The Keepers Holdings

April 15, 2025

Securities and Exchange Commission
7907 Makati Avenue, Salcedo Village,
Bel-Air, Makati City

Attention: **Mr. Oliver O. Leonardo**
Director, Markets and Securities Regulation Department

Philippine Stock Exchange
6/F, PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **Atty. Johanne Daniel M. Negre**
OIC, Disclosure Department

Gentlemen:

For submission is the attached Annual Report (SEC Form 17-A) of The Keepers Holdings, Inc. for the year 2024.

Very truly yours,

Atty. Jewelyn A. Jumalon
Assistant Corporate Secretary and
Compliance Officer

COVER SHEET

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SEC Registration Number

THE KEEPERS HOLDINGS, INC.

(Company's Full Name)

NO. 900 ROMUALDEZ ST., PACO,
MANILA

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

JEWELYN A. JUMALON

(Contact Person)

(63) 917 861 2459

(Company Telephone Number)

1 2 3 1

Month **Day**

SEC FORM 17-A

(Form Type)

0 5 1 3

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowing

Total No. of Stockholders

Domestic

Foreign

' SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

SEC FORM 17-A, AS AMENDED
ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. **December 31, 2024**
For the fiscal year ended

2. **24015**
SEC Identification Number 24015

3. **004-512-387**
BIR Tax Identification No.

4. **THE KEEPERS HOLDINGS, INC.**
Exact name of the issuer as specified in its charter

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

6. (SEC Use Only) ☐
Industry Classification Code:

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

1007
Postal Code

8. **09178612459**
Issuer's telephone number, including area code

9. **Da Vinci Capital Holdings, Inc.**
Former name, former address, and former fiscal year, if changed since the last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stocks	**14,508,750,313**

11. Are any or all of these securities listed on a Stock Exchange.
Yes [x] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:
Philippine Stock Exchange, Common Stock

12. Check whether the issuer:

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

Yes [x] No [ ]

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

Yes [x]   No [ ]

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

Shares held by non-affiliates as of December 31, 2024	**Market Value per Share as of December 31, 2024**	**Total Market Value as of December 31, 2024**
3,020,958,222	P6,736,736,835.06	P32,354,513,197.90

DOCUMENTS INCORPORATED BY REFERENCE

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

a. 2024 Management Discussion and Analysis (**Annex "A"**) – incorporated as reference for Item 6.

b. 2024 Consolidated Audited Financial Statements (**Annex "B"**) – incorporated as reference for Items 2 (viii), 7, and 12.

c. 2024 Sustainability Report (**Annex "C"**) - incorporated as reference for Item 2 (xiii).

d. Business Profile of the members of the Board of Directors and Management Team (**Annex "D"**) – incorporated as reference for Item 9.

e. List of Registered Trademarks (**Annex "E"**) – incorporated as reference for Item 1 (2) (ix).

The Keepers Holdings

PART 1: BUSINESS AND GENERAL INFORMATION

Item 1. Business

(1) Business Development

THE KEEPERS HOLDINGS, INC. ("The Keepers" or the "Company") was first incorporated and registered with the Securities and Exchange Commission ("SEC") on November 5, 1963, as Mariwasa Manufacturing, Inc., to engage in the manufacture of ceramic tiles. It was listed on the Philippine Stock Exchange ("PSE") on September 3, 1991. On July 2, 2008, the SEC approved the change in corporate name to Mariwasa Siam Holdings, Inc., and its primary purpose changed from manufacturing to an investment holding Company. On April 26, 2013, the SEC approved the change in the name of Mariwasa Siam Holdings, Inc. to Da Vinci Capital Holdings, Inc. The Company had no operation or business from May 2013 to June 2021.

On March 29, 2021, the Board of Directors of the Company approved the issuance of 11,250,000,000 common shares of the Company to Cosco Capital, Inc. ("Cosco Capital"), which were created and issued out of an increase in its authorized capital stock, in exchange for 100% of the outstanding shares of Montosco, Inc. ("Montosco"), Meritus Prime Distributions, Inc. ("Meritus"), and Premier Wine & Spirits, Inc. ("Premier"). On June 18, 2021, the parties entered into a Deed of Exchange to implement the Share Swap Transaction, specifically, (a) 9,488,444,240 common shares of the Company were swapped with 7,500,000 common shares of Cosco Capital in Montosco; (b) 907,885,074 common shares of the Company were swapped with 7,500,000 common shares of Cosco Capital in Meritus; and finally, (c) 853,670,686 common shares of the Company were swapped with 1,500,000 common shares of Cosco Capital in Premier. The SEC approved the Company's application to amend its articles of incorporation to change its corporate name to 'The Keepers Holdings Inc.' and the Share Swap Transaction on June 30, 2021.

As a result of the Share Swap Transaction, the Company became legally and beneficially 100% owner of the outstanding shares of Montosco, Meritus, and Premier, while Cosco Capital owns a controlling equity interest (77.54%) in the Company.

The Share Swap Transaction qualifies as a tax-free exchange under Section 40(C)(2) of the Tax Code, as amended by the CREATE Law, which took effect on April 11, 2021. The CREATE Law removed the requirement of prior confirmation of the tax-free nature of exchange under Section 40(C)(2) of the Tax Code from the BIR to avail of the tax exemption. Only a tax clearance or Certificate Authorizing Registration (CAR) must be obtained from the relevant Revenue District Office. On September 8, 2021, the BIR issued a CAR covering the Share Swap Transaction.

Before the Share Swap Transaction, the subsidiaries were all individual subsidiaries of Cosco Capital, helmed by Lucio Co and his family. Cosco Capital also houses key retail, grocery, and wholesale distribution players in the Philippines, such as Puregold and S&R.

After completing the Share Swap Transaction, the Company became the beneficial owner of 100% of the three operating subsidiaries – Montosco, Meritus, and Premier.

The Company’s Follow-On Public Offering debuted on the Philippine Stocks Exchange on November 19, 2021, at P1.50 per share.

As of December 31, 2024, the Company has four subsidiaries – Montosco, Inc., Meritus Prime Distributions, Inc., Premier Wine & Spirits, Inc., Upfront Distributions Corp. and Fertuna Distributions, Inc.

The corporate structure of the Company is presented below:

Since its incorporation, the Company and its subsidiaries have never been subject to or involved in bankruptcy, receivership, or similar proceedings.

(2) Business of the Issuer

The Keepers Holdings, Inc. is a holding company that wholly owns three major players—Montosco, Meritus, and Premier—in the Philippines' liquor, wine, and specialty beverage distribution businesses.

1. Principal Products and Services

Montosco is a domestic corporation registered with the SEC on August 13, 2008, and was incorporated for the primary purpose of trading goods wholesale and retail. It is the lead company among the three (3) liquor companies subject to the Share Swap Transaction with Cosco Capital, having in its portfolio “Alfonso,” the number one imported brandy in the Philippines according to IWSR. “Alfonso” drives the liquor segment's revenue and bottom line. Montosco owns the brand and formulation of the ‘Alfonso’ brandy, which Bodegas produces under an agreement with Montosco based on Montosco’s formulation, taste, appearance, and packaging. Completing Montosco’s portfolio are brands from Diageo, one of the world's largest distillers, including “Johnnie Walker,” the number one imported blended scotch whisky in the Philippines, according to IWSR.

Meritus is a domestic corporation registered with the SEC on February 17, 2010, and was incorporated for the primary purpose of buying, selling, exporting, manufacturing, bottling, and distributing all kinds of wines, liquors, beers, and other alcoholic and non-alcoholic beverages, etc. Meritus prides itself on carrying the globally renowned bourbon whiskey brand, “Jim Beam,” also the number one imported US whiskey in the Philippines, according to IWSR. Its strong relationship with Beam Suntory – a “world leader” in the global premium spirits segment. It also represents the portfolio of W. Grants, where the globally renowned malt scotch whisky brand, “Glenfiddich”, is among its key brands. Rounding the list for Meritus are “Roku” and “Hendricks”- among the hottest craft gin brands in the market.

Premier is a domestic corporation registered with the SEC on June 19, 1996, and was incorporated to buy, sell, distribute, and market all kinds of goods, commodities, and merchandise at wholesale. Premier's portfolio has a good balance of spirits, wines, and specialty beverages. Its key distribution arrangements are with Treasury Wine Estates, one of the world's largest publicly listed wine companies, Proximo Spirits of the USA, Gruppo Campari of Italy, and Jinro of South Korea. Pernod Ricard, one of the largest publicly listed wine companies globally, Proximo Spirits of USA, Gruppo Campari of Italy, and Jinro of South Korea. Pernod Ricard, a “co-leader” in the global spirits segment, formed a joint venture partnership with Premier, establishing Pernod Ricard Philippines, Inc. as Pernod brands' marketing and distribution arm in the Philippines. Amongst Premier’s key brands are the globally renowned tequila brand, “Jose Cuervo”, also the number one imported tequila in the Philippines according to IWSR; globally renowned spirit brand, “Jinro”, also the number one imported soju in the Philippines according to IWSR; globally renowned wine brand, “Penfolds”; globally renowned energy drink brand, “RedBull”, also popular energy drink in the Philippines; and globally renowned sparkling water brand, “Perrier”, also famous sparkling water in the Philippines.

Fertuna domestic corporation registered with the SEC on December 13, 2022 with primary purpose of buying, selling, importing, distributing, among others, all kinds of wines and spirits, liquors, beers and other alcoholic and non-alcoholic beverages and drinks.

Upfront domestic corporation registered with the SEC on May 10, 2024 with primary purpose of buying, selling, distributing, marketing on wholesale and retail basis insofar as may be permitted by law, all kinds of goods, wares and merchandise of all kinds and description.

2. Percentage of Sales or Revenue from Foreign Sales

The Company has no sales outside the Philippines, but it has an investment in a joint venture with a Spanish company—Bodegas Williams Humbert SA, producer of “Alfonso” brandy.

3. Distribution Methods

The Company's model is centered around sales to businesses and not directly to consumers. It does not cater to retail. It covers sales to sub-distributors who sell the Company's products to consumers for on-site consumption, such as restaurants, bars, and clubs ("on-premise"), and to establishments that sell the products to consumers for consumption elsewhere, such as supermarkets, wholesalers, convenience stores, groceries ("off-premise"). It can cover the entire Philippines.

The Company's varied product portfolio, which spans several price points, is consistent and complementary with Puregold and S&R. S&R caters to the "A" and "B" market segments, while Puregold caters to the "C" and "D" market segments.

Around 80% to 90% of the Company's distribution is off-premise. End-consumers will ultimately consume the Company's products outside the establishments they purchase.

4. New Products and Services

On May 10, 2024, the Company incorporated Upfront Distributions Corp. "Upfront" with the SEC.

5. Competition

The Company's main competitor in its imported spirits distribution business in the Philippines is Emperador Inc. ("Emperador").. The rest are all minor players.

6. Suppliers

The top suppliers of the Company for the calendar year 2024 are (1) Bodegas Williams & Humbert SAU, (2) Casa Cuervo, SA DE C.V., (3) Diageo Philippines, Inc. (4) William Grants & Sons, (5) Red Bull Asia FZE. These top suppliers account for 85% of the Company's total supply cost.

7. Dependence upon a single or few suppliers or customer

None of the companies under the Company depend on a single or few suppliers or customers.

The Company targets all businesses that cater to all Filipino consumers of the legal drinking age from all walks of life. The top customers of the Company in 2024 are as follows: (1) Puregold Price Club, Inc. (2) Kareila Management Corporation (3) Tristar Trusted Marketing Inc. (4) Magis Distribution Inc. (5) Advect Marketing Corp. These customers accounted for 40% of the Company's total sales in 2024.

The Company targets various market segments, as its products cover a broad spectrum of alcoholic beverages—spanning spirits, wines, and specialty beverages—at multiple price points—from affordable to luxury. The Company's portfolio contains products from ₱200.00 to ₱183,000.00, the bulk of which comes from "Alfonso", which retails at around ₱200 for a 700mL standard bottle. The target market will depend on the specific product being sold/marketed.

8. Transactions with Related Parties

In their regular course of business, the Company, its subsidiaries, and affiliates have engaged in transactions with each other, primarily sales and purchases. Please refer to the attached 2024 Consolidated Audited Financial Statements (Annex “B”) for more details on the Company's Related-Party transactions.

9. Trademarks

The Company has registered 45 trademarks and tradenames duly registered with the Intellectual Property Office of the Philippines, please refer to Annex “E” for the details.

10. Government Approvals

The Company and the subsidiaries have obtained all material permits, licenses, and compliance certificates from the relevant and appropriate local government units and regulatory agencies in relation to their business.

11. Research and Development

The Company did not incur any expenses relating to research and development over the past three years.

12. Effect of Existing Governmental Regulations

The Company is subject to various government regulations, from importation procedures and requirements to sales ban rules for alcohol products implemented by various government units and monitor regulations that may have effect on the business operations or financial position.

13. Cost and Effect of Compliance with Environmental Laws

For more details on the Company’s compliance with environmental laws, please refer to the Company’s Sustainability Report (Annex “C”).

14. Employees

The Company has 245 employees as of December 31, 2024, the breakdown is as follows:

Executive:	8	Operations:	111
Senior Manager:	5	Head Office	134
Manager:	36		
Officer:	5		
Supervisor:	49		
Rank and File	126		
Consultant	16		
Total	245		

15. Major Risk

a. Demand for the Company’s products and services may be adversely impacted by changes in the economy.

Certain segments of the Company’s business and results of operations are highly dependent on demand from its customers for its products and services, and such demand may be adversely impacted by changes in the economy. As with other retail businesses, demand for its products and services depends partly on prevailing economic conditions. Adverse developments in the local or national economy, credit conditions, availability, disposable income, employment conditions, or other factors may decrease consumer spending generally or demand for its products and services, thus resulting in reduced demand for some or all of its products and services.

Any changes in this market, including adverse regulatory developments or adverse developments in consumers’ disposable income, could negatively affect the Company’s business due to the discretionary nature of the products as non-essential goods. The outlook for the Philippine economy remains uncertain and may be affected by future government policies, developments in the global economy or international relations, and other factors. Inflationary pressure also provides effects on the products distributed by the Company as it impacts the products in various ways. And may sometime cause lower consumer demand.

To mitigate this risk, the Company’s extensive portfolio caters to a diverse range of market consumers, allowing it to adapt to changes in economic conditions and still continue to deliver good results with consideration of the seasonality demand of the products. Maintaining product quality, pricing models, and other strategies are also in place to navigate and manage the effect changes in economy.

b. Strong competition could negatively affect prices and demand for the Company’s products and could decrease the Company’s market share.

The liquor and wine distribution industry in the Philippines is highly competitive. The Company competes with various distributors and manufacturers of liquor-selling merchandise, falling under the same categories that the Company offers based on price, store location, product assortment, availability and quality, customer service, brand recognition, or a combination of these factors. Moreover, the Company anticipates competition from new market entrants and joint partnerships between domestic distributors and international suppliers.

To differentiate its products from its competitors and establish its brands, each Subsidiary has a dedicated marketing team to promote each of its essential products and a designated brand manager for certain large brands. Intense competitive pressures, including those arising from its expansion strategy or its inability to adapt effectively and quickly to a changing competitive landscape, could affect its products' prices, margins, or demand. Despite these risks, the Company believes that it will be able to maintain its position in the market by relying on its scale, strong brands under its portfolio and diversified product lines to meet consumer needs, and readily available funding. The Company, over the years, has built strong brands that resonates with customers, innovations to create competitive edge, providing customer service to build loyalty and has continuously conducting market research to set competitive prices so as to maintain market share and further strengthen its presence

c. The Company is dependent on international suppliers that are subject to macroeconomic, social, and political developments and conditions in the countries where they operate, which may affect their respective businesses and thereby also impact the supply or price of the products that the Company distributes.

The Company relies on third-party suppliers to provide its liquor and alcoholic products. It may experience material disruptions in the supply of products due to prolonged interruptions in the operations of these suppliers, which may, in turn, be caused by several factors, including equipment failures or property damage experienced by these suppliers, changes in laws and regulations that affect their manufacturing processes, financial difficulties, and labor disputes faced by these suppliers. Other factors may also disrupt the Company's ability to obtain products from these suppliers, including weather-related events; natural disasters; trade policy changes or restrictions; tariffs or import-related taxes; third-party strikes, lock-outs, work stoppages, or slowdowns; shipping capacity constraints; port congestion; third-party contract disputes; supply or shipping interruptions or costs; military conflicts; acts of terrorism; or other factors beyond its control. Any such disruption could negatively impact the Company's financial performance or condition.

The Company maintains a balanced portfolio of third-party and house brands to mitigate the risk. Also, the Company acquired fifty percent (50%) of the producer of its leading brand, Alfonso, which drives growth and contributes significantly to its revenues, mainly to secure the supply line of this product. Further, the Company has continuously strengthened its supply chain management by maintaining safety stocks to cushion against disruptions and advanced forecasting through the use of previous years' experience to predict and calculate the demand for products and plans orders effectively. The company is not heavily dependent on third party brands.

d. The Company operates in a highly regulated industry.

The Company operates in a highly regulated environment. The subsidiaries are subject to extensive regulatory requirements regarding the Philippines' distribution, marketing, advertising, and labeling of its products.

Decisions and changes in the legal and regulatory environment in the domestic market and the countries in which it operates or seeks to operate could limit its business activities or increase its operating costs. The government may impose regulations such as increases in sales or specific taxes, which may materially and adversely affect the Company's operations and financial performance. To address regulatory risks like the imposition of higher excise taxes, the Company would employ an increase in its selling prices and make efforts to reduce costs.

Through years of operating in the industry, the subsidiaries have developed good working relationships with their regulators, allowing the Company to closely liaise with the appropriate regulatory agencies to anticipate potential problems and directional shifts in policy. Aside from that, the Company has been closely monitoring legal updates and sometimes participating in some of the government sponsored forums, while at the same time working closely with regulatory bodies to at least future changes. The Company has also developed strong risk management strategies to identify and address compliance risk.

e. The business's success depends partly on the Company’s ability to develop and maintain good relationships with key suppliers and distributors.

The Company derives its revenue from outright sales and concession product sales. Its success depends on its ability to retain key relationships with existing suppliers and attract new suppliers and liquor and wine producers on favorable terms and conditions. The Company has long-standing relationships with many national and multinational wine and liquor distributors and manufacturers worldwide.

The Company obtains discounts and rebates from suppliers tied to meeting sales targets, which allows it to maintain its competitive pricing. Should changes occur in market conditions or its competitive position, it may not be able to meet these targets or maintain or negotiate adequate support, which could hurt its business, financial condition, and results of operations.

If the Company is unable to maintain good relationships with its existing suppliers and concessionaires (which provide support teams for the sale of the consigned products), or if it is unable to develop and maintain new supplier and concessionaire relationships, it will be unable to carry merchandise and products that are in demand and can generate profit. Furthermore, if any of its outright sales suppliers or concessionaires changes its distribution methods, it may experience a disruption in its product supply. As a result, the Company’s market positioning, image, and reputation may be adversely affected, and its revenue and profitability may be impaired.

To mitigate this risk, the Company endeavors to maintain its long-standing good working relationship with its international partners through cooperation and open communications.

f. Any damage to the reputation of the alcoholic brands distributed by the Subsidiaries could harm the Group’s business.

The reputation and brand image of the alcohol brands carried by the subsidiaries are key factors in the success of the Company’s business. The Company believes that maintaining and enhancing the reputation of its distributed brands is integral to its business and the implementation of its growth strategy. Although the Group endeavors to select only reputable brands, nevertheless, the strength of these brands could also be affected due to noncompliance with laws and regulations, misconduct by employees or sales personnel or merchandisers assigned to its stores by its suppliers, customer claims, employee dissatisfaction with employment practices or other negative publicity involving the Company. Given that many of the Company’s suppliers are market-leading, multinational brand owners, such suppliers typically respond directly and immediately to protect their brand and reputation.

g. Intellectual property claims by third parties or the Group’s failure or inability to protect its intellectual property rights could diminish the value of its brand and weaken its competitive position.

The Company believes that the trademarks and other proprietary rights of the alcohol and wine brands it distributes have significant value and are important to identifying and differentiating certain of its products and services and its brand from its competitors. There can be no assurance that third parties will not assert rights in, or ownership of, its name, trademarks, and other intellectual property rights. The costs of defending and enforcing its intellectual property rights may cause it to incur significant time and legal expenses, and the Company may not be entirely successful in protecting its assets and enforcing its rights. If the Company is unable to protect and maintain its intellectual property rights, the value of its brand could be diminished, and its competitive position could suffer. To mitigate this risk, the Company only deals with reputable brands that have the capacity and resources to defend its brand in case of any intellectual property claims by third parties.

h. The Group's business is subject to seasonal influences.

The Company experiences seasonal fluctuations in its operations. Historically, its sales tend to peak in the fourth quarter of each year, primarily attributable to the Christmas and New Year holidays. Historically, the first quarter tends to be the slowest quarter after the slowdown of festivities and gift-giving during the fourth quarter. However, in recent years, the Company no longer heavily relies on the Christmas season. The Company has noted that sales in the other months have improved as the country matured, disposable income increased and also the impact of consumer behavior. The diversity of the Company's portfolio lowers dependence on the latter part of the year.

In preparation for its peak selling periods, it procures additional inventory, which would require additional cost. If sales during the Company's peak selling periods are significantly lower than it expects, or if there is any prolonged disruption in its operations during its peak selling periods, it may be unable to make purchases on time. It may be left with a substantial amount of unsold inventory, especially seasonal merchandise that is difficult to liquidate after the applicable season. This may materially and adversely affect its business, financial condition, and results of operations.

To hasten the movement of seasonal inventory, the Company also creates seasonal campaigns and offers discounts during specific occasions and low seasons to maintain demands, product bundling, adding complementary products and selling products online to reach customers in other regions or areas where the demands remain stable year-round and other consumer promotions

i. Increases in applicable tax rates, particularly excise taxes on alcoholic beverages, and changes in applicable taxes, incentives, and taxation laws may reduce demand for its products and services.

The Company is subject to various taxes, including VAT, excise taxes, duties, and tariffs. An increase in prices due to additional taxes may affect demand for its products in the Philippines. In particular, increases in excise taxes on alcoholic beverages may reduce the overall consumption of these products and reduce their margins, or both. Previous increases in excise tax rates, which result in the amount the consumers need to pay to purchase the goods, have adversely affected the sales volumes of its beverage business. Increases in excise tax, changes in the applicable tax regime or other taxes and incentives to which the Company is subject, or the imposition of new taxes on its operations or products, including as a result of ongoing tax reforms by the Government may (i) reduce consumption of its products if passed on to the consumers by way of upward price adjustments, (ii) reduce its margins if prices remain unchanged, or (iii) have both such effects if additional taxes are not fully passed on to the consumers. These, in turn, may materially and adversely affect the Group's business, financial condition, and results of operations. However, compared to local manufacturers, the margins of the Company's goods are less sensitive due to its premium niche.

Item 2. Properties

The Company does not own any land. It leases ten properties in the Philippines for its warehouses and offices. The lease rates and terms of these properties follow similar businesses' standard market rates and practices. The lease rates for the warehouses generally range from ₱150.00/sqm to ₱350.00/sqm, and they are subject to annual escalation rates in line with market standards. A summary of the Company’s leased properties for its existing warehouses is set out below.

Montosco

No.	Use of Property	Location	Lessor	Gross Floor Area	Expiration	Terms of Renewal
1	Warehouse	Pampanga	Lucio Co	2,025.38	April 30, 2029	Renewable upon mutual agreement of parties
2	Warehouse	Paranaque	League One, Inc.	8,822.50	December 31, 2029	Renewable upon mutual agreement of parties
3	Warehouse	Manila	KMC Realty Corporation	5,770.84	December 31, 2026	Renewable upon mutual agreement of parties

Meritus

No.	Use of Property	Location	Lessor	Gross Floor Area	Expiration	Terms of Renewal
1	Warehouse	Paranaque	VFC Land Resources, Inc.	500	December 31, 2025	Renewable upon mutual agreement of parties

Premier

No.	Use of Property	Location	Lessor	Gross Floor Area	Expiration	Terms of Renewal
1	Warehouse	Paranaque	League One, Inc.	4,857.18	May 31, 2025	Renewable upon mutual agreement of parties
2	Warehouse	Paranaque	League One, Inc.	599.60	August 31, 2025	Renewable upon mutual agreement of parties

Four offices are being used by the subsidiaries within Metro Manila area

Item 3. Legal Proceedings

The Company or its subsidiaries are not involved in, or the subject of, any material pending or threatened litigation.

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

During the 2024 Annual Meeting of Stockholders, which was held on 13 May 2024, the Company submitted the following matters for the approval of the stockholders:

a. Approval of the Minutes of the Previous Meetings and Ratification of Acts and Resolutions of the Board of Directors and Management in 2023
b. Annual Report and 2023 Audited Financial Statements
c. Election of Regular and Independent Directors
d. Re-appointment of External Auditor and fixing its remuneration

PART II: OPERATIONAL AND FINANCIAL INFORMATION

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

(A) Shares of stock

The Company's common stock trades on the Philippine Stock Exchange under "KEEPR." The quarterly high and low of stock prices (in Philippine Peso) for the last two fiscal years and in the current year are stated below:

	2022		2023		2024	
Period	**High**	**Low**	**High**	**Low**	**High**	**Low**
1st Quarter	1.51	1.14	1.60	1.28	1.46	1.33
2nd Quarter	1.30	1.08	1.65	1.46	1.78	1.30
3rd Quarter	1.34	1.06	1.74	1.49	2.12	1.62
4th Quarter	1.29	1.03	1.53	1.36	2.23	2.02

As of December 31, 2024, the Company's share is trading at P2.23 per share.

(B) Stockholders

As of December 31, 2024, the Company has:

Number of Stockholders on Record	484
Issued and Outstanding Shares	14,508,750,313
Listed Shares	14,508,750,313
Treasury Shares	0

As of December 31, 2024, the Company's top 20 stockholders are as follows:

	Stockholders	Number of shares	Percentage of Outstanding Voting Shares
1.	Cosco Capital, Inc.	11,250,000,000	77.54%
2.	PCD Nominee Corporation (Filipino)	2,124,475,908	14.64%
3.	PCD Nominee Corporatioj (Non-Filipino)	877,721,974	6.05%
4.	Invescap Incorporated	219,926,768	1.52%
5.	Carousel Holdings, Inc.	15,122,000	0.10%
6.	Beniya Antoinette Chua Catienza	4,094,100	0.03%
7.	Emily Chua Catienza	3,890,243	0.03%
8.	Yvonne Keh	3,781,750	0.03%
9.	Yvonne Ong Chua Keh ITF Abigail Janet Keh Stewart	3,528,250	0.02%
10.	Yvonne Ong-Chua Keh ITF Mitchell Jonathan Keh Stewart	3,528,250	0.02%
11.	TGN Realty Corp.	1,356,489	0.01%
12.	Tersero Inc.	323,964	0.00%
13.	Rudy A. Verano	200,000	0.00%
14.	Silcor Management	121,289	0.00%
15.	Peter Nepomuceno	98,762	0.00%
16.	Reliance Commercial Enterprises Incorporated	78,077	0.00%
17.	Dennis Granados Catienza	66,000	0.00%
18.	Citisecurities, Inc.	53,990	0.00%
19.	Rosario Chua Go	42,468	0.00%
20.	Emerson Co Seteng	41,128	0.00%

(C) Dividends and Dividend Policy

The Company's dividend policy is to declare an annual dividend payment ratio of at least 20% of its consolidated net income from the preceding fiscal year, subject to the requirements of applicable laws and regulations and the absence of circumstances that restrict the payment of dividends, including, but are not limited to, the following: (i) when the Corporation undertakes major projects and developments requiring substantial cash expenditures; or (ii) when the Corporation is restricted from paying dividends due to its loan covenants.

Since the follow-on offering in 2021, the Company declared and paid the following dividends:

Declaration Date	Dividend Per Share	Dividend Payment Ratio	Payment Date
December 21, 2021	P0.024	30%	January 28, 2022
December 20, 2022	P0.054	50%	January 20, 2023
December 11, 2023	P0.077	50%	January 18, 2024
May 14, 2024	P0.10	50%	June 20, 2024

(D) Recent Sale of Securities

None.

Item 6. Management's Discussion & Analysis of Financial Position and Results of Operation

Please refer to the Company's Management's Discussion and Analysis of Financial Position and Operation Results (Annex "A").

Item 7. Financial Statements

Please refer to the Company's 2024 Consolidated Audited Financial Statements (Annex "B").

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

None.

(a) Audit Fees

The Company paid the independent accountant, R.G. Manabat & Company, P1,650,200.00 as a professional fee for the 2022 audit, P1,875,200.00 as a professional fee for 2023, and P2,130,240.00 fee for the 2024 audit.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The Company has seven members on the Board of Directors: two females and five males; five of them are regular executive directors, and two are independent directors. No director of the Company concurrently serves as a director in five or more listed companies.

	Name	Age	Citizenship	Position
1	Mr. Lucio Co	70	Filipino	Chairman of the Board
2	Mr. Jose Paulino Santamarina	61	Filipino	President
3	Ms. Camille Clarisse Co	36	Filipino	Regular / Executive Director
4	Ms. Jannelle Uy	36	Filipino	Regular / Executive Director
5	Mr. Robin Derrick Chua	35	Filipino	Regular / Executive Director
6	Mr. Enrico Cruz	67	Filipino	Independent Director
7	Mr. Edgardo Lacson	81	Filipino	Independent Director

For the Directors' business profile, please refer to Business Profiles of Directors and Key Officers (Annex "D").

(ii) Corporate Officers and Key Officers

The Company's Corporate and Key Officers are as follows:

	Name	Age	Citizenship	Position
1	Mr. Lucio Co	70	Filipino	Chairman of the Board
2	Mr. Jose Paulino Santamarina	61	Filipino	President
3	Ms. Imelda Lacap	46	Filipino	Financial Comptroller
4	Ms. Ma. Editha Alcantara	53	Filipino	Treasurer
5	Ms. Abigail Lintag	35	Filipino	Internal Auditor
6	Ms. Baby Gerlie Sacro	46	Filipino	Corporate Secretary
7	Atty. Jewelyn Jumalon	30	Filipino	Assistant Corporate Secretary and Compliance Officer
8	John Marson Hao	42	Filipino	Investor Relations and Sustainability Officer

(B) Significant Employees

All employees are expected to make a significant contribution to the Company's operation. The Company's business is not highly dependent on the services of certain key personnel.

(C) Family Relationships

None of the Company's directors/independent directors and executive officers have any family relationships up to the fourth civil degree by consanguinity or affinity, except for Mr. Lucio L. Co, who is related by consanguinity to Ms. Camille Clarisse P. Co. (daughter), and to Mr. Robin Derrick Chua (nephew)

Item 10. Executive Compensation

The Company pays its employees and key officers fixed monthly compensation and a per diem allowance for board directors. In 2024, the Company provides per diem allowances for regular/special board of directors meeting amounting to P50,000.00 for the regular directors, and P100,000 for independent directors; the Company likewise grants per diem allowances for audit committee and corporate governance committee meetings to the independent directors-members in the amount of P20,000.00

The total annual compensation of the President and the four most highly compensated officers amounted to P11,778,400 in 2023 and P13,806,667 in 2024. Please see the table below for details:

(A) Summary Compensation Table

Name and Position	Year	Salary	Bonus	Other Annual Compensation
Jose Paulino L. Santamarina (President) Robin Derrick C. Chua (Director) Jannelle O. Uy (Director) Camille Clarisse P. Co (Director) Imelda G. Lacap (Comptroller)				
Aggregate compensation of the President and the four most highly compensated officers	2023	P11,778,400	-	-
	2024	P13,806,667	-	-
	Projected 2025	P15,187,333		
Aggregate compensation paid to all other officers and managers	2023	P11,379,041	-	-
	2024	P13,269,652	-	-
	Projected 2025	P14,596,617		

(B) Standard Arrangements

The Company has no standard arrangements under which the directors are compensated, directly or indirectly, for any services provided as directors except for per diem allowances during meetings.

(C) Other Arrangements

The Company has no other arrangements under which the directors are compensated, directly or indirectly, for any services provided as directors except for per diem allowances during meetings.

(D) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

All employees, including executive and principal officers, have employment contracts with the Company that follow existing labor laws.

(E) Warrants and Options

None.

Item 11. Security Ownership of Certain Beneficial Owners and Management

1. Security ownership of more than 5% of the stock of the Company as of December 31, 2024:

Title of Class	Name of Beneficial Owner	Nature of beneficial ownership	Citizenship	Number of Shares	Percent of Outstanding Voting Shares
Common	Cosco Capital, Inc. No. 900 Romualdez St., Paco, Manila 1007	Parent Company	Filipino	11,250,000,000	77.54%
Common	PCD Nominee Corp. (Filipino)	For Various Accounts/Clients	Filipino	2,124,475,908	14.64%%
Common	PCD Nominee Corp. (Non-Filipino)	For Various Accounts/Clients	Non-Filipino	877,721,974	6.05%

2. Security Ownership of Directors and Executive Officers of the Company as of December 31, 2024:

Title of Class	Name of Beneficial Owner	Nature of Beneficial Ownership	Citizenship	Number of Shares	Percentage of Outstanding Voting Shares
Common	Mr. Lucio Co Chairman	Direct	Filipino	1	0.00%
Common	Mr. Jose Paulino Santamarina President	Direct	Filipino	8,000,023	0.06%
Common	Ms. Camille Clarisse Co – Lao Director	Direct	Filipino	1,500,023	0.01%
Common	Mr. Robin Derrick Chua Director	Direct	Filipino	1,000,023	0.01%
Common	Ms. Jannelle Uy Director	Direct	Filipino	2,000,023	0.01%
Common	Mr. Enrico Cruz Independent Director	Direct	Filipino	2,750,023	0.02%
Common	Mr. Edgardo Lacson Independent Director	Direct	Filipino	1,000	0.00%
Common	Ms. Imelda Lacap Comptroller	Direct	Filipino	1,600,000	0.01%
Common	Ms. Ma. Editha Alcantara Treasurer	Direct	Filipino	1,000,000	0.01%
Common	Ms. Baby Gerlie Sacro Corporate Secretary	-	Filipino	-	-
Common	Atty. Jewelyn Jumalon Asst. Corporate Secretary	-	Filipino	-	-
Common	Ms. Abigael Lintag Internal Auditor & Data Protection Officer	Direct	Filipino	14,000	0.00%
Common	Mr. John Marson Hao Investor Relations & Sustainability Officer	-	Filipino	-	-

3. None of the officers or directors have any voting trust agreement for their ownership of the Company's stocks.

4. There has been no change in the control of the Company in the last fiscal period.

Item 12. Certain Relationships and Related Transactions

In their regular course of business, the Company, its subsidiaries, and affiliates have engaged in transactions with each other, mostly sales and purchases. Please refer to the attached Consolidated Audited Financial Statements (Annex "B") for more details.

PART IV – CORPORATE GOVERNANCE

(a) The Company ensures compliance with its Corporate Governance Manual. It has a Corporate Governance Committee, headed by an Independent Director, that oversees the general obedience to the Manual from the board level down to the managers and officers of the subsidiaries.

The Company will adopt a specific evaluation system that will establish or determine the level of compliance of the Board of Directors and top-level management with the Corporate Governance Manual.

(b) On July 25, 2014 and May 26, 2017, the Company adopted a Revised Corporate Governance Manual, incorporated therein are the leading practices on good corporate governance. On September 22, 2020, the Company also adopted a Material Related Party Transaction Policy, which guides the Board and the management in its dealings with related parties. The Corporate Governance Committee ensures adherence with the Revised Corporate Governance Manual, while the Audit Committee guarantees the Company's compliance with the Material Related Party Transaction Policy.

The Company annually submits a Corporate Governance Report (I-ACGR) to the Securities and Exchange Commission and Philippine Stock Exchange and posts it on its website. The I-ACGR details how the board and management operate the Company with integrity, transparency, and accountability.

(c) There were no deviations from the Revised Corporate Governance Manual.

(d) The Company likewise adopts an Environmental, Social, and Governance (ESG) Policies. These policies serve as a comprehensive framework, outlining the Company's commitment to responsible and ethical business practices across several key areas. The ESG Policies encompass a wide range of principles, including Business Conduct and Ethics, Anti-Bribery and Anti-Corruption, Data Privacy and Cybersecurity, Enterprise Risk Management, Environmental, Human Rights, Supplier Code of Conduct, and the management of Material Related Party Transactions

(e) The Company will continue to strengthen its compliance with the principles and leading practices of good corporate governance.

In 2024, the Company held eight (8) board meetings; four (4) audit committee meetings; two (2) corporate governance committee meetings; and one (1) executive committee meeting. The record of attendance of the Directors is as follows:

Name of Director	No. of Board Meetings Attended/Held	No. of Audit Committee Meetings Attended/Held	No. of Corp. Gov. Committee Meetings Held/Attended	No. of Executive Committee Meetings Held/Attended	Percentage
Mr. Lucio L. Co	8/8	Not a member	Not a member	1/1	100%
Mr. Jose Paulino L. Santamarina	8/8	4/4	Not a member	1/1	100%
Ms. Camille Clarisse P. Co	8/8	Not a member	Not a member	1/1	100%
Ms. Jannelle O. Uy	8/8	Not a member	Not a member	1/1	100%
Mr. Robin Derrick C. Chua	7/8	Not a member	2/2	1/1	90%
Mr. Enrico S. Cruz	8/8	4/4	2/2	Not a member	100%
Mr. Edgardo G. Lacson	8/8	4/4	2/2	Not a member	100%

On Sept. 26, 2024 the Company engaged the services of the Philippine Chamber of Commerce and Industry (PCCI) to conduct an Annual Corporate Governance Training for all directors and key officers.

PART V - EXHIBITS AND SCHEDULES

A. Annexes

2023 Management Discussion and Analysis of Financial Position	Annex “A”
2023 Consolidated Audited Financial Statements	Annex “B”
2023 Sustainability Report	Annex “C”
Business Profile of Directors and Key Officers	Annex “D”
List of Trademarks	Annex “E”

B. Reports on SEC Form 17-C

Date of Board Meeting	Items approved by the Board
April 4, 2024	(1) Corporate Governance Committee Charter (2) Nominees for the 2024 Annual Election of Directors: Mr. Lucio L. Co, Mr. Jose Paulino L. Santamarina, Mr. Robin Derrick Chua, Ms. Camille Clarisse Co and Ms. Jannelle O. Uy are the nominees for regular directors in the forthcoming Annual Stockholders’ Meeting and Mr. Enrico Cruz and Mr. Edgardo Lacson are the nominees for the election of independent directors. (3) Details of the Company’s 2024 Annual Stockholders Meeting: Date; May 13, 2024 Time: 1:00 PM Manner: Virtual Meeting Record Date: April 22, 2024 Agenda: a. Call to Order

	b. Approval of the minutes of the Previous Meeting c. Ratification of Previous Acts and Resolutions of the Board of Directors d. Annual Report and Audited Financial Statements e. Election of Directors f. Appointment of an External Auditor and Fixing Remuneration g. Other Matters h. Adjournment
April 11, 2024	(1) 2023 Audited Financial Statements and the plan to incorporate a new company
May 9, 2024	(1) Financial Report for the 1st Quarter of CY 2024
May 13, 2024	(1) Declaration of cash dividend: Regular Cash Dividend: P0.10 per share Declaration Date: May 13, 2024 Record Date: May 28, 2024 Payment Date: June 20, 2024 Total Pay-Out: P1,450,875,031.30 2023 Year Net Income: P2,916,249,558 Pay-Out Ratio: 50% Dividend Yield: 6.7% (2) Result of Annual Stockholders Meeting: a. Approval of the Minutes of the previous meeting and ratification of acts and resolutions of the Board of Directors and Management in 2023 b. Approval of the 2023 Annual Report and Audited Financial Statements c. Re-Appointment of RG Manabat & Company as External Auditor of the Company and subsidiaries with up to P1.2 million fees. d. Election of Mr. Lucio L. Co, Mr. Jose Paulino Santamarina, Ms. Camille Clarisse P. Co, Ms Jannelle O. Uy and Mr. Robin Derrick C. Chua as regular directors e. Election of Mr. Enrico S. Cruz and Mr. Edgardo G. Lacson as independent directors. (3) Result of Organizational Meeting: Approval of the appointment of the following officers for the year 2024-2025: Chairman: Mr. Lucio L. Co President: Mr. Jose Paulino L. Santamarina Treasurer: Ms. Ma. Editha D. Alcantara Corporate Secretary: Ms. Baby Gerlie I. Sacro Asst. Corporate Secretary & Compliance Officer: Ms. Jewelyn A. Jumalon Lead Independent Director: Mr. Enrico S. Cruz Financial Comptroller: Ms. Imelda D. Lacap Investor Relations Officer & Sustainability Officer: Mr. John Marson T. Hao Internal Auditor: Ms. Abigail Lintag Executive Committee: Chairman – Mr. Lucio L. Co Members – Mr. Jose Paulino L. Santamarina, Mr. Robin Derrick Chua, Ms. Camille Clarisse P. Co-Lao and Ms. Jannelle O. Uy Audit Committee: Chairman – Mr. Enrico S. Cruz Members – Mr. Edgardo G. Lacson and Mr. Jose Paulino L. Santamarina

	Corporate Governance Committee: Chairman – Mr. Edgardo G. Lacson Members – Mr. Enrico S. Cruz and Mr. Robin Derrick C. Chua
July 25, 2024	(1) Appointment of Ms. Abigael D. Lintag as Data Protection Officer and Risk Officer.
August 12, 2024	(1) 2nd Quarter Financial Report for the year 2024
November 11, 2024	(1) 3rd Quarter Financial Report for the year 2024 (2) Acquisition of up to 100% Outstanding Shares of Booze On-Line, Inc.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this **2024 ANNUAL REPORT OF THE KEEPERS HOLDINGS, INC.** (SEC FORM 17-A) is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Manila, Philippines on April 15, 2025.

LUCIO L. CO Chairman	**JOSE PAULINO L. SANTAMARINA** President
IMELDA D. LACAP Comptroller	**MA. EDITHA D. ALCANTARA** Treasurer
BABY GERLIE I. SACRO Corporate Secretary	**ATTY. JEWELYN A. JUMALON** Assistant Corporate Secretary & Compliance Officer

SUBSCRIBED AND SWORN to before me this 15 APR 2025 in the City of Manila, Philippines, affiants exhibited to me competent proof of their respective identities.

LUCIO L. CO	Passport No. P9314761A valid until 25 Oct 2028
JOSE PAULINO L. SANTAMARINA	Passport No. P7824851A valid until 05Jul 2028
IMELDA D. LACAP	TIN ID No. 202-072-397
MA. EDITHA D. ALCANTARA	Passport No. P0421784B valid until 25 Jan 2029
BABY GERLIE I. SACRO	Passport No. P5803963A valid until 28 Jan 2028
JEWELYN A. JUMALON	Passport No. P4726263B valid until 06 Feb 2030

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Book No. 14
Series of 2025

ROXANNE G. DOMINGO-MAUR
Notary Public for the City of Manila
Commission No. 2025-086 until December 31, 2026
Roll No. 69155
IBP Lifetime Member No. 018547
PTR No. MLA 2041455 / 01-02-2025
MCLE Compliance No. VIII-0019791 / 01-15-2025
2nd Floor Tabacalera Building, 900 D. Romualdez Street,
Barangay 664-A, Zone 71, District V, Paco, Manila, 1007

ANNEX "A"

Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following should be read in conjunction with the accompanying audited consolidated financial statements for the years ended December 31, 2024, and 2023 and the accompanying notes thereto.

Top Key Performance Indicators

The following are the financial soundness indicators used by the Group as of December 31, 2024, and 2023:

	December 31, 2024	December 31 2023
Current Ratio (1)	**4.95:1**	3.71:1
Asset to Equity Ratio (2)	**1.19:1**	1.24:1
Debt to Equity Ratio (3)	**0.19:1**	0.24:1
Debt to Total Assets Ratio (4)	**0.16:1**	0.20:1
Book Value per Share (5)	**P1.20**	P1.05

	December 31, 2024	December 31, 2023
Earnings per Share (6)	**P0.24**	P0.20
Return on Assets (7)	**17.80%**	15.09%
Return on Equity (8)	**21.65%**	20.26%

(1) Current Assets over Current Liabilities

(2) Total Assets over Total Equity

(3) Total Liabilities over Total Equity

(4) Total Liabilities over Total Assets

(5) Total Equity over Total Common Shares Outstanding

(6) Net income after tax over Weighted Average Common Shares Outstanding

(7) Net income after tax over Average Total Assets

(8) Net income after tax over Average Total Equity

I. Financial Performance

The following table shows the audited consolidated statements of comprehensive income for the years ended December 31, 2024, and 2023:

(In thousands)	**2024**	**% to Sales**	2023	% to Sales	**% Change**
Net Sales	**P18,527,107**	**100.0%**	P16,312,942	100.0%	13.6%
Cost of Sales	**13,294,986**	**71.8%**	11,863,009	72.7%	12.1%
Gross Profit	**5,232,121**	**28.2%**	4,449,933	27.3%	17.6%
Operating Expenses	**1,379,587**	**7.4%**	1,130,554	6.9%	22.0%
Income from Operations	**3,852,534**	**20.8%**	3,319,379	20.4%	16.1%
Share in the net income of an associate and a joint venture	**331,376**	**1.8%**	207,151	1.3%	60.0%
Other income-net	**128,182**	**0.7%**	43,527	0.2%	194.5%
Net Income before tax	**4,312,092**	**23.3%**	3,570,057	21.9%	20.8%
Provision for income tax	**773,245**	**4.2%**	653,807	4.0%	18.3%
Net Income after tax	**P3,538,847**	**19.1%**	P2,916,250	17.9%	21.3%

Net Sales

The Group’s consolidated net sales for the year ended December 31, 2024, amounting to P18.5 billion grew by 13.6% from the ₱16.3 billion consolidated net sales for the year ended December 31, 2023. The growth in 2024 was driven by the 14% increase in total cases sold. Brandy category posted a strong growth of 21% in value and 19% in volume.

Cost of Sales

The Group’s cost of sales increased by 12.1% for the year ended December 31, 2024. The minimal increase in the gross profit rate in 2024 is the result of the product sales mix.

Operating Expenses

Operating expenses amounting to P1.4 billion for the year ended December 31, 2024, increased by 22.0% as compared to the operating expenses in 2023 which amounted to P1.1 billion. The increase is attributable primarily to direct costs to sell which include logistics and promotional expenses. Other operating expenses increased by a low single digit due to additional headcount of employees, outside services and repairs and maintenance costs.

Share in the Net Income (Losses) of an Associate and a Joint Venture

This is mainly attributable to the share in the net income of investees. The increase of 60.0% resulted primarily from the improvements and efficiency in the investee’s operations and the realized share in gross profit from the previous year’s unsold inventories of the Group.

Other Income (Charges)-Net

This primarily consists of the interest income earned from the short-term placements of excess cash of the Group and the foreign exchange gains or losses, net of interest expense on bank loans, finance lease, and other charges.

Net Income

The Group’s net income after tax for the year ended December 31, 2024, amounted to P3.5 billion which is 21.3% higher than the net income after tax of P2.9 billion for the year ended December 31, 2023.

II. Consolidated Financial Position

The Group’s audited consolidated financial position as at December 31, 2024 and 2023 are shown below:

(in thousands)	**December 31, 2024**	**% to Total Assets**	December 31, 2023	% to Total Assets	**% Change**
Cash and cash equivalents	**P4,903,223**	**23.6%**	P2,897,269	15.2%	**69.2%**
Trade and other receivables – net	**2,849,451**	**13.8%**	2,461,436	12.9%	**15.8%**
Inventories	**5,876,751**	**28.3%**	7,658,757	40.3%	**(23.3%)**
Prepaid expenses and other current assets	**1,361,029**	**6.6%**	616,872	3.3%	**120.6%**
Total Current Assets	**14,990,454**	**72.3%**	13,634,334	71.7%	**9.9%**
Right-of-use assets – net	**44,723**	**0.2%**	65,787	0.3%	**(32.0%)**
Property and equipment – net	**27,519**	**0.1%**	28,961	0.2%	**(5.0%)**
Deferred income tax assets – net	**6,404**	**0.0%**	5,241	0.0%	**22.2%**
Investments in an associate and a joint venture	**5,606,810**	**27.0%**	5,214,533	27.5%	**7.5%**
Other noncurrent assets	**66,660**	**0.4%**	65,561	0.3%	**1.7%**
Total Noncurrent Assets	**5,752,116**	**27.7%**	5,380,083	28.3%	**6.9%**
Total Assets	**P20,742,570**	**100.0%**	P19,014,417	100.0%	**9.1%**
Trade and other payables	**P2,583,843**	**12.5%**	P2,196,725	11.6%	**17.6%**
Dividends payable	**532**	**-**	1,117,174	5.9%	**(100.0%)**
Income tax payable	**414,203**	**2.0%**	309,342	1.6%	**33.9%**
Lease liabilities – current	**30,961**	**0.1%**	55,635	0.3%	**(44.3%)**
Total Current Liabilities	**3,029,539**	**14.6%**	3,678,876	19.4%	**(17.7%)**
Loans payable	**260,000**	**1.3%**	-	0.0%	**100.0%**
Retirement benefits liability	**30,183**	**0.1%**	25,247	0.1%	**19.6%**
Lease liabilities - net of current portion	**19,596**	**0.1%**	19,646	0.1%	**(0.3%)**
Total Noncurrent Liabilities	**309,776**	**1.5%**	44,893	0.2%	**590.0%**
Total Liabilities	**3,339,315**	**16.1%**	3,723,769	19.6%	**(10.3%)**
Capital stock	**1,450,875**	**7.0%**	1,450,875	7.6%	**-**
Additional paid-in capital	**25,447,900**	**122.7%**	25,447,900	133.8%	**-**
Retained earnings	**11,327,401**	**54.6%**	9,239,428	48.6%	**22.6%**
Equity adjustments from common control Transactions	**(20,848,500)**	**(100.5%)**	(20,848,500)	(109.6%)	**-**
Accumulated remeasurements on retirement benefits	**(528)**	**(0.0%)**	428	0.0%	**(223.7%)**
Cumulative translation adjustment	**27,500**	**0.1%**	2,323	0.0%	**1084.0%**
Other reserves	**(1,392)**	**0.0%**	(1,806)	0.0%	**(23.0%)**
Total Equity	**17,403,255**	**83.9%**	15,290,648	80.4%	**13.8%**
	P20,742,570	**100.0%**	P19,014,417	100.0%	**9.1%**

Working Capital
As at December 31,2024 the Group’s working capital amounted to P12.0 billion. Current ratios are at 4.95x and 3.71x as of December 31, 2024 and December 31, 2023, respectively.

Current Assets
As at December 31, 2024, total current assets amounted to P15.0 billion which represents 72.3% of total assets.

Cash and cash equivalents amounted to about P4.9 billion as of December 31, 2024, or 23.6% of total assets. The balance increased by about 69.2% as compared to December 2023.

Trade and other receivables amounted to P2.8 billion as of December 31, 2024. The average collection period improved in 2024 to 45 days compared to the 47 days in 2023. The average credit terms offered to customers are from 30 to 60 days.

Inventories amounted to P5.9 billion or 28.3% of total assets as of December 31, 2024. This amount significantly decreased by 23.3% from the balance at the close of December 31, 2023. The average age of inventory improved to 186 days in 2024 as compared to the 214 days in 2023.

Prepaid expenses and other current assets amounted to P1.4 billion as of December 31, 2024. The increase of 120.6% is mainly due to the advance payments for excise tax for 2025 purchase orders.

Noncurrent Assets

As at December 31, 2024, total noncurrent assets amounted to P5.7 billion, representing 27.7% of total assets.

Right-of-use assets represent the values recognized from long-term lease contracts covering office and warehouse facilities. As of December 31, 2024, net book value amounted to P44.7 million. The net decrease of 32.0% was due to renewal of lease contracts and the amortizations recognized during the year.

Property and equipment-net book values amounted to P27.5 million as of December 31, 2024. This account mainly consists of the office and delivery equipment as well as leasehold improvements on leased office premises and warehouses.

Investments in an associate and a joint venture amounted to P5.6 billion as of December 31, 2024, or 27.0% of the total assets. This includes the group’s 30% acquired equity interest in Pernod Ricard Philippines (Pernod) in February 2019. Pernod increased its capitalization in September 2024 which required the additional capital investment from the Group. Investment in a joint venture as of December 31,2024, pertains to the acquisition of 50% equity interest in Bodegas Williams & Humbert SA. Both investments are accounted using the equity method.

Current Liabilities

As at December 31, 2024, total current liabilities amounted to P3.0 billion equivalent to 14.6% of total assets.

Trade and other payables amounted to P2.6 billion. This amount pertains to amounts due to trade and non-trade suppliers, both local and foreign.

Dividends payable as of December 31, 2023, amounting to P1.1 billion were paid on January 18, 2024. On May 13, 2024, the Board of Directors approved the declaration of cash dividends of P0.10/share, representing 50% of the consolidated net income for the year ended December 31, 2023, to stockholders on record as of May 28, 2024. The dividends were paid on June 20, 2024.

Income tax payable amounted to P414 million as of December 31, 2024. Income tax payable as at December 31, 2023, was paid in April 11, 2024.

Lease liabilities due within the year amounted to P30.9 million representing lease payable for the use of warehouses and offices.

Noncurrent Liabilities

As of December 31, 2024, total non-current liabilities amounted to P309 million.

Loans payable amounting to P260 million pertain to loans availed by its subsidiary, Premier Wine and Spirits. The proceeds were used primarily to fund the additional investment to Pernod brought by its increase in capitalization in September 2024.

Lease liabilities net of current portion payable for the succeeding year until the end of the lease agreements on the use of warehouses and offices amounted to P19.6 million.

Retirement benefit liability represents the present value of the defined benefits retirement obligations amounting to P30.1 million as of December 31, 2024, covering all regular employees.

Equity

As of December 31, 2024, total equity amounted to P17.4 billion or equivalent to 83.9% of total assets.

Capital stock amounted to P1.45 billion as of December 31, 2024, and December 31, 2023.

Additional paid in capital amounted to P25.4 billion of which, P21.3 billion resulted from the recognition of the difference between the fair market values of the three liquor distribution companies based on an independent valuation and the par value of the 11.250 billion new shares issued by the Company in favor of Cosco Capital pursuant to the share swap transaction between the Company and Cosco net of P46.8 million pertaining to shares issuance costs.

The balance also includes additional paid-in capital from November 2021 follow on offering of 3,000,000,000 primary shares amounting to P4.1 billion, net of the share issuance cost of P126.3 million.

Retained earnings amounted to P11.3 billion representing the aggregated retained earnings of the Company and the subsidiaries as of December 31, 2024, net of cash dividend declarations.

Equity adjustments from common control transactions amounting to P20.8 billion represent the difference between the fair market values and the carrying values of the net assets of the three liquor distribution companies recognized in accordance with the existing international accounting standards and guidance on consolidation of companies under common control.

III. Sources and Uses of Cash

The Group’s primary sources of liquidity are basically its net operating cash inflows augmented by the availment from bank loan facilities as and when required.

A summary of the consolidated cash flows during the comparative periods are shown below:

	For the years December 31	
(In thousands)	**2024**	2023
Net cash from (used) in operating activities	**P4,630,635**	(P92,717)
Net cash used in investing activities	**(240,862)**	(32,224)
Net cash used in financing activities	**(2,379,105)**	(1,766,119)
Effect of exchange rate changes	**(4,715)**	3,888
Net increase (decrease) in cash and cash equivalents	**P2,005,953**	(P1,887,172)

Net cash from the operating activities during the current period is basically attributable to the net effect of the increase in sales, collection of trade receivables, settlement of trade payable accounts, purchase of additional inventory requirements and other related current operating requirements.

Net cash used in investing activities mainly pertains to the additional investments to Pernod and the funds used for additional office equipment, transportation equipment and computer licenses.

Net cash used in financing activities in the current period is primarily due to the payment of dividends on January 18, 2024 and June 20, 2024, with the total amount of about P2.56 billion.

IV. Material Events and Uncertainties

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation;

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the year.

There are no material commitments for capital expenditures other than those performed in the ordinary course of trade of business in line with the Group's expansion program.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the revenues or income from continuing operations.

There are no significant elements of income not arising from continuing operations.

The Group experiences the fourth quarter of the year as the peak season relating to increased sales resulting from Christmas and New Year holidays.

ANNEX "B"

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

2 4 0 1 5

COMPANY NAME

THE KEEPERS HOLDINGS, INC.
AND SUBSIDIARIES

PRINCIPAL OFFICE **(No. / Street / Barangay / City / Town / Province)**

No. 900 Romualdez Street
Paco, Manila

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	

COMPANY INFORMATION

Company's email Address	Company's Telephone Number/s	Mobile Number
thekeepersholdings@gmail.com	(02) 522-8801 to 04	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
478	Any Day of May	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Jewelyn A. Jumalon	Corporate.secretary.sec@gmail.com	522-8801 to 04	0917-861-2459

CONTACT PERSON's ADDRESS

No. 900 Romualdez Street, Paco, Manila

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

THE KEEPERS HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024, 2023 and 2022

With Independent Auditors' Report

The Keepers Holdings

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **The Keepers Holdings, Inc. and its Subsidiaries (the "Group")**, is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as at and for the years ended **December 31, 2024, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free form material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders.

R.G. Manabat & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

LUCIO L. CO
Chairman of the Board

JOSE PAULINO SANTAMARINA
President

MA. EDITHA D. ALCANTARA
Treasurer

Signed this 15th day of April 2025.

SUBSCRIBED AND SWORN TO BEFORE
ME THIS 15 APR 2025 IN THE
CITY OF MANILA

ATTY. JOHN EDWARD T. ANG
NOTARY Public for City of Manila - until 12/31/2025
Notarial Commission No. 2023-001
2nd Floor Midland Plaza Hotel

DOC. NO. 2
PAGE NO. [illegible]
BOOK NO. [illegible]
SERIES [illegible]

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Telephone +63 (2) 8885 7000
Fax +63 (2) 8894 1985
Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS

The Stockholders and Board of Directors
The Keepers Holdings, Inc. and Subsidiaries
No. 900 Romualdez Street
Paco, Manila

Opinion

We have audited the consolidated financial statements of The Keepers Holdings, Inc. and its Subsidiaries (the “Group”), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audits of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Revenue Recognition (P18.53 billion)
Refer to Note 3 to the consolidated financial statements.

The risk
Revenue recognition is not complex for the Group but it is a significant measure to evaluate the Group's performance, which increases the risk of material misstatement that revenue may be inappropriately recognized.

Our response
We performed the following audit procedures, among others, on revenue recognition:

- We evaluated and assessed the revenue recognition policies of the Group in accordance with PFRS 15, *Revenue from Contracts with Customers.*

- We evaluated and assessed the design and implementation of the key controls over the revenue process.

- We tested, on a sample basis, sales transactions to supporting documentation such as sales invoices with corresponding customer acknowledgement, delivery documents and value-added-tax returns throughout the current period, as applicable, to ascertain that the revenue recognition criteria are met.

- We tested, on a sample basis, sales transactions for a selected period before and after year-end to supporting documentation such as sales invoices with corresponding customer acknowledgement and delivery documents, to assess whether these transactions are recorded in the correct reporting period.

- We tested specific journal entries posted to revenue accounts to identify unusual or irregular items.

- We performed substantive analytical review procedures over revenues such as, but not limited to, gross profit analysis, ratio analysis, and yearly and monthly analyses of sales per product/brand, volume and customer.

- We reviewed the adequacy of the Group's disclosure in respect of revenue.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audits of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audits resulting in this independent auditors' report is Mr. Darwin P. Virocel.

R.G. MANABAT & CO.

DARWIN P. VIROCEL
Partner
CPA License No. 0094495
SEC Accreditation No. 94495-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and up to audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
Tax Identification No. 912-535-864
BIR Accreditation No. 08-001987-031-2022
Issued June 27, 2022; valid until June 27, 2025
PTR No. MKT 10467159
Issued January 2, 2025 at Makati City

April 15, 2025
Makati City, Metro Manila

THE KEEPERS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Thousands)

		December 31	
	Note	**2024**	2023
ASSETS			
Current Assets			
Cash and cash equivalents	*6, 25*	**P4,903,223**	P2,897,269
Trade and other receivables - net	*7, 25*	**2,849,451**	2,461,436
Inventories	*8*	**5,876,751**	7,658,757
Prepaid expenses and other current assets	*9*	**1,361,029**	616,872
Total Current Assets		**14,990,454**	13,634,334
Noncurrent Assets			
Right-of-use assets - net	*20*	**44,723**	65,787
Property and equipment - net	*10*	**27,519**	28,961
Deferred income tax assets - net	*22*	**6,404**	5,241
Investments in a joint venture and an associate	*11*	**5,606,810**	5,214,533
Other noncurrent assets	*12, 20, 25*	**66,660**	65,561
Total Noncurrent Assets		**5,752,116**	5,380,083
		P20,742,570	P19,014,417
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	*13, 25*	**P2,583,843**	P2,196,725
Dividends payable	*16, 25*	**532**	1,117,174
Income tax payable		**414,203**	309,342
Lease liabilities - current	*20, 25*	**30,961**	55,635
Total Current Liabilities		**3,029,539**	3,678,876
Noncurrent Liabilities			
Loans payable	*14*	**260,000**	-
Retirement benefits liability	*21*	**30,183**	25,247
Lease liabilities - net of current portion	*20, 25*	**19,593**	19,646
Total Noncurrent Liabilities		**309,776**	44,893
Total Liabilities		**3,339,315**	3,723,769
Equity			
Capital stock	*16*	**1,450,875**	1,450,875
Additional paid-in capital	*16*	**25,447,900**	25,447,900
Retained earnings	*16*	**11,327,400**	9,239,428
Equity adjustments from common control transactions	*5*	**(20,848,500)**	(20,848,500)
Accumulated remeasurements on retirement benefits	*21*	**(528)**	428
Cumulative translation adjustment		**27,500**	2,323
Other reserves		**(1,392)**	(1,806)
Total Equity		**17,403,255**	15,290,648
		P20,742,570	P19,014,417

See Notes to Consolidated Financial Statements.

THE KEEPERS HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands, Except Per Share Data)

		Years Ended December 31		
	Note	**2024**	2023	2022
NET SALES	*15*	**P18,527,107**	P16,312,942	P13,957,192
COST OF GOODS SOLD	*17*	**13,294,986**	11,863,009	10,307,541
GROSS PROFIT		**5,232,121**	4,449,933	3,649,651
OPERATING EXPENSES	*18*	**1,379,587**	1,130,554	901,240
INCOME FROM OPERATIONS		**3,852,534**	3,319,379	2,748,411
SHARE IN NET INCOME (LOSSES) OF A JOINT VENTURE AND AN ASSOCIATE	*11*	**331,376**	207,151	(69,884)
OTHER INCOME - Net	*19*	**128,182**	43,527	106,246
INCOME BEFORE INCOME TAX		**4,312,092**	3,570,057	2,784,773
PROVISION FOR INCOME TAX	*22*	**773,245**	653,807	549,760
NET INCOME		**3,538,847**	2,916,250	2,235,013
OTHER COMPREHENSIVE INCOME				
Items that will never be reclassified to profit or loss in subsequent periods				
Share in other comprehensive income (loss) of an associate	*11*	**414**	466	(1,815)
Remeasurement losses on retirement benefits	*21*	**(1,275)**	(3,032)	(439)
Deferred income tax		**319**	389	(42)
		(542)	(2,177)	(2,296)
Item that may be reclassified to profit or loss in subsequent periods				
Foreign currency translation adjustment	*11*	**25,177**	640	1,683
		24,635	(1,537)	(613)
TOTAL COMPREHENSIVE INCOME		**P3,563,482**	P2,914,713	P2,234,400
BASIC AND DILUTED EARNINGS PER SHARE	*24*	**P0.24**	P0.20	P0.15

See Notes to Consolidated Financial Statements.

THE KEEPERS HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands)

		Years Ended December 31		
	Note	**2024**	2023	2022
CAPITAL STOCK				
Balance at beginning and end of year	*16*	**P1,450,875**	P1,450,875	P1,450,875
ADDITIONAL PAID-IN CAPITAL				
Balance at beginning and end of year		**25,447,900**	25,447,900	25,447,900
RETAINED EARNINGS				
Unappropriated:				
Balance at beginning of year		**9,239,428**	6,490,352	5,038,812
Net income for the year		**3,538,847**	2,916,250	2,235,013
Dividend declaration	*16*	**(1,450,875)**	(1,117,174)	(783,473)
Reversal of appropriation		**-**	950,000	-
		11,327,400	9,239,428	6,490,352
Appropriated:				
Balance at beginning of year		**-**	950,000	950,000
Reversal of appropriation		**-**	(950,000)	-
	16	**-**	-	950,000
Balance at end of year		**11,327,400**	9,239,428	7,440,352
EQUITY ADJUSTMENTS FROM COMMON CONTROL TRANSACTIONS				
Balance at beginning and end of year	*5*	**(20,848,500)**	(20,848,500)	(20,848,500)
ACCUMULATED REMEASUREMENTS ON RETIREMENT BENEFITS	*21*			
Balance at beginning of year		**428**	3,071	3,552
Remeasurement loss on retirement benefits during the year		**(956)**	(2,643)	(481)
Balance at end of year		**(528)**	428	3,071
CUMULATIVE TRANSLATION ADJUSTMENT				
Balance at beginning of year		**2,323**	1,683	-
Foreign currency translation adjustment during the year	*11*	**25,177**	640	1,683
Balance at end of year		**27,500**	2,323	1,683
OTHER RESERVES				
Balance at beginning of year		**(1,806)**	(2,272)	(457)
Share in other comprehensive income (loss) of an associate	*11*	**414**	466	(1,815)
Balance at end of year		**(1,392)**	(1,806)	(2,272)
		P17,403,255	P15,290,648	P13,493,109

See Notes to Consolidated Financial Statements.

THE KEEPERS HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)

		Years Ended December 31		
	Note	**2024**	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		**P4,312,092**	P3,570,057	P2,784,773
Adjustments for:				
Share in net losses (income) of a joint venture and an associate	*11*	**(331,376)**	(207,151)	69,884
Depreciation and amortization	*10, 18, 20*	**76,910**	78,485	75,382
Interest income	*6, 19*	**(99,257)**	(78,216)	(112,794)
Unrealized foreign exchange losses (gains)- net		**(30,619)**	15,743	9,675
Interest expense	*14, 19, 20*	**7,519**	5,170	9,173
Retirement benefit costs	*21*	**4,354**	3,412	2,573
Gain on disposal of property and equipment		**(300)**	(566)	(62)
Reversal of provision on probable losses	*23*	**-**	-	(11,975)
Operating income before working capital changes		**3,939,323**	3,386,934	2,826,629
Decrease (increase) in:				
Trade and other receivables		**(205,481)**	(234,352)	(184,902)
Inventories		**1,782,006**	(1,381,946)	(2,757,513)
Prepaid expenses and other current assets		**(744,157)**	454,608	(516,057)
Increase (decrease) in trade and other payables		**429,608**	(1,843,817)	2,707,723
Cash generated from operations		**5,201,299**	381,427	2,075,880
Income taxes paid		**(669,554)**	(551,435)	(492,175)
Interest received	*6, 19*	**99,257**	78,216	112,794
Retirement benefits paid	*21*	**(367)**	(924)	(532)
Net cash from (used in) operating activities		**4,630,635**	(92,716)	1,695,967
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of investment in joint venture and an associate	*11*	**(225,000)**	(730,000)	(4,332,512)
Additions to property and equipment	*10*	**(15,064)**	(16,734)	(18,031)
Additions to other noncurrent assets	*12*	**(1,099)**	(16,056)	(3,431)
Proceeds from disposals of property and equipment		**300**	566	1,008
Dividends received from joint venture	*11*	**-**	64,608	-
Net cash used in investing activities		**(240,863)**	(697,616)	(4,352,966)

Forward

		Years Ended December 31		
	Note	**2024**	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Dividends	*16*	**(P2,567,517)**	(P783,473)	(P348,210)
Lease liabilities - principal portion	*20*	**(64,067)**	(64,978)	(58,543)
Loans payable	*14*	**(20,000)**	(130,000)	-
Interest	*20, 27*	**(7,519)**	(5,577)	(8,766)
Due to related parties	*15*	**-**	(116,700)	-
Proceeds from availment of loans payable	*14*	**280,000**	-	130,000
Advances received from related parties	*15*	**-**	-	10,000
Net cash used in financing activities	*27*	**(2,379,103)**	(1,100,728)	(275,519)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(4,715)**	3,888	16,030
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**2,005,954**	(1,887,172)	(2,916,488)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**2,897,269**	4,784,441	7,700,929
CASH AND CASH EQUIVALENTS AT END OF YEAR	*6*	**P4,903,223**	P2,897,269	P4,784,441

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except Par Value,
Per Share Data and Number of Shares)

1. Reporting Entity

The Keepers Holdings, Inc. (the “Parent Company” or “TKHI”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 5, 1963, and its shares are listed in the Philippine Stock Exchange (PSE) on September 3, 1991. On June 30, 2021, the SEC approved the amendments to certain sections of the Parent Company’s Articles of Incorporation which include the extension of its corporate life into perpetual existence.

The principal activities of the Parent Company are to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidence of indebtedness and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been organized and to pay therefore in money or by exchanging shares of stocks of the Parent Company or any other corporation, while the owner or holder of any such real or personal property, stocks, bonds, debentures, contracts or obligations, to receive, collect and dispose of the interest, dividends and income arising from such property; and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned; to carry on and manage the general business of any company.

The Parent Company operates as a holding company of the following subsidiaries, joint venture and associate (collectively referred to as “the Group”) as at December 31, 2024 and 2023:

		Percentage of Ownership	
Entity	**Place of Incorporation**	**Direct**	**Indirect**
Montosco, Inc. (MI)	Philippines	100%	-
Meritus Prime Distribution, Inc. (MPDI)	Philippines	100%	-
Premier Wine and Spirits, Inc. (PWSI)	Philippines	100%	-
Fertuna Distributions, Inc. (FDI) (a)	Philippines	100%	-
Upfront Distributions Corp. (UDC) (b)	Philippines	100%	-
Pernod Ricard Philippines, Inc. (Pernod)	Philippines	-	30%
Bodegas Williams and Humbert SA (Bodegas)	Spain	50%	-

(a) Started commercial operations in April 2023

(b) Newly incorporated in 2024.

MI, MPDI, PWSI and FDI are incorporated and registered with the Philippine SEC on August 13, 2008, February 17, 2010, June 19, 1996 and December 13, 2022, respectively. The subsidiaries engage primarily in buying, selling, importing, manufacturing, repackaging, preparing, bottling, and distribution on wholesale of all kinds of wines, spirits, liquors, beers and other alcoholic and non-alcoholic beverages and drinks.

UDC was incorporated and registered with the Philippine SEC on May 10, 2024. The principal activity of the Company is to carry on the business of buying, selling, distributing, marketing on wholesale and retail basis insofar as may be permitted by law, all kinds of goods, wares, merchandise of every kind and description, and to enter into all kinds of contracts for export, import purchase, acquisition sale on wholesale and retail basis. The Company started commercial operations in December 2024.

MI, MPSI, PWSI, FDI and UDC are collectively referred to as “the Subsidiaries”.

Additional information on the joint venture and associate is disclosed in Note 11 of the consolidated financial statements.

As at December 31, 2024 and 2023, the Parent Company is 77.54%-owned by Cosco Capital, Inc. (Cosco), a company incorporated in the Philippines. As at December 31, 2024 and 2023, Cosco is the immediate and ultimate parent of the Group.

The Group’s respective registered office address and principal place of business are presented below:

	Registered Office and Principal Place of Business
TKHI	No. 900 Romualdez Street, Paco, Manila
MI	1501 Federal Tower, Dasmariñas Street, Binondo, Manila
MPDI	704 Federal Tower, Dasmariñas Street, Binondo, Manila
PWSI	Gate 1, Tabacalera Compound, 900 D. Romualdez Street, Paco, Manila
FDI	1204 Federal Tower, Dasmariñas Street, San Nicolas, Manila
UDC	701 Federal Tower, Dasmariñas Street, San Nicolas, Manila
Pernod	Units 509-P & 510-P Five E-com Center, Pacific Drive Extension, Mall of Asia Complex, Pasay City
Bodegas	Ctra Nacional IV Km 641, 11408 Jerez De La Frontera, Spain

2. Basis of Preparation

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. PFRS Accounting Standards which are issued by the Philippine Financial and Sustainability Reporting Standards Council, consist of PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations based on the International Financial Reporting Interpretations Committee (IFRIC) interpretations.

Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis of accounting except for retirement benefits liability which is measured at the present value of the defined benefits obligation.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company, the Subsidiaries and the Group’s interests in a joint venture and an associate accounted for under the equity method of accounting. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Subsidiaries
A subsidiary is an entity controlled by the Group. The Group controls an entity if, and only if, the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that such control ceases.

The financial statements of the liquor entities are prepared for the same financial reporting year as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group balances, transactions, income, and expenses resulting from intra-group transactions are eliminated in full.

Functional and Presentation Currency
The consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. The financial statements are presented in Philippine peso, which is also the Parent Company's functional currency. All amounts are rounded to the nearest thousands, except par value, per share data, number of shares and when otherwise indicated.

Authorization for Issuance of the Consolidated Financial Statements
The accompanying consolidated financial statements of the Group as at December 31, 2024 and 2023 were approved and authorized for issuance by the Group's BOD on April 11, 2025.

3. Summary of Material Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, except for the changes in accounting policies as explained below.

Adoption of Amendments to Standard
The Group has adopted the following amendments to standards starting January 1, 2024 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption did not have any significant impact on the Group's consolidated financial statements. The amendments are as follows:

- *Lease Liability in a Sale and Leaseback (Amendments to PFRS 16 Leases).* The amendments confirm the following:

    - On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.

    - After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. For example, the seller-lessee could determine the lease payments to be deducted from the lease liability as expected lease payments or as equal periodic payments over the lease term, with the difference between those payments and amounts actually paid recognized in profit or loss.

The amendments are applied retrospectively in accordance with PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale-and-leaseback transactions entered into after the date of initial application of PFRS 16.

- *Classification of Liabilities as Current or Noncurrent – 2020 amendments and Non-Current Liabilities with Covenants – 2022 amendments (Amendments to PAS 1, Presentation of Financial Statements).* To promote consistency in application and clarify the requirements on determining whether a liability is current or noncurrent, the amendments:

  - removed the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

  - clarified that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current and covenants with which the entity must comply after the reporting date do not affect a liability's classification at that date;

  - provided additional disclosure requirements for non-current liabilities subject to conditions within twelve months after the reporting period to enable the assessment of the risk that the liability could become repayable within twelve months; and

  - clarified that settlement of a liability includes transferring an entity's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or noncurrent.

- *Supplier Finance Arrangements (Amendments to PAS 7 Statement of Cash Flows and PFRS 7 Financial Instruments: Disclosures).* The amendments introduce new disclosures about a company's supplier finance arrangements that would enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, a company discloses in aggregate for its supplier finance arrangements:

  - the terms and conditions of the arrangements;

  - beginning and ending carrying amounts and associated line items of the financial liabilities that are part of a supplier finance arrangement, distinguishing those for which suppliers were already paid, and range of payment due dates including those for comparable trade payables not part of a supplier finance arrangement; and

  - the type and effect of non-cash changes in the carrying amounts.

The amendments also add supplier finance arrangements as an example to the existing disclosure requirements on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities.

A company is not required to disclose comparative information for any prior reporting periods, information on carrying amounts for which suppliers already received payment and range of payment due dates as at the beginning of the annual reporting period the company first applies the amendments, and information for any interim period within the annual reporting period in which the company first applies those amendments.

Statements of Cash Flows

The Group has chosen to prepare the consolidated statements of cash flows using the indirect method, which presents cash flows from operating activities as the income from operations adjusted for non-cash transactions, deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Interest paid on loans is presented as a financing activity. The Group has chosen to present dividends paid to its stockholders as a financing activity cash flow. In the cash flow statements, the Group has classified the principal portion of lease payments, as well as the interest portion, within financing activities. Variable lease payments not included in the measurement of the lease liability are classified as cash flows from operating activities.

Common Control Business Combinations

Business combinations involving entities under common control are business combinations in which all entities are controlled by the same party both before and after the business combination. The Group accounts for such business combinations using the pooling of interest method.

In applying the pooling of interest method, the Group follows Philippine Interpretations Committee Question and Answer No. 2012-01, *PFRS 3.2 - Application of the Pooling of Interests Method for Business Combinations of Entities under Common Control in Consolidated Financial Statements,* which provides the following guidance:

- The assets and liabilities of the acquired company for the reporting period in which the common control business combinations occur, are included in the Group’s consolidated financial statements at their carrying amounts. No adjustments are made to reflect the fair values or recognize any new assets or liabilities at the date of the combination that otherwise would have been done under the acquisition method. The only adjustments that are made are those adjustments to harmonize accounting policies between the combining entities;

- No ‘new’ goodwill is recognized as a result of the business combination. Any difference between the consideration paid or transferred and the equity ‘acquired’ is presented as “Equity adjustments from common control transactions” account in the consolidated statement of financial position;

- The consolidated statements of comprehensive income reflect the results of the combining entities for the full year, irrespective of when the combination took place; and

- Comparatives are presented as if the entities had always been combined.

Additional information is disclosed in Note 11 to the consolidated financial statements.

Financial Instruments

Date of Recognition

The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Initial Recognition of Financial Instruments

Financial instruments are recognized initially at fair value. The initial measurement of financial instruments, except for those financial assets and financial liabilities classified or designated at fair value through profit or loss (FVTPL), includes transaction costs. Trade receivables without a significant financing component are initially measured at the transaction price.

Classification and Measurement of Financial Instruments

On initial recognition, the Group classifies its financial assets in the following categories: measured at amortized cost, financial assets at FVTPL and financial assets at fair value through other comprehensive income (FVOCI). The classification depends on the business model for managing the financial assets and the contractual terms of its cash flows.

The Group classifies its financial liabilities as either financial liabilities at amortized cost or financial liabilities at FVTPL. The Group classifies all financial liabilities at amortized cost.

Financial Assets at Amortized Cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect 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 amount outstanding.

Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Included in this category are the Group’s cash in banks, cash equivalents, trade and other receivables and refundable deposits.

Financial Liabilities at Amortized Cost

This category pertains to financial liabilities that are not held for trading or designated as at FVTPL upon inception of the liability. These include liabilities arising from operations or borrowings. The financial liabilities are recognized initially at fair value and subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization for any related premium, discount and any directly attributable transaction costs. These financial liabilities are included in current liabilities if maturity is within twelve months from reporting date.

Otherwise, these are classified as noncurrent liabilities.

This category includes the Group’s trade and other payables (excluding statutory obligations), due to related parties, loans payable, dividends payable and lease liabilities as at December 31, 2024 and 2023.

Impairment of Financial Assets

The Group measures loss allowances at an amount equal to lifetime expected credit losses (ECLs), except for debt securities that are determined to have low credit risk at the reporting date and other debt securities and bank balances for which credit risk has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Loss allowances for trade and other receivables and refundable deposits are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held) or the financial asset is more than 90 days past due on any material credit obligation to the Group. The Group has access to historical evidence that demonstrates a correlation between significant increases in the risk of a default occurring and financial assets on which payments are more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The 12-month ECLs are a portion of lifetime ECLs that represents the ECLs resulting from default events on the financial instrument that are possible within 12 months after the reporting date or a shorter period if the expected life of the instrument is less than 12 months.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the significant financial difficulty of the borrower or issuer, a breach of contract such as default, the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise, when it is probable that the borrower will enter bankruptcy or other financial reorganization, or the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Financial assets are written off when there is no reasonable expectation of recovery. The Group categorizes financial assets recorded at amortized cost for write off when a debtor fails to make payments or when it is probable that the receivable will not be collected. Where amortized cost financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

As at December 31, 2024 and 2023, no financial asset or financial liability was carried at fair value. The Group has no other assets or liabilities with recurring and non-recurring fair value measurements.

Inventories

Inventories, which consist of spirits, wines, specialty beverages, are valued at the lower of cost and net realizable value (NRV). Cost of inventories on hand is comprised of purchase price, including landed cost such as duties, transport and handling costs and other costs incurred in bringing them to their present location and condition less discounts, rebates and other stock withdrawals. Cost of inventories in-transit is comprised of purchase price. Cost is determined using the first-in, first-out method.

NRV represents the estimated selling price less costs to be incurred in marketing, selling and distribution. In determining the NRV, the Group considers any adjustment necessary to write-down inventories to NRV for slow-moving and near expiry products based on physical inspection and management evaluation.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value. The initial cost of items of property and equipment consists of its purchase price, including import duties and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to profit or loss in the period 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 item of property and equipment.

Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of Years
Transportation and delivery equipment	3 - 5
Leasehold improvements	3 - 5 or lease term, whichever is shorter
Office equipment	2 - 3
Furniture and fixtures	2 - 3
Computer software license	2
Machinery and equipment	3

Depreciation and amortization of an item of property and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation or amortization ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized.

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

Any change in the estimated useful lives and methods of depreciation and amortization are adjusted prospectively from the time the change was determined necessary.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is recognized in profit or loss. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts and any resulting gain or loss arising from retirement or disposal of property and equipment (calculated as the difference between the net proceeds and the carrying amount of the item) is recognized in the consolidated statements of profit or loss.

Intangible Asset

Intangible asset pertains to trademark which was acquired separately and measured on initial recognition at cost. The cost of intangible asset is the fair value at the date of acquisition. Following initial recognition, intangible assets with indefinite useful life are carried at cost less any impairment losses.

Investments in Joint Venture and an Associate

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. Joint operations arise where the Group has both rights to the assets and obligations for the liabilities relating to the arrangement and, therefore, the Group accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the Group has rights to the net assets of the arrangement.

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is defined as the power to participate in the financial and operating policy decisions of the entity but not control or joint control over those policies. An associate is accounted for using the equity method. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in joint venture and associate is accounted for using the equity method. The investment in joint venture and associate are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated statements of comprehensive income include the Group's share in net income and OCI of the joint venture and associate, until the date on which significant influence or joint control ceases.

An investment is accounted for using the equity method from the date on which it becomes a joint venture or an associate. On acquisition of the investment, any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

a. Goodwill relating to a joint venture and an associate is included in the carrying amount of the investment. Amortization of that goodwill is not permitted.

b. Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the joint venture or associate's net income or loss in the period in which the investment is acquired.

Unrealized gains arising from transactions with associate and joint venture are eliminated to the extent of the Group's interest in the associate. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. Distributions and dividends from the investee reduce the carrying amount of the investment.

The Group discontinues applying the equity method when its investment in the investee company is reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the investee company. When the investee company subsequently reports net income, the Group will resume applying the equity method but only after its share in net income equals the share in net losses not recognized during the period when the equity method was suspended.

The accounting policies of the joint venture and associate conform to those used by the Group for like transactions and events in similar circumstances.

Impairment of Noncurrent Nonfinancial Assets

The Group assesses at the end of each reporting period whether there is an indication that its non-current non-financial assets which include right-of-use assets, property and equipment and investment in joint venture and associate may be impaired. If any such indication exists and where the carrying amount exceeds the estimated recoverable amount, the assets or the cash generating unit (CGU) are written down to their recoverable amounts. The recoverable amount of the non-current non-financial assets is the greater of fair value less cost to sell and value-in-use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Impairment losses, if any, are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

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. The 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 prior years. Such reversal is recognized unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation and amortization charge are adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining useful life.

Capital Stock and Additional Paid-in Capital

Capital stock and additional paid-in capital are classified as equity. The proceeds from the issuance of common shares are presented in equity as capital stock to the extent of the par value of the issued and outstanding shares and any excess of the proceeds over the par value of the shares issued, less any incremental costs directly attributable to the issuance, net of tax, is presented in equity as additional paid-in capital. Transaction costs that are related jointly to more than one transaction are allocated to those transactions using a basis of allocation that is rational and consistent with similar transactions.

Retained Earnings

Retained earnings represent the cumulative balance of periodic net income or loss, dividend contributions, correction of prior year errors, effect of changes in accounting policy and other capital adjustments.

Appropriated retained earnings are accumulated earnings set aside by the BOD for a specific purpose. Unappropriated retained earnings are the residual amount of retained earnings after appropriation.

Equity Adjustment from Common Control Transactions

Equity adjustment from common control transactions is the difference between the acquisition cost of an entity under common control and the Parent Company's proportionate share in the net assets of the entity acquired as a result of a business combination accounted for using the pooling-of-interest method. Equity adjustment from common control transactions is derecognized when the subsidiary is deconsolidated, which is the date on which the control ceases.

Dividends on Common Shares

Dividends on common shares are recognized as liability and deducted from equity when approved by the BOD of the Group. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

Revenue Recognition

Revenue from contracts with customers is recognized upon transfer of goods to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group concluded that it is acting as principal for the revenue arrangement below.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of Spirits, Wines and Specialty Beverages

Revenue from sale of spirits, wines and specialty beverages is recognized at the point in time when control of the asset is transferred to the customer, generally upon delivery. Revenue is recognized net of discounts, rebates, listing fees/display allowances and certain payments to customers after the initial sale of goods as reduction to revenue, unless it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated is subsequently resolved. Invoices are generated at the time of delivery and are usually due within 30 to 60 days.

Trade receivable is recognized by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of the time is required before payment is due.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The Group does enter into transactions with customers where contract liabilities result from consideration being received from the customer prior to the Group satisfying its performance obligations. These contract liabilities are presented as "Advances from customers" under "Trade and other payables" in the consolidated statements of financial position.

Interest Income
Interest income is recognized in profit or loss as it accrues, taking into account the effective yield on the asset.

Other Income
Other income is recognized as earned.

Cost and Expense Recognition
Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are generally recognized when the services are used or the expenses are incurred.

Cost of Goods Sold
Cost of goods sold is recognized when goods are shipped to the buyer. This includes the direct cost of sold inventories, taxes, duties and shipping costs and adjustments for losses and obsolete inventory.

Operating Expenses
Operating expenses are costs incurred to sell or distribute and to administer the business. These are recognized as expenses when it is probable that a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has occurred and the decrease in economic benefits can be measured reliably.

Employee Benefits
Short-term Employee Benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of the past service provided by the employee and the obligation can be estimated reliably.

Retirement Benefits Liability and Costs
The Group has an unfunded, noncontributory defined benefits retirement plan covering substantially all permanent, regular and full-time employees. The Group’s obligation in respect of the defined benefits is calculated by estimating the amount of the future benefits that employees have earned in the current and prior period and discounting that amount.

The calculation of defined benefits obligations is performed on a periodic basis by a qualified actuary using the projected unit credit method.

Remeasurements of the retirement benefits liability, which comprise of actuarial gains and losses, are recognized immediately in other comprehensive income. The Group determines the interest expense on the retirement benefits liability for the period by applying the discount rate used to measure the retirement benefits liability at the beginning of the annual period to the then retirement benefits liability, taking into account any changes in the retirement benefits liability during the period as a result of benefit payments, if any. Interest expense and other expenses related to defined benefits plans are recognized in profit or loss.

When the benefits of the plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past service or gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains or losses on the settlement of defined benefits plans when the settlement occurs.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and,

- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Group as Lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortized using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be amortized over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment loss, if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is presented as a separate line item in the consolidated statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following: (a) fixed payments, including in-substance payments; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; (c) amounts expected to be payable under a residual value guarantee; and, (d) the exercise price under a purchase option the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate; if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or, if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term Leases

The Company has elected not to recognize right-of-use assets and lease liabilities for short term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Income Taxes

Provision for income tax is composed of current income tax and deferred income tax. Provision for income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income, in which case, it is recognized directly in equity or in other comprehensive income.

Current Income Tax

Current income tax assets and current income tax 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 as basis to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Uncertainties related to taxes that are not income taxes are recognized and measured in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* unless they are dealt with specifically in another standard.

Deferred Income Tax

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the reporting 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 and carryforward benefits of unused net operating loss carryover (NOLCO) to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and the carryforward benefits of unused NOLCO can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting 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 reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred income tax assets to be recovered.

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

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

Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group determines and presents operating segments based on the information that is internally provided to the Chairman and President, collectively as the Group's chief operating decision maker. The Group has single segment, which is the sale of sale of spirits, wines and specialty beverages to customers.

The measurement policies of the Group used for segment reporting under PFRS 8, *Operating Segments* are the same as those used in the consolidated financial statements. There have been no changes in the measurement methods used to determine reported segment profit or loss from prior periods.

Basic and Diluted Earnings Per Share (EPS)

Basic EPS is computed by dividing the net income for the period by the weighted average number of common shares outstanding during the period, with retroactive adjustment for any stock dividends declared.

Diluted EPS is computed in the same manner, adjusted for the effect of all potential dilutive debt or equity instruments.

Foreign Currency Denominated Transactions and Translation

Transactions in foreign currencies are recorded using the functional currency exchange rate at the date of transaction. Outstanding monetary assets and monetary liabilities denominated in foreign currencies are translated using the closing exchange rate at the reporting date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Philippine peso at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Philippine peso at the exchange rates at the date of transactions.

Foreign currency differences are recognized in OCI and accumulated in the cumulative translation adjustments.

When a foreign operation is disposed of in its entirety or partially such that significant influence or joint control is lost, the cumulative amount in the cumulative translation adjustments related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative translation adjustments is reclassified to profit or loss.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of the provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of reimbursement. If the effect of the time value of money is material, provisions are discounted using the current pre-tax rate that reflects, 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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

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

Events After the Reporting Date

Events after the reporting date that provide additional information about the Group’s financial position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

Standards Issued but Not Yet Adopted

A number of amendments to standards are effective for annual periods beginning after January 1, 2024. However, the Group has not early adopted the following new or amended standards in preparing these consolidated financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Group’s consolidated financial statements.

Effective January 1, 2025

- PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability (Amendments)* clarify that a currency is exchangeable into another currency when a company is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, a company needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the company because the currency is not exchangeable.

Earlier application is permitted. Comparative information is not restated and the effect of initially applying the amendments are adjusted to the opening balance of retained earnings, or to the cumulative amount of translation differences if the company uses a presentation currency other than its functional currency.

Effective January 1, 2026

- PFRS 9, *Financial Instruments* and PFRS 7, *Financial Instruments: Disclosures Amendments to the Classification and Measurement of Financial Instruments (Amendments)* relate to the date of recognition and derecognition, classification of financial assets, contractually linked instruments and non-recourse features, and disclosures on investments in equity instruments.

  Date of recognition and derecognition. The amendments clarified that:

  - a financial asset or financial liability is recognized on the date on which the entity becomes a party to the contractual provisions of the instrument unless the regular way exemption applies;
  - a financial asset is derecognized on the date on which the contractual rights to cash flows expire or the asset is transferred; and
  - a financial liability is derecognized on the settlement date, which is the date on which the liability is extinguished because the obligation specified in the contract is discharged or cancelled or expires or the liability otherwise qualifies for derecognition.

  However, the amendments provide an exception for the derecognition of financial liabilities where an entity may choose to derecognize a financial liability that is settled using an electronic payment system before the settlement date if, and only if, the entity has initiated the payment instruction that resulted in:

  - the entity having no practical ability to withdraw, stop or cancel the payment instruction;
  - the entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
  - the settlement risk associated with the electronic payment system is insignificant.

  Entities may choose to apply the exception on a system-by-system basis.

Classification of Financial Assets. The amendments related to classification of financial assets introduces an additional test to assess whether the solely payments of principal and interest (SPPI) criterion is met for financial assets with contingent features that are not related directly to a change in basic lending risks or costs.

The amendments clarified that when a contingent feature gives rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs, the financial asset has contractual cash flows that are SPPI if, and only if, in all contractually possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

Additional disclosures are required for all financial assets and financial liabilities that have certain contingent features that are not related directly to a change in basic lending risks or costs and are not measured at fair value through profit or loss.

Contractually Linked Instruments and Non-recourse Features. The amendments clarify the key characteristics of contractually linked instruments (CLIs) and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the ‘look through’ test). For example, it clarifies that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets; that CLIs have non-recourse features, but not all financial assets with non-recourse features are CLIs; and that the underlying pool of instruments of CLIs may include financial assets outside the scope of IFRS 9.

Disclosures on Investments in Equity Instruments. The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI). The entity discloses for each class of investment the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period. It also discloses any transfers of the cumulative gain or loss within equity during the reporting period related to investments derecognized during that reporting period.

Earlier application is permitted. Entities may choose to early-adopt the amendments for the recognition and derecognition of financial assets and financial liabilities separately from the other amendments.

- *Annual Improvements to PFRS Accounting Standards - Volume 11.* This cycle of improvements contains amendments to certain standards:

  - PFRS 7, *Financial Instruments: Disclosure - Gain or Loss on Derecognition (Amendments)* replaced the reference to ‘inputs that were not based on observable market data’ in the obsolete paragraph 27A of PFRS 7, with reference to ‘unobservable inputs’ in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.

- *PFRS 7, Financial Instruments: Disclosure - Introduction, Disclosure of Difference Between Fair Value and Transaction Price, and Credit Risk Disclosures (Amendments to Guidance on implementing PFRS 7). The amendments:*

  - clarified that the Guidance on implementing PFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7;
  - made the wordings on the disclosure of deferred difference between fair value and transaction price in paragraph IG14 of PFRS 7 consistent with the requirements in paragraph 28 of PFRS 7 and with the concepts in PFRS 9, *Financial Instruments* and PFRS 13, *Fair Value Measurement*; and,
  - simplified the wordings on credit risk disclosures in paragraph IG20B that the illustration does not include financial assets that are purchased or originated credit impaired.

- *PFRS 9, Financial Instruments - Derecognition of Lease Liabilities and Transaction Price (Amendments). The amendments:*

  - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss; and
  - replaced the term 'their transaction price (as defined in IFRS 15)' with 'the amount determined by applying IFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that’s unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

- PAS 7, *Statement of Cash Flows - Cost Method (Amendments)* replaced the term 'cost method' with 'at cost' given the definition of ‘cost method’ has previously been removed from PFRS Accounting Standards.

Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

Effective January 1, 2027

- PFRS 17, *Insurance Contracts* replace the interim standard, PFRS 4, *Insurance Contracts*. Reflecting the view that an insurance contract combines features of both a financial instrument and a service contract, and considering the fact that many insurance contracts generate cash flows with substantial variability over a long period, PFRS 17 introduces a new approach that:

  (a) combines current measurement of the future cash flows with the recognition of profit over the period services are provided under the contract;
  (b) presents insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses; and

(c) requires an entity to make an accounting policy choice portfolio-by-portfolio of whether to recognize all insurance finance income or expenses for the reporting period in profit or loss or to recognize some of that income or expenses in other comprehensive income.

Under PFRS 17, groups of insurance contracts are measured based on fulfilment cash flows, which represent the risk-adjusted present value of the entity's rights and obligations to the policy holders, and a contractual service margin, which represents the unearned profit the entity will recognize as it provides services over the coverage period. Subsequent to initial recognition, the liability of a group of insurance contracts represents the liability for remaining coverage and the liability for incurred claims, with the fulfilment cash flows remeasured at each reporting date to reflect current estimates.

Simplifications or modifications to the general measurement model apply to groups of insurance contracts measured using the 'premium allocation approach', investment contracts with discretionary participation features, and reinsurance contracts held.

PFRS 17 brings greater comparability and transparency about the profitability of new and in-force business and gives users of financial statements more insight into an insurer's financial health. Separate presentation of underwriting and financial results will give added transparency about the sources of profits and quality of earnings.

Full retrospective application is required, unless it is impracticable, in which case the entity chooses to apply the modified retrospective approach or the fair value approach. However, if the entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, then it applies the fair value approach. There is also a transition option allowing presentation of comparative information about financial assets using a classification overlay approach on a basis that is more consistent with how PFRS 9 will be applied in future reporting periods. Early application is permitted for entities that apply PFRS 9, *Financial Instruments* on or before the date of initial application of PFRS 17.

- PFRS 18, *Presentation and Disclosure in Financial Statements* will replace PAS 1, *Presentation of Financial Statements* and aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information.

    - *A More Structured Income Statement.* PFRS 18 promotes a more structured income statement. It introduces a newly defined 'operating profit or loss' and 'profit or loss before financing and income tax' subtotals, and a requirement for all income and expenses to be classified into three new distinct categories operating, investing, and financing - based on a company's main business activities. PFRS 18 also requires companies to analyze their operating expenses directly on the face of the income statement - either by nature, by function or on a mixed basis. Companies need to choose the presentation method that provides the 'most useful structured summary' of those expenses. New disclosures apply if any operating expenses are presented by function.

- *Management-defined Performance Measures.* PFRS 18 provides a definition for management-defined performance measures (MPMs) and introduces specific disclosure requirements. MPMs are subtotals of income and expenses that are used in public communications outside the financial statements, communicate management's view of an aspect of the financial performance of the entity as a whole and are not a required subtotal or a common income and expense subtotal listed in PFRS 18. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information and how it is calculated, and to reconcile it to an amount determined under PFRS Accounting Standards.

- *Greater Disaggregation of Information.* PFRS 18 provides enhanced guidance on how companies group information in the financial statements, including newly defined roles of the primary financial statements and the notes, principles of aggregation and disaggregation based on shared and non-shared characteristics, and specific guidance for labelling and describing items in a way that faithfully represents an item’s characteristics.

PFRS 18 also now require goodwill to be presented as a line item in the statement of financial position.

Consequential amendments to PAS 7, *Statement of Cash Flows* requires the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

PFRS 18 also amends PAS 33, *Earnings per Share* to permit companies to disclose additional amounts per share using as numerator a required income and expenses total or subtotal, a common subtotal listed in PFRS 18 or an MPM disclosed by the entity.

PFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. It applies retrospectively in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. Specific reconciliations are required to be disclosed. Eligible entities including venture capital organizations, mutual funds and some insurers will be allowed to change their election for measuring investments in associates and joint ventures from equity method to fair value through profit or loss.

4. Management’s Use of Judgments, Accounting Estimates and Assumptions

The preparation of the consolidated financial statements requires management to exercise judgments, make accounting estimates and use assumptions that affect reported amounts of assets, liabilities, income and expenses and related disclosures. Future events may occur which will cause the assumptions used in arriving at the accounting estimates to change. The effects of any change in accounting estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Accounting judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

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

Determination of the Group*'s Functional Currency*

The Group considers factors, including but not limited to, the currency that mainly influences sales prices of its goods and the currency in which receipts from operating activities are usually retained. Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency has been determined to be the Philippine peso. It is the currency that mainly influences the Group's operations.

Identifying a Lease

The Group uses its judgment in assessing that a contract is, or contains, a lease when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has the right to control the asset if it has the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

As a Lessee.

The Group has entered into various contracts for the lease of warehouse space. The Group has determined that it has the right to control the use of the identified assets over their respective lease terms (see Note 20).

Determining the Term and Discount Rate of Lease Arrangements

Where the Group is the lessee, management is required to make judgments about the lease term and the appropriate discount rate to calculate the present value of the lease payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases entered into by the Group as lessee, management uses the incremental borrowing rate, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses an approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group and makes adjustments specific to the lease. The weighted average rate applied ranges from 2.33% to 5.57%.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if it is reasonably certain that the lease will be extended (or not terminated) and, as such, included within lease liabilities.

For leases of office space and warehouse, the following factors are usually the most relevant:

- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).

- Otherwise, the Group considers other factors, including historical lease durations, the costs and business disruption required to replace the leased asset, enforceability of the option, and business and other developments.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the lessee's control, for example, when significant investment in the warehouse and office space is made which has a useful life beyond the current lease term.

Recognition of Revenue
The Group uses its judgment in determining the timing of the transfer of control on the goods that it delivered. The Group determined that the control is transferred for sale of goods when the Group has transferred physical possession of the goods and obtained the right to payment for the goods which is upon the customer's acceptance of the goods at the customer's warehouse.

Classification of Joint Arrangements
The Group classifies a joint arrangement as a joint operation or a joint venture depending on the rights and obligations of the parties in the arrangement. A joint operation is a joint arrangement, whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement (joint operators). A joint venture is a joint arrangement, whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement (joint venturers).

The Group classifies its joint arrangement as joint venture and assessed that it has the rights to the net assets of the arrangement.

Accounting Estimates and Assumptions
The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

Allowance for ECLs on Trade and Other Receivables and Refundable Deposits
The Group uses the ECL model in estimating the level of allowance which includes forecasts of future events and conditions. A credit loss is measured as the present value of all cash shortfalls (the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). The model represents a probability-weighted estimate of the difference over the remaining life of the trade and other receivables. The maturity of the Group's trade and other receivables is less than one year so the lifetime ECLs and the 12-month ECLs are similar. In addition, management assessed that the credit risk for its trade and other receivables as at the reporting date is low, therefore the Group did not have to assess whether a significant increase in credit risk has occurred.

ECLs of refundable deposits has been measured on a lifetime expected credit loss basis. In determining the ECL of refundable deposits, the Group considers the counterparties' financial condition and their capacity to return the amounts due. The Group assessed that the credit risk for the outstanding refundable deposits is low as majority of these are transacted with a counterparty that has a good credit standing.

An increase in the allowance for ECLs would increase the recorded operating expenses and decrease current assets.

The combined carrying amounts of trade and other receivables and refundable deposits amounted to P2,869,062 and P2,480,030 as at December 31, 2024 and 2023, respectively (see Notes 7, 12 and 25). The allowance for ECLs amounted to P2,621 as at December 31, 2024 and 2023.

Determination of NRV of Inventories
The Group's estimates of the NRV of inventories are based on the most reliable evidence available at the time the estimates are made, of the amount that the inventories are expected to be realized. These estimates consider the inventory obsolescence, physical deterioration, fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. A new assessment is made at NRV in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in NRV because of changes in economic circumstances, the amount of the write-down is reversed so that the new carrying amount is the lower of the cost and the revised NRV.

The carrying amounts of inventories as at December 31, 2024 and 2023 amounted to P5,876,751 and P7,658,757, respectively (see Note 8). No allowance to reduce inventory to NRV was recognized for the years ended December 31, 2024, 2023 and 2022.

Estimation of Useful Lives of Property and Equipment and Right-of-Use Assets
The Group estimates the useful lives of property and equipment and right-of-use assets based on the period over which these assets are expected to be available for use. The estimated useful lives of property and equipment and right-of-use assets are reviewed periodically and are updated if expectations differ from previous estimates due to asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future financial performance could be materially affected by changes in these estimates brought about by changes in the factors mentioned. Any reduction in the estimated useful lives of the property and equipment would increase depreciation and amortization expense and decrease noncurrent assets.

The estimated useful lives of property and equipment and right-of-use assets are discussed in Note 3 to consolidated financial statements. There is no change in the estimated useful lives of property and equipment for the years ended December 31, 2024 and 2023.

The combined carrying values of right-of-use assets and property and equipment as at December 31, 2024 and 2023 amounted to P72,242 and P94,748, respectively (see Notes 10 and 20).

Impairment of Intangible Asset with Indefinite Life
The Group determines whether intangible with indefinite life is impaired at least annually. This requires the estimation of their recoverable amounts. Estimating recoverable amounts requires management to make an estimate of the expected future cash flows from cash-generating unit to which they relate and to choose suitable discount rate to calculate the present value of those cash flows.

For the years ended December 31, 2024 and 2023, no impairment loss was recognized on the Group's intangible asset.

The carrying amount of intangible with indefinite life is P7,000 as at December 31, 2024 and 2023 (see Note 12).

Impairment of Noncurrent Nonfinancial Assets
The Group assesses at the end of each reporting period whether there is any indication that its noncurrent nonfinancial assets which pertain to right-of-use assets, property and equipment and investments in a joint venture and an associate are impaired. If any such indication exists, the Group estimates the recoverable amount of these assets. Determining the fair value of these non-current non-financial assets which requires the determination of the future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Group’s consolidated financial position and consolidated financial performance. The preparation of the estimated future cash flows involves significant judgment and estimations. While management believes that the assumptions made are appropriate and reasonable, significant changes in management assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS Accounting Standards.

For the years ended December 31, 2024, 2023 and 2022, no impairment loss was recognized on the Group's right-of-use assets, property and equipment and investments in an associate and a joint venture.

The combined carrying values of right-of-use assets, property and equipment and investments in a joint venture and an associate amounted to P5,679,052 and P5,309,281 as at December 31, 2024 and 2023, respectively (see Notes 10, 11 and 20).

Estimation of Retirement Benefits Liability and Costs
The cost of defined benefits retirement plans, as well as the present value of the retirement benefits obligation, is determined using actuarial valuations. The actuarial valuations involve making various assumptions. These include the determination of the discount rates, and future salary increases, among others. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefits obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

The Group has retirement benefits liability amounting to P30,183 and P25,247 as at December 31, 2024 and 2023, respectively (see Note 21).

Recognition of Deferred Income Tax Assets
The Group reviews its deferred income tax assets at each reporting date and reduces the carrying amount 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. The Group also reviews the expected timing and tax rates upon reversal of temporary differences and adjusts the impact on deferred income tax accordingly. The Group's assessment on the recognition of deferred income tax assets is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Group's past results and future expectations on revenues and expenses. While the Group believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect the Group's assessment of the realizability of deferred income tax assets and may lead to future addition to the provision for deferred income tax.

The Group has recognized deferred income tax assets amounting to P6,404 and P5,241 as at December 31, 2024 and 2023, respectively (see Note 22).

For the years ended December 31, 2024, 2023 and 2022, MI elected to avail optional standard deduction (OSD) in its determination of allowable deductions for income tax purposes which is equivalent to 40% of total gross income. MI intends to continue its availment of OSD in the subsequent years. MPDI has also availed OSD for the year ended December 31, 2023 (itemized deduction for the year ended December 31, 2022). On January 1, 2024, MPDI reverted to itemized deduction which is irrevocable for the taxable year of 2024.

As at December 31, 2024 and 2023, the Group has not recognized deferred income tax liability and deferred tax asset from temporary differences amounting to P24,361 and P32,454, respectively (see Note 22).

Provisions and Contingencies
The Group, in the ordinary course of business, sets up appropriate provisions for certain contractual and regulatory obligations, if any, in accordance with its policies on provisions and contingencies. In recognizing and measuring provisions, management takes risk and uncertainties into account.

The Group has no provision for probable losses as at December 31, 2024 and 2023. No provision for probable losses was recognized by the Group for the three years ended December 31, 2024 (see Note 23).

5. Business Combinations under Common Control

On February 19, 2021, the BOD approved the issuance of common shares of TKHI, which will be created and issued out of an increase in its authorized capital stock, in exchange for Cosco Capital, Inc.'s (Cosco) investments in Montosco, Inc. (MI), Meritus Prime Distributions, Inc. (MPDI) and Premier Wine and Spirits, Inc. (PWSI) (collectively referred to as "Subsidiaries" or "Liquor Entities"), under a Share Swap

The share swap transaction between TKHI and Cosco resulted into the strategic spin-off of the three (3) liquor subsidiaries of Cosco. Cosco has acquired a controlling interest to TKHI, a separately public listed company, as a result of the injection of these companies to TKHI.

The stockholders of TKHI approved the foregoing corporate actions in its annual stockholders meeting on May 28, 2021. On June 18, 2021, TKHI and Cosco signed a Deed of Exchange whereby Cosco Capital, Inc. shall transfer 100% of its shares in MI, MPDI and PWSI in exchange of 11,250,000,000 common shares at P2.00 per share.

On June 30, 2021, the SEC approved the increase in the Parent Company's authorized capital stock by virtue of the issuance to the Company of the Certificate of Approval of Increase of Capital Stock and Certificate of Filing of Amended Articles of Incorporation. The SEC also approved the other amendments to the Articles of Incorporation on the same date. As a result of the approval of the increase in the Parent Company's authorized capital stock, the issuance of the new shares to Cosco in exchange of 100% of the outstanding shares of MI, MPDI and PWSI (the "Share Swap Transaction") was completed. Consequently, the Parent Company became the legal and beneficial owner of the 100% outstanding shares each of MI, MPDI and PWSI, while Cosco obtained controlling interest in the Parent Company with an equity ownership of almost 98%. The acquisition of MI, MPDI and PWSI under a share swap transaction is considered to be a business combination of entities under common control as they are all under the common control of Mr. Lucio Co. before and after the acquisition.

Prior to June 30, 2021, TKHI was 85% owned by Invescap Incorporated ("Invescap"), a company that is incorporated in the Philippines. Cosco and Invescap are also companies controlled by Mr. Lucio Co before and after the acquisition.

With the approval of the increase in the Parent Company's authorized capital stock, the SEC consequently accepted and approved the transfer value of the shares of MI, MPDI and PWSI amounting to P22,500,000, the investment value of the Company in MI, MPDI and PWSI.

As the issuance of new shares to Cosco resulted in the Parent Company's public ownership level falling below the minimum twenty (20%) requirement under the SEC Memorandum Circular No. 13 Series of 2017 on the rules and regulations on minimum public ownership on initial public offering, the PSE suspended the trading of the Company's shares commencing July 8, 2021.

On September 8, 2021, the BIR issued the Electronic Certificate Authorizing Registration covering the Share Swap Transaction which confirms that the said transaction is exempt from capital gains tax.

Additional Listing of the Shares and Follow-on Public Offering

Following the increase in capital stock of the Parent Company and the Share Swap Transaction, the Parent Company's public ownership was reduced to 0.34%. On April 29, 2021, the Parent Company filed a request with the PSE for the grant of MPO Exemption Period for the minimum public float requirements of the PSE and the SEC (the "minimum public ownership (MPO) Rule") to commence from subscription by Cosco up to the completion of this Offer in order to comply with the minimum public ownership requirement of at least 20% public float upon and after listing. In its letter dated May 26, 2021, the PSE informed the Parent Company that it can only provide a relaxation of the MPO Rule to the end that the trading of the Company's shares will continue notwithstanding the public float being lower than the minimum public ownership required during the MPO Exemption Period if the following conditions concur: (i) the prior approval of the SEC on the grant of the exemption from the MPO Rule shall be first obtained by the PSE; and (ii) the Company secures a ruling/opinion from the Bureau of Internal Revenue ("BIR") for confirmation that Revenue Regulations No. 16-2012 will not apply during the MPO Exemption Period.

However, if subsequently the Parent Company's public ownership level decreases to below the MPO Rule minimum, then trading in the Company's shares may be suspended. Listed companies that become non-compliant with the minimum public ownership rules may be suspended from trading for a period of not more than six months and will automatically be delisted if they remain non-compliant after the lapse of the suspension period.

On July 14, 2021, the Parent Company filed a Registration Statement ("RS") with the SEC in accordance with the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799, the "SRC") for the registration of the Offer Shares. On July 19, 2021, the Parent Company filed its application for the listing and trading of offer shares with the PSE. On September 20, 2021, the Parent Company filed an amended Registration Statement which was rendered effective by SEC on October 7, 2021. The Permit to Sell ("PTS") of the Parent Company's Offer Shares was issued by SEC on November 3, 2021.

In compliance with Section 3 of the PSE Rules on Backdoor Listing, and Article V, Part A of the PSE Listing and Disclosure Rules on the Rule on Additional Listing of Shares, on August 19, 2021, the Company filed the application for listing with the PSE for additional shares of stock issued in connection with the increase of the capital stock and the Share Swap Transaction to comply with the PSE listing rules. The additional listing of shares without the conduct of a rights or public offering was approved by the stockholders on May 28, 2021.

Under BIR Revenue Regulations No. 16-2012, the sale, barter, transfer, and/or assignment of shares of listed companies that fail to meet the MPO Rule will be subject to capital gains tax and documentary stamp tax, unless temporary relief is granted and the trading suspension is not lifted. In line with the said ruling, any sale of the Offer Shares will be subject to capital gains tax and documentary stamp tax unless covered by a granted MPO exemption period, including the aforementioned confirmation by the BIR.

The Group recognized assets acquired and liabilities assumed at their carrying amounts in the individual financial statements of MI, MPDI and PWSI. No new goodwill was recognized in the consolidated financial statements. The difference between the consideration paid or transferred and the net assets acquired is recognized under "Equity adjustments from common control transactions" account in the consolidated statement of changes in equity.

Adjustments from the retrospective application of business combination under common control follow:

a. *Share Swap Transaction*

   Represents the issuance of 11,250,000,000 common shares of TKHI with a par value of P0.10 at P2.00 per share in exchange for Cosco's investments in MI, MPDI and PWSI, under a Share Swap Transaction as follows:

   - 9,488,444,240 common shares of TKHI were swapped with 7,500,000 common shares of Cosco in MI;

   - 907,885,074 common shares of TKHI were swapped with 7,500,000 common shares of Cosco in MPDI; and,

   - 853,670,686 common shares of TKHI were swapped with 1,500,000 common shares of Cosco in PWSI.

The details of the share swap transaction follows:

	% of Ownership	Amount
Transfer value as approved by SEC:		
MI	100%	P18,976,888
MPDI	100%	1,815,771
PWSI	100%	1,707,341
		22,500,000
Less: Par value of the shares issued by TKHI		1,125,000
Additional paid-in capital		P21,375,000

b. *Elimination of Investments in MI, MPDI and PWSI*

Details of the elimination follows:

	MI	MPDI	PWSI	Total
Capital stock	P750,000	P750,000	P150,000	P1,650,000
Additional paid-in capital	-	-	1,500	1,500
Equity adjustments from common control transactions	18,226,888	1,065,771	1,555,841	20,848,500
Transfer value	(18,976,888)	(1,815,771)	(1,707,341)	(22,500,000)
	P -	P -	P -	P -

c. *Equity Adjustments from Common Control Transactions*

This account represents the excess of transfer value over the paid-in capital of MI, MPDI and PWSI. Details are as follows:

	MI	MPDI	PWSI	Total
Transfer value	(P18,976,888)	(P1,815,771)	(P1,707,341)	(P22,500,000)
Paid-in capital acquired	750,000	750,000	151,500	1,651,500
	(P18,226,888)	(P1,065,771)	(P1,555,841)	(P20,848,500)

d. *Elimination of Intercompany Transactions*

There were no transactions and balances to be eliminated as at and for the year ended December 31, 2021.

6. Cash and Cash Equivalents

This account consists of:

	Note	**2024**	2023
Cash on hand		**P2,283**	P2,206
Cash in banks	*25*	**1,620,841**	1,440,247
Cash equivalents	*25*	**3,280,099**	1,454,816
		P4,903,223	P2,897,269

Cash in banks earns interest at the respective bank deposit rates. Interest income earned from cash in banks which are recognized in profit or loss amounted to P837, P765 and P731 for the years ended December 31, 2024, 2023, and 2022, respectively (see Note 19).

Cash equivalents pertain to short-term placements and earn interest at the prevailing short-term investment rates. Interest income earned from cash equivalents which are recognized in profit or loss amounted to P98,420, P77,451 and P112,063 for the years ended December 31, 2024, 2023, and 2022, respectively (see Note 19).

7. Trade and Other Receivables

This account consists of:

	Note	**2024**	2023
Trade:			
Third parties		**P1,795,960**	P1,483,859
Related parties	*15*	**783,100**	897,394
Allowance for ECLs		**(2,621)**	(2,621)
		2,576,439	2,378,632
Dividend receivable	*15*	**181,410**	-
Nontrade:			
Third parties		**88,730**	81,086
Related parties	*15*	**2,872**	1,718
		273,012	82,804
	25	**P2,849,451**	P2,461,436

Trade receivables are non-interest-bearing and are generally on a 30-to-60-day credit terms.

Nontrade receivables include receivables from suppliers for the reimbursements of expenses incurred by the Group for brand promotions. These are non-interest-bearing and are generally on a 30-day credit terms.

There are no movements for ECLs on third party trade receivables in 2024 and 2023.

8. Inventories

This account consists of:

	Note	**2024**	2023
At landed cost (on hand):			
Spirits		**P4,349,257**	P6,853,463
Wines		**330,105**	356,617
Specialty beverages		**89,893**	73,353
Others		**175**	-
At invoice cost (in-transit):			
Spirits		**1,092,392**	370,512
Others		**14,929**	4,812
	17	**P5,876,751**	P7,658,757

Cost of inventories charged to “Cost of goods sold” amounted to P13,294,986, P11,863,009 and P10,307,541 for the years ended December 31, 2024, 2023, and 2022, respectively (see Note 17).

In 2024 and 2023, no inventories were written down to their NRV.

9. Prepaid Expenses and Other Current Assets

This account consists of:

	2024	2023
Prepaid duties and taxes	**P984,989**	P451,042
Advances to suppliers	**347,129**	127,529
Input VAT	**3,292**	30,013
Prepaid import charges	**2,647**	2,327
Other prepaid expenses	**22,972**	5,961
	P1,361,029	P616,872

Prepaid duties and taxes include advance payment for excise taxes, customs duties and seals for purchased goods not yet received.

Advances to suppliers pertain to partial down payments made by the Group to suppliers which will be applied against future billings.

10. Property and Equipment

The movements and balances in this account are as follows:

	Transportation and Delivery Equipment	Leasehold Improvements	Office Equipment	Furniture and Fixtures	Computer Software License	Machinery and Equipment	Total
Cost							
January 1, 2022	P38,701	P30,672	P8,727	P3,969	P2,554	P1,241	P85,864
Additions	14,250	88	1,541	27	2,067	58	18,031
Disposals	(1,022)	-	-	-	-	-	(1,022)
December 31, 2022	51,929	30,760	10,268	3,996	4,621	1,299	102,873
Additions	9,574	335	1,846	-	4,961	18	16,734
Disposals	(3,684)	-	(109)	-	-	-	(3,793)
December 31, 2023	57,819	31,095	12,005	3,996	9,582	1,317	115,814
Additions	8,070	2,571	1,779	410	2,201	33	15,064
Disposals	(50)	-	-	-	-	-	(50)
December 31, 2024	**65,839**	**33,666**	**13,784**	**4,406**	**11,783**	**1,350**	**130,828**
Accumulated Depreciation and Amortization							
January 1, 2022	30,115	14,451	7,748	3,928	1,702	1,180	59,124
Depreciation and amortization	5,225	7,386	1,102	42	1,221	61	15,037
Disposal	(76)	-	-	-	-	-	(76)
December 31, 2022	35,264	21,837	8,850	3,970	2,923	1,241	74,085
Depreciation and amortization	7,048	5,458	1,525	16	2,476	38	16,561
Disposals	(3,684)	-	(109)	-	-	-	(3,793)
December 31, 2023	38,628	27,295	10,266	3,986	5,399	1,279	86,853
Depreciation and amortization	7,306	3,224	1,864	37	4,044	31	16,506
Disposals	(50)	-	-	-	-	-	(50)
December 31, 2024	**45,884**	**30,519**	**12,130**	**4,023**	**9,443**	**1,310**	**103,309**
Net Book Value							
December 31, 2023	P19,191	P3,800	P1,739	P10	P4,183	P38	P28,961
December 31, 2024	**P19,955**	**P3,147**	**P1,654**	**P383**	**P2,340**	**P40**	**P27,519**

Depreciation and amortization expense charged as part of “Operating Expenses” in profit or loss amounted to P16,506, P16,561 and P15,037 for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 18).

The cost of fully depreciated property and equipment that are still being used in the Group’s operations amounted to P77,064 and P62,919 as at December 31, 2024 and 2023, respectively.

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11. Investments in a Joint Venture and an Associate

The details of this account are as follows:

	2024	2023
Joint venture	**P5,238,946**	P5,070,846
Associate	**367,864**	143,687
	P5,606,810	P5,214,533

Investment in Joint Venture
In September 14, 2022, the Parent entered into a Share Purchase Agreement to acquire 50% interest or 646,775 shares of Bodegas Williams & Humbert SA (“Bodegas”) with a par value of €32 at €137.22 per share for €88,750 (equivalent to P5,062,512).

On such date, the Parent entered into a Shareholders' Agreement with Medina Portfolio, S.L.U., the owner of the remaining 50% shares of Bodegas, to regulate the joint ownership of Bodegas and joint participation of its governing bodies.

Bodegas was incorporated on October 11, 1974 under the name Luis Páez, S.A. It adopted its present name at an ordinary and extraordinary General Meeting of Shareholders held on June 22, 2004. Its principal place of business is at Carretera Nacional IV, km. 641.75, Jerez de la Frontera, Cádiz, Spain. Bodegas is engaged in all types of agricultural cultivation and operations, the import, export, acquisition, transformation, storage, packaging, industrialization, representation, sale and exploitation of all types of foodstuff and agricultural product and the manufacture of packaging for such products. It is also engaged in the preparation, production, manipulation, representation and wholesale or retail marketing, in Spain or abroad, of all types of food products, in particular alcoholic or non-alcoholic drinks and the distribution of said products.

The Group had initially prepared a provisional purchase price allocation in 2022. In 2023, the Group had finalized the amounts disclosed for the fair value of the purchased assets of Bodegas, including the recognition of goodwill.

The investment is accounted for using the equity method.

The following table summarizes the financial information of Bodegas, adjusted for fair value adjustments at acquisition and shows the reconciliation of the Group's share in net assets of such investee to the carrying amount of its investment as at December 31, 2024 and 2023:

	2024	2023
Balance at beginning of year	**P5,070,846**	P4,981,845
Share in net income, as adjusted	**332,613**	152,969
Dividends	**(189,690)**	(64,608)
Foreign currency translation adjustment	**25,177**	640
Balance at end of year	**P5,238,946**	P5,070,846

	2024	2023
Percentage Ownership Interest	**50%**	50%
Current assets	**P5,596,102**	P5,677,671
Noncurrent assets	**2,155,530**	2,101,254
Current liabilities	**1,725,113**	2,015,551
Noncurrent liabilities	**211,891**	220,894
Net Assets, As Recognized in the Financial Statements of Bodegas	**5,814,628**	5,542,480
TKHI's share of net assets	**2,907,314**	2,771,240
Goodwill	**1,996,128**	1,996,128
Excess of fair value over carrying amounts	**514,972**	559,633
Cumulative unrealized gross profit on unsold inventories	**(227,092)**	(265,123)
Cumulative translation adjustment	**27,500**	2,323
Foreign exchange differences	**20,124**	6,645
Carrying Amount of Investment in Joint Venture	**P5,238,946**	P5,070,846

The following table shows the Group's share in net income of the investee for the year ended December 31, 2024 and 2023:

	2024	2023
Revenue	**P8,542,381**	P8,430,839
Net income for the year	**678,485**	577,061
The Group's share in net income at 50%, as recognized in the financial statements of Bodegas	**339,243**	288,530
Unrealized gross profit on unsold inventories	**38,031**	(89,079)
Depreciation of excess fair value at 50%	**(44,661)**	(46,482)
	P332,613	P152,969

Investment in Associate
PWSI entered into a Shareholders' Agreement and a Share Purchase Agreement with Pernod Ricard Asia S.A.S and Allied Netherlands B.V. for the purchase of the shares of stocks of Pernod Ricards Philippines, Inc. (Pernod) for EURO 2.10 million (equivalent to P126,957) in February 2019.

On September 11, 2024, the directors and stockholders of Pernod approved the increase in the Corporation's authorized capital stock from P500,000,000 divided into 5,000,000 with a par value of P100.00 to P1,250,000,000 divided into 12,500,000 shares with a par value of P100.00. On the same date, PWSI's share in capital stock from 946,875 shares to 2,250,000 shares was also approved.

As at December 31, 2024 and 2023, PWSI owns 30% of Pernod shares.

Pernod wholesales and distributes distilled spirits. Pernod offers neutral spirits and ethyl alcohol used in blended wines and distilled liquors. Pernod serves customers throughout the world. Its principal address is at 4-C Palm Coast Avenue One E-com Center Building, Pasay City, 1300.

The financial year end date of Pernod is June 30. This is the reporting date established on the articles of incorporation of the associate. This is also the reporting date adopted by its parent company, Pernod Ricard Asia S.A.S. and its ultimate parent company, Pernod Ricard S.A.

The following table summarizes the financial information of Pernod and shows the reconciliation of the Group's share in net assets of such investee to the carrying amounts of its investment as at December 31, 2024 and 2023:

	2024	2023
Balance at beginning of year	**P143,687**	P89,039
Additional investment	**225,000**	-
Share in net income (loss)	**(1,237)**	54,182
Share in other comprehensive income	**414**	466
Balance at end of year	**P367,864**	P143,687

	2024	2023
Percentage Ownership Interest	**30%**	30%
Current assets	**P1,703,210**	P1,732,900
Noncurrent assets	**226,303**	227,489
Current liabilities	**707,581**	1,492,281
Noncurrent liabilities	**40,621**	34,055
Net Assets	**1,181,311**	434,053
PWSI's share of net assets	**354,393**	130,216
Goodwill	**13,471**	13,471
Carrying Amount of Investment in Associate	**P367,864**	P143,687

The following table shows the Group's share in net income (loss) of investee for the years ended December 31, 2024 and 2023:

	2024	2023
Revenue	**P1,716,503**	P1,903,131
Net income (loss) for the year	**(4,123)**	180,607
The Group's share in net income (loss) at 30%	**(P1,237)**	P54,182
Other comprehensive income for the year	**P1,381**	P1,552
The Group's share in other comprehensive income at 30%	**P414**	P466

12. Other Noncurrent Assets

This account consists of:

	Note	**2024**	2023
Excess tax credits		**P29,695**	P29,695
Refundable deposits	*20, 25*	**19,611**	18,594
Input VAT		**10,308**	9,595
Trademark		**7,000**	7,000
Others		**46**	677
		P66,660	P65,561

Excess tax credits pertain to prepaid taxes carried over from previous taxable years.

Trademark arise from the acquisition of cocktail mixer brand, “Island Mixers” acquired by MI on January 30, 2023. The Group believes that there is currently no foreseeable limit to the period over which the trademark is expected to generate net cash inflows and therefore is assessed to have an indefinite useful life.

13. Trade and Other Payables

This account consists of:

	Note	**2024**	2023
Trade payables:			
Related parties	*15*	**P1,400,616**	P1,177,848
Third parties		**162,824**	180,129
Non-trade payables:			
Third parties		**462,562**	523,282
Related parties	*15*	**40,911**	9,611
Advances from customers		**2,591**	1,230
Statutory obligations		**440,590**	238,011
Accrued expenses		**73,749**	66,614
	25	**P2,583,843**	P2,196,725

Trade payables are unsecured, non-interest-bearing and are generally on a 30-to-60-day payment terms.

Non-trade payables are amounts owed to non-trade suppliers such as manpower agencies, freight companies and other non-trade payment transactions. These are non-interest-bearing and are generally on a 30-day payment terms.

Advances from customers consists of amounts paid by the customers in which inventories were not yet delivered by the Group.

Accrued expenses consist of accruals for utilities, advertisement and other operating expense.

14. Loans Payable

The movements and balances in loans payable are as follows:

	Note	**2024**	2023
Balances at beginning of year		**P -**	P130,000
Availment of loan		**280,000**	-
Payments made		**(20,000)**	(130,000)
Balances at end of year	*25, 27*	**P260,000**	P -

On September 18, 2024, PWSI entered into unsecured 5-year loan with Metro Bank & Trust Co. which shall mature on August 23, 2029, with option to pre-pay, amounting to P280,000 with annual interest rate of 5.5%. Proceeds of the loan was used to fund additional investments to Pernod and for working capital requirements. The loan has no required financial and non-financial covenants that needs to be complied with.

In 2022, MPDI entered into unsecured, short-term loans with maturities of less than one year from Asia United Bank amounting to P60,000 and Metropolitan Bank Trust & Co., amounting to P70,000, both loans with annual interest rate of 3.75%. Proceeds of the loans were used to finance working capital requirements. These loans were paid in full in January 2023.

Interest expense recognized in profit or loss amounted to P3,637, P401 and P2,146 for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 19).

15. Related Party Transactions

Transactions and account balances with related parties as at and for the years ended December 31 are as follows:

				Outstanding Balance			
Category/Transaction	***Note***	**Year**	**Transactions During the Year**	**Receivable**	**Payable**	**Terms**	**Conditions**
Stockholders							
Dividends	*16*	**2024**	**P1,450,875**	**P -**	**P532**	Due and demandable	Unsecured
		2023	1,117,174	-	1,117,174		
Entities under Common Control							
Sales of good	*7, a*	**2024**	**4,556,100**	**783,100**	**-**	30 days credit term;	Unsecured;
		2023	4,167,363	897,394	-	non-interest bearing	no impairment
Lease expense	*20, b*	**2024**	**60,968**	**-**	**44,449**	Payable on a monthly	Unsecured
		2023	64,846	-	67,519	basis	
Rent expense	*13, c*	**2024**	**14,215**	**-**	**7,879**	Payable on a monthly	
		2023	14,202	-	473	basis	
Purchases of goods and services	*13, d*	**2024**	**217,318**	**-**	**48,052**	Due and demandable;	
		2023	190,532	-	10	non-interest bearing	
Reimbursement of expenses	*7, e*	**2024**	**2,871**	**2,872**	**4,503**	Payable on demand;	Unsecured;
		2023	3,355	1,718	9,128	non-interest-bearing	no impairment
Joint Venture							
Purchases of goods and services	*13, d*	**2024**	**6,535,909**	**-**	**1,381,093**	30 days credit term;	
		2023	6,077,369	-	1,177,848	non-interest bearing	
Dividends	*11*	**2024**	**189,690**	**181,410**	**-**	Due and demandable	Unsecured;
		2023	64,608	-	-		no impairment
		2024		**P967,382**	**P1,486,508**		
		2023		P899,112	P2,372,152		

a. The Group distributes wines and liquors to entities under common control.

b. The Group entered into lease agreements with entities under common control for its office spaces and warehouses. Lease expenses include amortization expense on right-of-use assets and interest expense on lease liabilities (see Note 20).

c. The Group entered into agreement with entities under common control for additional warehouses on a short-term period not exceeding 1 year. The agreement is subject to renewal as needed.

d. The Group purchased inventoriable items and goods and availed services from entities under common control amounting to P217,318 and P190,532 for the years ended December 31, 2024 and 2023, respectively. The Group also purchased inventoriable items from its investment in joint venture amounting to P6,535,909 and P6,077,369 for the years ended December 31, 2024 and 2023, respectively.

e. This represents cash advances to and from related parties as at December 31, 2024 and 2023 in the form of reimbursement of expenses and working capital advances.

Amounts owed by and owed to related parties are to be settled in cash.

The Parent Company requires approval of the BOD for related party transactions amounting to at least ten percent (10%) of the total consolidated assets, based on its latest audited financial statements.

Related Party Transactions and Balances Eliminated During Consolidation

- Dividend receivable of the Parent Company from Subsidiaries:

	2024	2023
Dividend receivable	**P -**	P1,132,934
Dividends declared by Subsidiaries	**1,475,003**	2,082,934

- Receivables and sales of MI, MPDI and PWSI to FDI:

	2024	2023
Sales	**P28,127**	P36,932
Receivable	**903**	3,643

- Advances of funds from Parent Company to FDI:

	Amount of Transaction	**2024**	2023
Advances of funds	**P -**	**P -**	P22,000

Key Management Personnel

The compensation of the key management personnel of the Group, by benefit type, are as follows:

	2024	2023	2022
Short-term employee benefits	**P27,076**	P23,157	P24,905
Retirement benefit costs	**658**	1,108	476
	P27,734	P24,265	P25,381

16. Equity

Capital Stock

As at December 31, 2024 and 2023, the Parent Company's capital stock, at P0.10 par value per share consists of the following number of shares:

	Shares	Amount
Authorized P0.10 par value	**20,000,000,000**	**P2,000,000**
Issued and outstanding, as previously reported - P0.023 par value	**1,124,999,969**	**P25,875**
Share swap transaction - P0.10 par value	**11,250,000,000**	**1,125,000**
Effect of changes in par value	**(866,249,656)**	**-**
Issuance of shares (FOO)	**3,000,000,000**	**300,000**
Issued and outstanding, as restated - P0.10 par value	**14,508,750,313**	**P1,450,875**

Common shares carry one vote per share and a right to dividends.

Presented below is the tracking of the Parent Company's registration:

			Number of Shares
Date	Activity	Issue Price	Common Shares
September 3, 1991	Issuance of capital stocks as of listing date	P2.85	1,124,999,969
June 30, 2021*	Effect of reduction in par value	-	(866,249,656)
June 30, 2021	Issuance of capital stocks via shares swap	P2.00	11,250,000,000
November 19, 2021	Issuance of capital stocks - FOO	P1.50	3,000,000,000
Total outstanding shares as at December 31, 2024			14,508,750,313

**Share swap transaction (see Note 5)* — *Share swap transaction (see Note 5)*

As at December 31, 2024 and 2023, the Parent Company has a total of 484 and 478 common stockholders owning listed shares, respectively.

Additional Paid-in Capital

Additional paid-in capital arising from the share swap transaction and issuance of common shares in 2021 amounted to P21,375,000 and P4,200,000, respectively. Related transaction costs paid and incurred in 2021 amounting to P173,333 was deducted against additional paid-in capital. The Parent Company's additional paid-in capital as at December 31, 2024 and 2023 amounted to P25,447,900.

Retained Earnings

Declaration of Dividends

On April 11, 2025, the Group's BOD approved the declaration of cash dividends approximately P0.12 per share or an aggregate amount of P1,741,050 for stockholders of record as of May 6, 2025. Payment date is expected to be on May 30, 2025.

On May 13, 2024, the Group's BOD approved the declaration of cash dividend equivalent to P0.10 per share or an aggregate amount of P1,450,875. P1,450,342 were paid on June 20, 2024 and P532 remain payable as at December 31, 2024.

On December 11, 2023, the Group's BOD approved the declaration of cash dividend equivalent to P0.077 per share or an aggregate amount of P1,117,174. These dividends were paid on January 18, 2024.

On December 20, 2022, the Group's BOD approved the declaration of cash dividend equivalent to P0.054 per share or an aggregate amount of P783,473. These dividends were paid on January 20, 2023.

On December 21, 2021, the Group's BOD approved the declaration of cash dividend equivalent to P0.024 per share or an aggregate amount of P348,210. These dividends were paid on January 17, 2022.

Appropriated Retained Earnings
On March 6, 2023, the BOD of MI approved the reversal of the appropriation of P950,000 to MI's unappropriated retained earnings due to the completion of the related projects.

17. Cost of Goods Sold

This account consists of:

	Note	**2024**	2023	2022
Inventories at beginning of year		**P7,658,757**	P6,276,811	P3,519,298
Net purchases		**11,512,980**	13,244,955	13,065,054
Total goods available for sale		**19,171,737**	19,521,766	16,584,352
Inventories at end of year:				
On-hand		**(4,764,652)**	(7,283,433)	(4,472,402)
In-transit		**(1,112,099)**	(375,324)	(1,804,409)
		(5,876,751)	(7,658,757)	(6,276,811)
	8	**P13,294,986**	P11,863,009	P10,307,541

18. Operating Expenses

This account consists of:

	Note	**2024**	2023	2022
Distribution costs		**P458,012**	P365,701	P301,785
Advertisement		**487,444**	351,355	296,670
Salaries and other employee benefits	*21*	**160,019**	137,899	110,248
Depreciation and amortization	*10, 20*	**76,910**	78,485	75,382
Outside services		**62,908**	49,509	45,074
Taxes and licenses		**44,739**	59,096	22,107
Rent		**25,069**	23,884	-
Transportation and travel		**19,805**	19,268	15,044
Insurance		**19,171**	16,241	11,742
Legal and professional fees		**6,630**	11,344	5,864
Utilities and communication		**3,867**	4,271	5,513
Representation and entertainment		**859**	846	1,364
Miscellaneous		**14,154**	12,655	10,447
		P1,379,587	P1,130,554	P901,240

19. Other Income

This account consists of:

	Note	**2024**	2023	2022
Interest income	*6*	**P99,257**	P78,216	P112,794
Foreign exchange gains (losses) - net		**37,290**	(28,943)	(7,970)
Interest expense	*14, 20*	**(7,519)**	(5,170)	(9,173)
Bank charges		**(1,149)**	(1,142)	(1,741)
Reversal of provision	*23*	**-**	-	11,975
Others		**303**	566	361
		P128,182	P43,527	P106,246

20. Lease Agreements

The Group entered into lease agreements with entities under common control for its office space and warehouses except FDI in which it entered into lease agreements with third parties for its warehouse in Cebu. These leases have terms ranging from two (2) years to five (5) years, renewable under terms and condition agreed upon by both parties.

The lease payments provide for, among others, security deposits amounting to P19,611 and P18,594 as at December 31, 2024 and 2023, which are shown under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 12).

The movements and balances of the right-of-use assets and lease liabilities are as follows:

i. Right-of-Use Assets

	Note	**2024**	2023
Balance at beginning of year		**P65,787**	P118,625
Additions		**39,340**	9,086
Amortization charge for the year	*18*	**(60,404)**	(61,924)
Balance at end of year		**P44,723**	P65,787

ii. Lease Liabilities

	Note	**2024**	2023
Balance at beginning of year		**P75,281**	P131,173
Additions		**39,340**	9,086
Interest charge for the year	*19*	**3,882**	4,769
Payments made		**(67,949)**	(69,747)
Balance at end of year	*27*	**P50,554**	P75,281

As at December 31, 2024 and 2023, the Group's lease liabilities are classified in the consolidated statements of financial position as follows:

	2024	2023
Current	**P30,961**	P55,635
Noncurrent	**19,593**	19,646
	P50,554	P75,281

Maturity analyses of the undiscounted lease liabilities as at December 31, 2024 and 2023 are as follows:

	Undiscounted Lease Payments	**Interest**	**Present Value of Lease Liabilities**
Not later than one year	**P32,678**	**P1,716**	**P30,962**
Later than one year but not later than five years	**20,367**	**775**	**19,592**
Balances at December 31, 2024	**P53,045**	**P2,491**	**P50,554**

	Undiscounted Lease Payments	Interest	Present Value of Lease Liabilities
Not later than one year	P57,789	P2,154	P55,635
Later than one year but not later than five years	20,331	685	19,646
Balances at December 31, 2023	P78,120	P2,839	P75,281

iii. Amounts recognized in profit or loss for the years ended December 31:

	Note	**2024**	2023	2022
Amortization expense	*18*	**P60,404**	P61,924	P60,345
Rent	*18*	**25,069**	23,884	-
Interest on lease liabilities	*19*	**3,882**	4,768	7,027
		P89,355	P90,576	P67,372

Rent expense pertain to the Company's short-term leases of warehouses for inventory overflow.

iv. Amounts recognized in the consolidated statements of cash flows for the years ended December 31:

	2024	2023	2022
Total cash outflow for leases	**P67,949**	P69,747	P65,570

21. Retirement Benefits Liability

The Group has an unfunded, noncontributory, defined benefits retirement plan covering all of its regular, full-time employees. Under the plan, the employees are entitled to retirement benefits equivalent to an amount computed based on Republic Act No. 7641, Retirement Pay Law, equivalent to one-half month's salary for every year of service, with six months or more of service considered as one year.

The succeeding table summarizes the components of the retirement benefits cost under a defined benefits retirement plan recognized in profit or loss and the amount of retirement benefits liability recognized in the consolidated statements of financial position. Annual cost is determined using the projected unit credit method. The Group's latest actuarial valuation date is December 31, 2024.

The table below shows the present value of the defined benefits retirement obligation or the retirement benefits liability and its components as at December 31:

	2024	2023
Balance at beginning of year	**P25,247**	P20,452
Recognized in Profit or Loss		
Current service cost	**2,814**	1,936
Interest cost	**1,540**	1,476
	4,354	3,412
Recognized in Other Comprehensive Income (Loss)		
Actuarial loss (gain) arising from:		
Change in demographic assumptions	**(634)**	(298)
Change in financial assumptions	**6**	2,641
Experience adjustments	**1,577**	(36)
	949	2,307
Benefits paid	**(367)**	(924)
Balance at end of year	**P30,183**	P25,247

The retirement benefits cost is recognized as part of "Salaries and other employee benefits" account under operating expenses in profit or loss.

There are no unusual or significant risks to which the retirement benefits liability exposes the Group. However, it should be noted that in the event a benefit claim arises under the retirement benefits liability, the benefit shall immediately be due and payable from the Group.

As at December 31, 2024 and 2023, accumulated remeasurement gain (loss) on retirement benefits amounted to (P528) and P428, respectively, as presented in the consolidated statements of financial position.

The principal actuarial assumptions (in percentages) used to determine retirement benefits are as follows:

	2024	2023
Discount rate	**6.08%**	6.12%
Future salary increases	**8.00% to 10.00%**	8.00% to 10.00%

The valuation results are based on the employee data as of the valuation date. The discount rate assumption is based on the Bankers Association of the Philippines (BAP) PHP Bloomberg BVAL Reference Rates (BVAL) benchmark reference curve for the government securities market (previously the PDEx (PDST-R2) market yields on benchmark government bonds) as of the valuation date and considering the average years of remaining working life of the employees as the estimated term of the benefit obligation.

Assumptions for mortality and disability rates are based on published statistics and mortality and disability tables.

The weighted average duration of defined benefits obligation is 12.93 and 11.93 years as at December 31, 2024 and 2023, respectively.

As at December 31, 2024 and 2023, the reasonably possible changes to one of the relevant actuarial assumptions, while holding all other assumptions constant, would have affected the defined benefits obligation by the amounts below:

	December 31, 2024		December 31, 2023	
	Defined Benefits Obligation		Defined Benefits Obligation	
	1 Percent Increase	**1 Percent Decrease**	1 Percent Increase	1 Percent Decrease
Discount rate	**(P2,951)**	**P3,469**	(P2,387)	P2,804
Salary increase rate	**3,341**	**(2,907)**	2,699	(2,350)

Although the analysis does not take into account the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

Funding Arrangements
Since the Group does not have a formal retirement plan, benefit claims under the retirement benefits liabilities are paid directly by the Group when they become due.

Asset-liability Matching (ALM)
The Group does not have a formal retirement plan and therefore has no plan assets to match against the liabilities under the defined benefits obligation.

Maturity analyses of retirement benefits liability based on a ten (10) year projection of the expected future benefit payments is as follows:

	Carrying Amount	**Contractual Cash Flows**	**Within 1 Year**	**Within 1 - 5 Years**	**More than 5 Years**
2024	**P30,183**	**P18,036**	**P7,835**	**P1,583**	**P8,618**
2023	P25,247	P18,952	P3,916	P5,629	P9,407

22. Income Taxes

The provision for income tax consists of:

	2024	2023	2022
Current	**P774,415**	P654,607	P551,571
Deferred	**(1,170)**	(800)	(1,811)
	P773,245	P653,807	P549,760

The Group's provision for current income tax represents regular corporate income tax (RCIT) in all years presented.

For the years ended December 31, 2024, 2023 and 2022, MI elected to avail OSD in its determination of allowable deductions for income tax purposes which is equivalent to 40% of total gross income. MI intends to continue its availment of OSD in the subsequent years. MPDI has also availed OSD for the year ended December 31, 2023 (itemized deduction for the year ended December 31, 2022). On January 1, 2024, MPDI reverted to itemized deduction which is irrevocable for the taxable year of 2024.

The reconciliation of the provision for income tax computed at the statutory income tax rate and the provision for income tax shown in profit or loss for the years ended December 31 are as follows:

	2024	2023	2022
Income before income tax	**P4,312,092**	P3,570,057	P2,784,773
Provision for income tax at the statutory income tax rate of 25% (20% for FDI and UDC)	**P1,078,023**	P892,514	P696,193
Additions to (reductions from) income taxes resulting to the tax effects of:			
Availment of optional standard deduction	**(192,788)**	(181,293)	(183,019)
Share in net losses (income) of an associate and a joint venture	**(82,844)**	(51,788)	17,471
Interest income subjected to final tax	**(24,806)**	(19,554)	(28,198)
Change in unrecognized deferred income tax asset	**(6,869)**	1,021	5,103
Non-deductible expenses	**2,987**	6,674	45,205
Taxable income (loss) eliminated at consolidated level	**(458)**	17,002	-
Non-taxable income	**-**	-	(2,995)
Applied NOLCO	**-**	(10,769)	-
Provision for income tax	**P773,245**	P653,807	P549,760

The components of the Group's net deferred income tax assets as at December 31, 2024 and 2023 are as follows:

	2024	2023
Retirement benefits liability	**P5,190**	P3,965
PFRS 16, *Leases* adjustment	**1,209**	988
Allowance for expected credit losses on trade receivables	**655**	655
Unrealized foreign exchange gains - net	**(650)**	(367)
	P6,404	P5,241

TKHI

As at December 31, 2024 and 2023, TKHI has carryforward benefits of unused NOLCO amounting to P42,088 and P25,714, respectively, for which no deferred income tax asset was recognized. Management believes that it is not probable that future taxable profits will be available to allow all or part of its deferred income tax asset to be utilized prior to its expiration.

Details of the TKHI's NOLCO for the taxable year 2024 are as follows:

Years Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Ending Balance	Expiry Date
2020	P1,089	(P1,089)	P -	P -	P -	2025*
2021	55,336	(41,988)	-	-	13,348	2026*
2022	12,366	-	-	-	12,366	2025
2024	16,374	-	-	-	16,374	2027
	P85,165	**(P43,077)**	**P -**	**P -**	**P42,088**	

**Pursuant to Section 4 of Republic Act (RA) 11494, Bayanihan to Recover As One Act and as implemented under Revenue Regulations (RR) No. 25-2020, unless otherwise disqualified from claiming the deduction, the business or enterprise which incurred net operating loss for taxable years 2020 and 2021 shall be allowed to carry over the same as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss. The net operating loss for said taxable years may be carried over as a deduction even after the expiration of RA No. 11494 provided the same are claimed within the next five (5) consecutive taxable years immediately following the year of such loss.*

FDI

As at December 31, 2024 and 2023, FDI has carryforward benefits of unused NOLCO amounting to P7,845 and P4,184, respectively, for which no deferred income tax asset was recognized.

Details of the FDI's NOLCO for the taxable year 2024 are as follows:

Years Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Ending Balance	Expiry Date
2023	P4,184	P -	P -	P -	P4,184	2026
2024	3,661	-	-	-	3,661	2027
	P7,845	**P -**	**P -**	**P -**	**P7,845**	

MI

The following table shows the amounts of temporary differences for which no deferred income tax asset was recognized because MI believes that it is not probable that the tax benefits of these temporary differences will be availed of as MI intends to continue its availment of the optional standard deduction in the subsequent years:

	2024	2023
Unrealized foreign exchange losses (gains) - net	**(P36,296)**	P19,058
Retirement benefits liability	**9,422**	7,767
PFRS16, *Leases* adjustment	**633**	4,654
	(P26,241)	P31,479

MPDI
The following table shows the amounts of temporary differences for which no deferred income tax asset was recognized for the year ended December 31, 2023.

	2023
Retirement benefits liability	**P1,623**
PFRS16, *Leases* adjustment	**(681)**
Unrealized foreign exchange losses - net	**33**
	P975

MPDI reverted to itemized deduction method in determining its provision for income tax for the period December 31, 2024.

UDC
As at December 31, 2024, UDC has carryforward benefits of unused NOLCO amounting to P669 for which no deferred income tax asset was recognized. Management believes that it is not probable that future taxable profits will be available to allow all or part of its deferred income tax asset to be utilized prior to its expiration in 2027.

23. Provision

The Group sets-up a provision for any probable liabilities that may arise as a result of conducting its business. The disclosures of additional details beyond the present disclosures may prejudice the Group's position with respect to these matters. Thus, as allowed by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* only a general description is provided.

No provision for probable losses was recognized by the Group for the years ended December 31, 2024 and 2023 as well as on the reversal for provision on probable losses.

24. Earnings Per Share

Basic/diluted EPS of the Group is computed as follows:

(In thousands, except per share data)	**2024**	2023	2022
Net income (a)	**P3,538,847**	P2,916,250	P2,235,013
Weighted average number of common shares outstanding for the period* (b)	**14,508,750**	14,508,750	14,508,750
Basic EPS (a/b)	**P0.24**	P0.20	P0.15

**after share swap transaction and change in par value of common shares (Note 5)*

Weighted average number of common shares in 2024,2023 and 2022 used for the purposes of basic earnings per share were computed as follows:

	2024		
	Number of Common Shares	**Proportion to Period**	**Weighted Average**
Outstanding shares at the beginning and end	**14,508,750,313**	**12/12**	**14,508,750,313**

	2023		
	Number of Common Shares	Proportion to Period	Weighted Average
Outstanding shares at the beginning and end	14,508,750,313	12/12	14,508,750,313

	2022		
	Number of Common Shares	Proportion to Period	Weighted Average
Outstanding shares at the beginning and end	14,508,750,313	12/12	14,508,750,313

The Group has no potential dilutive instruments as at December 31, 2024, 2023 and 2022 hence, diluted EPS is the same as the basic EPS.

25. Financial Risk and Capital Management Objectives and Policies

Objectives and Policies

The Group's BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. The BOD has delegated to the management the responsibility of developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The BOD oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

The Group's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Group. There were no changes in the exposures to each of the above risks and to the Group's objectives, policies and processes for measuring and managing the risk from the previous period. The policies for managing specific risks are summarized below:

Credit Risk

Credit risk represents the risk of loss the Group would incur if credit customers and counterparties fail to perform their contractual obligations. The Group's credit risk arises from the Group's use of its financial assets. Credit risk management involves entering into financial transactions only with counterparties with acceptable credit rating.

The carrying amount of financial assets represents the maximum credit exposure to credit risk as at December 31 as follows:

	Note	**2024**	2023
Cash in banks	*6*	**P1,620,841**	P1,440,247
Cash equivalents	*6*	**3,280,099**	1,454,816
Trade and other receivables	*7*	**2,849,451**	2,461,436
Refundable deposits	*12*	**19,611**	18,594
		P7,770,002	P5,375,093

The Group's policy is to enter into transactions with a diversity of credit worthy parties to mitigate any significant concentration of credit risk. There is no significant concentration of credit risk within the Group.

As at December 31, 2024 and 2023, the Group does not expect any counterparty, other than trade customers, to fail in meeting its obligations, thus, related risk is deemed to be insignificant. On the other hand, the Group believes that no impairment loss is necessary in respect of other financial assets since they are neither past due nor impaired.

Credit Quality

In monitoring and controlling credit extended to counterparty, the Group adopts a comprehensive credit rating system based on financial and non-financial assessments of its customers. Financial factors being considered comprised of the financial standing of the customer while the non-financial aspects include but are not limited to the assessment of the customer's nature of business, management profile, industry background, payment habit and both present and potential business dealings with the Group.

The Group assessed the credit quality of the following financial assets as follows:

a. Cash in banks and cash equivalents were assessed as high grade since these are deposited in reputable banks with a good credit standing, which have a low profitability of insolvency and can be withdrawn anytime. The credit quality of these financial assets is considered to be high grade.

b. Trade and other receivables were assessed as standard grade since these include receivables that are collected on their due dates even without an effort from the Group to follow them up.

c. Refundable deposits were assessed as high grade since these security deposits are refundable at the end of the lease term which is expected from a reputable service provider.

ECL Assessment

The Group allocates each exposure to a credit risk on data that are determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial assets, management accounts and cash flow projections and available press information about customers) and applying expected credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

In measuring the expected credit losses, the trade and other receivables have been assessed on a collective basis as they pose shared credit risk characteristics. They have been grouped based on the days past due.

The following table provides information about the exposure to credit risk for trade and other receivables as at December 31, 2024 and 2023:

	December 31, 2024		
	Gross Carrying Amount	**Impairment Loss Allowance**	**Credit-impaired**
Current (not past due)	**P2,198,898**	**P -**	**No**
1 - 30 days past due	**579,931**	**-**	**No**
31 - 120 days past due	**64,796**	**-**	**No**
More than 120 days past due	**8,447**	**2,621**	**Yes**
Balance at December 31, 2024	**P2,852,072**	**P2,621**	

	December 31, 2023		
	Gross Carrying Amount	Impairment Loss Allowance	Credit-impaired
Current (not past due)	P1,950,289	P -	No
1 - 30 days past due	418,447	-	No
31 - 120 days past due	85,649	-	No
More than 120 days past due	9,672	2,621	Yes
Balance at December 31, 2023	P2,464,057	P2,621	

The Group applies the simplified approach in providing for expected credit losses prescribed by PFRS 9, which permits the use of the lifetime expected loss provision and applies a provision matrix.

The maturity of the Group's receivables is less than one year so the lifetime expected credit losses and the 12-month expected credit losses are similar.

Exposures within each credit risk grade are assessed based on delinquency and actual credit loss experience. The Group considered both historical loss rate and forward-looking assumption. The Group assessed that the impact of forward-looking assumption is immaterial.

The maturity of the Group's receivables is less than one year so the lifetime expected credit losses and the 12-month expected credit losses are similar.

The allowance for impairment in respect of trade and other receivables of the Group as a result of the expected credit loss assessment amounted to P2,621 as at December 31, 2024 and 2023.

Exposures within each credit risk grade are assessed based on delinquency and actual credit loss experience. The Group considered both historical loss rate and forward-looking assumptions. The Group assessed that the impact of forward-looking assumption is immaterial.

Cash in banks and cash equivalents are considered of good quality as these pertain to deposits in reputable banks. Impairment on cash has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash has low credit risk based on the external credit ratings of the counter parties.

The credit risk for security deposit is assessed to have not increased significantly since initial recognition as the counterparties have strong financial position and there are no past due amounts. The Group uses similar approach for assessment of ECLs for security deposit to those used for cash in banks. The Group has assessed that the impact of providing ECL for security deposit is immaterial, thus did not recognize loss allowance.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements, as well as capital expenditures and loan payments. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

The following are the contractual maturities of financial liabilities as at December 31, 2024 and 2023:

	December 31, 2024			
	Carrying Amount	**Contractual Cash Flows**	**1 Year or Less**	**More than 1 Year**
Financial Liabilities				
Trade and other payables*	**P2,143,253**	**P2,143,253**	**P2,143,253**	**P -**
Dividends payable	**532**	**532**	**532**	**-**
Lease liabilities	**50,554**	**53,045**	**32,678**	**20,367**
Total	**P2,194,339**	**P2,196,830**	**P2,176,463**	**P20,367**

**Excluding statutory obligations amounting to P440,590.*

	December 31, 2023			
	Carrying Amount	Contractual Cash Flows	1 Year or Less	More than 1 Year
Financial Liabilities				
Trade and other payables*	P1,958,714	P1,958,714	P1,958,714	P -
Dividends payable	1,117,174	1,117,174	1,117,174	-
Lease liabilities	75,281	78,120	57,789	20,331
Total	P3,151,169	P3,154,008	P3,133,677	P20,331

**Excluding statutory obligations amounting to P238,011.*

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group is subject to various risks, including foreign currency risk and interest rate risk.

Interest Rate Risk

Interest rate risks is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

Accordingly, management believes that the Group does not have significant interest rate risk.

Foreign Currency Exchange Risk

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to foreign currency risk relates primarily to the Group's foreign currency-denominated monetary assets and monetary liabilities.

The currencies in which these transactions are primarily denominated are in United States dollar (USD), Singaporean dollar (SGD), Euro (EUR), Australian Dollar (AUD) and British pound (GBP).

The following table shows the Group's foreign currency-denominated monetary assets and monetary liabilities and their Philippine peso (PHP) equivalents as at December 31, 2024 and 2023:

	December 31, 2024					
	USD	**SGD**	**EUR**	**AUD**	**GBP**	**PHP Equivalent**
Foreign currency - denominated monetary assets:						
Cash	**4,058**	**-**	**2,971**	**-**	**-**	**415,043**
Trade and other receivables	**1,176**	**-**	**3,161**	**55**	**9**	**262,054**
	5,234	-	**6,132**	**55**	**9**	**677,097**
Foreign currency - denominated monetary liabilities:						
Trade payables	**(378)**	**(5)**	**(24,322)**	**(247)**	**(61)**	**(1,506,347)**
Net foreign currency - denominated monetary liabilities	**4,856**	**(5)**	**(18,190)**	**(192)**	**(52)**	**(829,250)**

	December 31, 2023				
	USD	SGD	EUR	AUD	PHP Equivalent
Foreign currency - denominated monetary assets:					
Cash	1,652	-	1,361	-	175,485
Trade and other receivables	845	-	198	60	61,419
	2,497	-	1,559	60	236,904
Foreign currency - denominated monetary liabilities:					
Trade payables	(2,545)	(5)	(19,665)	(454)	(1,367,580)
Net foreign currency - denominated monetary liabilities	(48)	(5)	(18,106)	(394)	(1,130,676)

In translating the foreign currency-denominated monetary assets and monetary liabilities into Philippine peso amounts, the significant exchange rates applied are as follows:

	2024	2023
USD	**58.01**	55.57
SGD	**42.69**	42.09
EUR	**60.47**	61.47
AUD	**36.08**	37.95
GBP	**72.68**	70.76

The following table demonstrates sensitivity of cash flows due to changes in foreign exchange rates with all variables held constant.

	December 31, 2024	
	Percentage Decrease in Foreign Exchange Rates	**Increase (Decrease) in Income before Income Tax**
USD	**4.39%**	**9,280**
EUR	**(1.63%)**	**13,420**
AUD	**(4.92%)**	**256**
SGD	**1.43%**	**(2)**
GBP	**2.71%**	**(77)**

	December 31, 2023	
	Percentage Decrease in Foreign Exchange Rates	Increase (Decrease) in Income before Income Tax
USD	(0.99%)	18
EUR	3.23%	(26,967)
AUD	0.39%	(44)
SGD	1.23%	(2)

Changes in foreign exchange rates are based on the average of the banks' forecasted closing exchange rates during the first quarter of the following calendar year. A movement in the opposite direction would increase/decrease income before income tax by the same amount, on the basis that all other variables remain constant.

Capital Risk 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 businesses and maximize shareholder value.

The Group manages its capital structure and makes adjustments, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may pay-off existing debts, return capital to stockholders or issue new shares.

The Group defines capital as paid-in capital stock and retained earnings.

There were no changes in the Group's approach to capital management during the year.

The Chief Financial Officer has the overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Group's external environment and the risks underlying the Group's business operations and industry.

The Group's BODs review the capital structure of the Group on an annual basis. As part of this review, the BODs consider the cost of capital and the risks associated with each class of capital.

The debt-to-equity ratio at the end of reporting periods is as follows:

	2024	2023
Debt	**P3,339,315**	P3,723,769
Equity	**17,403,255**	15,290,648
Debt to equity ratio	**0.19:1**	0.24:1

The Group is not subject to externally imposed capital requirements.

26. Fair Values of Financial Instruments

Cash in Banks, Cash Equivalents, Trade and Other Receivables, Trade and Other Payables, Due to Related Parties, Loans payable and Dividends Payable

The carrying amounts of the Group's cash in banks, cash equivalents, trade and other receivables, trade and other payables (excluding statutory obligations) and dividends payable approximate their fair values due to the short-term maturities of these financial instruments.

Refundable Deposits

The carrying amount of refundable deposits approximates its fair value as the impact of discounting is not significant.

Lease Liabilities

The estimated fair value of lease liabilities are based on the present value of expected future cash flows using the applicable market rates for similar types of instruments at reporting date.

As at December 31, 2024 and 2023, the Group has no financial instruments carried at fair value. Thus, disclosure on inputs using a three-level fair value hierarchy is not necessary.

	December 31, 2024	
	Carrying Amount	**Fair Value**
Financial Assets at Amortized Cost		
Cash in banks	**P1,620,841**	**P1,620,841**
Cash equivalents	**3,280,099**	**3,280,099**
Trade and other receivables - net	**2,849,451**	**2,849,451**
Refundable deposits	**19,611**	**19,611**
	P7,770,002	**P7,770,002**
Other Financial Liabilities		
Trade and other payables	**P2,143,253**	**P2,143,253**
Dividends payable	**532**	**532**
Lease liabilities	**50,554**	**50,553**
	P2,194,339	**P2,194,338**

	December 31, 2023	
	Carrying Amount	Fair Value
Financial Assets at Amortized Cost		
Cash in banks	P1,440,247	P1,440,247
Cash equivalents	1,454,816	1,454,816
Trade and other receivables - net	2,461,436	2,461,436
Refundable deposits	18,594	18,594
	P5,375,093	P5,375,093
Other Financial Liabilities		
Trade and other payables	P1,958,714	P1,958,714
Dividends payable	1,117,174	1,117,174
Lease liabilities	75,281	75,281
	P3,151,169	P3,151,169

27. Reconciliation between the Opening and Closing Balances for Liabilities Arising from Financing Activities

Reconciliation of movements of liabilities to cash flows arising from financing activities are as follows:

	December 31, 2024					
	Loan Payable	Accrued Interests	Dividends Payable	Lease Liabilities	Due to Related Parties	Total
Balances at beginning of year	**P -**	**P -**	**P1,117,174**	**P75,281**	**P -**	**P1,192,455**
Changes from Financing Cash Flows						
Proceeds (payments) of:						
Dividends payable	**-**	**-**	**(2,567,517)**	**-**	**-**	**(2,567,517)**
Loans payable	**280,000**	**-**	**-**	**-**	**-**	**280,000**
Lease liabilities - principal portion	**-**	**-**	**-**	**(64,067)**	**-**	**(64,067)**
Additional investment in an associate	**-**	**-**	**-**	**-**	**225,000**	**225,000**
Interest	**-**	**(3,637)**	**-**	**(3,882)**	**-**	**(7,519)**
Total Changes from Financing Cash Flows	**280,000**	**(3,637)**	**(2,567,517)**	**(67,949)**	**225,000**	**(2,134,103)**
Liability-related Other Changes						
Payment of loans	**(20,000)**					**(20,000)**
Payment of investment in an associate	**-**	**-**	**-**	**-**	**(225,000)**	**(225,000)**
Additions from new lease agreements entered during the year	**-**	**-**	**-**	**39,340**	**-**	**39,340**
Interest expense	**-**	**3,637**	**-**	**3,882**	**-**	**7,519**
Dividends declared	**-**	**-**	**1,450,875**	**-**	**-**	**1,450,875**
Total liability-related other changes	**(20,000)**	**3,637**	**1,450,875**	**43,222**	**(225,000)**	**1,252,734**
Balances at end of year	**P260,000**	**P -**	**P532**	**P50,554**	**P -**	**P311,086**

	December 31, 2023					
	Loan Payable	Accrued Interests	Dividends Payable	Lease Liabilities	Due to Related Parties	Total
Balances at beginning of year	P130,000	P407	P783,473	P131,173	P846,700	P1,891,753
Changes from Financing Cash Flows						
Payments of:						
Dividends payable	-	-	(783,473)	-	-	(783,473)
Loans payable	(130,000)	-	-	-	-	(130,000)
Lease liabilities - principal portion	-	-	-	(64,978)	-	(64,978)
Due to related parties	-	-	-	-	(116,700)	(116,700)
Interest	-	(808)	-	(4,769)	-	(5,577)
Total Changes from Financing Cash Flows	(130,000)	(808)	(783,473)	(69,747)	(116,700)	(1,100,728)
Liability-related Other Changes						
Payment of investment in a joint venture	-	-	-	-	(730,000)	(730,000)
Additions from new lease agreements entered during the year	-	-	-	9,086	-	9,086
Interest expense	-	401	-	4,769	-	5,170
Dividends declared	-	-	1,117,174	-	-	1,117,174
Total liability-related other changes	-	401	1,117,174	13,855	(730,000)	401,430
Balances at end of year	P -	P -	P1,117,174	P75,281	P -	P1,192,455

	December 31, 2022					
	Loan Payable	Accrued Interests	Dividends Payable	Lease Liabilities	Due to Related Parties	Total
Balances at beginning of year	P -	P -	P348,210	P186,858	P106,700	P641,768
Changes from Financing Cash Flows						
Proceed from (payments of):						
Dividends payable	-	-	(348,210)	-	-	(348,210)
Loans payable	130,000	-	-	-	-	130,000
Lease liabilities - principal portion	-	-	-	(58,543)	-	(58,543)
Due to related parties	-	-	-	-	10,000	10,000
Interest	-	(1,739)	-	(7,027)	-	(8,766)
Total Changes from Financing Cash Flows	130,000	(1,739)	(348,210)	(65,570)	10,000	(275,519)
Liability-related Other Changes						
Additions in investment in a joint venture	-	-	-	-	730,000	730,000
Additions from new lease agreements entered during the year	-	-	-	2,858	-	2,858
Interest expense	-	2,146	-	7,027	-	9,173
Dividends declared	-		783,473	-	-	783,473
Total liability-related other changes	-	2,146	783,473	9,885	730,000	1,525,504
Balances at end of year	P130,000	P407	P783,473	P131,173	P846,700	P1,891,753

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INDEPENDENT AUDITORS' REPORT ON COMPONENTS OF FINANCAL SOUNDNESS INDICATORS

The Stockholders and Board of Directors
The Keepers Holdings, Inc.
No. 900 Romualdez Street
Paco, Manila

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of The Keepers Holdings, Inc. and Subsidiaries (the "Group") as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 15, 2025.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements of the Group taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas and calculations, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies.

This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with the PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's basic consolidated financial statements as at December 31, 2024 and 2023 and for each of three years in the period ended December 31, 2024 and no material exceptions were noted (see Annex A).

R.G. MANABAT & CO.

DARWIN P. VIROCEL
Partner
CPA License No. 0094495
SEC Accreditation No. 94495-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and up to audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
Tax Identification No. 912-535-864
BIR Accreditation No. 08-001987-031-2022
Issued June 27, 2022; valid until June 27, 2025
PTR No. MKT 10467159
Issued January 2, 2025 at Makati City

April 15, 2025
Makati City, Metro Manila

Annex A

THE KEEPERS HOLDINGS, INC. AND SUBSIDIARIES

(Amounts in Thousands)

AS AT DECEMBER 31, 2024

<table>
<tr><th>Ratio</th><th>Formula</th><th>2024</th><th>2023</th></tr>
<tr><td>Current ratio</td><td>Total Current Assets divided by Total Current Liabilities
<table>
<tr><th></th><th>2024</th><th>2023</th></tr>
<tr><td>Total current assets</td><td>P14,990,454</td><td>P13,634,334</td></tr>
<tr><td>Divide by: Total current liabilities</td><td>3,029,539</td><td>3,678,876</td></tr>
<tr><td></td><td>4.95</td><td>3.71</td></tr>
</table></td><td>4.95</td><td>3.71</td></tr>
<tr><td>Acid-test ratio</td><td>Quick assets (Total Current Assets less Inventories and Prepaid Expenses and Other Current Assets) divided by Total Current Liabilities
<table>
<tr><th></th><th>2024</th><th>2023</th></tr>
<tr><td>Total current assets</td><td>P14,990,454</td><td>P13,634,334</td></tr>
<tr><td>Less: Inventories</td><td>5,876,751</td><td>7,658,757</td></tr>
<tr><td>Prepaid expenses other current assets</td><td>1,361,029</td><td>616,872</td></tr>
<tr><td>Quick assets</td><td>P7,752,674</td><td>5,358,705</td></tr>
<tr><td>Divide by: Total current liabilities</td><td>3,029,539</td><td>3,678,876</td></tr>
<tr><td>Acid-test ratio</td><td>2.56</td><td>1.46</td></tr>
</table></td><td>2.56</td><td>1.46</td></tr>
<tr><td>Debt-to-equity ratio</td><td>Debt-to-equity ratio (Total liabilities over total equity)
<table>
<tr><th></th><th>2024</th><th>2023</th></tr>
<tr><td>Total liabilities</td><td>P3,339,315</td><td>P3,723,769</td></tr>
<tr><td>Divide by: Total equity</td><td>17,403,255</td><td>15,290,648</td></tr>
<tr><td></td><td>0.19</td><td>0.24</td></tr>
</table></td><td>0.19</td><td>0.24</td></tr>
<tr><td>Asset-to-equity ratio</td><td>Asset-to-equity ratio (Total assets over total equity)
<table>
<tr><th></th><th>2024</th><th>2023</th></tr>
<tr><td>Total assets</td><td>P20,742,570</td><td>P19,014,417</td></tr>
<tr><td>Divide by: Total equity</td><td>17,403,255</td><td>15,290,648</td></tr>
<tr><td></td><td>1.19</td><td>1.24</td></tr>
</table></td><td>1.19</td><td>1.24</td></tr>
</table>

<table>
<tr><th>Ratio</th><th>Formula</th><th>2024</th><th>2023</th></tr>
<tr><td>Solvency ratio</td><td>Solvency ratio (Profit plus depreciation and amortization over total liabilities)
<table>
<tr><th></th><th>2024</th><th>2023</th></tr>
<tr><td>Net income</td><td>P3,538,847</td><td>P2,916,250</td></tr>
<tr><td>Add: Depreciation and amortization</td><td>76,910</td><td>78,485</td></tr>
<tr><td>Total</td><td>P3,615,757</td><td>2,994,735</td></tr>
<tr><td>Divide by: Total liabilities</td><td>3,339,315</td><td>3,723,769</td></tr>
<tr><td>Solvency ratio</td><td>1.08</td><td>0.80</td></tr>
</table></td><td>1.08</td><td>0.80</td></tr>
<tr><td>Interest rate coverage ratio</td><td>Interest rate coverage ratio (Income from operations before depreciation and amortization over interest expense on loans)
<table>
<tr><th></th><th>2024</th><th>2023</th></tr>
<tr><td>Operating profit before depreciation and amortization</td><td>P3,929,444</td><td>P2,994,735</td></tr>
<tr><td>Divide by: Interest expense on loans</td><td>3,638</td><td>401</td></tr>
<tr><td></td><td>1,080</td><td>7,468</td></tr>
</table></td><td>1,080</td><td>7,468</td></tr>
<tr><td>Return on equity</td><td>Return on Equity (Net Income by Average Total Equity)
<table>
<tr><th></th><th>2024</th><th>2023</th></tr>
<tr><td>Net income</td><td>P3,538,847</td><td>P2,916,250</td></tr>
<tr><td>Divide by: Average total equity</td><td>16,346,252</td><td>14,391,879</td></tr>
<tr><td></td><td>0.22</td><td>0.20</td></tr>
</table></td><td>0.22</td><td>0.20</td></tr>
<tr><td>Return on assets</td><td>Return on Assets (Net Income by Average Total Assets)
<table>
<tr><th></th><th>2024</th><th>2023</th></tr>
<tr><td>Net income</td><td>P3,538,847</td><td>P2,916,250</td></tr>
<tr><td>Divide by: Average total assets</td><td>19,878,494</td><td>19,324,126</td></tr>
<tr><td></td><td>0.18</td><td>0.15</td></tr>
</table></td><td>0.18</td><td>0.15</td></tr>
<tr><td>Net profit margin</td><td>Net profit margin (Profit over net sales)
<table>
<tr><th></th><th>2024</th><th>2023</th></tr>
<tr><td>Net income</td><td>P3,538,847</td><td>P2,916,250</td></tr>
<tr><td>Divide by: Net sales</td><td>18,527,107</td><td>16,312,942</td></tr>
<tr><td></td><td>0.19</td><td>0.18</td></tr>
</table></td><td>0.19</td><td>0.18</td></tr>
</table>

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REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Stockholders and Board of Directors
The Keepers Holdings, Inc.
No. 900 Romualdez Street
Paco, Manila

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of The Keepers Holdings, Inc. and Subsidiaries (the "Group") as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and have issued our report thereon dated April 15, 2025.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements of the Group taken as a whole. The supplementary information included in the following accompanying additional components are the responsibility of the Group's management. Such additional components include:

- Supplementary Schedules of Annex 68-J
- Map of Conglomerate
- Reconciliation of Retained Earnings Available for Dividend Declaration of the Parent Company

These supplementary information are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not required parts of the basic consolidated financial statements prepared in accordance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards. Such supplementary information have been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

R.G. MANABAT & CO.

DARWIN P. VIROCEL
Partner
CPA License No. 0094495
SEC Accreditation No. 94495-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and up to audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
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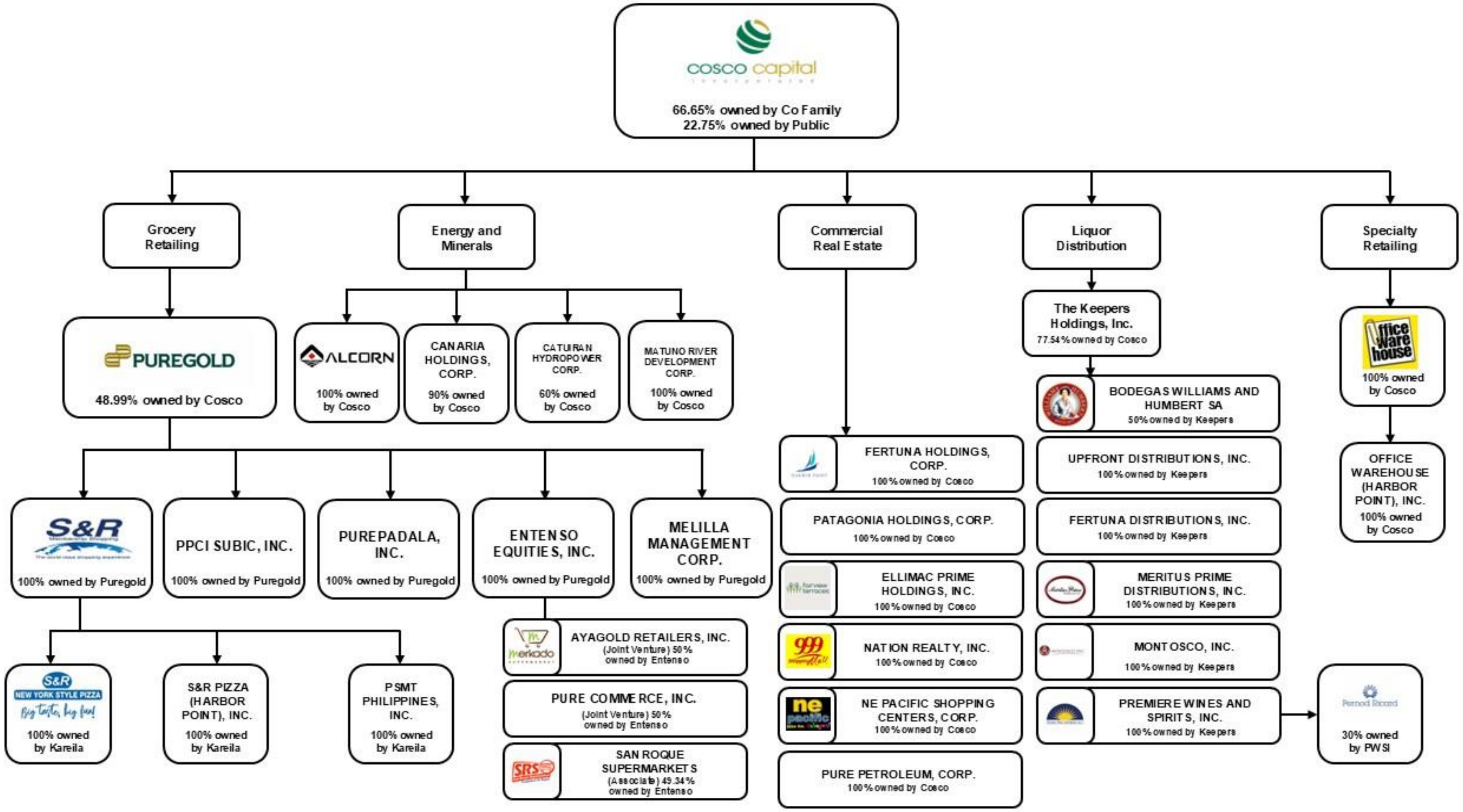
April 15, 2025
Makati City, Metro Manila

THE KEEPERS HOLDINGS, INC. AND SUBSIDIARIES
Map of Group of Companies Within which the Company Belongs
As at December 31, 2024



THE KEEPERS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE A. FINANCIAL ASSETS

(Amount in Thousands)

Name of Issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (ii)	Valued based on market quotation at balance sheet date (iii)	Income received and accrued
Various banks - Cash and cash equivalents	N/A	P4,903,223	P4,903,223	P99,257
Various customers - Trade and other receivables - net	N/A	2,849,451	2,849,451	-
Various lessors - Refundable deposits	N/A	19,611	19,611	-

**Pertains to interest income earned, net of final tax*

THE KEEPERS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE B. AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN AFFILIATES)

Name and Designation of debtor (i)	Balance at beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period

NOTHING TO REPORT

THE KEEPERS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE C. AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

(Amount in Thousands)

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected (i)	Amounts written off (ii)	Current	Not Current	Balance at end of period
Montosco, Inc.	P961,626	P1,259,759	(P2,220,509)	P -	P876	P -	P876
Meritus Prime Distributions, Inc.	87,016	96,571	(183,561)	-	26	-	26
Premier Wine and Spirits, Inc.	84,292	146,799	(231,091)	-	-	-	-
Fertuna Distributions, Inc.	25,643	-	(25,643)	-	-	-	-
Upfront Distributions Corp.	-	-	-	-	-	-	-
	P1,158,577	P1,503,129	(P2,660,804)	P -	P902	P -	P902

THE KEEPERS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE D. LONG TERM DEBT

Title of Issue and type of obligation (i)	Lender	Outstanding Balance	Amount shown under caption "Current portion of long-term debt" in related balance sheet (ii)	Amount shown under caption "Long-Term Debt" in related balance sheet (iii)	Interest Rates	Number of Periodic Installments	Final Maturity
Loans Payable	Metro Bank & Trust Co.	P260,000	-	P260,000	5.50%	1	August 23, 2029

THE KEEPERS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE E. INDEBTEDNESS TO RELATED PARTIES (LONG TERM LOANS FROM RELATED PARTIES)

Name of Related Parties (i)	Balance at beginning of period	Balance at end of period (ii)

NOTHING TO REPORT

THE KEEPERS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE F. 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 (i)	Amount owned by person for which statement is filed	Nature of guarantee (ii)

NOTHING TO REPORT

THE KEEPERS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE G. CAPITAL STOCK

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of treasury common shares	Number of shares held by affiliates	Directors, officers and employees	Others
Common Shares	20,000,000,000	14,508,750,313	-	11,469,926,768	17,865,323	3,020,958,222

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024

(Amounts in Thousands)

THE KEEPERS HOLDINGS, INC.

No. 900 Romualdez Street, Paco, Manila

Unappropriated Retained Earnings, beginning of reporting period	**P1,007,766**
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	**(1,450,875)**
Deficit, as adjusted	**(443,109)**
Add: Net Income for the current year	**1,651,787**
Total Retained Earnings, end of reporting period available for dividend	**P1,208,678**

THE KEEPERS HOLDINGS, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
December 31, 2024

	2024	2023
Total Audit Fees	**P1,843,400**	P1,843,400
Non-audit services fees:		
Other assurance services	**-**	-
Tax services	**-**	-
All other services	**-**	-
Total Non-audit Fees	**-**	-
Total Audit and Non-audit Fees	**P1,843,400**	P1,843,400
Audit and Non-audit Fees of Other Related Entities		
Audit fees	**P -**	P -
Non-audit services fees:		
Other assurance services	**-**	-
Tax services	**-**	-
All other services	**-**	-
Total Audit and Non-audit Fees of Other Related Entities	**P1,843,400**	P1,843,400

ANNEX "C"

The Keepers Holdings

Sustainability Report 2024

SEC 17-A Annex

About the Report

At The Keepers Holdings, Inc. (KEEPR), we recognize the importance of transparency, accountability, and sustainability in driving long-term business resilience. With the release of our first standalone Sustainability Report, we take a meaningful step forward in strengthening our ESG disclosures and reinforcing our role as a responsible corporate citizen.

This publication marks a significant milestone for our organization, which previously reported its sustainability performance under the consolidated disclosures of Cosco Capital, Inc., our parent company that holds a 78% ownership stake in KEEPR.

The report covers the ESG performance of our key subsidiaries—Montosco, Inc., Meritus Prime Distributions, Inc., and Premier Wine and Spirits, Inc.—which are among the leading distributors in the Philippine liquor, wine, and specialty beverage industry. Where relevant, we also include data from Fertuna Distributions, Inc. and Upfront Distributions Corp., to provide a more comprehensive view of our sustainability footprint.

We prepared this report in reference with the Global Reporting Initiative (GRI) Standards 2021, ensuring a balanced and comprehensive approach to disclosure. We also aligned with the Securities and Exchange Commission (SEC) Sustainability Reporting Guidelines to meet regulatory expectations and support stakeholder trust. While this report has not undergone external assurance, it has undergone internal validation processes to help ensure the credibility and accuracy of the information presented.

The reporting period spans from January 1 to December 31, 2024, and this document serves as our baseline for improved sustainability reporting in the years ahead.

For questions, feedback, or clarifications regarding this report, please contact:

John T. Hao,
Investor Relations and Sustainability Officer
Cosco Capital Inc.
john.hao@coscocapital.com

Table of Contents

About The Keepers Holdings, Inc.

The Keepers Holdings, Inc. (KEEPR) is a publicly listed investment holding company that owns and manages three of the major players in the Philippines' imported spirits, wine, and specialty beverage distribution sector: Montosco, Inc., Meritus Prime Distributions, Inc., and Premier Wine and Spirits, Inc.

We were originally incorporated on November 5, 1963 as Mariwasa Manufacturing, Inc., a ceramic tile manufacturing firm. On September 3, 1991, we were listed on the Philippine Stock Exchange (PSE). In 2008, our corporate name was changed to Mariwasa Siam Holdings, Inc., along with our primary purpose—from manufacturing to investment holding. This was followed by another renaming in 2013 to Da Vinci Capital Holdings, Inc., although we remained non-operational from May 2013 until mid-2021.

Our current structure was established following a share swap transaction approved by the SEC on June 30, 2021, wherein we acquired 100% ownership of Montosco, Meritus, and Premier through the issuance of shares to Cosco Capital, Inc. As a result, Cosco Capital now holds a controlling interest in KEEPR.

To further strengthen our long-term supply chain, we acquired a 50% stake in Bodegas Williams & Humbert (BWH) in 2022, the producer of Alfonso Brandy, our flagship brand and a key revenue contributor. We also established Fertuna Distributions, Inc. in Cebu to support regional distribution and marketing efforts across Visayas and Mindanao.

According to IWSR Drinks Market Analysis Limited, KEEPR was the leading distributor of imported spirits in the Philippines in 2020, with a 74.0% market share by volume and 66.9% by retail sales value.

Our Key Subsidiaries

Montosco, Inc.
Montosco is our largest revenue-generating subsidiary and a market leader in the Spanish brandy and Scotch whisky segments. It exclusively carries Alfonso Brandy and distributes an extensive portfolio from Diageo, including Johnnie Walker, Tanqueray, Baileys, Singleton, Don Julio, and Gilbey's.

Meritus Prime Distributions, Inc.
Meritus focuses on premium brown spirits, wines, and specialty beverages. It has strong partnerships with global producers like Beam Suntory, William Grant & Sons, and Treasury Wine Estates, distributing leading brands such as Glenfiddich, Balvenie, Hendrick's, Jim Beam, Maker's Mark, Roku, Haku, and Beringer.

Premier Wine and Spirits, Inc.
Premier carries a broad portfolio of globally recognized brands including Jose Cuervo, Jägermeister, Aperol, Red Bull, Penfolds, Wolf Blass, and more. In 2019, Premier entered a joint venture with Pernod Ricard to form Pernod Ricard Philippines, Inc., the exclusive distributor of Chivas Regal, The Glenlivet, Royal Salute, Martell, and Jameson in the country.

Our vision

To lead the imported spirits, wines, and specialty beverages industry with a strong commitment to responsible service, effective marketing, and outstanding results every step of the way.

Our mission

To grow our network and services by consistently delivering quality, value, and memorable experiences to customers with our diverse portfolio of local and imported beverages.

Our Core Values

Quality

Commitment to delivering excellence to all stakeholders.

Novelty

Focus on innovation and exciting new experiences.

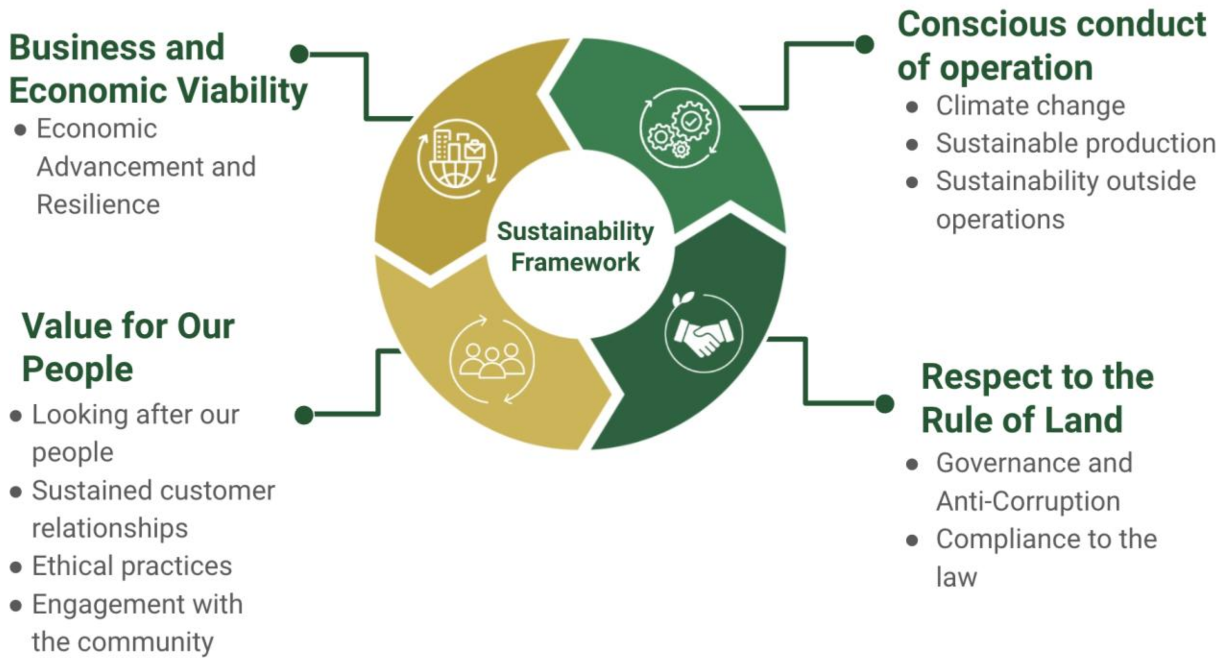
Diversity

Emphasis on a varied portfolio and inclusive community.

Sustainability

Dedication to environmental and community care.

Our Sustainability Strategy



As this is the initial standalone report of The Keepers Holdings, Inc., we have drawn from the broader sustainability context of Cosco Capital, Inc., our parent company, to establish the foundation of our strategy. Our sustainability approach focuses on generating long-term value for stakeholders while promoting responsible operations, empowered workforce engagement, and environmental stewardship. We have carried over relevant material topics that were previously disclosed under Cosco, refining them for Keepers' unique business model in liquor distribution and premium beverages.

Our framework is anchored on four sustainability pillars:

- **Business and Ecosystem Viability** – Driving economic performance while managing procurement practices and operational risks.
- **Conscious Conduct of Operations** – Managing resource use, emissions, and waste while enhancing sustainability across the value chain.
- **Value for People** – Promoting employee well-being, customer care, and ethical workplace practices.
- **Respect for the Rule of the Land** – Upholding corporate governance, regulatory compliance, and anti-corruption standards.

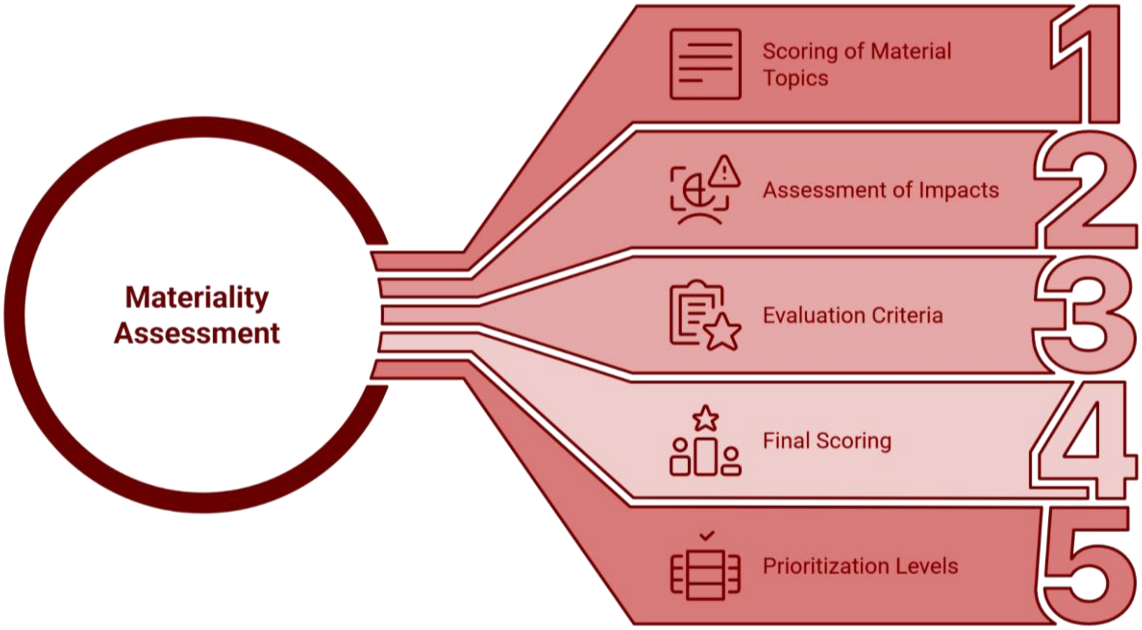
Materiality Assessment

As a subsidiary of Cosco Capital, Inc., The Keepers Holdings Inc. (KEEPR) aligned with the group-level materiality assessment conducted in previous years, which followed the GRI Standards. KEEPR participated in this process as part of Cosco's retail and distribution cluster and continues to reference the material topics identified through that assessment.

Given the relatively stable nature of our operations and stakeholder concerns, we have opted to carry over the applicable material topics for this 2024 report. These topics remain highly relevant to our business, particularly in the areas of product responsibility, governance, operational sustainability, and employee welfare.

We plan to conduct a standalone materiality assessment in 2025 to formally validate the continued relevance of these topics and capture any emerging sustainability issues specific to KEEPR.

To determine the most relevant ESG topics, the following steps were applied during the assessment:



- *Scoring of Topics Based on Organizational Context and Strategy, considering alignment with our business model, risk profile, and sustainability goals.*
- *Assessment of Actual and Potential Impacts, including effects on people, the environment, and the business.*
- *Evaluation of Likelihood and Significance, to identify which issues are most pressing, probable, or wide-reaching.*
- *Final Scoring and Prioritization, producing a structured view of high, medium, and low priority topics for management and disclosure.*

Prioritized Material Topics for KEEPR

The following topics were selected from the Cosco Holdings-level materiality framework and refined to reflect the nature of KEEPR's operations in wine and liquor distribution. These topics are categorized based on their relative importance and impact as determined in the 2022 group-level assessment.

High Priority	Medium Priority	Low Priority
● Economic Growth ● Governance and Anti-Corruption ● Compliance to the Law ● Customer Health and Safety ● Customer Privacy and Cybersecurity ● Employee Health and Safety ● Employee Engagement and Diversity	● Disaster Preparedness ● Energy and Emissions ● Waste & Recycling of Packaging Waste ● Sustainable Supply Chain	● Fair Marketing and Labelling Practices ● Sustainable Product Mix ● Technology and Innovation ● Promoting Sustainable Lifestyles

Some topics identified at the group level were excluded from this report as they were assessed to be less relevant to KEEPR's current operations. These include *Optimizing Water Use, Food Waste, and Communities and Livelihoods*, which are more applicable to retail or food businesses with community-facing or water-intensive operations. As a distributor of alcoholic beverages, KEEPR has limited exposure to these areas, and their impacts are either not significant or already addressed under broader topics such as economic growth and supply chain management.

Our Material Topics UNSDG Mapping

To demonstrate how our sustainability priorities align with broader global goals, we mapped our most relevant material topics to the corresponding United Nations Sustainable Development Goals (UN SDGs). These topics reflect the ESG areas that are most critical to our operations, stakeholders, and long-term value creation, as determined through the group-level materiality process and refined for KEEPR's unique context in wine and liquor distribution.

8 DECENT WORK AND ECONOMIC GROWTH

11 SUSTAINABLE CITIES AND COMMUNITIES | 13 CLIMATE ACTION

7 AFFORDABLE AND CLEAN ENERGY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION

Theme	Material Topic	Description	Relevant GRI Indicators	Aligned SDGs
Business and Ecosystem Viability	Economic Growth	Performance through brand partnerships and efficient distribution	GRI 201, 204, 207	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

3 GOOD HEALTH AND WELL-BEING | 8 DECENT WORK AND ECONOMIC GROWTH

Theme	Material Topic	Description	Relevant GRI Indicators	Aligned SDGs
	Disaster Preparedness	Business continuity and emergency protocols	Non-GRI: Business continuity	
Conscious Conduct of Operations	Energy and Emissions	Managing energy use in logistics and operations	GRI 302, 305	
	Waste & Packaging Management	Managing packaging waste and promoting recyclability	GRI 301, 306	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Sustainable Supply Chain	Fostering ESG-compliant sourcing and ethical distribution practices	GRI 301, 308	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Value for People	Employee Health and Safety	Promoting workplace safety and well-being	GRI 403	
	Employee Engagement and Diversity	Fair treatment, development, and inclusive hiring	GRI 401, 404, 405, 406	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
	Customer Health and Safety	Ensuring product quality and responsible marketing	GRI 416	3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Theme	Material Topic	Description	Relevant GRI Indicators	Aligned SDGs
	Customer Privacy and Cybersecurity	Safeguarding partner and customer data	GRI 418	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Respect for the Rule of the Land	Governance and Anti-Corruption	Upholding ethics and transparency in business practices	GRI 205, 206	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Compliance to the Law	Adhering to legal, regulatory, and tax obligations	Non-GRI: Legal and regulatory compliance	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Stakeholder Engagement

At The Keepers Holdings Inc. (KEEPR), we recognize that strong and transparent stakeholder relationships are vital to our long-term success. Our business interacts with a diverse set of stakeholders, including investors, customers, suppliers, employees, regulators, and local communities. Each group plays a significant role in shaping how we operate and deliver value.

We engage these stakeholders through structured and responsive communication platforms such as investor briefings, distributor meetings, regulatory submissions, customer touchpoints, and employee programs. These engagements allow us to align our sustainability strategy with stakeholder expectations and respond to their evolving concerns, particularly around quality, compliance, product innovation, and business ethics.

Key Stakeholders	Key Topics/Concerns	Engagement Platforms / Channels	Frequency
Investors	Business growth, ESG performance, financial results	Investor Briefings (Virtual & In-person), Emails, Calls, Company Website, Disclosures	Quarterly, As needed
Shareholders	Dividends, share performance, corporate governance	PSE Reports, Annual Stockholders' Meeting, Email Inquiries	Annual, Quarterly, As needed
Government & Regulatory Bodies	Licensing, excise taxes, compliance, importation rules	BIR, FDA, BOC interactions, Regulatory submissions, Audit meetings, Store Visits, Compliance Inspections	As needed, Regular
Customers (Retail & On-Premise)	Product availability, quality, pricing, brand portfolio	Sales & Brand Activations, Distributor Feedback Channels	Ongoing, Periodic
	Promotions, education, customer service	Trade Shows, Events, Social Media, Feedback Surveys	
Suppliers / Brand Principals	Distribution performance, compliance, marketing support	Business Reviews, Forecasting Meetings, Email Coordination	As needed, Regular
	Forecasting accuracy, market feedback, ESG collaboration	Joint Promotions, Contractual Reviews	
Employees	Compensation, health and safety, development opportunities	HR Dialogues, Performance Reviews, Grievance Channels	As needed, Periodic
	Engagement, recognition, inclusion	Trainings, Internal Memos, Events	

Business and Economic Viability

As the Philippines' largest importer of premium spirits and wines, Keepers Holdings Inc. (KEEPR) creates meaningful economic value through its role in the national supply chain—from sourcing and logistics to distribution and retail. Our operations generate employment, support local industries, drive fiscal contributions, and deliver shareholder value. In an increasingly volatile business environment, our commitment to resilience is anchored in transparency, ethical governance, and risk-aware decision-making.

This section outlines how our business creates, distributes, and preserves economic value while managing procurement, wage equality, and disaster preparedness. These efforts reflect our core value of Sustainable Growth, which drives us to balance performance with long-term impact. Our approach is backed by key policies and governance mechanisms, including our Enterprise Risk Management framework, Supplier Code of Conduct, and Anti-Bribery and Anti-Corruption Policy.

Economic Growth

In 2024, we generated Php 18.53 billion in revenue—a 13.6% increase from 2023—supported by stable consumer demand and strengthened supply partnerships. Dividend income reached Php 1.67 billion following the integration of Bodegas Williams & Humbert SA into our portfolio, further diversifying our income sources.

We distributed Php 14.64 billion in operating costs and Php 160 million in employee wages and benefits, while returning Php 1.45 billion in dividends to shareholders. Our tax payments declined significantly in 2024 to Php 45 million, as most contributions were booked at the group level under Cosco Capital Inc. and subsidiaries.

Direct economic value generated:	**2022**	**2023**	**2024**
Revenue	**13,957**	**16,313**	**18,527**
Interest Income	113	78	99.26
Other income	361	207.72	368.97
Dividend income	-	-	1,665
Economic value distributed:	**2022**	**2023**	**2024**
Operating costs	11,085	12,798	14,635
Employee wages and benefits	110	138	160
Payments to providers of capital	2	0	4
Dividends Distributed	783	1,117	1,450.88
Payments to government*	4,849	6,190	45
Community investments	0	0	0

**Note: Tax payments reflect entity-level filings. Group-level tax disclosures are reported under Cosco Capital Inc.*

Financial assistance received from the government

Tax Relief and Tax Credits	NA
Subsidies	NA
Relevant Grants	NA
Awards	NA
Royalty Holiday	NA
Financial Assistance from Export Credit Agencies	NA
Subsidies	NA
Financial Incentives	NA
Government Financial Benefits	NA
Total	NA

Local Procurement

At Keepers, we strive to support the local economy through responsible and inclusive sourcing practices. While a majority of our specialized products are imported to maintain brand exclusivity and global quality standards, we continue to prioritize partnerships with Philippine-based suppliers wherever possible.

In 2024, 31% of our procurement budget—or Php 2262 million—was allocated to local suppliers. This is defined as products made in the Philippines or sourced from Philippine-based vendors. Although this marks a significant increase from 12% in 2023, aligned with the company's efforts to strengthen local partnerships and improve sourcing resilience post-pandemic.

Proportion of spending on local suppliers*	2022	2023	2024
Percentage of the procurement budget spent on local suppliers	8	12	31
Amount of the procurement budget spent on local suppliers (in millions)	1192	1580	2262
Amount of the procurement budget spent on overseas suppliers	12897	11356	5079

In 2024, we sourced overseas products from 16 countries, including Spain, Korea, China, Germany, Singapore, Japan, Fiji, South Africa, USA, Argentina, Chile, Latvia, Mexico, Switzerland, the UK, and The Netherlands. These suppliers are selected for their product quality, operational compliance, and alignment with our Supplier Code of Conduct, which enforces human rights, environmental management, and anti-corruption principles.

To ensure ethical and high-performing partnerships, our suppliers are also subject to evaluation through our Sustainability Vendor Self-Assessment Questionnaire and may undergo audits or site visits to verify alignment with our standards

Total no. of suppliers (local and overseas)	90
Total no. of local suppliers	17
Total no. of overseas suppliers	73
Specify locations of overseas suppliers	Spain, Korea, China, Germany, Singapore, Japan, Fiji, South Africa, USA, Argentina, Chile, Latvia, Mexico, Switzerland, UK, The Netherlands
Percentage of local suppliers out of total suppliers	*19%*

**"Local" - Products made in the Philippines or sourced from a Philippine-based supplier*

100% of our senior management roles at significant provincial sales locations were filled by individuals from the local communities where these operations are based. We define “senior management” as executives, and “local community” as the immediate National Capital Region (NCR) or provincial area of operation.

Proportion of senior management hired from the local community	**2024**
Percentage of senior management at significant locations of operation that are hired from the local community*	100

**Definition for Senior Management - Executive*
Geographical Definition for Local - NCR
Definition for Significant Locations of Operation - Sales located with different provinces

Local Wage Equality

We ensure that all employees receive compensation that is equal to or higher than the applicable minimum wage set by the Department of Labor and Employment (DOLE). In provinces without fixed wage levels, we follow DOLE's regional wage orders. Annual performance reviews help determine eligibility for salary increases.

While no senior management positions in 2024 were held by members of the local communities where operations are based, all hiring follows a merit-based, non-discriminatory process consistent with our Human Rights Policy

Disaster Preparedness

As a company operating in a climate-vulnerable country, disaster risk mitigation is essential to our business continuity. We maintain preparedness protocols aligned with Cosco Capital's group-wide Disaster Risk Reduction and Management Manual. This includes:

- Regular fire and earthquake drills in leased offices and warehouse facilities
- First aid-certified personnel and available medical kits
- Fire safety systems (extinguishers, alarms, smoke detectors) installed across facilities
- Emergency exit plans and training sessions conducted annually

These measures help ensure that we are operationally ready to respond to emergencies and minimize disruptions to our workforce and business partners.

In line with our Company Environment, Social, Governance (ESG) Policies, Keepers complies with all applicable building and fire codes and ordinances. We are committed to maintaining safe and hazard-free facilities.

These protocols are embedded within our Enterprise Risk Management (ERM) system, which ensures that disaster and emergency-related risks are assessed, monitored, and addressed across all operational levels.

Conscious Conduct of Operations

At Keepers, we are committed to conducting business in a manner that protects the environment and contributes to global climate action. We take active steps to integrate environmental sustainability into our operations—from energy use and materials management to water efficiency, waste reduction, and supply chain accountability. Our approach supports multiple UN Sustainable Development Goals (SDGs), particularly those related to responsible consumption, climate action, and environmental protection.

Through the implementation of the Keepers Group Environmental Policy, we identified key impact areas: GHG emissions, waste, resource use, biodiversity, packaging, and compliance. This policy guides our group-wide environmental programs, reinforced by internal oversight structures including the Sustainability Steering Group and Technical Working Group.

Management of Sustainable Materials

We understand that the materials we source and use have a direct impact on resource conservation and waste generation. Keepers is committed to improving material efficiency and reducing its dependence on non-renewable resources in line with its environmental priorities.

In 2024, the total weight of non-renewable materials used increased from 6.5 tons in 2023 to 15.9 tons, reflecting growth in packaging volume, storage materials, and operational scale.

Materials Used (t)	2022	2023	2024
Non-renewable Materials Used	-	6.5	15.9

As part of our commitment to resource efficiency, we aim to:

- Integrate recycled and reclaimed materials into operations;
- Partner with suppliers who practice sustainable sourcing;
- Support closed-loop systems in packaging where applicable.

These efforts are aligned with our Environmental Policy's goal to "operate more efficiently whether in terms of energy, water, or materials used across our operations and supply chain".

Energy and Emissions

Energy use at Keepers has steadily increased over the past three years in line with business activity—particularly in our logistics network and temperature-sensitive storage facilities. In 2024, we observed a significant rise in both fuel and electricity consumption as we scaled up our operations to meet higher market demand.

Consumption - Non-Renewable Sources	Unit	2022	2023	2024
Diesel	Liter	37,204.00	44,441.00	50,206.98
Gasoline	Liter	648.00	26,604.00	43,886.44
Electricity	Kwh	129,647.00	138,364.00	237,584.08

As part of our commitment to climate action, we began tracking our greenhouse gas (GHG) emissions across Scope 1 (fuel combustion) and Scope 2 (purchased electricity) in accordance with GRI 305 and DEFRA-based emission factors. The following table summarizes our GHG emissions from 2022 to 2024:

GHG Emissions (tCO2e)	2022	2023	2024
Scope 1 (fuel)	102.18	182.85	239.13
Scope 2 (electricity)	92.33	98.54	169.21

These figures serve as our emissions baseline. As committed in our Environmental Policy, we aim to establish science-based reduction targets and work toward achieving net zero carbon emissions by 2050, in support of international climate goals such as the Paris Agreement and Glasgow Climate Pact.

We are exploring low-emissions fleet options and renewable energy sourcing in the near term to further reduce our operational footprint.

Waste Management

We manage waste through strict segregation, responsible disposal, and waste diversion practices across our facilities. Recyclable waste such as wires, electronics, and scrap metals is sold to accredited buyers, while reusable containers and packaging are promoted to reduce single-use materials in our operations.

Waste collection is handled by accredited local government haulers, and all facilities implement segregation protocols in accordance with RA 9003 (Ecological Solid Waste Management Act). However, data availability remains a challenge in tracking specific waste types—particularly hazardous waste volumes and diversion rates.

To address this, we are in the process of enhancing our waste tracking systems and internal protocols. These improvements aim to strengthen our ability to monitor waste generation, treatment, and diversion in succeeding years.

These programs support our overarching environmental policy commitments to minimize food, solid, and hazardous waste and help our customers reduce their own environmental footprint through more sustainable consumption and disposal practice.

Optimizing Water Use

Water use across our operations is relatively low but monitored regularly to ensure efficiency. In 2024, our total water consumption reached 1.67 megaliters, consistent with office and warehouse needs. Minimizing environmental impact through efficient water withdrawal, recycling, and discharge practices.

Water consumption	2024
Total water consumption from all (ML)	1.67
Total water consumption from all areas with water stress (ML)	N/A
Change in water storage, if water storage has been identified as having a significant water-related impact	N/A

Sustainable Supply Chain

We embed environmental responsibility into our sourcing practices through our **Supplier Code of Conduct**, which enforces standards on waste management, emissions, energy efficiency, and water use, we continued to work with both local and international suppliers to ensure alignment with these expectations.

Key environmental screening practices include:

- Supplier self-assessment on waste, water, and GHG management
- Supplier engagement on responsible packaging and transport
- Ongoing monitoring of adherence to Philippine environmental laws

As part of our transformation into a distribution and manufacturing leader, we are also optimizing our product flow and logistics infrastructure to reduce transportation emissions and enhance operational sustainability.

Product Safety and Customer Wellbeing

We ensure that all products we import, distribute, and market are compliant with global and local safety standards. In 2024, we recorded zero incidents of non-compliance related to product health and safety.

All suppliers undergo regulatory checks, and imported products are verified for compliance with FDA regulations and relevant import permits. We continue to work only with reputable international partners with certifications on quality and safety.

Value for our People

At Keepers, people are central to our success—from our employees and partners to the customers and communities we serve. We are committed to creating inclusive workplaces, upholding human rights, and ensuring the safety, growth, and engagement of our workforce. These efforts help us sustain a thriving organization while creating long-term value across our value chain.

Employee Engagement and Diversity Inclusion

We foster an inclusive work environment where individuals from all backgrounds are valued. Our hiring practices are based on merit, with no bias toward gender, age, or race. All employees receive competitive benefits including medical coverage, paid leave, and flexible work arrangements. In 2024, we hired 54 new employees, up from 43 in 2023. Notably, female hires grew by 65%, reflecting our continued push for gender balance across the organization.

Our grievance mechanisms include a clear escalation protocol and disciplinary actions where necessary, ensuring all employees feel safe and heard.

Employee New Hires

Age	2022	2023	2024
Below 30	20	-	26
30-50	16	43	28
Above 50	1	-	-
Total	**37**	**43**	**54**

Gender	2022	2023	2024
Male	17	23	21
Female	20	20	33
Total	37	43	54

Category	2022	2023	2024
Senior Management		1	2
Middle Management	3	3	5
Junior Management	9	8	9
Non Supervisors	25	31	38
Total	**37**	**43**	**54**

Local Hires	2022	2023	2024
NCR	30	43	46
Region 4	2	-	3
Region 6	4	-	1
Region 7	1	-	4
Total	**37**	**43**	**50**

The workforce has experienced steady growth and movement over the past three years. In 2024, 54 new employees were hired, up from 43 in 2023 and 37 in 2022. Female hires saw a 65% increase, while male hires declined slightly. Most hires were in NCR, with some in Regions 4, 6, and 7. Senior and middle management hiring also increased.

Employee Turnover New Hires

Age	2022	2023	2024
Below 30	7	9	11
30-50	11	20	24
Above 50	1	2	1
Total	**19**	**31**	**36**

Gender	2022	2023	2024
Male	8	16	21
Female	11	15	15
Total	**19**	**31**	**36**

Category	2022	2023	2024
Middle Management	2	3	1
Junior Management	5	4	8
Non Supervisors	12	24	27
Total	**19**	**31**	**36**

Local Hires	2022	2023	2024
NCR	19	30	29
Region 4	-	1	3
Region 6	-	-	3
Region 7	-	-	1
Total	**19**	**31**	**36**

Employee turnover increased, rising from 19 in 2022 to 36 in 2024. The highest turnover was among employees aged 30-50, with a 20% increase from the previous year. Turnover among employees under 30 also grew, while the number of employees over 50 leaving the company decreased. Male turnover increased, while female turnover remained constant. Junior management turnover doubled, while middle management saw a reduction. The highest turnover occurred among non-supervisory roles, increasing steadily each year. Like hiring trends, most employee departures were recorded in NCR, with additional turnover in Regions 4, 6, and 7.

Employee Benefits

All Employees	Applicable	Number who availed benefit

(Regular/Probationary /Project-Based)	(Yes / No)	Male	Female	Total
Benefits	YES	49	103	**152**
SSS	YES	3	35	**38**
Philhealth	YES	3	6	**9**
Pag-ibig	YES	93	152	**245**
Parental Leaves	YES		3	**3**
Medical Benefits (aside from Philhealth)	YES	89	137	**226**
Life Insurance	YES	0	0	**0**

Regular/Probationary employees Only	Applicable	Number who availed benefit		
	(Yes / No)	Male	Female	Total
Vacation Leaves	YES	89	137	**226**
Sick Leaves	YES	89	137	**226**
Retirement Fund (Aside from SSS)	NO	-	-	**-**
Housing Assistance (Aside from Pag-ibig)	NO	-	-	**-**
Further Educational Support	NO	-	-	**-**
Telecommuting/ Working from Home Arrangements	NO	-	-	**-**
Company Stock Options	NO	-	-	**-**
Flexible-Working Hours	YES	22	53	**75**

The benefits data at Keepers highlights strong utilization of core health and leave programs, particularly among regular and probationary employees. Medical benefits, vacation leaves, and sick leaves were availed by 226 employees each, reflecting a consistent focus on employee well-being and work-life balance.

Pag-ibig benefits had the highest overall usage with 245 availing, while SSS and PhilHealth saw lower availment, especially among male employees. This may suggest varying levels of need or awareness about these benefits across employee groups.

Flexible working hours were used by 75 employees, with more women (53) than men (22) availing the benefit, indicating a greater demand for flexibility among female staff. Meanwhile, no employees availed of life insurance, which could point to a need for improved awareness or communication about this offering.

Overall, Keepers demonstrates a solid commitment to providing meaningful benefits, while also identifying opportunities to enhance employee engagement with underutilized programs.

Parental Leave

The parental leave data at Keepers reflects the company's commitment to supporting work-life balance, particularly for female employees. In the reporting period, three women were entitled to and availed of parental leave, and all successfully returned to work, a clear indication of Keepers' supportive reintegration practices.

Gender	Entitled to Parental Leave	Employees who took Parental Leave	Employees who returned to work after parental leave ended	Employees who returned to work after parental leave ended who were still employed twelve months after their return to work	% Retention Rate
Male	0	0	0	0	0%
Female	10	10	10	10	0%
Total	**10**	**10**	**10**	**10**	**0%**

There are no specific provisions for consultation and negotiation outlined in such agreements. However, the company remains committed to maintaining transparent communication with employees during transitions.

There have been no incidents of discrimination or harassment reported during the reporting period, reflecting a positive and respectful workplace culture. Keepers has a clear escalation process in place for reporting any incidents, with all matters referred to an Admin Hearing. In the event of discriminatory behavior or harassment, corrective or disciplinary actions, including suspension or dismissal, are taken to ensure a safe and supportive environment for all employees.

At Keepers, we prioritize open communication and fair treatment of employees, particularly during times of significant operational changes. Employees are typically given one month's notice or notice every payroll period, ensuring that they have sufficient time to adapt.

Occupational Health and Safety

Our Occupational Health and Safety (OHS) program is grounded in regulatory compliance, preventive action, and continuous training—guided by the provisions of RA 11058 (Occupational Safety and Health Standards Act) and our internal governance documents, including the *Enterprise Risk Management Manual* and the *Company ESG Policies*.

We implement annual fire and safety drills, regular pest control in warehouses, and maintain a first-aid ready workforce. These are part of our broader commitment to workplace safety, health promotion, and risk prevention. Core OHS practices include:

- Installation and regular inspection of fire alarms, extinguishers, smoke detectors, and emergency exits across all facilities
- Yearly first aid training for designated HR personnel and emergency responders
- Confidential handling of health-related records, in accordance with our Data Privacy and Cybersecurity Policy
- Signed confidentiality agreements to prevent misuse of employee medical data

All workers are provided access to emergency resources and trained in basic safety protocols. Oversight is led by the HR team and in coordination with the risk management function, ensuring alignment with DOLE standards and internal ERM procedures.

In 2024, we recorded zero work-related injuries or illnesses, affirming the effectiveness of our proactive safety culture and response readiness across operational sites

Training and Education

Employee development is a cornerstone of our people strategy. We offer a mix of technical, leadership, and compliance training to empower our workforce. In 2024, average training hours jumped to 52.5, from 19 in the previous year. Notably, female employees received more training hours on average (71 vs. 34 hours for men), largely due to strong participation in Excel and leadership workshops. We also run Product Knowledge Seminars to support customer-facing roles. Regular performance reviews ensure alignment of training outcomes with career development.

Average Training Hours

Gender	2022	2023	2024
Male	-	20	34
Female	-	18	71
Total Average	**0**	**19**	**52.5**
Category	**2022**	**2023**	**2024**
Senior Management	-	-	3
Middle Management	-	7	17
Junior Management	-	15	37
Permanent Workers	-	38	105
Non Supervisors	-	16	48
Contractual Workers	-	-	-
Total Average	**0**	**12.67**	**26.25**

Name/Type of Training	Mandatory/Voluntary	Date	Training Description
Microsoft Excel Level 2 Batch 1	Mandatory	2/22/2024	Microsoft Excel Training
Microsoft Excel Level 2 Batch 2	Mandatory	3/22/2024	Microsoft Excel Training
Microsoft Excel Level 2 Batch 3	Mandatory	5/24/2024	Microsoft Excel Training
Microsoft Excel Level 2 Batch 4	Mandatory	6/11/2024	Microsoft Excel Training
Leadership Seminar- Trainco	Voluntary	6/29/2024	Leadership Training
Leadership Seminar- Neil Germo	Mandatory	7/18/2024	Leadership Training

In 2024, the average training hours per employee increased significantly to 52.5 hours, up from 19 hours in 2023. Female employees received more training, averaging 71 hours, compared to 34 hours for male employees. By category, senior management had 3 hours of training, while middle and junior management received 17 and 37 hours, respectively. Non-supervisory employees averaged 48 hours of training in 2024. The year's training programs included Microsoft Excel Level 2, conducted in four batches as a mandatory training, and two leadership seminars.

The Keepers Holdings offers a variety of programs to enhance the skills and expertise of its employees, with a strong focus on both technical and professional development. One key program is the Product Knowledge Seminar, a technical training designed to ensure that employees are well-versed in the products and services offered by the company. This seminar equips employees with in-depth knowledge, enabling them to provide better service and support to customers. By investing in comprehensive programs, Keepers ensures that its employees are well-equipped to thrive in their roles and advance in their careers.

Customer Health and Safety

As an importer and distributor of world-class spirits and wines, Keepers prioritizes the safety and satisfaction of our customers. All products we market and distribute are sourced from certified international and local partners, ensuring full compliance with health, safety, and regulatory standards—including FDA requirements and import permit regulations.

We implement a stringent product stewardship framework, supported by supplier due diligence, quality checks, and traceability. In 2024, we recorded zero incidents of non-compliance with health and safety regulations, reinforcing the effectiveness of our systems and partnerships.

Our commitment to customer well-being extends beyond compliance. Through regular training and capacity-building, employees are equipped to handle product safety concerns, guide customer inquiries, and uphold service excellence. Customer feedback is continuously monitored to swiftly resolve any concerns and enhance overall experience.

Customer Privacy and Cybersecurity

At Keepers, safeguarding customer information is fundamental to our operations and digital trust. We comply with the Data Privacy Act of 2012 (RA 10173) and its implementing rules, supported by our internal *Data Privacy and Cybersecurity Policy*Company Environment, So….

We only collect the information necessary to process transactions, deliver services, and improve customer experience—such as names, contact details, and purchase history. All data is handled with strict confidentiality and is never shared without explicit consent, unless required by law.

To protect against data breaches, we employ a multi-layer cybersecurity system that includes:

- Regular vulnerability and security audits
- Network firewalls and intrusion detection systems
- Updated antivirus and anti-malware tools
  Encrypted connections (SSL/TLS) for secure transactions
- Periodic staff training on safe data handling

Customers have full rights to access, correct, or inquire about their data. They may contact our Data Protection Officer at **dataprivacy@thekeepers.com.ph** or via our posted contact details for assistance.

Our online platforms also use cookies to personalize user experiences and analyze trends. These can be managed by users to suit their privacy preferences.

Importantly, we recorded zero complaints or substantiated incidents related to data privacy breaches or cybersecurity threats in 2024, underscoring the effectiveness of our protective measures.

Fair Marketing and Labelling Practices

We uphold responsible marketing principles and ensure product labeling is accurate, truthful, and aligned with legal requirements. Our procurement and QA teams monitor supplier adherence to local and international labeling laws. In 2024, there were no incidents of non-compliance with marketing communication or product labeling regulations.

Communities and Livelihoods

Keepers supports inclusive community development through small-scale livelihood partnerships, education-focused engagements, and responsible sourcing. While our operations have no known significant negative impacts on local communities, we aim to expand positive influence through proactive collaboration and support programs.

No violations involving Indigenous Peoples' rights were recorded in 2024, consistent with our Human Rights Policy and responsible supplier standards.

Security Practices on Human Rights

Our *Human Rights Policy* ensures dignity, equality, and fairness across our workforce and supply chain. We uphold international standards, including ILO Core Conventions and the Philippine Constitution, and embed these in our corporate and procurement practices. Key commitments include:

- No child or forced labor: Strict age and contract verification protocols are implemented across operations and suppliers.
- Fair wages and conditions: Employees are compensated above minimum standards, provided leave entitlements, and capped work hours.
- Freedom of association and speech: Open dialogue and grievance mechanisms are actively encouraged, without retaliation.
- Diversity and inclusion: Hiring and promotion are based on merit, without discrimination.
- Safety and health: We strictly prohibit working under the influence of substances and regularly assess work environments to safeguard vulnerable groups such as pregnant women and nursing mothers.

- Incident reporting: Clear escalation channels are in place, with all reports treated confidentially and investigated with due process.

These commitments are communicated to all stakeholders—including suppliers—through onboarding, trainings, and ongoing engagements, in line with our Supplier Code of Conduct.

Respect for the Rule of the Land

At Keepers Holdings Inc., we view compliance not merely as a requirement, but as a fundamental commitment to responsible business conduct. We uphold the rule of law by embedding integrity, transparency, and ethical governance into every aspect of our operations.

Our commitment to anti-corruption, data protection, fair competition, and regulatory compliance is reinforced by robust internal controls, employee training, and group-wide policy implementation. These principles ensure that we operate with accountability, protect stakeholder trust, and contribute to a stable and transparent business environment.

Through our policies on governance, whistleblowing, anti-bribery and anti-corruption, and enterprise risk management, we demonstrate our firm stance against misconduct while strengthening resilience in our operations and value chain.

We uphold the law as the foundation of ethical and sustainable business. Through strong governance, anti-corruption policies, and regulatory compliance, we ensure integrity across our operations and protect the trust of our stakeholders.

Governance and Anti-Corruption

We adopt a zero-tolerance approach to bribery and corruption, in line with our group-wide *Anti-Bribery and Anti-Corruption Policy*. This policy applies to all directors, officers, employees, and third-party partners and prohibits:

- Offering or accepting bribes in any form
- Engaging in corrupt practices such as fraud, extortion, money laundering, or insider trading
- Aiding, concealing, or failing to report any known irregular or illegal act

Policy awareness is promoted through mandatory onboarding sessions, and periodic refresher training is being planned. All suppliers and contractors are expected to comply with the same ethical standards under our *Supplier Code of Conduct*.

Reporting and Whistleblowing

We have a whistleblowing mechanism in place that allows employees and partners to report misconduct anonymously and without fear of retaliation. Reports may be submitted through HR, Legal, or the Compliance Officer. Investigations are conducted confidentially, and disciplinary actions may include suspension or dismissal.

We commit to strengthening our data tracking systems and will enhance transparency in future reports.

First-Year Disclosure Note:
As this is our first formal year of sustainability reporting, we are still in the process of refining how we capture, monitor, and report governance-related data such as Number of employees trained on anti-corruption policies and Number of substantiated incidents and outcomes

Legal Compliance and Risk Governance

Our enterprise risk management (ERM) system spans all business units and supports compliance with relevant laws and regulations. As outlined in our *Enterprise Risk Management Framework*, we identify and assess risks systematically and implement responsive action plans.

The Keepers Holding Inc. ERM Strategy

Governance responsibilities are cascaded across the organization:

- The **Board of Directors** oversees risk and compliance oversight.
- The **Risk Committee** monitors enterprise-level exposures and recommends mitigation strategies.
- The **President** and **Risk Management Officer** lead implementation and culture-building efforts.
- All employees are oriented on risks relevant to their roles and empowered to report emerging concerns.

By embedding accountability and early detection into our operations, we enhance business resilience and stakeholder trust.

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	EXPLANATION	
General disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	4-8		
	2-2 Entities included in the organization's sustainability reporting	4-5		
	2-3 Reporting period, frequency and contact point	2		
	2-4 Restatements of information	12		
	2-5 External assurance		No External Assurance conducted.	
	2-6 Activities, value chain and other business relationships	4-5		
	2-7 Employees	16		
	2-8 Workers who are not employees	16		
	2-9 Governance structure and composition	25-26		
	2-10 Nomination and selection of the highest governance body	25		
	2-11 Chair of the highest governance body			
	2-12 Role of the highest governance body in overseeing the management of impacts			
	2-13 Delegation of responsibility for managing impacts			
	2-14 Role of the highest governance body in sustainability reporting			
	2-15 Conflicts of interest			

GRI STANDARD	DISCLOSURE	LOCATION	EXPLANATION	
	2-16 Communication of critical concerns			
	2-17 Collective knowledge of the highest governance body		Through workshops and events focusing on sustainable development	
	2-18 Evaluation of the performance of the highest governance body		Not reported (data not available)	
	2-19 Remuneration policies		Not reported (data is confidential)	
	2-20 Process to determine remuneration		Not reported (data is confidential)	
	2-21 Annual total compensation ratio			
	2-22 Statement on sustainable development strategy			
	2-23 Policy commitments			
	2-24 Embedding policy commitments			
	2-25 Processes to remediate negative impacts			
	2-26 Mechanisms for seeking advice and raising concerns			
	2-27 Compliance with laws and regulations			
	2-28 Membership associations		Not Applicable	
	2-29 Approach to stakeholder engagement	6		
	2-30 Collective bargaining agreements			
Material topics				

GRI STANDARD	DISCLOSURE	LOCATION	EXPLANATION	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	6		
	3-2 List of material topics	6		
Economic performance				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	7		
	201-2 Financial implications and other risks and opportunities due to climate change	7		
	201-3 Defined benefit plan obligations and other retirement plans	7		
	201-4 Financial assistance received from government		Not applicable	
Market presence				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	9		
	202-2 Proportion of senior management hired from the local community	8		
Indirect economic impacts				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	9		
	203-2 Significant indirect economic impacts	9		
Procurement practices				

GRI STANDARD	DISCLOSURE	LOCATION	EXPLANATION	
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	7		
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	30		
	205-2 Communication and training about anti-corruption policies and procedures	30		
	205-3 Confirmed incidents of corruption and actions taken	30		
Anti-competitive behavior				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	30		
Tax				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 207: Tax 2019	207-1 Approach to tax	7		
	207-2 Tax governance, control, and risk management	7		
	207-3 Stakeholder engagement and management of concerns related to tax	7		
	207-4 Country-by-country reporting		Not applicable	

GRI STANDARD	DISCLOSURE	LOCATION	EXPLANATION	
Materials				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	10-11		
	301-2 Recycled input materials used	10-11		
	301-3 Reclaimed products and their packaging materials	10-11		
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	11-12		
	302-2 Energy consumption outside of the organization		Not Reported (Data not available)	
	302-3 Energy intensity	11-12		
	302-4 Reduction of energy consumption	11-12		
	302-5 Reductions in energy requirements of products and services	11-12		
Water and effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	13-14		
	303-2 Management of water discharge-related impacts	13-14		
	303-3 Water withdrawal	13-14		
	303-4 Water discharge	13-14		
	303-5 Water consumption	13-14		

GRI STANDARD	DISCLOSURE	LOCATION	EXPLANATION	
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	11-12		
	305-2 Energy indirect (Scope 2) GHG emissions	11-12		
	305-3 Other indirect (Scope 3) GHG emissions		Not Reported (Data not available)	
	305-4 GHG emissions intensity	11-12		
	305-5 Reduction of GHG emissions	11-12		
	305-6 Emissions of ozone-depleting substances (ODS)		Not Reported (Data not available)	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Not Reported (very minimal /insignificant emissions)	
Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	13		
	306-2 Management of significant waste-related impacts	13		
	306-3 Waste generated	13		
	306-4 Waste diverted from disposal	13		
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GRI STANDARD	DISCLOSURE	LOCATION	EXPLANATION	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	14		
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GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	17-18		
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	401-3 Parental leave	19-20		
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GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	16		
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GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	21-22		
	403-2 Hazard identification, risk assessment, and incident investigation	21-22		
	403-3 Occupational health services	21-22		
	403-4 Worker participation, consultation,	21-22		

GRI STANDARD	DISCLOSURE	LOCATION	EXPLANATION	
	and communication on occupational health and safety			
	403-5 Worker training on occupational health and safety	21-22		
	403-6 Promotion of worker health	21-22		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	21-22		
	403-8 Workers covered by an occupational health and safety management system	21-22		
	403-9 Work-related injuries	21-22		
	403-10 Work-related ill health	21-22		
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GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	22- 24		
	404-2 Programs for upgrading employee skills and transition assistance programs	22- 24		
	404-3 Percentage of employees receiving regular performance and career development reviews	22- 24		
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GRI 3: Material Topics 2021	3-3 Management of material topics			

GRI STANDARD	DISCLOSURE	LOCATION	EXPLANATION	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	16		
Non-discrimination				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	16		
Freedom of association and collective bargaining				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	16		
Child labor				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	16		
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GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	16		
Security practices				
GRI 3: Material Topics 2021	3-3 Management of material topics			

GRI STANDARD	DISCLOSURE	LOCATION	EXPLANATION	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		Not Reported (data not available)	
Rights of indigenous peoples				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	16		
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GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	16		
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GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria			
	414-2 Negative social impacts in the supply chain and actions taken			
Public policy				
GRI 3: Material Topics 2021	3-3 Management of material topics		Not Reported (data not available)	
GRI 415: Public Policy 2016	415-1 Political contributions		Not Reported (data not available)	
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GRI STANDARD	DISCLOSURE	LOCATION	EXPLANATION	
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 416: Customer Health and Saf\ety 2016	416-1 Assessment of the health and safety impacts of product and service categories	24		
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GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	16		
	417-2 Incidents of non-compliance concerning product and service information and labeling	16		
	417-3 Incidents of non-compliance concerning marketing communications	16		
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GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	24-25		

BUSINESS PROFILE OF DIRECTORS AND KEY OFFICERS

A. Board of Directors:

Lucio L. Co, Filipino, 70 years old

Mr. Co has been serving the Company as its Chairman since 2013. Concurrently, he is the elected Chairman of Cosco Capital, Inc., and a Director of Puregold Price Club, Inc and Philippine Bank of Communication (PBCOM), which are all PSE-listed companies.

In addition, Mr. Co acts as the Chairman and President of the following companies: Bellagio Holdings, Inc., Canaria Holdings Corporation, Ellimac Prime Holdings, Inc., Invescap Incorporated, Puregold Duty Free, Inc., and Puregold Properties, Inc.

He is also the Chairman of Alcorn Petroleum and Minerals Corporation, Entenso Equities, Inc., NE Shopping Centers Corporation, PG Holdings, Inc., Pajusco Holdings Corporation, Puregold Duty Free (Subic), Inc., Puregold Finance, Inc., Puregold Realty Leasing & Management, Inc., San Jose City I Power Corp., Makabayan Holdings Incorporated, Union Energy Corporation, Union Equities, Inc., and Matuno River Development Corporation.

He has also been elected as Director of Bacolod Real Estate Development Corporation, Catuiran Hydropower Corporation, Cleangreen Energy Corporation, Forbes Corporation, Grass Gold Renewable Energy (G2REC) Corporation, Karayan Hydropower Corporation, Kareila Management Corporation, LCCK & Sons Realty Corporation, Meritus Prime Distributions, Inc., Montosco, Inc., League One Finance and Leasing Corporation, Pamana Water Corporation, Tower 6789 Corporation, Illido Management Corporation, KMC Realty Corporation, Negros Water Company, Patagonia Holdings Corp., PPCI Subic, Inc., S&R Pizza Harbor Point, Inc., S&R Pizza, Inc., and VS Gripal Power Corporation; and a member of the Board of Trustees of Luis Co Chi Kiat Foundation, Inc.

He has been an entrepreneur for the past 40 years.

Mr. Jose Paulino L. Santamarina, Filipino, 61 years old

Mr. Santamarina was elected President of the Company on February 19, 2021.

He concurrently holds directorship and officer positions in the following companies: Booze On-line, Inc., Cleangreen Energy Corporation; Karayan Hydropower Corporation, Liquorph Distributors Corp., Pamana Consortium, Inc., Pamana Water Corporation, Premier Wine and Spirits, Inc. (Chairman and President), San Jose City I Power Corp., Southern Utility Management and Services Incorporation, Technowater Corporation, and VS Gripal Power Corporation.

He served as the former President of Premier Wines and Spirits, Inc. (“Premier”), one of the leading companies in the importation of wines and spirits industry and which he helped co-found in 1996.

Before joining Premier, Mr. Santamarina was the Chief Financial Officer (1988-1996) of CMG Marketing, Inc., a subsidiary of United Distillers Ltd., and the precursor of what is now known as “Diageo”. CMG was a pioneer in the importation of wines and spirits industry established during the early stages of market liberalization in 1986.

Mr. Santamarina’s professional career began as an auditor for SyCip Gorrres Velayo & Co. from 1984 to 1988.

Mr. Santamarina obtained his Bachelor of Science in Accounting degree in 1984 from the Ateneo de

Davao University. He is a Certified Public Accountant.

Ms. Camille Clarisse P. Co, Filipino, 36 years old

Ms. Co has been one of the Directors of the Company since 2020.

She is concurrently an elected Director Alerce Holdings, Corp., Blue Ocean Holdings, Corp., CHMI Hotels and Residences, Inc., Fertuna Holdings, Corp., Invesco Company, Inc., KMC Realty Corporation, League One, Inc., Montosco, Inc., Nation Realty Inc., P.G. Holdings, Inc., Patagonia Holdings, Corp., Pure Petroleum Corp., Premier Wine and Spirits, Inc. Puregold Properties, Inc., S&R Pizza, Inc., SPC Resources, Inc., Union Equities, Inc., VFC Land Resources, Inc.

Ms. Co also serves as the Chairman and President of Meritus Prime Distributions, Inc., one of the Company's subsidiaries.

Ms. Co is a graduate of De La Salle University with a degree of Bachelor of Arts in Psychology in 2009.

Ms. Jannelle O. Uy, Filipino, 36 years old

Ms. Uy has been a Director of the Company since 2020. She also serves as the Chairman and President of Montosco, Inc., one of its subsidiaries.

Her previous experience includes working as a Key Account Manager at Unilever Philippines from 2009 to 2013.

She graduated from De La Salle University with a degree in Applied Corporate Management in 2009.

Mr. Robin Derrick C. Chua, Filipino, 35 years old

Mr. Chua has been one of the Directors of the Company since 2020. She has also been the Managing Director of Premier Wine and Spirits, Inc., one of the subsidiaries of the Company, from 2018 up to the present.

He also held various consumer marketing and sales roles in Unilever Philippines and overseas from 2012 to 2018.

He graduated from the Ateneo de Manila University with a degree of Bachelor in Management and a Minor in Entrepreneurship in 2012.

Mr. Enrico S. Cruz, Filipino, 67 years old

Mr. Cruz has been an Independent Director of the Company since 2020.

Mr. Cruz is concurrently an Independent Director of Security Bank Corporation, where he is also the Chairman of the Risk Oversight Committee and Vice Chairman of the Audit Committee, Member Nominations, Remuneration Committee, and Finance Committee; of AREIT, Inc (Ayala Land REIT Company), where he chairs the Audit Committee and is a member of the Related Party Transactions, Corporate Governance and Nominations, and Risk Oversight Committees; of Maxicare Corporation and a member of its Audit and Related Party Transactions Committees; of DITO CME Holdings Corp., Maxilife Insurance Corporation, Inc., and Robinsons Retail Holdings, Inc.

He is also a Director of CIBI Information Inc.

Mr. Cruz's previous professional experiences include having served as the Chief Country Officer (CCO) of Deutsche Bank AG Manila Branch from 2003 until his retirement in 2019. Before he joined Deutsche Bank, he was a Senior Vice President at Citytrust Banking Corporation (CTBC), an affiliate of Citibank N.A. He was a Director of the Bankers Association of the Philippines (BAP) from 2003 to 2007 and from 2011 to 2015. He was re-elected to the Board of the BAP and was appointed 2nd Vice President and Secretary from 2017 to 2020. Ås a BAP Director, he was concurrently chaired its Capital Markets Committee (2017-2019) and Open Market Committee (2019-2020). He was also a Director of Deutsche Knowledge Services RHQ, Deutsche Regis Partners, Philippine Dealing and Exchange Corporation, and Philippines Securities Settlement Corporation. He was also the President of Money Market Association.

Mr. Cruz obtained his Bachelor of Science in Business Economics degree and MBA from the University of the Philippines. The UP College of Business named him as "Distinguished Alumnus" in 2008, and a "Distinguished Alumnus" Awardee by the UP School of Economics Alumni Association.

Mr. Edgardo G. Lacson Filipino, 81 years old

Mr. Lacson has been an Independent Director of the Company since 2023.

He is concurrently the Chairman of Employers' Confederation of the Philippines, MIL Export Philippines, Inc. and Metrostores, Inc.; President of MIS Maritime Corporation, Marine Industry Supply Corp., Safe Seas Shipping Agency Co., Inc.; a Director of Link Edge; Independent Director of Global Ferronickel Holdings, Inc. and Double Dragon Meridian Park – REIT; and a Member of the Board of Trustees of the University of Makati.

He served as Independent Director of Puregold Price Club, Inc. from 2011 to 2022, and was a member of the Board of Trustees of the Philippine Interisland Shipping Association from 1994 to 2022. He was also a Director of The Philippine Stock Exchange from 2011 to 2017.

He graduated from the De la Salle College in 1965 with a Bachelor of Science degree major in

Accounting. Mr. Lacson is a Certified Public Accountant.

B. Key Officers

Ms. Baby Gerlie I. Sacro, Filipino, 46 years old

Ms. Sacro has been the Company's Corporate Secretary since 2021. She graduated from Polytechnic University of the Philippines with a Bachelor of Science in Entrepreneurial Management.

Ms. Imelda Lacap, Filipino, 46 years old

Ms. Lacap has been the Company's Comptroller since 2021. She was an Audit Officer at Puregold Price Club, Inc., from 2001 to 2006. She graduated from Centro Escolar University—Malolos with a Bachelor of Science in Accountancy degree in 1998. She is a Certified Public Accountant.

Atty. Jewelyn Jumalon, Filipino, 30 years old

Atty. Jumalon was appointed as the Corporation’s Assistant Corporate Secretary and Compliance Officer in May 2024. She obtained her Bachelor’s Degree in Business Administration major in Human Resource Development Management from University of Sto. Tomas – Manila in 2015. In 2020, she received her Juris Doctor degree from the same university. She took the joint 2020/2021 Bar Examinations and was admitted to the Philippine Bar in 2022. Atty. Jumalon started her legal career as a litigation lawyer at Divinagracia Solis and Associates Law Offices, handling an array of criminal, civil, labor, and administrative cases.

Ms. Editha D. Alcantara, Filipino, 52 years old

Ms. Alcantara has been the Treasurer of the Company since 2013. Ms. Alcantara serves as Chairman of Blue Ocean Holdings, Inc. and Jurist Realty, Inc.; President of PSMT Philippines, Inc.; Vice-President and Treasurer of Invescap Incorporated; Treasurer of Blue Ocean Foods, Inc., KB Space Holdings, Inc., Maxents Investments, Inc. and Premier Freeport, Inc., Director of Cosco Price, Inc., Fertuna International Trading, Inc., Subic Freeport Zone Hamburgers Corporation and Corporate Secretary of P.G. Holdings, Inc. Ms. Alcantara graduated from the Polytechnic University of the Philippines with a degree in Bachelor of Economics and Politics in 1992.

ANNEX “**E**”

List of Registered Trademarks/Tradenames under The Keepers Holdings, Inc. and its subsidiaries as of 31 December 2024

NO.	TRADENAMES	TRADEMARKS	DATE OF REGISTRATION	DATE OF EXPIRATION
1	7 SEAS		May 04, 2024	May 04, 2034
2	ADOLFO	ADOLFO	May 21, 2005	May 21. 2025
3	ALBERTO	ALBERTO	February 20. 2023	February 20, 2033
4	ALFIE	ALFIE	December 3, 2022	December 3, 2032
5	ALFONSO	ALFONSO	March 3, 2008	March 3, 2028
6	ALFONSO I	ALFONSO I	May 21, 2005	May 21, 2025
7	ALFONSO I LIGHT	ALFONSO I LIGHT ALCOHOL	November 25, 2018	November 25, 2028
8	ALFONSO PLATINIUM	ALFONSO PLATINUM	September 15, 2016	September 15, 2026
9	ALFONSO PLATINUM LIGHT	ALFONSO PLATINUM LIGHT	May 23, 2022	May 23, 2032
10	ALFONSO XO	ALFONSO XO	May 5, 2008	May 5, 2028
11	ALFREDO	ALFREDO	February 19, 2007	February 19, 2027
12	ALHAMBRA	Alhambra	August 13, 2007	August 13, 2027
13	ALONZO	Alonzo	July 23, 2007	July 23, 2027
14	ALVARO	ALVARO	February 19, 2007	February 19, 2027

15	**BRANDLESS**		June 22, 2024	June 22, 2034
16	**CARLITO**	CARLITO	May 25, 2017	May 25, 2027
17	**CHARLIE**		May 30, 2024	May 30, 2034
18	**CHINGU**	CHINGU	July 2, 2021	July 2, 2031
19	**CONQUEROR**		August 5, 2023	August 5, 2033
20	**DONKI**		April 20, 2024	April 20, 2034
21	**DOMINANTE**	Dominante	October 10, 2013	October 10, 2023
22	**DON ALFONSO**	DON ALFONSO	November 5, 2007	November 5, 2027
23	**DON LUIS**	DON LUIS	May 21, 2015	May 21, 2025
24	**DON QUIXOTE**	DON QUIXOTE	October 7, 2018	October 7, 2028
25	**DUMONT**	DUMONT	October 13, 2019	October 13, 2029
26	**ESCOBAR**	ESCOBAR	September 11, 2020	September 11, 2030
27	**EXCELENTE**	EXCELENTE	November 25, 2018	November25, 2028
28	**FARO**	FARO	July 10, 2014	July 10, 2024
29	**FUNDACION**	FUNDACIÓN	September 23, 2018	September 23, 2028
30	**FUNDACION BOTTLE**		June 25, 2007	June 25, 2027

31	**FUNDACION LABEL**	FUNDACIÓN	March 1, 2007	March 1, 2027
32	**GRANADA**	Granada	March 15, 2018	March 15, 2028
33	**ISLAND**	ISLAND	November 27, 2006	November 27, 2026
34	**ISLAND MIXERS**	ISLAND MIXERS	August 28, 2005	August 28, 2025
35	**JOHN RED**	JOHN RED	March 31, 2016	March 31, 2026
36	**LA CHICA SANGRIA**	**LA CHICA SANGRIA**	July 14, 2022	July 14, 2032
37	**MALABAR**	MALABAR	October 14, 2016	October 14, 2026
38	**MAXICA**	MAXICA	October 14, 2016	October 14, 2026
39	**MAXIMO**	Maximo	July 10, 2014	July 10, 2024
40	**NAVARINO**		October 23, 2023	October 23, 2033
41	**PABLO**	**PABLO**	April 16, 2021	April 16, 2031
42	**ROMULO**	**ROMULO**	July 14, 2022	July 14, 2032
43	**TABACALERA**	Tabacalera	October 26, 2017	October 26, 2027
44	**WHISKY LUXE**	WHISKY LUXE	June 27, 2019	March 15, 2028
45	**WILD HORSE**		February 03, 2024	February 03, 2034