

COVER SHEET

A 1 9 9 8 1 3 7 5 4

SEC Registration Number

PUREGOLD PRICE CLUB, INC.

(Company's Full Name)

NO. 900 ROMUALDEZ ST., PACO, MANILA

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

CANDY DACANAY-DATUON

(Contact Person)

(02) 524-4451/ 523-3055

(Company Telephone Number)

1 2

Month

3 1

Day

SEC FORM 17 - C

(Form Type)

0 5

Month

0 8

Day

(Secondary License Type, If Applicable)

Dept. Requiring this Doc

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowing

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

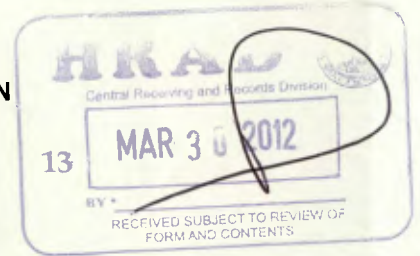
Document ID

Cashier

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER



- 1. **27 March 2012**
Date of Report (Date of earliest event reported)
- 2. SEC Identification Number **A199813754**
- 3. BIR Tax Identification No. **201-277-095**

4. **PUREGOLD PRICE CLUB, INC.**
Exact name of issuer as specified in its charter

5. (SEC Use Only)

Province, country or other jurisdiction of Incorporation Industry Classification Code:

7. **No. 900 Romualdez St., Paco, Manila** **1007**
Address of principal office Postal Code

8. **Tel No. (02) 532-3055**
Issuer's telephone number, including area code

9.
Former name or former address, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock
	Outstanding and Amount of Debt Outstanding
Common shares	2,000,000,000

11. Indicate the item numbers reported herein: **Item No. 9 Other Events**



Item No. 9 Other events:

A. In accordance with SRC Rule 17.1 A (iii) requiring publicly-listed companies to promptly report material facts or events occurring in the company, please be informed that during the Meeting of the Board of Directors on 27 March 2012, the Board approved the following:

1. Acquisition of shares of stocks of Kareila Management Corporation (Kareila)

Subject to securing the appropriate consents and approvals, the Corporation shall issue 766,406,250 common shares from the Corporation's authorized but unissued capital stock at a price of Php21.50 each (based on the last trading price of the share of the Corporation as of 26 March 2012) for an implied equity value of approximately Php16.5 Billion, or at a ratio of 450 shares of the Corporation to every 1 share of Kareila, to Co Family in exchange for the Co Family's common shares of Kareila representing 100% of Kareila's outstanding capital stock.

Kareila is the operator of S&R Membership Shopping.

This transaction shall be submitted for approval of the Stockholders during the Annual Meeting of the Corporation's Stockholders scheduled on 8 May 2012.

2. Adoption of Dividend Policy

The Corporation approved the following dividend policy:

The Company will allocate up to 10% of its unrestricted retained earnings of the previous year for dividends, cash or stock, after taking into account various factors, including: the level of cash earnings, return on equity and retained earnings; its results for, and its financial condition at the end of, the year in respect of which the dividend is to be paid and its expected financial performance; the projected levels of capital expenditure and other investment plans; restrictions of payment of dividends that may be imposed on it by any of its financing arrangements and current and prospective debt service requirements; and such other factors as the Board deems appropriate.

In any event, there can be no guarantee that the Company will pay any dividends in the future, even when it currently expects to retain future earnings for use in the operation and expansion of its business. The manner and date of payment thereof shall be determined by the Board.

3. *Nomination of the following as Directors for year 2012*

Upon recommendation made by the Nomination Committee, the Board approved the Nomination of Lucio L. Co, Susan P. Co, Ferdinand Vincent P. Co, Pamela Justine P. Co, Leonardo B. Dayao as Directors and Marilyn V. Pardo and Edgardo G. Lacson as Independent Directors of the Corporation for the year 2012.

The said nominees have accepted their nomination and will be endorsed for the election of the Stockholders during the Annual Meeting on 8 May 2012.

4. *Engagement of Manabat Sanagustin & Co, KPMG as External Auditor for the year 2012*

The Board approved the recommendation of the Audit Committee to engage the services of Manabat Sanagustin & Co, KPMG, as External Auditor of the Corporation for the year 2012.

In compliance with with SRC Rule 68, (3), (b), (iv) where it states that changes should be made in assignment of external auditor or assigned partner atleast every five (5) years, Mr. Arthur Machacon will be the new partner-in-charge of KPMG to handle the account of the Corporation.

B. On 28 March 2012, an official Statement was released by Puregold Price Club, Inc. re Acquisition of Shares of Kareila Management Corporation, said statement is hereby quoted in verbatim:

PGOLD Firms Up Plans to Acquire the S & R Membership Shopping Business

In the meeting of the Board of Directors of Puregold Price Club, Inc. (PGOLD) held on March 27, 2012, the Board of Directors approved the submission of a binding offer to acquire the 100% ownership of the equity of Kareila Management Corporation (Kareila), a company wholly owned by the Co Family, which owns and operates the S&R membership shopping clubs in the Philippines.

The proposed acquisition will be through a share for share swap, with PGOLD offering 450 shares for every outstanding Kareila share, which implies an equity value of approximately PHP 16.5 billion for Kareila, based on the closing share price of PHP 21.50 per share of PGOLD on 26th March 2012, the day prior to the approval of the transaction by the PGOLD board. The proposed transaction will result in the issuance of approximately 766 million new shares in PGOLD to the Co Family and post completion, the Co Family will own approximately 77% of outstanding shares in PGOLD.

The transaction is subject to approval by PGOLD stockholders and will be voted upon at PGOLD's annual stockholders' meeting on May 8, 2012.

Punongbayan and Araullo, a member-firm of the Grant Thornton International, has provided a fairness opinion on the acquisition. Further information on the transaction will be dispatched to stockholders prior to the annual stockholders' meeting in the coming weeks.

The S&R business was originally established in the Philippines in the year 2000 as a joint venture controlled by US company PriceSmart. Following a sale of PriceSmart's stake in the joint venture to their joint venture partners in 2005, the business was subsequently acquired by the Co Family in 2006. S&R today is the leading, and one of the only membership shopping club chains in the Philippines, and is modeled after successful warehouse membership shopping chains in the US such as Costco. S&R operates 6 membership shopping stores in the Philippines with 4 stores in Metro Manila, 1 store in Cebu and the newest store in Pampanga which opened in November 2011. S&R stores are on average between approximately 4,000 and 5,000 square meters in terms of net selling area and all stores have substantial parking space for customer use. As of December 31, 2011, S&R had approximately 214,746 paying members across its 6 stores.

S&R offers its customers high quality international and local brand names for both personal and business needs. A significant proportion of its sales are derived from imported international brands. It offers a broad product range in both food and non-food including fresh food, personal care, household products and electrical appliances as well as specialty services including deli, foodservice automotive services. S&R's target customers are the middle to upper class consumers in the Philippines, the A and B class consumers, which differs from PGOLD which targets the mass market C, D and E class consumers.

The S&R business has demonstrated high growth and high profitability in recent years. Based on the audited accounts of Kareila, S&R demonstrated total revenues of PHP 4.1 billion in 2010 and PHP 6.6 billion in 2011 implying growth of 61%, driven by the full year operations of the new store in Cebu as well as same store sales growth of about 39%. In 2011, gross profit of S&R was PHP 1.2 billion, implying a gross margin of 18.3%, EBITDA was PHP 0.976 billion implying an EBITDA margin of 14.7% and net income was PHP 660 million, implying a net margin of 9.9%.

PGOLD believes that the acquisition of S&R membership shopping business represents an exciting milestone in PGOLD's history and brings significant long-term strategic benefits and an additional avenue of growth for the Company. With both the PGOLD and S&R stores, the company will have a complete offering of hypermarkets, supermarkets, discount stores and now membership clubs, and will cover the entire spectrum of consumers in the Philippines. In addition, PGOLD believes that the acquisition will be earnings accretive in the coming years.

The management team of PGOLD is extremely excited by this opportunity and we look forward to delivering the benefits of this opportunity to the stockholders going forward.

C. On 29 March 2012, a global teleconference call was conducted among interested investors where the President of Puregold Price Club, Inc. rendered the following statements:

We are delighted to announce today the submission of a binding offer to acquire the 100% ownership of the equity of Kareila Management Corporation, a company wholly owned by the Co Family, which owns and operates S&R membership shopping clubs in the Philippines. The last 6 months has brought several major milestones for Puregold including our IPO on the Philippines Stock Exchange in October and the opening of our 100th store in December and we are delighted to announce another landmark in our company's history with this acquisition.

The proposed acquisition will be through a share for share swap, with Puregold offering 450 shares for every outstanding Kareila share, which implies an equity value of approximately PHP 16.5bn or US\$380m for Kareila, based on the closing share price of PHP 21.50 per share of Puregold on 26th March 2012, the day prior to the approval of the transaction by the Puregold board. The proposed transaction will result in the issuance of approximately 766 million new shares in Puregold to the Co family and postcompletion, the Co Family will own approximately 77% of outstanding shares in Puregold.

The transaction is subject to approval by Puregold stockholders and will be voted upon at our annual stockholders' meeting on May 8, 2012. Punongbayan and Araullo, a member-firm of the Grant Thornton International, has provided a fairness opinion on the acquisition. Further information on the transaction will be dispatched to stockholders prior to the annual stockholders' meeting in the coming weeks.

The S&R business was originally established in the Philippines in the year 2000 as a joint venture controlled by US company PriceSmart. Following a sale of PriceSmart's stake in the joint venture to their joint venture partners in 2005, the business was subsequently acquired by the Co Family in 2006. S&R today is the leading, and one of the only membership shopping club chains in the Philippines, and is modeled after successful warehouse membership shopping chains in the US such as Costco. S&R operates 6 membership shopping stores in the Philippines with 4 stores in Metro Manila, 1 store in Cebu and our newest store in Pampanga which was open in November 2011. S&R stores are on average between approximately 4,000 and 5,000 square meters in terms of net selling area and all stores have substantial parking space for customer use. As of December 31, 2011, S&R had approximately 214,746 paying members across its 6 stores.

S&R offers its customers high quality international and local brand names for both personal and business needs. A significant proportion of its sales are

derived from imported international brands. It offers a broad product range in both food and non-food including fresh food, personal care, household products and electrical appliances as well as specialty services including deli, foodservice automotive services. S&R's target customers are the middle to upper class consumers in the Philippines, the A and B class consumers, which differs from Puregold which targets the mass market C, D and E class consumers.

We believe the acquisition brings a number of strategic and financial benefits to Puregold including the following:

1. Acquisition of the leading warehouse club chain in the Philippines with strong heritage and brand name and bringing with it first mover advantages. S&R is best positioned to capitalize on the growth of the middle and upper class in the Philippines.
2. Expands the company's customer base and highly complementary to Puregold's existing operations. The acquisition of S&R does not impact Puregold's continuing growth focused on the mass market in the Philippines and provides the company with additional exposure to a new and complementary customer base.
3. The addition of S&R strengthens growth potential for Puregold into the longer term. Despite opening 2 new stores in the last 18 months, S&R only has 6 stores today and we believe that there are significant opportunities to expand this network, leveraging on Puregold's scale and existing platform.
4. S&R expands the Company's presence and infrastructure into regions outside of Luzon and Metro Manila which is a strategic focus for Puregold in the medium to long term.
5. The acquisition is expected to be earnings accretive in the first full year of acquisition based on the proposed acquisition price and internal forecasts for 2012.
6. Potential synergies through an integration of the Puregold and S&R businesses

The S&R business has demonstrated high growth and high profitability in recent years. Based on the audited accounts of Kareila Management Corporation, S&R demonstrated total revenues of PHP 4.1 billion in 2010 and PHP 6.6 billion in 2011 implying growth of 61%, driven by the full year operations of the new store in Cebu as well as same store sales growth of about 39%. In 2011, gross profit of S&R was PHP 1.2 billion, implying a gross margin of 18.3%, EBITDA was PHP 0.976 billion implying an EBITDA margin of 14.7% and net income was PHP 660 million, implying a net margin of 9.9%.

On a pro forma basis, assuming 2,000,000,000 shares had been in issue for the entire year for Puregold, and that S&R had been acquired by Puregold on January 1st, 2012, the acquisition would have been EPS accretive by approximately 4%. We believe the business will continue to grow strongly in the coming years, with growth in 2012 notably driven by the full year trading of the new store in Pampanga which was opened in November 2011. In addition, we expect that there could be potential margin uplift due to a change of concession agreement between PSMT Philippines Inc. and Kareila for the 4 stores in Metro Manila where effectively the payment by Kareila to PSMT Philippines Inc. reduced from 10% of sales to 4% of sales for those stores as of 1st, March 2011. As a result of these 2 factors, as well as continued organic growth, other potential new store openings and potential

synergies, we believe that the transaction will be result in strong earnings accretion on a pro forma basis for 2012 and 2013.

To conclude, we believe that the acquisition of S&R represents an exciting milestone in Puregold's history and brings significant long-term strategic benefits and an additional avenue of growth for the Company. With both the Puregold and S&R stores, the company will have a complete offering of hypermarkets, supermarkets, discount stores and now membership clubs, and will cover the entire spectrum of consumers in the Philippines. In addition, we believe that the acquisition will be earnings accretive in the coming years. The management team of Puregold is extremely excited by this opportunity and we look forward to delivering the benefits this opportunity with stockholders going forward.

SIGNATURE

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

PUREGOLD PRICE CLUB, INC.

30 March 2012


ATTY. CANDY H. DACANAY-DATUON
Compliance Officer