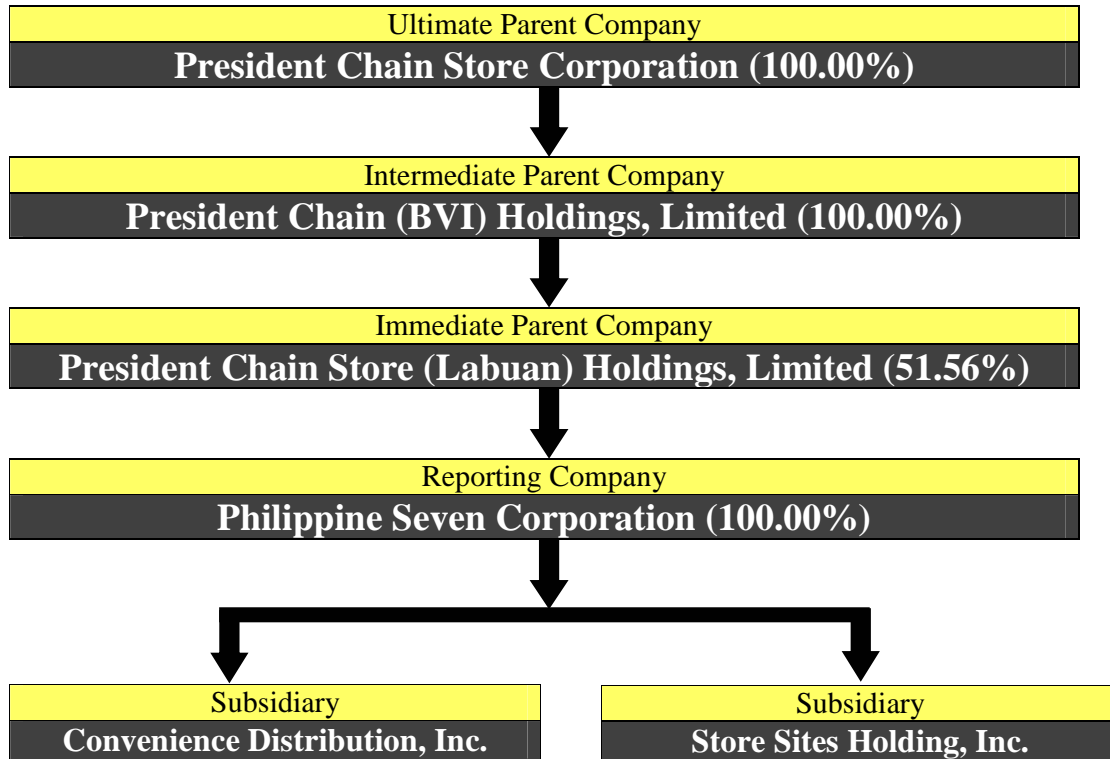
Unappropriated retained earnings as at December 31, 2013		₱1,727,282,944
Less: Deferred income tax assets		62,555,227
Non-actual unrealized income, net of tax		
Accretion of interest income*		8,130,359
Treasury shares		2,923,246
Unappropriated retained earnings, as adjusted, as at December 31, 2013		1,653,674,112
Net income during the year closed to retained earnings	849,120,003	
Less: Movement in deferred income tax assets	27,549,289	
Non-actual unrealized income, net of tax		
Accretion of interest income	1,815,370	
Net income actually earned during the year		819,755,344
Less: Dividend declarations during the year		137,530,597
Unappropriated retained earnings as at December 31, 2014		₱2,335,898,859

**Based on accretion of income per PAS 39 from 2005-2013.*

PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
Financial Soundness Indicators
December 31, 2014

Ratios	Formula	In PhP	2014	2013	% Change
Current Ratio	Current assets	3,365,447,620	0.80	0.83	-3.61
	Current liabilities	4,225,309,167			
Debt-to-equity ratio	Total liabilities	4,592,768,501	1.40	1.37	2.19
	Total stockholders' equity	3,289,536,525			
Asset-to-equity ratio	Total assets	7,882,305,026	2.40	2.37	1.27
	Total stockholders' equity	3,289,536,525			
Interest rate coverage ratio	Earnings before interest and tax	1,271,464,515	78.51	61.53	27.60
	Interest expense	16,195,818			
Net income margin	Net income	873,344,855	4.44%	4.21%	5.46
	Revenue	19,667,684,690			
Return on equity	Net income	873,344,855	29.96%	30.68%	2.35
	Ave. Total stockholders' equity	(3,289,536,525+2,541,233,120)/2			

PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
Map of the Relationship of the Companies within the Group
December 31, 2014



PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
List of Philippine Financial Reporting Standards (PFRSs) and
Interpretations Effective as at December 31, 2014

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2014		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
	Amendments to PFRS 1: Borrowing Costs			✓
	Amendment to PFRS 1: Meaning of Effective PFRSs			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Amendment to PFRS 2: Definition of Vesting Condition**	Not Early Adopted		
PFRS 3 (Revised)	Business Combinations			✓
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination**	Not Early Adopted		
	Amendment to PFRS 3: Scope Exceptions for Joint Arrangements**	Not Early Adopted		
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2014		Adopted	Not Adopted	Not Applicable
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Amendments to PFRS 5: Changes in Methods of Disposals**	Not Early Adopted		
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
	Amendments to PFRS 7: Disclosures - Servicing Contracts**	Not Early Adopted		
	Amendments to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements**	Not Early Adopted		
PFRS 8	Operating Segments	✓		
	Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets**	Not Early Adopted		
PFRS 9	Financial Instruments*	Not Early Adopted		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures*	Not early Adopted		
	Amendments to PFRS 9: Hedge accounting and amendments to PFRS 9 and PAS 39 (2013 version)**	Not Early Adopted		
	Financial Instruments (2014 or final version)**	Not Early Adopted		
	Financial Instruments (2010 version)*	Not Early Adopted		
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**	Not Early Adopted		
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations**	Not Early Adopted		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2014		Adopted	Not Adopted	Not Applicable
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 12: Investment Entities			✓
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short-term Receivables and Payables	✓		
	Amendment to PFRS 13: Portfolio Exception**	Not Early Adopted		
PFRS 14	Regulatory Deferral Accounts**	Not Early Adopted		
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1: Clarification of the requirements for comparative information	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendments to PAS 16: Classification of servicing equipment			✓
	Amendments to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated Depreciation/Amortization**	Not Early Adopted		
	Amendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization**	Not Early Adopted		
	Amendment to PAS 16 and PAS 41: Bearer Plants**	Not Early Adopted		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2014		Adopted	Not Adopted	Not Applicable
PAS 19	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contribution**	Not Early Adopted		
	Amendments to PAS 19: Regional Market Issue Regarding Discount Rate**	Not Early Adopted		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendments to PAS 24: Key Management Personnel**	Not Early Adopted		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Consolidated and Separate Financial Statements	✓		
PAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities			✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements**	Not Early Adopted		
PAS 28	Investments in Associates			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures			✓
	Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**	Not Early Adopted		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures			✓
PAS 32	Financial Instruments: Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Tax effect of distribution to holders of equity instruments	✓		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2014		Adopted	Not Adopted	Not Applicable
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
	Amendments to PAS 34: Interim financial reporting and segment information for total assets and liabilities	✓		
	Amendments to PAS 34: Disclosure of Information 'Elsewhere in the Interim Financial Report' **	Not Early Adopted		
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
	Amendments to PAS 16 and PAS 38: Revaluation Method - Proportionate Restatement of Accumulated Depreciation/Amortization**	Not Early Adopted		
	Amendment to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization**	Not Early Adopted		
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to Philippine Interpretation IFRIC - 9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property			✓
	Amendments to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-Occupied Property**	Not Early Adopted		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2014		Adopted	Not Adopted	Not Applicable
PAS 41	Agriculture			✓
	Amendment to PAS 16 and PAS 41: Bearer Plants**	Not Early Adopted		
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	<i>Determining Whether an Arrangement Contains a Lease</i>	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	<i>Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment</i>			✓
IFRIC 7	<i>Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies</i>			✓
IFRIC 8	<i>Scope of PFRS 2</i>			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC - 9 and PAS 39, <i>Embedded Derivatives</i>			✓
IFRIC 10	<i>Interim Financial Reporting and Impairment</i>			✓
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes	✓		
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC- 14, <i>Prepayments of a Minimum Funding Requirement</i>			✓
IFRIC 15	Agreements for the Construction of Real Estate*	Not Early Adopted		
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies	✓		
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at December 31, 2014		Adopted	Not Adopted	Not Applicable
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

* Standards and interpretations which will become effective subsequent to December 31, 2014

** Standards and amendments already approved by the Financial Reporting Standards Council (FRSC) but still for approval by the Board of Accountancy

Note: Standards and interpretations tagged as “Not Applicable” are those standards and interpretations which were adopted but the entity has no significant covered transaction as at and for the year ended December 31, 2014.

PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
Supplementary Schedules Required by Paragraph 6D, Part II
Under SRC Rule 68, As Amended (2011)
December 31, 2014

Schedule A. Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotations at end of reporting period	Income received and accrued
Loans and Receivables				
Cash and cash equivalents	N/A	₱1,241,685,743	N/A	₱2,450,337
Short-term investment	N/A	10,884,130	N/A	95,485
Receivables	N/A	589,387,141	N/A	147,270
Deposits	N/A	135,889,947	N/A	3,048,457
Other noncurrent assets	N/A	48,675,044	N/A	-
		₱2,026,522,005		₱5,741,549

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

Name and Designation of debtor	Balance of Beginning of Period	Additions	Amounts collected	Amounts Written off	Current	Non Current	Balance at end of period
AUDIT - Internal Cont	₱167,961	₱12,953	₱76,489	₱-	₱61,829	₱42,596	₱104,425
AUDIT - Inventory	94,486	7,425	29,841	-	23,713	48,357	72,070
BDD - Common	12,099	510,799	60,883	-	40,528	421,487	462,015
BDD - Const & Design	560,945	210,544	373,998	-	164,247	233,244	397,491
BDD - Fran Mktg & PIng	518,718	526,586	322,060	-	214,097	509,147	723,244
BDD - Site Acqui North	465,757	522,068	386,489	-	106,578	494,758	601,336
BDD - Site Acqui South	612,160	339,527	523,179	-	104,508	324,000	428,508
BDD - Site Acqui Central	-	439,840	119,055	-	172,076	148,709	320,785
FIN - Accounting	237,132	-	193,275	-	31,494	12,363	43,857
FIN - Finl Mngt	296,022	-	296,022	-	-	-	-
FIN - Tax	274,572	-	274,572	-	-	-	-
HRAD - Common	302,419	23,101	124,551	-	102,210	98,759	200,969
HRAD - ESD	205,127	16,999	54,802	-	46,409	120,915	167,324
HRAD - Administrative Services	-	302,250	-	-	62,250	240,000	302,250
HRAD - Labor Rel & Plang	179,753	14,923	47,330	-	26,849	120,497	147,346

(Forward)

Name and Designation of debtor	Balance of Beginning of Period	Additions	Amounts collected	Amounts Written off	Current	Non Current	Balance at end of period
MIS - Bus Systems	P279,523	P-	P279,523	P-	P-	P-	P-
MIS - IT Support	214,518	16,962	74,730	-	57,768	98,982	156,750
MKTG - Common	172,470	675,254	32,694	-	80,620	734,410	815,030
LCSD - Corp Services	-	105,717	16,607	-	22,278	66,832	89,110
MKTG - Food Cat	650,589	327,477	671,571	-	163,437	143,058	306,495
MKTG - Food Service	584,252	543,564	780,549	-	109,671	237,596	347,267
MKTG - Masterdata	74,238	495,974	103,415	-	71,903	394,894	466,797
MKTG - Non Food Cat	415,679	30,805	164,734	-	72,457	209,293	281,750
MKTG - Support	72,406	2,631	16,610	-	1,330	57,097	58,427
MKTG - Brand Activation	-	186,174	32,694	-	40,227	113,253	153,480
MKTG - Brand Comm	-	186,174	32,694	-	40,227	113,253	153,480
MKTG - Quality Assurance	-	122,591	20,343	-	30,674	71,574	102,248
MKTG - Services & PL	-	161,141	25,428	-	33,928	101,785	135,713
MKTG - Vault	-	396,938	62,794	-	100,243	233,901	334,144
OPS - Central	85,975	191,965	62,781	-	102,525	112,634	215,159
OPS - Common	147,329	8,634	127,482	-	7,497	20,984	28,481
OPS - East	467,303	209,333	114,851	-	256,858	304,927	561,785
OPS - North1	183,726	681,661	508,417	-	36,924	320,046	356,970
OPS - North2	266,549	20,236	161,650	-	59,520	65,615	125,135
OPS - North3	264,461	21,205	93,193	-	34,720	157,753	192,473
OPS - South	463,626	379,296	301,444	-	108,405	433,073	541,478
OPS - South2	287,774	22,093	79,906	-	94,230	135,731	229,961
OPS - Support	114,238	453,679	18,164	-	294,891	254,862	549,753
OPS - West	191,012	314,435	373,955	-	121,488	10,004	131,492
OPS - Zone 1	138,584	156,695	70,048	-	31,522	193,709	225,231
OPS - Zone 2	197,703	283,727	69,022	-	24,158	388,250	412,408
OTP - Corp Planning	192,990	15,220	64,210	-	45,381	98,619	144,000
PRD - Common	278,596	142,328	124,632	-	107,161	189,131	296,292
VR - Visayas Region	549,108	393,058	231,182	-	173,387	537,597	710,984
Various Employees Loan	4,406,812	8,611,525	8,721,213	-	-	4,297,124	4,297,124
TOTAL	P14,626,612	P18,083,507	P16,319,082	P-	P3,480,218	P12,910,819	P16,391,037

Schedule C. Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements

Name and Designation of Debtor	Balance of Beginning of Period	Additions	Amounts collected	Amounts Written off	Current	Non Current	Balance at end of period
CONVENIENCE DISTRIBUTION, INC.-Subsidiary	₱3,667,288	₱3,262,290	₱-	₱-	₱6,929,578	₱-	₱6,929,578
STORE SITES HOLDINGS,INC.-Subsidiary	376,086	1,172,795	1,035,518	-	513,363	-	513,363

Schedule D. Intangible Assets - Other Assets

Description	Beginning balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other Charges additions (deductions)	Ending balance
Software & Program Cost	₱2,886,285	₱1,247,000	₱655,605	₱-	₱-	₱3,477,680
Goodwill	65,567,524	-	-	-	-	65,567,524

Schedule E. Long Term Debt

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption " Long Term Debt" in related balance sheet"
NONE	-	-	-

Schedule F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

	Balance at beginning of period	Balance at end of period
NONE	-	-

Schedule G. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of Guarantee
NONE	-	-	-	-

Schedule H. Capital Stock

<u>Title of Issue</u>	<u>Number of Shares authorized</u>	<u>Number of shares issued and outstanding as shown under related balance sheet caption</u>	<u>Number of shares reserved for options, warrants, conversion and other rights</u>	<u>Number of shares held by related parties</u>	<u>Directors, officers and employees</u>	<u>Others</u>
COMMON STOCK	600,000,000	458,435,323	–	236,376,070	12,954,811	209,104,442

COVER SHEET

APPENDIX "D"

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S.E.C Registration Number

P H I L I P P I N E

S E V E N

C O R P O R A T I O N

(Company's full Name)

7 t h F l r . T h e C o l u m b i a T o w e r

O r t i g a s A v e . M a n d a l u y o n g C i t y

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

Atty. Evelyn S. Enriquez
Corporate Secretary

Contact Person

724-44-41 to 51

Company Telephone Number

1 2 3 1

Month Day
Fiscal Year

FORM TYPE

0 7 3rd Thursday

Month Day
Annual Meeting

SEC Form - ACGR
Consolidated Changes to ACGR
for 2014

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC personnel concerned

File Number

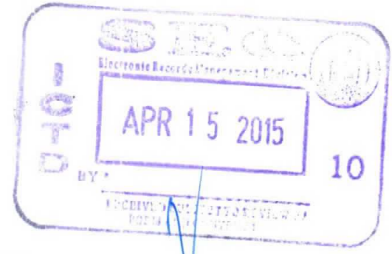
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Remarks = pls. use black ink for scanning purposes



SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year 2014
2. Exact Name of Registrant as Specified in its Charter *PHILIPPINE SEVEN CORPORATION*
3. *7th Floor, The Columbia Tower,
Ortigas Ave., Mandaluyong City* 1550
Address of Principal Office Postal Code
4. SEC Identification Number 108476
5. (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number 000-390-189-000
7. (632) 724-4441 to 51
Issuer's Telephone number, including area code
8. Not Applicable
Former name or former address, if changed from the last report

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A. BOARD MATTERS


1) Board of Directors

Number of Directors per Articles of Incorporation ¹	11
--	----

Actual number of Directors for the year	11
---	----

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ²	Elected when (Annual /Special Meeting)	No. of years served as director
1. Vicente T. Paterno 	NED		Asian Holdings Corporation	November 23, 1982	July 22, 2014	Annual Meeting	32 yrs
2. Jose Victor P. Paterno	ED		President Chain Store (Labuan) Holdings, Ltd.	May 14, 1997	July 22, 2014	Annual Meeting	17 yrs.
3. Jorge L. Araneta	NED		Asian Holdings Corporation	1988	July 22, 2014	Annual Meeting	26 yrs.
4. Diana Pardo-Aguilar	NED		Asian Holdings Corporation	June 08, 1999	July 22, 2014	Annual Meeting	16 yrs. 1 mo.
5. Nan-Bey Lai	NED	President Chain Store (Labuan) Holdings	President Chain Store (Labuan) Holdings	July 29, 2010	July 22, 2014	Annual Meeting	4 yrs.
6. Jui-Tang Chen	NED	President Chain Store (Labuan) Holdings	President Chain Store (Labuan) Holdings	November 13, 2012	July 22, 2014	Annual Meeting	1 yr. and 4 mos.
7. Mao-Chia Chung	NED	President Chain Store (Labuan) Holdings	President Chain Store (Labuan) Holdings	November 13, 2012	July 22, 2014	Annual Meeting	1 yr. and 4 mos.
8. Lien-Tang Hsieh ²	NED	President Chain Store (Labuan) Holdings	President Chain Store (Labuan) Holdings	November 13, 2012	July 22, 2014	Annual Meeting	1 yr. and 4 mos.
9. Wen-Chi Wu	NED	President Chain Store (Labuan) Holdings	President Chain Store (Labuan) Holdings	July 17, 2008	July 22, 2014	Annual Meeting	5 yrs. and 6 mos.
10. Antonio Jose U. Periquet, Jr.	ID		Paz Pilar P. Benares (No Relationship)	July 29, 2010	July 22, 2014 (4 yrs.)	Annual Meeting	4 yrs.
11. Michael B. Zalamea	ID		Renato B. Valdecantos (No Relationship)	June 21, 2005	July 22, 2014 (9 yrs. & 1 mo.)	Annual Meeting	9 yrs. & 1 mo.

² Deceased as of November 21, 2014 and disclosure submitted to PSE/SEC on November 21, 2014

(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasis the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The Company's corporate governance policies and practices are based on its Manual of Corporate Governance³, adopted on August 2002, amended on July 29, 2010 (the "CG Manual") and further amended last July 22, 2014 clearly stating the importance of the Role of Stakeholders. The Board of Directors and Management, employees and shareholders believe that corporate governance is a necessary component of what constitutes sound strategic business management and will undertake every effort necessary to create awareness in the organization. The Board of Directors is primarily responsible for the governance of the Company. Corollary to setting the policies for the accomplishment of corporate objectives, it shall provide an independent check on the Management of the Corporation. The Board is responsible in formulating the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance. The Board reviews annually the Company's mission, vision, core competencies, together with Management, to set and map the strategic objectives for the year and for the next 3 years. The Board, in complying with the principles of corporate governance, shall be assisted by the 3 Board Committees, apart from the Executive Committee. Each of the Audit Committee, Compensation Committee and Nomination & Governance Committee, has their specific functions as provided in the CG Manual. Details of said policies and principles are provided in the CG Manual under Article 3- Board Governance which covers: a) composition of the Board, b) Multiple board seats, c) Roles of the Chair and CEO, d) qualifications and disqualifications of directors, e) responsibilities, duties, functions of the Board, f) specific duties and

¹ A copy of the Company's Articles of Incorporation as amended (the "Articles of Incorporation") is posted at: <http://www.7-eleven.com.ph/files/Amended%20Articles%20of%20Incorporation%20Oct.%201,%202014.pdf>

³ A copy of the Company's CG Manual is posted at: <http://www.7-eleven.com.ph/files/Revised%20CG%20Manual%207.30.14.pdf>

responsibilities of a director, g) internal control responsibilities of the Board, h) board meetings and quorum requirements, i) remuneration of directors and officers, j) Board Committees, k) the corporate secretary, l) compliance officer.

Stockholders' Rights and Protection of Minority Stockholders' Interests.

The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:

- a. Right to vote on all matters that required their consent or approval;
- b. Pre-emptive right to all stock issuances of the Corporation
- c. Right to inspect corporate books and records;
- d. Right to information;
- e. Right to dividends; and
- f. Appraisal Right

The Board shall be transparent and fair in the conduct of annual and special stockholders' meetings of the Corporation. Subject to requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

Disclosure and Transparency.

It is essential that all material information about the Corporation which could adversely affect its viability or the interests of the stockholders should be publicly and timely disclosed. Such information shall include, among others, earning results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and remuneration of members of Board and Management.

The reports or disclosures required by the CG Manual, Securities Regulation Code (SRC) and other regulations shall be prepared and submitted to the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) by the responsible Committee or officer through the Corporation's compliance officer. The structured and unstructured reports submitted to SEC and PSE are also published in the Company's website at www.7-eleven.com.ph. The Corporation was a Silver Awardee by ICD in 2012 and garnered the highest score in transparency and disclosure.

Other Policies adopted by the Corporation are also enumerated under B1 of this ACGR.

(c) How often does the Board review and approve the vision and mission?

The Management reviews yearly the Company's vision and mission annually during its annual and 3-year planning session and submits the same to the Board and/or the Executive Committee for review and confirmation. Furthermore, the Board reviews and approves the same every year to set the strategic map and objectives for the year and the next 3 years.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group⁴

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
1. Vicente T. Paterno [Ⓜ]	Store Sites Holding, Inc. (SSHI), PhilSeven Foundation, Inc. (PFI)	Executive Director, Chairman & President Trustee & Chairman
2. Jose Victor P. Paterno	Convenience Distribution Inc. (CDI), PhilSeven Foundation, Inc. (PFI)	Executive Director, Chairman & President Trustee & Vice-Chairman

[Ⓜ] Deceased as of November 21, 2014 and disclosure submitted to PSE/SEC on November 21, 2014

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
1. Diana Pardo-Aguilar	Security Bank	Non-Executive Director
2. Jui-Tang Chen	President Chain Store Corp.	Executive Director
3. Nan-Bey Lai	President Chain Store Corp.	Executive Director
4. Antonio Jose U. Periquet, Jr.	Ayala Corp DMCI Holdings, Inc.	Independent Director Independent Director

⁴ The Group is composed of the parent, subsidiaries, associates and joint ventures of the company. (ACGR Form Footnote)

	Bank of the Philippine Islands ABS-CBN Holdings Corp. Max's Group, Inc.	Independent Director Independent Director Independent Director
--	---	--

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
1. Vicente T. Paterno	Jose Victor Paterno	Chairman is the father of the CEO
2. Jose Victor P. Paterno	Vicente T. Paterno	CEO is son of the Chairman
3. Diana Pardo-Aguilar	Asian Holdings Corporation	Director is niece of the Chairman and cousin of CEO

Deceased as of November 21, 2014 and disclosure submitted to PSE/SEC on November 21, 2014

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

None of the current directors in PSC holds more than 5 board seats in other PLCs, although they also hold seats in ordinary companies. PSC recognizes and considers the affiliation of directors to ensure that they are able to render quality participation in PSC's Board. The Company does not expressly impose and observe the limit of 5 board seats in other PLCs. The guideline that PSC follows is that the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised and should be able to comply with its duties and function as set in the CG Manual of PSC.

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	N/A	N/A
Non-Executive Director	N/A	N/A
CEO	N/A	N/A

(e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
1. Vicente T. Paterno	1,237		0.00%
2. Jose Victor P. Paterno	11,983,375	25,636,860 *	2.61%
3. Jorge L. Araneta	1		0.00%
4. Diana Pardo-Aguilar	1		0.00%
5. Jui-Tang Chen	1		0.00%
6. Mao-Chia Chung	1		0.00%
7. Lien-Tang Hsieh	1		0.00%
8. Nan-Bey Lai	1		0.00%
9. Wen-Chi Wu	1		0.00%
10. Antonio Jose U. Periquet, Jr.	927,007		0.20%
11. Michael B. Zalamea	1		0.00%
TOTAL	12,911,627	25,636,860 *	2.81%

* Indirect Shares held are from other Paterno Children by virtue of a Special Power of Attorney to vote said shares. Details of above are also indicated in par. 1 (1) (a) of this ACGR.

Deceased as of November 21, 2014 and disclosure submitted to PSE/SEC on November 21, 2014

2) Chairman and CEO

(a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes No

Identify the Chair and CEO:

Chairman of the Board	Mr. Vicente T. Paterno
CEO/President	Mr. Jose Victor P. Paterno

Deceased as of November 21, 2014 and disclosure submitted to PSE/SEC on November 21, 2014

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role	The Chairman of the Board shall preside at all meetings of the stockholders, the Board and the Executive Committee, whenever present. He shall likewise perform all such other duties as are properly required of him by the Board. (Section 12, PSC Amended By-Laws ⁵)	The President shall have active executive management of the operations of the Corporation, subject, however, to the control of the Board of Directors. He shall in general, perform all duties incident to the office of the chief executive and such other duties as, from time to time, maybe assigned to him by the Board of Directors. (Section 26, PSC Amended By-laws)
Accountabilities	Ensure that the meetings of the Board are held in accordance with the By-laws or as the Chair may deem necessary; Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; and Maintain qualitative and timely lines of communication and information between the Board and Management (Art 3, C, PSC CG Manual)	CEO is ultimately accountable for the Corporation's organizational and operational controls. (Art 3, H (i) (a) , PSC CG Manual)
Deliverables	Policy directions aligned to company goals, annual plan and 3-year plan targets	Ensure the accomplishment of the vision and mission of the Corporation in partnership with the Board Lead the development and implementation of overall organizational strategy as set in the Annual Plan and 3-year Plan targets

3) Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

PSC has started in 2012 a Leadership Academy & Mentor's Leadership Training Program which has the objective to train and develop Management and Officers in line with the Company's succession planning program. The CG training for directors and corporate officers are also provided to the management team and the senior officers annually. Leadership and business management trainings are provided each year to build competency of management team and officers in strategic decisions, business modeling, and effective execution.

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

PSC embraces board diversity in terms of age, gender, culture and religion. As a matter of practice, there are 2 female directors and the directors of PSC have diversified business experiences in retail, finance, investment, banking, property, IT & Communications.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Yes. Majority of the non-executive directors have vast experiences in the retail industry that the company belongs and also to various retail formats.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	A director's office is one of trust and confidence. A director shall act in the best interest of the Corporation in a manner characterized by transparency, accountability and fairness. He shall also exercise leadership, prudence and integrity in directing the Corporation towards sustained progress. (Art 3. G, PSC CG Manual)	Same	Same To chair or be a member of the Board Committees as prescribed in the CG Manual
Accountabilities	A director should observe the following norms of conduct. 1. Conduct fair business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation. 2. Devote the time and attention necessary to properly and	Same	Same As Audit Committee Chair refer to responsibilities provided under E,1 of this ACGR As member in other Board

⁵ A copy of the Company's Amended By-laws is posted at <http://www.7-eleven.com.ph/files/PSC%20-%20AMENDED%20BY-LAWS%20AUG-22-2007.pdf>

	effectively perform his duties and responsibilities. 3. Act judiciously. 4. Exercise independent judgment. 5. Have a working knowledge of the statutory and regulatory requirements that affect the Corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies. 6. Observe confidentiality (Art 3. G, (i-vi), PSC CG Manual)		Committees refer to responsibilities provided under E,1 of this ACGR
Deliverables	Foster long-term success of the Corporation, sustain its competitiveness and profitability in the manner consistent with corporate objectives and the best interests of its stockholders and other stakeholders (Art 3, F,1, PSC CG Manual)	Same	Same

Provide the company's definition of "independence" and describe the company's compliance to the definition.

The Company adopts the definition of "independence" as provided in Rule 38 of SRC and its IRR, which is also reiterated in Sec. 10-A of PSC's By-Laws

"Independence" as it relates to an independent director shall mean a person who, apart from his fees and shareholdings, is independent of Management and free from business and other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director of any covered company. It also includes, among others a person who:

- (1) Is not a director or officer of the Corporation or its related companies or any of its substantial shareholders except when the same shall be an independent director of any of the foregoing;
- (2) Does not own more than two percent (2%) of the shares of the Corporation and/or its related companies or any of its substantial shareholders;
- (3) Is not related to any director, officer or substantial shareholder of the Corporation, any of its related companies or any of its substantial shareholder. For this purpose relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- (4) Is not acting as a nominee or representative of any director or substantial shareholder of the Corporation, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a Deed of Trust or under any contract or arrangement;
- (5) Has not been employed in any executive capacity by the Corporation, any of its related companies and/or by any of its substantial shareholders within the last five(5) years;
- (6) Is not retained, either personally or through his firm or any similar entity, as professional adviser, by the corporation, any of its related companies and/or any of its substantial shareholders, within the last five(5) years; or
- (7) Has not engaged and does not engaged in any transaction with the Corporation and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other persons and /or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and are immaterial.

When used in relation to a Company subject to the requirements of this Rule and Section 38 of the SRC: "Related company" means another company which is: (a) its holding company; (b) a subsidiary of its holding company; and "substantial shareholder" means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

No separate policy. However, the Company is compliant with SEC Memorandum Circular no. 9 Series of 2011, which provides the Term Limits for Independent Directors (ID). It requires that effective January 02, 2012, an ID shall serve for 5 years to be counted from January 2012 and shall have a cooling period of 2 years to be elected for another 5 years.

As of December 31, 2014, the 2 independent directors of PSC each has a tenure of 3 years from Jan. 02, 2012.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
Vicente T. Paterno	Chairman of the Board	November 21, 2014	Death

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	<p>The election of directors shall be held at each annual meeting of stockholders and shall be conducted in the manner provided by the Philippine Corporation Code, and with such formalities and in such manner as the officer presiding at the meeting shall then and there determine. Each director shall hold office until the annual meeting held next after his election and until his successor shall have been duly chosen and qualified, or until he shall have resigned. (Section 10, PSC's Amended By-Laws)</p> <p>No person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in a business which directly competes with or antagonistic to that of the Corporation x x x (Section 10, PSC Amended By-Laws)</p> <p>PSC's nomination procedure provides:</p> <ol style="list-style-type: none"> 1. A stockholder may recommend the nomination of a director to the Nomination Committee; 2. The nominating stockholder shall submit his proposed nomination in writing to the Nomination & Governance Committee, together with the acceptance and conformity of the would-be nominee. 3. The Nomination & Governance Committee shall screen the nominations of directors prior to the stockholders' meeting and come up with the Final List of Candidates. 4. Only nominees whose names appear in the Final List of Candidates shall be eligible for election as independent director. 	<p>In addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications which include, among others, the following:</p> <ol style="list-style-type: none"> (i) College education or equivalent academic degree; (ii) Practical understanding of the business of the corporation; (iii) Membership in good standing in relevant industry, business or professional organizations; and (iv) Previous business experience. (Art. 3 (D) PSC CG Manual) <p>The membership of the Board shall be a combination of executive and non-executive directors (which include independent directors) in order that no director or small group of directors can dominate the decision-making process.</p>
(ii) Non-Executive Directors	Same as above	<p>Same as above (Art. 3 (D) PSC CG Manual)</p> <p>The non-executive directors shall possess such qualifications and stature that would enable them to effectively participate in the deliberations of the board.</p>
(iii) Independent Directors	<p>As long as the corporation remains a public company as defined under existing laws, rules and regulations, or otherwise mandated thereat, there shall be nominated or elected at least two (2) independent directors or at least 20% of the number of board of directors, whichever is lesser...Except as those required under the Securities Regulation Code, its implementing rules and regulations and subject to pertinent existing laws, rules and regulations, the conduct of the election of independent directors shall be made in accordance with the standard election procedures as provided for under these by-laws. (Section 10-A PSC Amended By-Laws)</p>	Same as above
b. Re-appointment		
(i) Executive Directors	<p>Any vacancy occurring in the board of directors or trustees other than by removal by the stockholders or members or by expiration of term, may be filled by the vote of at least a majority of the remaining directors or trustees, if still constituting a quorum; otherwise, said vacancies must be filled by the stockholders in a regular or special meeting called for that purpose. A director or trustee so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office.</p> <p>A directorship or trusteeship to be filled by reason of an increase in the number of directors or trustees shall be filled only by an election at a regular or at a special meeting of stockholders or members duly called for the purpose, or in the same meeting authorizing the increase of directors or trustees if so stated in the notice of the meeting. (Sec. 29, Corporation Code)</p>	Same as above
(ii) Non-Executive Directors	Same as above	Same as above

(iii) Independent Directors	<p>A regular director who resigns or whose term ends on the day of the election shall only qualify for nomination and election as an Independent Director after a two (2) year "cooling off period".</p> <p>Persons appointed as Chairman Emeritus "Ex-officio", Directors/Officers/members of advisory board or otherwise appointed in a capacity to assist the Board in the performance of its duties shall be subject to a one (1) year "cooling off period" prior to his qualification as an Independent Director.</p> <p>(SEC Memorandum Circular No. 9-2009)</p>	Same as above
c. Permanent Disqualification		
(i) Executive Directors	<p><u>1. Permanent Disqualification</u></p> <p>The following shall be grounds for the permanent disqualification of a director:</p> <p>(i) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <p>(ii) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>(iii) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> <p>(iv) Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;</p> <p>(v) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;</p> <p>(vi) Any person judicially declared as insolvent;</p> <p>(vii) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (i) to (v) above;</p>	Same

	(viii) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment. Art. 3. E. 1. (i)-(viii) PSC CG Manual	
(ii) Non-Executive Directors	Same	
(iii) Independent Directors	Same	
d. Temporary Disqualification		
(i) Executive Directors	<p>2. <u>Temporary Disqualification</u> The Board may provide for the temporary disqualification of a director for any of the following reasons:</p> <p>(i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.</p> <p>(ii) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.</p> <p>(iii) Dismissal or termination for cause as director of any corporation covered by this Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.</p> <p>(iv) If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.</p> <p>(v) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.</p> <p>A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent. (Art. 3. E. 2. (i)-(v) PSC CG Manual)</p>	
(ii) Non-Executive Directors	Same	
(iii) Independent Directors	Same	
e. Removal		
(i) Executive Directors	Any officer may be removed, either with or without cause, at any time, by the vote of the majority of the actual number of directors elected and qualified, at a special meeting called for that purpose (Sec. 31 PSC Amended By-laws)	
(ii) Non-Executive Directors	Same	
(iii) Independent Directors	same	
f. Re-instatement		
(i) Executive Directors	Same process adopted as stated in selection/appointment of director	same
(ii) Non-Executive Directors	Same process adopted as stated in selection/appointment of director	same
(iii) Independent Directors	Same process adopted as stated in selection/appointment of director	same
g. Suspension		
(i) Executive Directors	Same process is adopted as stated in removal of directors	Same

(ii) Non-Executive Directors	Same process is adopted as stated in removal of directors	Same
(iii) Independent Directors	Same process is adopted as stated in removal of directors	same

Voting Result of the last Annual General Meeting of [July 22, 2014](#)

Name of Director	Votes Received
1. Vicente T. Paterno [Ⓜ]	395,316,442 or 86.23%
2. Jose Victor P. Paterno	401,485,418 or 87.58%
3. Jorge L. Araneta	398,447,846 or 86.91%
4. Diana Pardo-Aguilar	397,741,762 or 86.76%
5. Jui-Tang Chen	398,447,846 or 86.91%
6. Mao-Chia Chung	398,447,846 or 86.91%
7. Lien-Tang Hsieh	398,447,846 or 86.91%
8. Nan-Bey Lai	401,076,964 or 87.49%
9. Wen-Chi Wu	398,447,846 or 86.91%
10. Antonio Jose U. Periquet, Jr.	401,820,620 or 87.65%
11. Michael B. Zalamea	401,820,620 or 87.65%

[Ⓜ] Deceased as of November 21, 2014 and disclosure submitted to PSE/SEC on November 21, 2014

6) Orientation and Education Program

(a) Disclose details of the company's orientation program for new directors, if any.

PSC provides new directors with copies of PSC CG Manual, corporate documents and information, and policies. It conducts a business overview and provides exposure tour of 7-11 stores and other retail business formats. This is in addition to the CG training required each year by the SEC.

Orientation Program for New Directors ⁶
I. Business Overview
II. Update & Retail Exposure/Tour of 711 Philippines C-store operation
III. Corporate Governance
1. PSC's Corporate Governance Manual
a. Board Structure, Duties & Responsibilities
b. Board Committee Charters
i. Audit Committee
ii. Nomination & Governance Committee
iii. Compensation Committee
2. PSC's Code of Conduct & Business Ethics
3. Other Corporate Documents and Information
4. Corporate Policies

(b) State any in-house training and external courses attended by Directors and Senior Management⁷ for the past three (3) years:

Senior Management has attended the Integrity Summit seminars, ICD Investor Forum, Trainings and Round Table, Enterprise Risk Management Training

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Vicente T. Paterno [Ⓜ]	September 11, 2013	3 rd Integrity Summit: Building a Nation with Integrity	Makati Business Club and European Chamber of Commerce of the Phils.
	September 3, 2013	5 th Ricardo J. Romulo Lecture Series on Business & Society	
	November 21, 2013	Corp. Governance for Board of Directors, Senior Management and Internal Auditors	SGV & Company
Jose Victor P. Paterno	July 21, 2014	Creating Advantage Through Governance	SGV & Company
	September 18, 2012	2 nd Integrity Summit (Driving Culture Change)	Makati Business Club and European Chamber of Commerce of the Phils.
	October 24-25, 2012	1st dbAccess Conference (meeting with local and foreign institutional investors)	
Jorge L. Araneta	Submitted an Undertaking to SEC last		

⁶ See also <http://www.7-eleven.com.ph/files/PSC%20Orientation%20Program%20for%20New%20Directors.pdf>

⁷ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company. (ACGR Form Footnote)

	December 15, 2014 to comply with the CG Training Requirement before the end of January 2015. Attended the CG Training for 2014 last January 14, 2015	Creating Advantage Through Governance	SGV & Company
	November 21, 2003	Corp. Governance for Board of Directors, Senior Management and Internal Auditors	SGV & Company
Diana Pardo-Aguilar	April 29, 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
	August 15 and 22, 2013	Seminar on Enhancing Audit Committee Effectiveness	Institute of Corporate Directors
	June. 5, 2012	Seminar on Best Practices in Investment Performance Measurement	Chartered Financial Analyst Society (CFA Society Phils) at the Tower Club, Makati City
	June 2, 2008	Orientation Course on Corporate Governance	Institute of Corporate Directors
Jui-Tang Chen	July 21, 2014	Creating Advantage Through Governance	SGV & Company
	July 23-25, 2012	Business Overview /Update & Retail Exposure/Tour of 711 Philippines C-store operation	PSC's Corporate Planning Group
Mao-Chia Chung	November 27, 2014	Creating Advantage Through Governance	SGV & Company
	July 23-25, 2012	Business Overview /Update & Retail Exposure/Tour of 711 Philippines C-store operation	PSC's Corporate Planning Group
Lien-Tang Hsieh	July 21, 2014	Creating Advantage Through Governance	SGV & Company
	July 23-25, 2012	Business Overview /Update & Retail Exposure/Tour of 711 Philippines C-store operation	PSC's Corporate Planning Group
Nan-Bey Lai	July 21, 2014	Creating Advantage Through Governance	SGV & Company
	July 23-25, 2012	Business Overview /Update & Retail Exposure/Tour of 711 Philippines C-store operation	PSC's Corporate Planning Group
Wen-Chi Wu	July 21, 2014	Creating Advantage Through Governance	SGV & Company
	July 23-25, 2012	Business Overview /Update & Retail Exposure/Tour of 711 Philippines C-store operation	PSC's Corporate Planning Group
Antonio Jose U. Periquet, Jr.	July 21, 2014	Creating Advantage Through Governance	SGV & Company
	July 23-25, 2012	Business Overview /Update & Retail Exposure/Tour of 711 Philippines C-store operation	PSC's Corporate Planning Group
Michael B. Zalamea	July 21, 2014	Creating Advantage Through Governance	SGV & Company
	July 23-25, 2012	Business Overview /Update & Retail Exposure/Tour of 711 Philippines C-store operation	PSC's Corporate Planning Group
	June 2, 2008	Orientation Course on Corporate Governance	Institute of Corporate Directors

⁸ Deceased as of November 21, 2014 and disclosure submitted to PSE/SEC on November 21, 2014

B. CODE OF BUSINESS CONDUCT & ETHICS⁸

- 1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

(a) Conflict of Interest	<p>Covered under PSC's Policy on Conflict of Interest (Aug.01 , 2011) and PSC's Code of Conduct and Business Ethics (Aug. 24, 2009)</p> <p>The Code of Conduct is applied regardless of rank and seniority. It revolves around the following facets:</p> <p>A. Confidentiality of Information: Discusses the protection of information pertinent to business transactions, trade secrets and other records to outside party.</p> <p>B. Compliance: Involves observing Philippine laws and other regulations especially insider trading and any covert and overt acts of bribing government officials and regulators.</p> <p>C. Decorum of Employees: How to manage relationships within the company and the measure of professionalism.</p>
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⁸ A copy of the Company's Code of Conduct & Business Ethics is posted at <http://www.7-eleven.com.ph/files/Code%20of%20Conduct%20and%20Business%20Ethics.pdf>

	<p>D. Attitudes with Superior: Identifying the rules of subordinates towards their superiors.</p> <p>E. Management of Subordinates: Defines the attitudes of the superior towards the subordinates.</p> <p>F. Managing Decisions: Systematic arrival of business solutions towards achieving a goal or decision.</p> <p>G. Proper Use of Property: Identifies the rules on becoming a good steward of company property.</p> <p>H. Fair Dealings: Provides information on how to duly exercise position and underlines undue wielding of power on business transactions and relationships.</p> <p>I. Conflict of Interest and Corporate Opportunities: Provides examples defining Conflict of Interest</p> <p>J. Disclosure: Solicits full transparency of relationships and personal businesses</p> <p>K. Relations with Shareholders and Investors: Conduct of Company's affairs for the best interest of the Company and enhance shareholders value</p> <p>L. Implementation and Monitoring of the Code</p>
(b) Conduct of Business and Fair Dealings	Conduct of Business and Fair Dealings is integrated in PSC's Code of Conduct & Business Ethics on items: (1) B. Compliance; (2) H. Fair Dealings; and (3) Conflict of Interest and Corporate Opportunities. The three provides information on how to deal properly with government institutions; Compliance with government-mandated process and legal statutes as well as the proper use of position in dealing with business partners.
(c) Receipt of gifts from third parties	Provided in Policy on Conflict of Interest. Employees are informed to avoid solicitation and acceptance of gifts of high value (usually Php 2000 up) from business partners and/or suppliers
(d) Compliance with Laws & Regulations	Included in PSC's Code of Conduct & Business Ethics. Specifically informs the employee to commit to follow the rules and regulations both from the government and from the company and to steer clear from any covert or overt acts of bribery.
(e) Respect for Trade Secrets/Use of Non-public Information	Provided in PSC's Code of Conduct in the Confidentiality of Information which underlines restriction of company information and ensure that the documents are not altered, destroyed or falsified.
(f) Use of Company Funds, Assets and Information	Provided in PSC's Code of Conduct which includes the Proper Use of Property and the restrictions of incidental use of corporate assets for personal use and consumption
(g) Employment & Labor Laws & Policies	Adheres to the Labor Code. A separate policy on how to compute for wage is indicated (PO-HRD-PAS-031/ Payroll Administration, PO-HRD-PAS-044/ Retirement, PO-HRD-PAS-011/Government Mandated Leaves, PO-HRD-CAB-035/Legislated Wage Increase, and PO-HRD-PAS-041/SSS Claims and Reimbursement). Terminating employees also have a separate policy (PO-HRD-PAS-11). Compliance with other laws such as AIDS prevention (PO-HRAD-PAS-45), PTB subsidy (PO-HRD-CB-26), Corporate Drug Testing (PO-HRD-PAS-008), and Sexual Harassment in the Office (PO-HRD-PAS-034)
(h) Disciplinary action	Violation of the Policy on Conflict of Interest and PSC's Code of Conduct provides for penalty of Written Warning to Termination depending on the seriousness of the violation. PSC Employees Code of Discipline provides for the procedure for disciplinary actions and penalty.
(i) Whistle Blower⁹	<p>PSC's policy on Whistle Blowing was adopted last Oct 1, 2013. The policy applies to all employees of PSC and its subsidiaries, service providers and suppliers, their agents and employees and encourages them to use PSC's internal mechanisms for reporting whistle-blowing matters in a responsible and effective manner.</p> <p>Whistle-blowing matters include but is not limited to the following: 1. Malpractice, impropriety or fraud relating to internal controls, accounting, 2. auditing and financial matters 3. Violation of the rules and regulations of the Corporation or the Code of Business Conduct and Ethics; 4. Improper conduct or unethical behavior likely to prejudice the standing of the Corporation; 5. Breach of legal or regulatory requirements; 6. Criminal offences, breach of civil law and miscarriage of justice; 7. Endangerment of the health and safety of an individual; 8. Damage caused to the environment; 9. Deliberate concealment of any of the above.</p> <p>It provides channels for reporting of violations of the Code of Conduct and Business Ethics and the mechanism for its investigation and appropriate action. For such purpose, an independent committee known as the Committee on Conduct is tasked to handle reports of such violations. All reports are treated with utmost confidentiality. Finally, it gives protection to employee/person who reveals illegal/unethical behavior from retaliation or other adverse employment consequences.</p>
(j) Conflict Resolution	All conflicts under the Code of Conduct shall be handled by the Employee Welfare and Industrial Relations Specialist. Violation of Employees Code of Discipline shall be handled by the Disciplinary Action Committee.

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees? Yes

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

The policies require employees to execute Confidentiality and Non-compete Undertaking, and submission of disclosure on businesses and other related endeavors. The code has a provision which states that all policies shall be aligned with the Code. Internal Audit also conducts check using the Code of Conduct of the company. All contracts also include provisions to comply with the Code of Ethics of PSC.

⁹ See also http://www.7-eleven.com.ph/corporate_governance.php?title=Company%92s%20Policies

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

The Company Policy on Related Party Transactions (RPTs)¹⁰ ensures that all company dealings are done at arms' length basis, that is, these transactions are priced in such a manner similar to what independent parties would normally agree. All transactions involving related parties require disclosure in the audited financial statement. On the other hand, all related suppliers are mandated to undergo accreditation and approval by the Purchasing Committee. The Audit Committee, chaired by an Independent Director, assists the Board in reviewing RPTs to make sure that they are consummated with only the best interest of the Company in mind.

Related Party Transactions	Policies and Procedures
(1) Parent Company	Guidance Checklist for Selected Provisions of IAS 24 for Related Part Transactions
(2) Joint Ventures	n/a
(3) Subsidiaries	PO-OTP-SPG-8 (Policy & Procedure Related Party Transactions)
(4) Entities Under Common Control	Guidance Checklist for Selected Provisions of IAS 24 for Related Party Transactions
(5) Substantial Stockholders	Guidance Checklist for Selected Provisions of IAS 24 for Related Party Transactions
(6) Officers including spouse/children/siblings/parents	Guidance Checklist for Selected Provisions of IAS 24 for Related Party Transactions
(7) Directors including spouse/children/siblings/parents	Guidance Checklist for Selected Provisions of IAS 24 for Related Party Transactions
(8) Interlocking director relationship of Board of Directors	Corp. Governance Manual

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

Name of Directors/Officers and 5% or more Shareholders	Details of Conflict of Interest (Actual or Probable)
Jose Victor P. Paterno –President & Director	The Company has warehousing and distribution management contract with Convenience Distribution Inc. (CDI), its wholly-owned subsidiary. The Chairman of the Board and President of CDI, Mr. Jose Victor Paterno, is the son of Mr. Vicente Paterno, the Chairman of the Board of PSC.
Diana Pardo-Aguilar- Director	The Company have lease and/or sublease agreements with Wenphil Corporation for commercial spaces in excess of the requirements of the Company for its 7-Eleven stores, and supply arrangement for certain products/services carried by the stores with Gate Distribution Enterprises Inc. (GATE) and Electronic Commerce Payments Network Inc. (ECPAY). Ms. Diana Pardo-Aguilar, director of the company, is a Director of Wenphil Corporation (owner of Wendy's Philippine franchise) and GATE, Director and CFO of ECPAY. She is also the wife of Mr. Raymund Aguilar, a Director of GATE and President of ECPAY which is the supplier of physical and electronic phone cards (e-pins) of the company and the system provider for e-pins and bills payment.
Jorge L. Araneta- Director	The Company have lease and/or sublease agreements with Progressive Development Corporation for commercial spaces in excess of the requirements of the Company for its 7-Eleven stores. Mr. Jorge L. Araneta, also a director of the Company, is the Chairman and President of Progressive Development Corporation (owner of Pizza Hut Philippine franchise).
President Chain Store (Labuan) Holding Ltd.	The Company, from time to time, makes purchases of equipment from President Chain Store Corporation (and its subsidiaries/affiliates), which is the parent company of President Chain Store (Labuan) Holding Ltd., holding 51.56% of PSC's outstanding shares. Certain products are also purchased from Uni- President Corporation, which is the parent company of President Chain Store Corporation.

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	Employees are asked to submit a disclosure document indicating:

¹⁰ See also http://www.7-eleven.com.ph/corporate_governance.php?title=Company%92s%20Policies

	1. Any family members who are working for a company with business transactions with PSC; 2. Owning stocks/bonds from company doing business with PSC; and 3. Holding any positions (i.e. board of directors) from any company.
Group	same

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,¹¹ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Mr. Jose Victor P. Paterno Mr. Vicente T. Paterno ☒	1 st Degree by Consanguinity	Mr. Jose Victor P. Paterno, President of PSC and concurrent Chairman and President of Convenience Distribution Inc. (CDI), a wholly owned subsidiary of PSC, is the son of PSC Chairman of the Board, Mr. Vicente T. Paterno ☒
Ms. Diana Pardo- Aguilar	3 rd Degree by Affinity with the Chairman	Ms. Diana Pardo-Aguilar, director of PSC, is related to PSC Chairman, Mr. Paterno ☒ , by affinity within the 3rd degree.
Ms. Diana Pardo- Aguilar	1 st degree by Affinity (Spouses)	Mr. Raymund Aguilar, Director of Gate Distribution Enterprises, Inc. and President of EC Payment Network Inc., a supplier/service provider of the Company, is the spouse of Ms. Diana Pardo-Aguilar
Jorge L. Araneta Diana Pardo-Aguilar	Lessor/Lessee Supplier	The Company have lease and/or sublease agreements with Wenphil Corporation and Progressive Development Corporation for commercial spaces in excess of the requirements of the Company for its 7-Eleven stores. Mr. Jorge L. Araneta, also a director of the Company, is the Chairman and President of Progressive Development Corporation (owner of Pizza Hut Philippine franchise). Ms. Diana Pardo-Aguilar, a director of the Company, is also a director in Wenphil Coporation.

[☒](#) Deceased as of November 21, 2014 and disclosure submitted to PSE/SEC on November 21, 2014

(b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
Seven Eleven, Inc. (SEI)	Holds 0.39% of PSC's outstanding shares	The Company (or "PSC") executed a licensing agreement with Seven Eleven, Inc. (SEI), of Texas, USA granting the exclusive right to use the 7-Eleven System in the Philippines and the Company pays, among others, royalty fee to SEI. SEI is also a stockholder in PSC and holds 0.39% of PSC's outstanding stocks.
President Chain Store (Labuan) Holding Ltd.	Holds 51.56% of PSC's outstanding shares	The Company, from time to time, makes purchases of equipment from President Chain Store Corporation (and its subsidiaries/affiliates), which is the parent company of President Chain Store (Labuan) Holding Ltd., holding 51.56% of PSC's outstanding shares. Certain products are also purchased from Uni- President Corporation, which is the parent company of President Chain Store Corporation.
Convenience Distribution, Inc.	A wholly owned subsidiary of PSC	PSC has a distribution and warehouse agreement with CDI. Distribution fees are calculated at various rates based on the type of goods delivered. CDI also renders price tagging and backhauling services for PSC.
PhilSeven Foundation, Inc. (PFI)	Foundation with common key management of the Company	PSC has transactions with PhilSeven Foundation, Inc. (PFI), a foundation with common key management of the Company. PSC has a MOU with PFI whereby the latter supports the CSR program of PSC in the communities where its 7-Eleven stores are located. The MOU also provides the pledge of PSC to donate ½ of 1% of its net income before tax to support PFI's programs.
Store Sites Holding, Inc. (SSHI)	PSC holds 40% SSHI shares	Store Sites Holdings, Inc. is a landholding company affiliated with PSC and it leases on long term basis certain parcels of land to PSC for its operation of 7-Eleven Stores.

(c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
President Chain Store (Labuan) Holdings, Ltd	45.00%	Shareholder's Agreement- where PCSLH shall maintain at any time 45% ownership in PSC to comply with the requirement of Master Franchise Agreement to guarantee the
Progressive Development Corporation	1.15%	
Asian Holdings Corporation	1.12%	

¹¹ Family relationship up to the fourth civil degree either by consanguinity or affinity. (ACGR Form Footnote)

Agus Development Corporation	1.39%	performance by PSC of the obligations under the Master Franchise. The group shall maintain 50.58% of PSC at any time.
Vicente T. Paterno [Ⓜ]	0.00%	
Jose Victor P. Paterno	1.91%	

[Ⓜ] Deceased as of November 21, 2014 and disclosure submitted to PSE/SEC on November 21, 2014

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities. No conflicts or differences arose in the past 3 years that required ADR.

	Alternative Dispute Resolution System
Corporation & Stockholders	N/A
Corporation & Third Parties	N/A
Corporation & Regulatory Authorities	N/A

C. BOARD MEETINGS & ATTENDANCE

1) Are Board of Directors' meetings scheduled before or at the beginning of the year? Yes.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Vicente T. Paterno [Ⓜ]	July 22, 2014	3	3	100%
Member	Jose Victor P. Paterno	July 22, 2014	3	3	100%
Member	Jorge L. Araneta	July 22, 2014	3	2	67%
Member	Diana Pardo-Aguilar	July 22, 2014	3	3	100%
Member	Nan-Bey Lai	July 22, 2014	3	3	100%
Member	Jui-Tang Chen	July 22, 2014	3	3	100%
Member	Mao-Chia Chung	July 22, 2014	3	2	67%
Member	Lien-Tang Hsieh	July 22, 2014	3	3	100%
Member	Wen-Chi Wu	July 22, 2014	3	3	100%
Independent Director	Antonio Jose U. Periquet, Jr.	July 22, 2014	3	3	100%
Independent Director	Michael B. Zalamea	July 22, 2014	3	3	100%

[Ⓜ] Deceased as of November 21, 2014 and disclosure submitted to PSE/SEC on November 21, 2014

- Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times? *None*
- Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

The By-laws of the Corporation requires that a quorum at any meeting of the Board of Directors shall consist of a majority of the directors as fixed in the Articles of Incorporation and every decision of such quorum duly assembled as a Board shall be valid as a corporate act. In certain actions qualified majority is required which is the approval of at least two-thirds (2/3) votes of the number of directors as fixed in the Articles of Incorporation of the Corporation. Qualified majority is required in actions pertaining to: 1. Revision and amendment and/or repeal of any of the provisions of the Area Service and License Agreement ("ASLA") between the Corporation and Seven Eleven International; 2. Shortening of the term, cancellation or termination of the ASLA, or the assignment, transfer or conveyance thereof; 3. Engaging in business other than the Corporation's basic business of convenience stores operation which would generate more than thirty percent (30%) of the Corporation's revenue and income.

Access to Information

(a) How many days in advance are board papers¹² for board of directors meetings provided to the board?

Generally provided 2-3 days prior to meeting

(b) Do board members have independent access to Management and the Corporate Secretary?

Yes

(c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

¹²Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents. (ACGR Form Footnote)

Yes. As per Art. 3 (L) of the PSC CG Manual. The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, is an officer of the Corporation. He should:

- (i) Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the corporation;
- (ii) Be loyal to the mission, vision and objectives of the corporation;
- (iii) Work fairly and objectively with the Board, Management, stockholders and other stakeholders;
- (iv) Have appropriate administrative and interpersonal skills;
- (v) If he is not at the same time the Corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities;
- (vi) Have a working knowledge of the operations of the corporation;
- (vii) Inform the members of the Board, in accordance with the by-laws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- (viii) Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so;
- (ix) Ensure that all Board procedures, rules and regulations are strictly followed by the members; and

If he is also the Compliance Officer, perform all the duties and responsibilities of the said officer as provided for in this Manual and the Code.

(d) **Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.**

Yes

(e) **Committee Procedures**

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes No

Committee	Details of the procedures
Executive	By email, request directly to Senior Management
Audit	By email, request directly to Senior Management
Nomination	By email, request directly to Senior Management
Remuneration	By email, request directly to Senior Management
Others (specify)	N/A

• **External Advice**

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

Procedures	Details
1. Any director may propose or request to secure research or advice from consultants they shall identify.	1. For legal advice/opinion- refer to the Corporate Secretary or Legal Counsel/s for advice and guidance on possible legality or implications.
2. The Board or ExeCom shall confirm the request and direct Management to assist the Board or director to secure such services.	2. For Independent Opinion on Financial Matters and related regulatory concerns- Refer to external auditors for proper guidance on the correct accounting treatment and other financial statement disclosure requirements. Refer also to tax consultants or request for tax review services.
	3. Guidance or clarifications on other matters- Refer to consultants and experts on the matter

• **Change/s in existing policies**

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
N/A	N/A	N/A

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Policy on Job Level and Pay Structure	Same
(2) Variable remuneration	HR policies on compensation and benefits	Same
(3) Per diem allowance	PSC By-laws and HR policies	HR policies on compensation and benefits
(4) Bonus	Annual Performance Bonus Policy	Same
(5) Stock Options and other financial instruments	None	None
(6) Others (specify)	None	None

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	The company maintains a uniform pay plan according to job classification and pay structure	The pay structure is being reviewed every two years to be externally competitive and internally equitable. Pay increases are provided every year to retain talents and reward employees through performance	Compensation is computed based on gross monthly income of employees less government mandated deductions like SSS, Pag-ibig, Philhealth and withholding taxes. The factor 313 days in a year is used in determining the equivalent annual salary of the monthly-paid employees
Non-Executive Directors	Per Diem as per PSC By-Laws; Policy on Director's Fee for independent Directors	Fixed Per Diem per actual meeting attended Fixed annual fee for ID as Chairman or Member of a Committee	Per Meeting Per Quarter

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval
No remuneration for non-executive directors except current Per Diem of P7,500.00 per meeting	Amount does not exceed to require SH approval as per PSC By-laws
No remuneration for ID except for Annual Directors Fee of P100T if a Chairman of a Board Committee and P50,000.00 for each membership in a Committee	

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	√	None	√
(b) Variable Remuneration	None	None	None
(c) Per diem Allowance	√	√	√
(d) Bonuses	√	None	None
(e) Stock Options and/or other financial instruments	None	None	None
(f) Others (Specify)			
Total	18,377,091.25	172,385.75	414,375.00

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	N/A	N/A	N/A
2) Credit granted	N/A	N/A	N/A
3) Pension Plan/s Contributions	X	X	X
(d) Pension Plans, Obligations incurred	X	X	X
(e) Life Insurance Premium	√	X	X
(f) Hospitalization Plan	√	X	X
(g) Car Plan	√	X	X
(h) Others (Specify)		N/A	N/A
Total	2,257,352	N/A	N/A

4) Stock Rights, Options and Warrants

(a) Board of Directors

N/A (None)

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
N/A	N/A	N/A	N/A	N/A

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
N/A	N/A	N/A

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
General Merchandise Division Head	29,263,438.83
Business Development Division Head	
Operations Division Head	
Management Information Division Head	
Finance & Accounting Services Division Head	

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	1	2	1	As per By-Laws	Exercise during intervals between Board meetings, all the powers and functions vested in the Board, as well	Same	All matters passed and acted upon by the Executive

					as act on specific matters as may be delegated to it by the Board, except with respect to: (1) approval of any action for which shareholders' approval is also required, (2) filing of vacancies in the Board, (3) amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable (Section 20, PSC By-laws)		Committee in the exercise of its powers and functions shall have the same force and effect for all intents and purposes, as if passed by the Board itself (Sec. 20, PSC By-laws)
Audit	1	1	1	v	<p>1. Assist the Board in the performance of its oversight responsibility</p> <p>2. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities</p> <p>3. Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions</p> <p>4. Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security</p> <p>5. Monitor the internal audit function to assure compliance with the requirements of the Internal Audit Charter. The Audit Committee shall approve changes to and periodic assessments of the Charter submitted by Internal Auditor</p> <p>On a semestral basis, or at the request of the Audit Committee, meet with the Internal Auditor to discuss current audits, the status of management's resolution of audit findings, and other significant issues concerning internal audit</p> <p>6. Review the performance of the External Auditor and recommend to the Board the appointment or discharge of the auditors</p> <p>7. Evaluate and determine the non-audit work, if any, of the External Auditor, and review periodically the non-audit fees paid to the External Auditor in relation to their significance to the total annual income of the External Auditor and to the Corporation's overall</p>	<p>a. Financial Reporting and Disclosures</p> <p>Review the quarterly, half-year and annual financial statements before their submission to the Board</p> <p>b. Risk Management and Financial Controls</p> <p>c. Management and Internal Control</p> <p>Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it</p> <p>d. Internal Audit</p> <p>Review the reports submitted by internal auditors</p> <p>The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties</p> <p>e. External Audit</p> <p>Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit. (IV A-E Audit Committee Charter)</p>	<p>Approve the financial statements to recommend their approval by the Board or Executive Committee.</p> <p>Internal Auditor directly reports to the Audit Committee</p> <p>Recommends the appointment of external auditor</p> <p>Approves non-audit work of External Auditor</p>

¹³ A copy of the Audit Committee Charter is posted at <http://www.7-eleven.com.ph/files/PSC%20-%20AUDIT%20COM%20CHARTER%202014.pdf>

					consultancy expenses. The Committee shall disallow any non-audit work that will conflict with the duties of the External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Corporation's annual report (IV A-E Audit Committee Charter) ¹³		
Nomination /Governance	1	1	1	v	<p>The Committee shall have the purpose, functions and powers as set in the CG Manual and such other duties and powers as may be delegated to the Committee by the Board, subject to such limitations as the Board may determine and notify to the Committee.</p> <p>A. Nomination Functions</p> <ol style="list-style-type: none"> 1. To review and monitor the structure and composition of the Board and recommend to the Board on the required number of Independent Directors with qualifications and none of the disqualifications provided in the applicable laws, regulations and Company policies. 2. To screen and shortlist qualified candidates nominated for the election as Director of the Board and other appointments that require board approval in order to ascertain that all nominations are in accordance with applicable laws, regulations and Company policies. 3. To ascertain that the Board shall have at least two (2) Independent Directors or such number which constitute at least twenty percent (20%) of the members of the Board, whichever is less. 4. To follow the nomination procedures for directors as provided by regulatory agencies which shall at least be in accordance with the following: <ol style="list-style-type: none"> a) A stockholder may recommend the nomination of a director to the Nomination & Governance Committee; b) The nominating stockholder shall submit his proposed nomination in writing to the Nomination & Governance Committee, together with the acceptance and conformity of the would-be nominee; c) The Nomination & Governance Committee shall screen the nominations of directors in accordance with existing laws and regulations 	same	Same Recommends the final list of candidates for election of directors and independent directors Recommends to the Board on corporate governance issues or violation of the CG Manual, subject to further review and approval by the Board

¹⁴ A copy of the Nomination & Governance Committee Charter is posted at <http://www.7-eleven.com.ph/files/PSC%20-%20nomination%20&%20gov%20charter.pdf>

					<p>and Company policies prior to the stockholders' meeting and come up with the Final List of Candidates.</p> <p>d) Only nominees whose names appear in the Final List of Candidates shall be eligible for election as Independent Director.</p> <p>5. To identify and make recommendations on the qualified candidates for the nomination and elections on the additional Directors or vacancies.</p> <p>6. To make recommendations on the Committee assignments (Chairmanship and members), upon receiving advice from the Chairman of the Board, CEO and the directors.</p> <p>B. Governance Functions</p> <p>1. To identify the improvement on the Company's Corporate Governance.</p> <p>2. To oversee and assist in the development of structures, policies and programs under PSC's CG Manual. Recommend to the Board development of corporate governance principles and programs for adoption of the Company, and assist the Board in the implementation thereof.</p> <p>3. To oversee and assist in the development of programs for the continuing education of new directors and/or existing directors, and key officers of PSC.</p> <p>4. To review and endorse, to the Board, the recommendation and suggestion of the Compliance Officer with respect to the mandate provided in the applicable laws, regulations, and Company policies, as well as the regulatory agencies.</p> <p>5. To review and recommend improvements on the existing charters and policies of all Board Committees. The Committee's recommendation on any changes in any of the charters shall be submitted for approval of the Board.</p> <p>6. To review with the Board the results of self-assessment or performance mechanism of the Board Committees for purposes of complying with CG Manual</p> <p>7. Consider, resolve and/or submit its recommendation to the Board on corporate governance</p>		
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					<p>issues or violation of the CG Manual, subject to further review and approval by the Board</p> <p>8. Review the appointment and replacement of the Compliance Officer.</p> <p>(IV A-B Nomination & Governance Committee Charter)¹⁴</p>		
Remuneration	1	1	1	As per CG Manual	Establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates (Art 3. K, (ii)(b), PSC CG Manual)	same	Same
Others (specify)							

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Vicente T. Paterno ☒	July 22, 2014* May 14, 1997**	3	3	100%	16 years & 4 mos.
Member (ED)	Jose Victor P. Paterno	July 22, 2014* June 21, 2005**	3	3	100%	9 yrs & 5 mos
Member (NED)	Diana Pardo-Aguilar	July 22, 2014* June 08, 1999**	3	3	100%	15 yrs & 5 mos
Member (ID)	Antonio Jose U. Periquet, Jr.	July 22, 2014* July 29, 2010**	3	3	100%	4 yrs. & 5 mos.
Member	Ying-Jung Lee	July 22, 2014* July 21, 2011**	3	3	100%	3 yrs. & 5 mos
Member	Ping-Hung Chen	July 22, 2014* July 24, 2012**	3	3	100%	2 yrs. & 5 mos

☒ Deceased as of November 21, 2014 and disclosure submitted to PSE/SEC on November 21, 2014

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Antonio Jose U. Periquet, Jr.	July 22, 2014* July 29, 2010**	2	2	100%	4 yrs. & 5 mos.
Member (ED)	Jose Victor P. Paterno	July 22, 2014* June 21, 2005**	2	2	100%	9 yrs & 5 mos
Member (NED)	Diana Pardo-Aguilar	July 22, 2014* July 26, 2002**	2	2	100%	12 yrs. & 5 mos

Disclose the profile or qualifications of the Audit Committee members.

1. ANTONIO JOSE U. PERIQUET, JR.

Personal Information	<p>Age: <u>53</u>; Nationality: <u>Filipino</u>; Gender: <u>Male</u>; Current Position in PSC: <u>Independent Director</u>; No. of Years in PSC: <u>4 yrs. & 5 mos.</u>; First Election to the Position: <u>July 29, 2010</u>; Last Election: <u>July 22, 2014</u></p>
Affiliations in PLCs	<ul style="list-style-type: none"> Independent Director- Ayala Corporation, DMCI Holdings, Inc., Bank of the Philippine Islands, ABS-CBN Holdings Corp., Max's Group, Inc.
Affiliations in Non-PLCs	<ul style="list-style-type: none"> Chairman- Pacific Main Holdings, Inc; Campden Hill Group, Inc.; Campden Hill Advisors, Inc. Director- The Straits Wine Company, Inc. Independent Director- BPI Capital, BPI Family Bank Trustee- Lyceum University of the Philippines Member- Deans Global Advisory Council, Darden School of Business, University of Virginia
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> AB Economics, Ateneo de Manila University MSc Economics, Oxford University MBA, University of Virginia

2. JOSE VICTOR P. PATERNO

Personal Information	Age: 46; Nationality: Filipino; Gender: Male; Current Position in PSC: President/CEO and Director; No. of Years in PSC: 9 yrs. & 5 mos.; First Election to the Position: June 21, 2005; Last Election: July 22, 2014
Affiliations in PLCs	<ul style="list-style-type: none"> None
Affiliations in Non-PLCs	<ul style="list-style-type: none"> Chairman & President – Convenience Distribution, Inc Chairman – Supply Chain Networks, Inc. President – First MFI Network, Inc. Vice-Chairman- PhilSeven Foundation, Inc. Director – Electronic Commerce Payment Network, Inc. (EC-Pay); The Straits Wine Company, Inc. Board Co-Chair (Retailer), ECR Philippines VP-National Chapter Development, Philippine Franchise Association Member- Management Association of the Philippines; Makati Business Club; Young Presidents Organization; Coca- Cola Retailing Research Council
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> BS Mechanical Engineering (magna cum laude), Lehigh University, Bethlehem Pennsylvania, USA Awards- CEO Excel Award, International Association of Business Communicators (IABC), 2013 CEO Excel Awards; Master Entrepreneur Award, 2012 Ernst & Young Entrepreneur of the Year Awards

3. DIANA PARDO-AGUILAR

Personal Information	Age: 51; Nationality: Filipino; Gender: Female; Current Position in PSC: Director; No. of Years in PSC: 12 yrs. & 5 mos. First Election to the Position: July 26, 2002; Last Election: July 22, 2014
Affiliations in PLCs	<ul style="list-style-type: none"> Director- Security Bank Corporation
Affiliations in Non-PLCs	<ul style="list-style-type: none"> Commissioner- Social Security Commission; Social Security System Director- Asian Holdings Corporation; WenPhil Corporation; Electronic Commerce Payments Network Inc.; DAJ Property Holdings Corp.; Gate Distribution Enterprises, Inc. Treasurer & Member- Executive Finance Committee, De La Salle Santiago Zobel School Director & Treasurer -Modesto Holdings Philippines, Inc.
Educational Background & Achievements/Awards	<ul style="list-style-type: none"> Masters Degree in Business Administration, Major in International Finance, Pepperdine University, California, U.S.A. Bachelor of Science in Computer Science (Dean's List) De La Salle University

Describe the Audit Committee's responsibility relative to the external auditor. Refer to Board Committees functions under E. (1) of this ACGR.

(c) Nomination and Governance Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Vicente T. Paterno ☒	July 22, 2014* July 26, 2002**	1	1	100%	12 yrs. & 4 mos.
Member (NED)	Diana Pardo-Aguilar	July 22, 2014* June 20, 2006**	1	1	100%	12 yrs & 5 mos.
Member (ID)	Michael B. Zalamea	July 22, 2014* July 29, 2010**	1	1	100%	4 yrs. & 5 mos.
Non-Voting Member	Evelyn S. Enriquez	July 22, 2014* June 21, 2005**	1	1	100%	9 yrs & 5 mos.

☒ Deceased as of November 21, 2014 and disclosure submitted to PSE/SEC on November 21, 2014

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Nan-Bey Lai	July 22, 2014* November 13, 2012**	0	N/A	N/A	2 yrs. & 1 mo.
Member (ED)	Jose Victor P. Paterno	July 22, 2014* June 21, 2005**	0	N/A	N/A	9 yrs. & 5 mos.
Member (ID)	Michael B. Zalamea	July 22, 2014* June 21, 2005**	0	N/A	N/A	9 yrs. & 5 mos.
Non-Voting Member	Ying-Jung Lee	July 22, 2014* July 21, 2011**	0	N/A	N/A	3 yrs. & 5 mos.
Non-Voting Member	Ping-Hung Chen	July 22, 2014* July 18, 2013**	0	N/A	N/A	1 yr. & 5 mos.

*Date Last Appointed

**Date First Appointed

(e) Others (Specify) None

Provide the same information on all other committees constituted by the Board of Directors:

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	N/A	N/A	N/A	N/A	N/A	N/A
Member (ED)	N/A	N/A	N/A	N/A	N/A	N/A
Member (NED)	N/A	N/A	N/A	N/A	N/A	N/A
Member (ID)	N/A	N/A	N/A	N/A	N/A	N/A
Member	N/A	N/A	N/A	N/A	N/A	N/A

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive	None	None
Audit	None	None
Nomination	None	None
Remuneration	None	None
Others (specify)	None	None

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	<p>February 20, 2014 Meeting</p> <ul style="list-style-type: none">Approved the presentation of the Update on Operations and Interim Financial Statements for the period ending December 31, 2013Approved the audited financial statements of the Corporation and its subsidiaries for the year ending December 31, 2013.Noted the deferment of the discussion to re-appoint SGV and Company as external auditor for year 2014 after submission by SGV of the book form of the audited financial statements as presented.Noted the discussion on SEC Memorandum Circular No. 20 S. 2013 requiring all key officers and members of the board of PLCs to attend, at least once a year, a program on corporate governance conducted by training providers that are duly accredited by SEC. <p>April 3, 2014 Meeting</p> <ul style="list-style-type: none">Approved the presentation of the Update on Operations and Interim Financial Statements for the period ending February 28, 2014.Approved the endorsement of the Nomination and Governance Committee of the final list of candidates for election as PSC directors and independent directors in the annual stockholders meeting in July.Approved the Nomination and Governance Committee Charter as presentedApproved the Corporate Governance (CG) Program as presentedNoted the presentation of the 2013 ASEAN Corporate Governance Scorecard (ACGS) ResultsNoted and confirmed the presentation of the PSE CG Disclosure SurveyNoted the presentation of the results of the CG Self Assessments for the Board and the DirectorsNoted the presentation of the PSE Electronic Disclosure Generation Technology (EDGE) <p>October 16, 2014 Meeting</p> <ul style="list-style-type: none">Approved the interim financial statements for the period ended September 30, 2014.	Approval of 2013 Audited Financial Statements of PSC & Consolidated AFS

	<ul style="list-style-type: none"> Approved the presentation by the external auditor, SGV and Company of the 2014 audit scope and plan. Noted the requirement under SEC Memorandum No. 18, Series of 2014 on penalty for non-compliance with website content by PLCs. 	
Audit	<p>February 20, 2014 Meeting</p> <ul style="list-style-type: none"> Presentation and approval of the audited financial statements of the Corporation and its subsidiaries for the year ending December 31, 2013. It shall then be endorsed by Audit Committee to the Executive Committee for approval. Approved the recommendation for the re-appointment of SGV as the Corporation's external auditor for 2014, with Ms. Belinda T. Beng-Hui as the designated engagement partner to PSC, subject to approval of the Executive Committee and/or the Board and the ratification by the stockholders. Approved the presentation of the Internal Audit Update Report for 2013. Noted and confirmed the Self-Assessment Rating of the Audit Committee for 2013 and shall forward the same to the Nomination & Governance Committee and the Chairman of the Board. Approved the amendment of the Audit Committee Charter based on items identified in the self-assessment rating. Noted the discussion on SEC Memorandum Circular No. 20 S. 2013 requiring all key officers and members of the board of PLCs to attend, at least once a year, a program on corporate governance conducted by training providers that are duly accredited by SEC. <p>October 16, 2014 Meeting</p> <ul style="list-style-type: none"> Approved the presentation by the external auditor, SGV and Company of the 2014 audit scope and plan. Approved the interim financial statements for the period ending September 30, 2014. Approved the internal audit update report as of September 30, 2014. 	Approval of 2013 Audited Financial Statements of PSC & Consolidated AFS
Nomination & Governance	<p>April 18, 2014 Meeting</p> <ul style="list-style-type: none"> Noted and reviewed the documents to ascertain the qualifications of the nominees and recommended the Final List of Candidates for election as directors and independent directors in the Corporation for the annual meeting in July 2014 and for endorsement to the Executive Committee Approved the Nomination and Governance Committee Charter as presented Approved the Corporate Governance (CG) Program as presented Noted the presentation of the 2013 ASEAN Corporate Governance Scorecard (ACGS) Results Noted and confirmed the presentation of the PSE CG Disclosure Survey Noted the presentation of the results of the CG Self Assessments for the Board and the Directors Noted the presentation of the PSE Electronic Disclosure Generation Technology (EDGE) 	Nominees and Final List of Candidates for election as directors and independent directors
Remuneration	None	None
Others (specify)	None	None

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive	Identify and develop programs and policies to support the ACGR guidelines	Development and review of policies
Audit	Same	Same
Nomination	Same	Same
Remuneration	Same	Same
Others (specify)	None	None

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

PSC recognizes that risk management is an integral part of sound management practice and good corporate governance as it improves decision making and enhances outcomes and accountability.

PSC recognizes that it has a responsibility to manage risks and supports a structured, systematic and focused approach to managing them by approval of the risk management strategy.

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

The top risks in retail industry to which PSC belongs include economic slowdown, increase in competition and brand reputation. Meanwhile, the main risks arising from the Company’s financial instruments are credit risk, liquidity risk, and interest rate risk. The Audit Committee ensures the integrity of internal control activities, develops, oversees, checks and preapproves financial management functions and systems in the areas of credit, market, liquidity, operational, legal and other risks and crisis management. The Internal Audit Division and the External Auditor directly report to the Audit Committee regarding the direction, scope and coordination of audit and any related activities.

(c) Period covered by the review;

Calendar Year 2014

(d) How often the risk management system is reviewed and the directors’ criteria for assessing its effectiveness; and

The PSC Board of Directors or Executive Committee, via the Audit Committee, oversees the establishment and implementation of the risk management system and annually reviews the effectiveness of the system. In particular the Audit Committee considers on a regular basis whether:

- PSC’s ongoing risk management program identifies all material and critical areas of risk;
- Adequate risk mitigation strategies have been designed and implemented by PSC to manage all material and critical identified risks;
- PSC undertakes a regular program of audits (Internal Audit, Compliance Audit and External Audit) to test the effectiveness of internal controls and compliance with PSC’s prescribed policies; and
- Timely remedial action is undertaken to redress areas of weakness.

The Audit Committee also reviews and approves PSC’s risk management policy.

(e) Where no review was conducted during the year, an explanation why not.

N/A

2) Risk Policy

(a) Company

Give a general description of the company’s risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Critical – 1 st Priority	Related issue requires urgent decision and corrective action by the audited unit	Resolution would help avoid a potentially crucial negative impact involving <ul style="list-style-type: none"> • Loss of material assets and reputation of the organization or • Vital financial information that will turn around a decision or • The ability to comply with a contract or an important law that might place the company and its officers under litigation
Significant – 2nd Priority	Requires reasonably prompt attention and corrective action by the audited unit.	<ul style="list-style-type: none"> • Resolution would help avoid a sizeable negative impact on the unit’s assets, financial information or ability to comply with important laws, policies or procedures, and approved Board resolutions. • Resolution will provide transaction traceability and support when questioned by both internal and/or external parties. Thus, avoiding a more serious/critical risk exposure.
Useful	Resolution of “Useful” findings shall be followed up on the next audit, six (6) months at the earliest.	<ul style="list-style-type: none"> • Resolution would help improve controls and avoid problems in the unit’s operations. • Improvements will enhance the existing control and operational framework and will represent best practice

(b) **Group**

Give a general description of the Group’s risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Competitive Environment of the C-Store Industry	Continue to pursue market dominance with effective strategies.	To meet organizational targets and strategic goals and commitment to stakeholders
Credit risk	<ul style="list-style-type: none"> - Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. - The receivable balances are monitored on an ongoing basis - The Company deals only with counterparty duly approved by the BOD. 	The Company’s exposure to impairment arising from credit risk should be managed to a not significant level.
Liquidity risk	<ul style="list-style-type: none"> - Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. - The Company seeks to manage its liquidity profile to be able to finance its capital expenditures and service its maturing debts. - The Company regularly evaluates projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund raising initiatives. 	The Company’s exposure to impairment arising from liquidity risk should be managed to a not significant level.
Interest rate risk	<ul style="list-style-type: none"> - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. - The Company is expecting to substantially reduce the level of bank loans over time. Internally generated funds coming from its cash generating units and from its franchising business will be used to pay off outstanding debts and consequently reduce the interest rate exposure. 	The Company’s exposure to impairment arising from interest rate risk should be managed to a not significant level.

(c) **Minority Shareholders**

Indicate the principal risk of the exercise of controlling shareholders’ voting power.

Risk to Minority Shareholders
Controlling shareholders voting power may restrict or allow preferences in their favor, however, the Board in its commitment to practice good governance shall always respect the rights of the shareholders as provided for in the Corporation Code.

3) **Control System Set Up**

(a) **Company**

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Critical – 1 st Priority	Related issue requires urgent decision and corrective action by the audited unit	Resolution would help avoid a potentially crucial negative impact involving <ul style="list-style-type: none"> • Loss of material assets and reputation of the organization or • Vital financial information that will turn around a decision or • The ability to comply with a contract or an important law that might place the company and its officers under litigation
Significant – 2nd Priority	Requires reasonably prompt attention and corrective action by the audited unit.	<ul style="list-style-type: none"> • Resolution would help avoid a sizeable negative impact on the unit’s assets, financial information or ability to comply with important laws, policies or procedures, and approved Board resolutions. • Resolution will provide transaction traceability and support when questioned by both internal and/or external parties. Thus, avoiding a more serious/critical risk exposure.
Useful	Resolution of “Useful” findings shall be followed up on the next audit, six (6) months at the earliest.	<ul style="list-style-type: none"> • Resolution would help improve controls and avoid problems in the unit’s operations. • Improvements will enhance the existing control and operational framework and will represent best practice

(b) **Group** - Same as above

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Same as above	Same as above	Same as above

(c) **Committee**

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Audit Committee	Oversees the establishment and implementation of the risk management system and annually reviews the effectiveness of the system.	<ul style="list-style-type: none"> PSC's ongoing risk management program identifies all material and critical areas of risk; Adequate risk mitigation strategies have been designed and implemented by PSC to manage all material and critical identified risks; PSC undertakes a regular program of audits (Internal Audit, Compliance Audit and External Audit) to test the effectiveness of internal controls and compliance with PSC's prescribed policies; and Timely remedial action is undertaken to redress areas of weakness.
Business / Functional / Support Units / Division	Risks Owners	<ul style="list-style-type: none"> Identifying, communicating, measuring, prioritizing and managing risks in their area of operations; and Preparing risk analysis on risks concerning their area of operations Mitigate and Manage material risks. Manage legal risks Foster an ethical environment
Internal Audit	Provides assurance over the effective operation of risk management processes, methodologies and Internal controls.	<ul style="list-style-type: none"> Provide assurance Conduct risks based audits

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) Explain how the internal control system is defined for the company;

- Data and information published either internally or externally is accurate, reliable, and timely.
- The actions of directors, officers, and employees are in compliance with the organization's policies, standards, plans and procedures, and all relevant laws and regulations.
- The organization's resources (including its people, systems, data/information bases, and customer goodwill) are adequately protected.
- Resources are acquired economically and employed profitably; quality business processes and continuous improvement are emphasized.
- The organization's plans, programs, goals, and objectives are achieved.

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

Audit committee has evaluated the duties and responsibilities of management, the internal audit activity, and the external auditors as those duties and responsibilities relate to the organization's processes for controlling its operations. The audit committee has also determined that all major issues reported by the internal auditing department, the external auditor, and other outside advisors have been satisfactorily resolved. Finally, the audit committee reported to the full board all-important matters' pertaining to the organization's controlling processes.

(c) Period covered by the review;

Calendar Year 2014

(d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

Yearly

- (e) Where no review was conducted during the year, an explanation why not.
N/A

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
The internal auditing function is charged with ascertaining that the ongoing processes for controlling operations throughout the organization are adequately designed and are functioning in an effective manner.	The scope of internal auditing encompasses, but is not limited to, the Examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal process as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives.	In-House Internal Audit Function	Celina de Guzman – Manager, Internal Audit Division	The Internal Audit Manager will report twice (2x) a year to the Audit Committee and day to day operations to the President and CEO. The Audit Committee approves the internal audit charter and the risk based internal audit plan.
Internal auditing is also responsible for reporting to management and the audit committee on the adequacy and effectiveness of the organization's systems of internal control, together with ideas, counsel, and recommendations to improve the systems.				

- (b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?
Yes

- (c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?
Yes

(d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
N/A	N/A

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	2014 Audits as Planned were completed
Issues ¹⁵	None
Findings ¹⁶	98% findings has remained for in progress and for resolution
Examination Trends	<ul style="list-style-type: none"> The need for continuous creation of policies, procedures, etc. for existing practices. The need for continuous update of outdated policies, procedures, etc. to align to changing needs and practices.

The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

- 1) Preparation of an audit plan inclusive of a timeline and milestones;
- 2) Conduct of examination based on the plan;

¹⁵ "Issues" are compliance matters that arise from adopting different interpretations. (ACGR Form Footnote)

¹⁶ "Findings" are those with concrete basis under the company's policies and rules. (ACGR Form Footnote)

- 3) Evaluation of the progress in the implementation of the plan;
- 4) Documentation of issues and findings as a result of the examination;
- 5) Determination of the pervasive issues and findings (“examination trends”) based on single year result and/or year-to-year results;
- 6) Conduct of the foregoing procedures on a regular basis.

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column “Implementation.”

Internal Audit group is governed by its internal audit charter which is in line with the functions and responsibilities as stated in the CG Manual and the Audit Committee Charter. Internal Audit reports functionally to the Audit Committee and administratively to the President. Based on the Internal Audit plans and scope for 2014, the following are the audit activities conducted and their results.

Policies & Procedures	Implementation
Audit of Construction	1/34 Resolved
Audit of Fixed Assets – New Stores	0/13 Resolved
Audit of Bills Payment	0/11 Resolved
Audit of Non Trade Suppliers Account Management	0/5 Resolved
Audit of Display Allowance	0/7 Resolved
Internal Control Assessments – Different Divisions	0/19 Resolved
Audit of Construction	1/34 Resolved

(g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company’s shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
<p>Internal audit activity will remain free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.</p> <p>Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor’s judgment.</p> <p>External audit remains to be an integral part of corporate governance that makes management accountable to shareholders for its stewardship of the Company. It is for this reason that the board established an independent audit committee that oversees the performance of its appointed external auditors. The audit committee implements the rule of rotation of engagement partners every five years to maintain and preserve the latter’s independence from the Company. The audit committee also approves non-audit engagements that will be undertaken by the same firm in order to prevent any conflicts that will affect the commercial interest of the external auditing firm.</p>	No analysts nor investment banks cover SEVN.		

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company’s full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

For 2012, we issued our annual certification on compliance with SEC’s Code of Corporate Governance in accordance with SEC Memo Circular 6 of 2009 and the same was signed by Compliance Officer and attested by the President /CEO. For 2013, the disclosure of survey on Corporate Governance submitted to PSE was signed by the Independent Director and the President & CEO, after it was presented to the Executive Committee for confirmation. The ACGR filed in July 1, 2013 was signed by the Chairman of the Board, CEO, 2 Independent Directors and Compliance Officer. The consolidated changes to ACGR 2013 as required by SEC is accompanied by a Secretary’s Certificate with excerpts of Board Resolutions regarding said updates & changes in the ACGR. [For the consolidated changes to ACGR 2014, this report is accompanied with the Director’s Certificate approving the said changes and updates in compliance with SEC requirement.](#)

H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare ¹⁷	<ul style="list-style-type: none"> • PSC Code of Conduct & Business Ethics • Rendering Customer Service • Food Suppliers Processing Plant Evaluation and Accreditation • Food Processing Plant Audit for 7-Eleven Inspectors • Transit Testing of Fresh Food Products 	<p>Commitment to provide Excellent Customer Service</p> <ul style="list-style-type: none"> • Customer Care Hotline and dedicated email customercare@7-eleven.com.ph • Guest Experience Monitoring (GEM) of SEI Mystery Shopper. For 2014, PSC received a 92.34 overall rating. • 83 PSC Stores in the National Capital Region (NCR) became the recipient of the Department of Trade & Industry's (DTI) Golden Seal "Bagwis" Awards. DTI Bagwis is a "Certified Establishment Program (Bagwis Awards) that aims to promote and foster the highest level of business ethics and uphold a fair and honest marketplace through voluntary self-regulation and service excellence. • Increase and improve assortment and quality of products, For 2014, PSC introduced Chef Creations Meal by Chef Claude Tayag, Japanese Rice Snacks and Soft Bites among others. • Enhance Rewards Cards experience for customers through, introduction of 7-Eleven Everyday Rewards Smartphone Apps for android and IOS.
Supplier/contractor selection practice ¹⁸	<ul style="list-style-type: none"> • Accrediting Suppliers of Non-Trade Goods and Services 	Third-party procurement validator (Transprocure)
Environmentally friendly value-chain ¹⁹	PSC complies with environmental related regulations such as: a) the use of paper bags, biodegradable plastic and non-use of plastic material in accordance with ordinances of different LGUs; b) comply with standards of HACCP (Hazard Analysis and Critical Control Point) for accreditation for food suppliers.	Utilize available environmental friendly, cost & work efficient equipment for the stores (<i>i.e. LED Lights, Inverter ACs</i>) for the stores, <i>Using eco-friendly bags and other supplies.</i>
Community interaction ²⁰	CSR within communities where 7-Eleven stores are situated	Disaster Relief Assistance, Supplemental Feeding Program, Balik-Eskwela Assistance, Adopt-a-Day Care Program, Medical Missions, Mobile Day Care assistance, Christmas Caravan, Grant support
Anti-corruption programmes and procedures ²¹	<ul style="list-style-type: none"> • Code of Conduct and Business Ethics • Limitations on Participation in Company Sales Promotion • Conflict of Interest • Employment, Placement and Transfer of Relatives 	Signatory to Integrity Pact, Participation in Integrity Summit Fora
Safeguarding creditors' rights ²²	<ul style="list-style-type: none"> • Disclosure and Reportorial Requirements 	<ul style="list-style-type: none"> • Certification of PSC's compliance with its Manual of Corporate Governance; • Annual Corporate Governance Disclosure Survey; • Certification & Submission of regular periodic reports involving FS & material info & events; • Disclosure requirements on changes in beneficial ownership, reporting of trading transactions; • Clarifications on news articles; and • Compliance with the Minimum Public Float

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section? Yes

3) Performance-enhancing mechanisms for employee participation.²³

¹⁷ See also http://www.7-eleven.com.ph/corporate_governance.php?title=Company%92s%20Policies and http://www.7-eleven.com.ph/corporate_governance.php?title=Our%20Stakeholders

¹⁸ See also http://www.7-eleven.com.ph/corporate_governance.php?title=Our%20Stakeholders

¹⁹ See also http://www.7-eleven.com.ph/corporate_governance.php?title=Our%20Stakeholders

²⁰ See also http://www.7-eleven.com.ph/corporate_governance.php?title=Corporate%20Social%20Responsibility

²¹ See also http://www.7-eleven.com.ph/corporate_governance.php?title=Company%92s%20Policies

²² See also http://www.7-eleven.com.ph/company_disclosures.php?title=Company%20Disclosures

²³ See also http://www.7-eleven.com.ph/corporate_governance.php?title=Company%92s%20Policies and http://www.7-eleven.com.ph/corporate_governance.php?title=Our%20Stakeholders

(a) What are the company's policy for its employees' safety, health, and welfare?

The company provides all regular employees with Health Insurance where they are eligible for in-patient care, out-patient care, emergency care, dental care, surgical procedures and other sophisticated procedures and maternity benefits.

Employees are also covered with Group Life and Accident Insurance Plan which serves as protection in case of death, whether natural cause or accident, and dismemberment.

Wellness program are also provided to the employees to further improve health and fitness among them thereby increasing productivity in the workplace.

(b) Show data relating to health, safety and welfare of its employees.

Actual health insurance utilization for last year contract covering October 1, 2013 to August 15, 2014 is at 63%.

Wellness participation rate is at 32% while employee participation rate for corporate events is average of 90%.

(c) State the company's training and development programmes for its employees. Show the data.

Recognizing the need of employees for growth, training and development programs are regularly provided by PSC across all levels. For Senior Management and Officers, the company conducts a Leadership Academy & Mentor's Leadership Training Program with the objective to them in line with the Company's succession planning program.

In-house trainings are also provided by the Company to employees with specialist and rank & file level. These trainings are designed to augment and develop the employee skills and competencies. Below is the list, schedule and the number of participants of 2014 trainings.

TRAININGS CONDUCTED	SCHEDULE	# OF PARTICIPANTS
A. Rank & File		
1. Skills Training for Operations Management Program	Every 2 months	433
2. Product Training	As requested	257
B. Specialist Level		
1. Area Manager Training Program	Quarterly	31
2. Project Management	2x a year	40
3. Basic Negotiation Skills	Quarterly	27
4. Product Training	Quarterly	257
5. Training the Trainers	Every 2 months	106
6. Basic Communication	Quarterly	16

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures

Target Incentive and Annual Performance Bonus were granted to management, the officers and support personnel based on achievement of the target rate for pre-tax income for the year as set in the Annual Plan and Budget. These are provided to regular employees and executive officers of the Corporation.

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behavior? Explain how employees are protected from retaliation.

Employees Code of Discipline governs the job conduct of employees and protect their individual rights and interest as well as those of the Company. The codified Rules and Regulations are intended as a preventive as well as corrective measure to forestall the violation of rules. Any violation shall be dealt accordingly. Any offenses that is subject for termination are investigated by the Disciplinary Action Committee. During the administrative investigation, the DAC shall evaluate the statements and evidences presented where they will deliberate on the case to determine and recommend the appropriate penalty. After the resolution has been drafted, members of DAC must sign and forward to the Legal Division for review.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
President Chain Store (Labuan) Holding, Ltd.	236,376,070	51.56%	Same
Arisaig Asia Consumer Fund Limited	48,020,358	10.47%	Same
Jose Victor P. Paterno and siblings	11,983,375 (R) 25,636,860 (B) 37,620,235	2.61% 5.59% 8.21%	Ma. Cristina Paterno – 8,000,045; Paz Pilar P. Benares - 5,665,971; Ma. Elena P. Locsin - 6,962,534; Ma. Theresa P. Dickinson – 5,008,310
Asian Holdings Corporation	30,671,003	6.69%	Same

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Jose Victor P. Paterno	11,983,375	25,636,860	2.61%
TOTAL	11,983,375	25,636,860	2.61%

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	Yes
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	Yes
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
SGV AND CO.	P2.744 M	P2.146 M

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

1. Company website
2. Distribution of Information Statement and Annual Report
3. Disclosures, announcement and reports filed with SEC, PSE and other regulating agencies
4. Newspaper of General Circulation
5. Intranet

5) Date of release of audited financial report: As per due date of April 15 each year unless earlier submitted

6) Company Website

Does the company have a website disclosing up-to-date information about the following?

Business operations	Yes ²⁴
Financial statements/reports (current and prior years)	Yes ²⁵
Materials provided in briefings to analysts and media	Yes ²⁶

²⁴ See <http://www.7-eleven.com.ph/about711.php?title=Corporate%20History>

²⁵ See http://www.7-eleven.com.ph/company_disclosures.php?title=Annual%20Reports , <https://docs.google.com/a/7-eleven.com.ph/file/d/0B-YYvzhTTZbFeUU4bmZVOXNhdIE/edit> , <https://drive.google.com/file/d/0B-YYvzhTTZbFeUU4bmZVOXNhdIE/edit> , <http://www.7-eleven.com.ph/files/2011%20Audited%20Financial%20Statements.pdf>

²⁶ See http://www.7-eleven.com.ph/investors_relation.php?title=Investor%20Relations%20Materials and http://www.7-eleven.com.ph/news_room.php

Shareholding structure	Yes ²⁷
Group corporate structure	Yes ²⁸
Downloadable annual report	Yes ²⁹
Notice of AGM and/or EGM	Yes ³⁰
Company's constitution (company's by-laws, memorandum and articles of association)	Yes ³¹

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) Disclosure of RPT

RPT	Relationship	Nature	Balance as at December 31, 2014
Receivables:			
Convenience Distribution, Inc.	Wholly owned Subsidiary	Noninterest bearing advances and warehouse rental	₱6,929,578
Store Sites Holdings, Inc.	Wholly owned Subsidiary	Lease of office space	513,363
Philseven Foundation, Inc.	Company under common control	Noninterest bearing advances	3,525,452
Liabilities:			
Convenience Distribution, Inc.	Wholly owned Subsidiary	Distribution, Warehousing Charges, Price tagging, and Backhauling Charges	109,902,050
Store Sites Holdings, Inc.	PSC holds 40% SSHI shares	Lease of parcels of land	398,732
Philseven Foundation, Inc.	Company under common control	Pledge donation of PSC	2,894,337

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

Please refer to:

- Guidance Checklist for Selected Provisions of IAS 24 for Related Party Transactions
- PO-OTP-SPG-8 (Policy & Procedure Related Party Transactions)³²

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

The stockholders of the Company may exercise their right of appraisal against any proposed corporate action which qualifies as an instance under Section 81 of the Corporation Code which gives rise to the exercise of such appraisal right pursuant to and in the manner provided in Section 82 of the Corporation Code.

Any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

1. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the terms of corporate existence.
2. In case of sale, lease, of exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this code; and
3. In case of a merger or consolidation.

An appraisal right is also available to dissenting shareholders in case the corporation decides to invest its funds in another corporation or business as provided for in Section 42 of the Corporation Code.

(a) Quorum

²⁷ See <http://www.7-eleven.com.ph/about711.php?title=Shareholding%20structure>

²⁸ See <http://www.7-eleven.com.ph/about711.php?title=Conglomerate%20Map>

²⁹ See http://www.7-eleven.com.ph/company_disclosures.php?title=Annual%20Reports, <http://www.7-eleven.com.ph/files/PSC%202013%20Annual%20Report%2017-A%20PSE%20for%20website.pdf> and <https://drive.google.com/file/d/0B-YYvzhTTZbFcGzNjNOYVBzcDg/edit>

³⁰ See http://www.7-eleven.com.ph/company_disclosures.php?title=Information%20Statements and <http://www.7-eleven.com.ph/files/Notice,%20Agenda%20and%20Proxy%20for%20PSC%202014%20ASM.pdf>

³¹ See <http://www.7-eleven.com.ph/about711.php?title=Article%20of%20Incorporation%20and%20By-Laws>

³² See also http://www.7-eleven.com.ph/corporate_governance.php?title=Company%92s%20Policies

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	Majority of the outstanding capital stock entitled to vote, whether represented in person or by proxy, shall constitute a quorum, unless otherwise provided by the Corporation Code.
------------------------	--

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Section 48, PSC Amended By laws. Required Number of Votes on Certain Corporate Acts
Description	The approval of the Board of Directors by at least 2/3 vote of the number of directors as fixed in the Articles of Incorporation (AOI) and the approval of the stockholders of the Corporation representing 2/3 of the issued and outstanding capital stock of the Corporation shall be required on certain corporate acts.

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
<p>Sec. 24. Election of directors or trustees. - ...In stock corporations, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing, at the time fixed in the by-laws, in his own name on the stock books of the corporation, or where the by-laws are silent, at the time of the election; and said stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, That the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected: Provided, however, That no delinquent stock shall be voted. Unless otherwise provided in the articles of incorporation or in the by-laws, members of corporations which have no capital stock may cast as many votes as there are trustees to be elected but may not cast more than one vote for one candidate. Candidates receiving the highest number of votes shall be declared elected. Any meeting of the stockholders or members called for an election may adjourn from day to day or from time to time but not sine die or indefinitely if, for any reason, no election is held, or if there not present or represented by proxy, at the meeting, the owners of a majority of the outstanding capital stock, or if there be no capital stock, a majority of the member entitled to vote.</p>	<p>The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Corporation. The stockholders should be encouraged to personally attend such annual meetings. If they cannot attend, they should be <u>apprised ahead of time of their right to appoint a proxy</u>. Subject to the requirements of the by- laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.</p> <p>It is the duty of the Board to promote the rights of the stockholders, <u>remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights</u>.</p> <p>The Board should take the appropriate steps to <u>remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy</u>. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval. (Article 6B, PSC Revised Manual on Corporate Governance)</p>

Dividends

PSC considers the benefit of its shareholders as one of its priority management policies. It aims to sustain revenue stream and progressive growth to further enhance shareholder value. PSC shall continue to return capital to shareholders through a sustainable dividend policy. Effective 2015, the Company intends to pay at least 20% of annual net profits by way of cash dividends. This considers future capital requirements and potential growth opportunities. The Board regularly reviews the dividend policy, including the frequency of distribution, taking into account all of the above.

A cash dividend of thirty centavos (Php 0.30) per share was declared and approved during the board of directors meeting last April 24, 2014. Stockholders of record as of May 23, 2014 were entitled to said cash dividend and the corresponding cash payments were paid to stockholders on payment date last June 18, 2014. Total outstanding capital stock of the Corporation after the payment date of the cash dividend is still 458,435,323. Likewise, there was no sale of any unregistered securities. There is no restriction that limits the ability of the Company to pay dividends on common equity. Below is the summary of cash and stock dividend declaration of the Corporation.

Dividend	Declaration Date	Record Date	Payment Date
Cash	April 24, 2014	May 23, 2014	June 18, 2014
Cash	July 18, 2013	August 15, 2013	September 9, 2013
Stock	July 18, 2013	August 15, 2013	September 9, 2013

Cash	Jul. 24, 2012	Aug. 22, 2012	Sep. 14, 2012
Stock	Jul. 24, 2012	Nov. 15, 2012	Dec. 03, 2012
Cash & Stock	Jul. 21, 2011	Aug. 19, 2011	Sep. 13, 2011
Cash & Stock	Jul. 29, 2010	Aug. 27, 2010	Sep. 23, 2010
Stock	Jun. 25, 2009	Aug. 14, 2009	Sep. 09, 2009
Stock	Jun. 18, 2008	Aug. 15, 2008	Sep. 10, 2008

(d) Stockholders' Participation

- 1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.**

Measures Adopted	Communication Procedure
1. Questions are entertained during the annual meeting ³³	1. Chairman, during the annual meeting, asks if there are any questions from the stockholders.

- 2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:**
 - Amendments to the company's constitution- Section 46, "PSC Amended By laws. By laws may be altered, amended or repealed or new by laws adopted, by the affirmative vote of at least a majority of the outstanding capital stock of the Corporation at any regular meeting or any special meeting duly called for the purpose. The Board of Directors may also amend or repeal these By-laws or adopt new By-laws when such power is delegated to it by the owners of two thirds 2/3 of the outstanding capital stock, provided however, that such delegation of power shall be considered as revoked whenever stockholders owning majority of the outstanding capital stock shall so vote at a regular or special meeting. The Board of Directors may adopt additional regulations in harmony with the foregoing By-laws and their amendments."
 - Authorization of additional shares
 - Transfer of all or substantially all assets, which in effect results in the sale of the company
- 3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?**
Yes
 - Date of sending out notices: **June 20, 2014**
 - Date of the Annual/Special Stockholders' Meeting: **July 22, 2014**
- 4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.**

- A stockholder asked for the reason for the increase in Other Income from P120 M to P240 M and what is the nature of the Other Income. The Chairman requested the Finance Division Head, Mr. Lawrence De Leon to respond and it was explained that such income are from suppliers in the form of penalties in case of delays.
- A stockholder asked that in the financial statement there was a negative working capital of P500 M and if there was an annual budget and planning to prevent this? The Finance Division Head answered this in the affirmative.
- A stockholder commented that he noticed that there was no presentation of stock prices last week and the share price went down to P85 and asked for the possible reason. The President replied that we could not ascertain the reason of the traders who buy and sell the stock. A possible reason could be the entry of the 4 biggest retailers in the market and the stockholders traded their shares. A follow up question from the stockholder was if PSC provides guidelines on stock price and why it is not part of the annual report. The President responded that it was part of the Annual Report but the report came out many months after the end of the fiscal year. Another stockholder made a comment that any one may check the stock price at PSE Website and further commented that in his 15 years of trading PSC shares, this is the highest so far.
- A stockholder asked for a copy of the a Memo from the Human Resource Manager, authorizing a certain employee, other than the stock transfer agent, BDO-TIG, to process the credentials of a stockholder. The Chairman asked the Corporate Secretary to reply. The Corporate Secretary replied that the stock transfer agent representatives seated at the registration table in front of the entrance of the room handles the verification. If he has further concerns it shall be discussed with the STA after the meeting. The stockholder further requested for a certain employee be called for a debate on the floor. Another stockholder made a comment that the request of the earlier stockholder is out of order since this is a stockholders' meeting and not the proper place for debate. The Chairman noted the same and ruled

³³ See <http://www.7-eleven.com.ph/files/PSC%20ASM%20Mins-%20July%202014%20for%20website%20upload.pdf>

that the matter is not in the agenda and the stockholders' meeting is not the proper forum to act on such matter.

5. Result of Annual/Special Stockholders' Meeting's Resolutions³⁴

Resolution	Approving	Dissenting	Abstaining
• Approval of Minutes of Previous Annual Stockholders' Meeting held on July 18, 2013	401,820,620 shares or 87.65%	None	None
• Approval of 2013 Audited Financial Statements	401,820,620 shares or 87.65%	None	None
• Ratification of Actions taken by the Board of Directors, Executive Committee, Board Committees and Management since the last annual stockholders' meeting	401,820,620 shares or 87.65%	None	None
• Amendment of the Third Article of the Amended Articles of Incorporation to state the specific principal office address of the Corporation in compliance with SEC Memorandum Circular No. 6 Series of 2014	401,820,620 shares or 87.65%	None	None
• Appointment of External Auditors	401,820,620 shares or 87.65%	None	None

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

Disclose to PSE 10 Minutes after the ASM or on July 22, 2014; Submit Current Report SEC Form 17-C to SEC the following day or on July 23, 2014.

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
None	N/A

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	1. Vicente T. Paterno - Chairman of the Board 2. Jose Victor P. Paterno-President & Director 3. Jorge L. Araneta-Director 4. Diana Pardo-Aguilar-Director 5. Antonio Jose U. Periquet, Jr.-Independent Director 6. Michael B. Zalamea-Independent Director 7. Atty. Evelyn S. Enriquez-Corporate Secretary	July 22, 2014	Viva Voce Voting	3.34%	84.31%	87.65%
Special	N/A	N/A	N/A	N/A	N/A	N/A

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?

Yes, The Stock Transfer Agent, BDO-Unibank, Inc. Trust and Investments Group counts, tabulate and validates the votes cast based on the number of shares entitled to vote and owned by the stockholders present or represented by proxies during the Annual Stockholders' Meeting.

(iii) Do the company's common shares carry one vote for one share?

Yes, as stated in the By-laws If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

³⁴ See <http://www.7-eleven.com.ph/files/PSC%20ASM%20Mins-%20July%2022%202014%20for%20website%20upload.pdf>

	Company's Policies
Execution and acceptance of proxies	As per PSC Amended By-Laws, A stockholder entitled to vote at any meeting of stockholders may vote either in person or by proxy executed in writing by the stockholder or a duly authorized attorney-in-fact.
Notary	Required if executed by an attorney-in-fact
Submission of Proxy	As per PSC Amended By-Laws, must be presented to the Secretary for inspection and recording at least seven (7) business days before the opening of the meeting
Several Proxies	None
Validity of Proxy	As per PSC Amended By-Laws, valid only for one specific meeting for which it is intended
Proxies executed abroad	None
Invalidated Proxy	None. The Corporation pursues the policy stated in Manual that subject to the requirements of the Corporation's Bu-Laws, the exercise of the stockholder's right to appoint a proxy shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.
Validation of Proxy	Validation of Proxy is done by the Stock Transfer Agent
Violation of Proxy	As per By-Laws provision on Proxy

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
In accordance with SRC Rule 20	The information statement <i>(including proxy form³⁵ and other solicitation materials, in case of proxy solicitations)</i> shall be sent or given to security holders at least fifteen (15) business days prior to the meeting date.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	648 Stockholders
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	June 20, 2014
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	June 20, 2014
State whether CD format or hard copies were distributed	CD format
If yes, indicate whether requesting stockholders were provided hard copies	Hard copies were provided to stockholders upon request

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	Yes
Documents required for proxy vote.	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

2) Treatment of Minority Stockholders

a) State the company's policies with respect to the treatment of minority stockholders.

PSC CG Manual Article 6: Stockholders' Rights and Protection of Minority Stockholders' Interests

A) The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:

³⁵ See http://www.7-eleven.com.ph/company_disclosures.php?title=Information%20Statements and <http://www.7-eleven.com.ph/files/Notice,%20Agenda%20and%20Proxy%20for%20PSC%202014%20ASM.pdf>

- (i) Right to vote on all matters that require their consent or approval;
- (ii) Pre-emptive right to all stock issuances of the corporation;
- (iii) Right to inspect corporate books and records;
- (iv) Right to information;
- (v) Right to dividends; and
- (vi) Appraisal right.

B) The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Corporation. The stockholders should be encouraged to personally attend such annual meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

Policies	Implementation
Art. 6 PSC CG Manual. Stockholders' Rights and Protection of Minority Stockholders' Interests	The Board respects the rights of the stockholders as provided for in the Corporation Code, namely: (i) Right to vote on all matters that require their consent or approval; (ii) Pre-emptive right to all stock issuances of the corporation; (iii) Right to inspect corporate books and records; (iv) Right to information; (v) Right to dividends; and (vi) Appraisal right

b) Do minority stockholders have a right to nominate candidates for board of directors?

Yes. PSC's nomination procedure provides:

1. A stockholder may recommend the nomination of a director to the Nomination Committee;
2. The nominating stockholder shall submit his proposed nomination in writing to the Nomination & Governance Committee, together with the acceptance and conformity of the would-be nominee.
3. The Nomination & Governance Committee shall screen the nominations of directors prior to the stockholders' meeting and come up with the Final List of Candidates.
4. Only nominees whose names appear in the Final List of Candidates shall be eligible for election as independent director.

K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The executive committee provides guidance in the development and approval of the company's external and internal communication policies. The management is tasked to implement the said policies through its corporate communications and investor relations group. An external public relations firm is tapped from time to time to communicate other aspects of the business. These policies are reviewed regularly or when the need for such arises.

2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	To provide linkage between the company and market participants and to ensure clear communication of developments in all aspects of the business with the objective of assuring fair valuation in the marketplace.
(2) Principles	The program should fulfill the role of serving as the key corporate resource in the areas of disseminating information to shareholders, finance professionals and potential investors.
(3) Modes of Communications	Email and/or Conference calls
(4) Investors Relations Officer	Lawrence M. De Leon Email: investor-relations@7-eleven.com.ph Tel #: 705-52-42

3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

	Details
(1) Objectives	To provide linkage between the company and market participants and to ensure clear communication of developments in all aspects of the business with the objective of assuring fair valuation in the marketplace.
(2) Principles	The program should fulfill the role of serving as the key corporate resource in the areas of disseminating information to shareholders, finance professionals and potential investors.
(3) Modes of Communications	Email and/or Conference calls
(4) Investors Relations Officer	Lawrence M. De Leon Email: investor-relations@7-eleven.com.ph Tel #: 705-52-42

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.
In the event that there will be a need to evaluate and assess the fairness and compliance of all aspects of material transactions, the company shall tap the expertise of a reputable third party professional firm.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
Advocacy on Health and Nutrition	
1. Supplementary Feeding Program	Undernourished children ages 3-7yrs. old
2. Medical Mission	Indigent communities
Advocacy on Education	
1. "Balik-Eskwelang Handog ng 7-Eleven" <i>(A school supply distribution/Improvement through renovation and/or construction of a school facility)</i>	Indigent Day Care and/or Grade 1 students/school
2. Mobile Day Care Project	Children ages 2-5 yrs. old living in communities in the City of Manila without access to a day care facility
Disaster/Relief Operation <i>(A stand-by program)</i>	Families and communities
Waste segregation project	PFI Income-generating project to fund CSR programs/activities

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
Board of Directors	Self Assessment for annual performance of the Board (started in 2011) To assess the effectiveness of their performance as a collegial body and as individual members, PSC's Board conducts and accomplishes self-rating surveys yearly. Audit Committee also appraise their performance by accomplishing a self-assessment worksheet. The Board assesses their performance yearly as a whole and as a collegial body through completion of a self-rating form. They evaluate themselves based on 13 questions covering topics from knowledge of the company's beliefs, values, philosophy, mission, strategic plan and business plan to the performance of their duties, responsibilities and functions. Rating shall be from 1- Not Performing to 5- Outstanding Performance. The results of assessment/survey are compiled by the Compliance Officer and are reported during the Nomination & Governance Committee Meeting immediately following the completion of the assessment/survey.	
Board Committees	Assessment Worksheet of Audit Committee's Performance (SEC Memo No. 04, Series of 2012- Guidelines for Assessment of Audit Committees of PLCs) The Audit Committee Members also evaluate their yearly performance through accomplishing a self-assessment worksheet in accordance with the Audit Committee Charter. They evaluate themselves based on questions which fall under their responsibilities under the Charter such as Setting of Committee Structure and Operation, Oversight on Financial Reporting and Disclosures, Oversight on Risk Management and Internal Controls, and Oversight on External Audit. Rating is either YES or NO. Once a YES rating is given, the reference document shall be cited and in case of a NO rating, the action needed shall be indicated. Reporting of results follows a similar process as mentioned above.	
Individual Directors	Self Assessment for annual performance of Directors (started in 2011) The Board answers a separate self-rating form with 31 questions covering specific duties and responsibilities including participation in board meetings. Rating is either SA, A, N, D, SD: SA Strongly Agree	

	A Agree N Neither Agree Nor Disagree D Disagree SD Strongly Disagree Reporting of results follows a similar process as mentioned above.
CEO/President	CEO's performance is evaluated based on the achievement of company goals and targets which is evaluated twice a year, first semester covers evaluation from January to June while performance from July to December are evaluated in the second semester

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

Violations	Sanctions
Violations are sanctioned under the Code of Discipline schedule of penalties	Written Warning to Termination

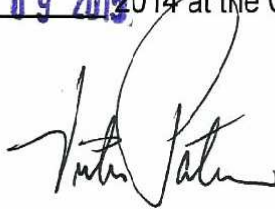
DIRECTORS' CERTIFICATE

KNOW ALL MEN BY THESE PRESENTS:

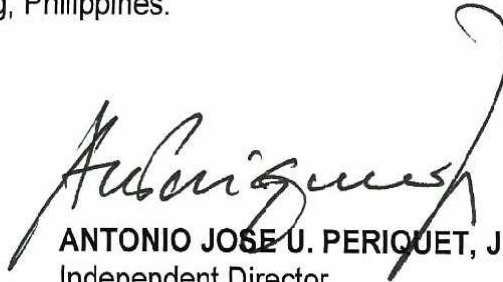
We, the undersigned majority of the directors and the Corporate Secretary of PHILIPPINE SEVEN CORPORATION (the "Corporation"), do hereby certify and approve the Consolidated Changes in the Annual Corporate Governance Report of the Corporation for the year 2014 under the following resolution:

"RESOLVED, that the Board of Directors of Philippine Seven Corporation (the "Corporation") hereby approve the consolidated changes in the Annual Corporate Governance Report of the Corporation for Y2014."

IN WITNESS WHEREOF, we have hereunto set our hands this day of ~~JAN 09 2013~~ 2014 at the City of Mandaluyong, Philippines.



JOSE VICTOR P. PATERNO
President and Director
TIN: 132-688-472



ANTONIO JOSE U. PERIQUET, JR.
Independent Director
TIN: 203-006-677



DIANA PARDO-AGUILAR
Director
TIN: 101-902-566



MICHAEL B. ZALAMEA
Independent Director
TIN: 203-012-683



JORGE L. ARANETA
Director
TIN: 102-752-519

Nan Bey Lai

NAN-BEY LAI
Vice Chairman
TIN: 438-912-004

JUI-TANG CHEN
Director
TIN: 253-580-336

MAO-CHIA CHUNG
Director
TIN: 438-912-414

LIEN-TANG HSIEH
Director
TIN: 438-912-239

WEN-CHI WU
Director
TIN: 438-913-909

CERTIFIED AND ATTESTED BY:

ATTY. EVELYN S. ENRIQUEZ
Corporate Secretary
TIN: 103-122-973

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Vice Chairman
TIN: 438-912-004

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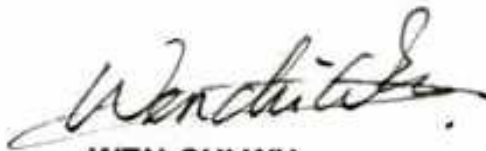
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TIN: 438-912-239

WEN-CHI WU
Director
TIN: 438-913-909

CERTIFIED AND ATTESTED BY:


ATTY. EVELYN S. ENRIQUEZ
Corporate Secretary
TIN: 103-122-973

SUBSCRIBED AND SWORN to before me, this JAN 09 2015,
2014 in PASIG CITY, affiant, exhibiting to me his/their valid identification
documents, as follows:


Name

Tax Identification Number

- | | |
|----------------------------------|-------------|
| 1. Nan-Bey Lai | 438-912-004 |
| 2. Jui-Tang Chen | 253-580-336 |
| 3. Mao-Chia Chung | 438-912-414 |
| 4. Lien-Tang Hsieh | 438-912-239 |
| 5. Wen-Chi Wu | 438-913-909 |
| 6. Jose Victor P. Paterno | 132-688-472 |
| 7. Diana Pardo-Aguilar | 101-902-566 |
| 8. Jorge L. Araneta | 102-752-519 |
| 9. Antonio Jose U. Periquet, Jr. | 203-006-677 |
| 10. Michael B. Zalamea | 203-012-683 |
| 11. Evelyn S. Enriquez | 103-122-973 |

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Page No.: 55
Book No.: 1
Series of 2014

NOTARY PUBLIC


ATTY. RAMON L. CARPIO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2016
PTR NO. 0350443116/15 AT PASIG CITY
IBPT 297872212/12/14 AT PASIG CITY
TIN IGC-318-337
MCLE IV COMPLIANCE # 000306/19/13
ROLL # 22,172