22 April 2025

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Brgy. Bel-Air, Salcedo Village
Makati City, 1209

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

PHILIPPINE STOCK EXCHANGE
6/F, PSE Tower, 5th Avenue, cor. 28th Street
Bonifacio Global City, Taguig City

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

Gentlemen:

We are respectfully submitting the Definitive Information Statement ("DIS") (SEC Form 20-IS of The Keepers Holdings, Inc. (the "Company") relative to its upcoming Annual Stockholders' Meeting to be held on 13 May 2025 at 2:00 pm, via remote communication (Zoom)

In connection with the Commission's response and comments to the Company's Preliminary Information Statement, please refer to the following:

Manner of Distribution of Information Statement	Page 4 of the DIS
Compensation/Per Diem of the Directors	Page 13 of the DIS
Quarterly High and Low Prices from 2022 to 2025	Page 18 of the DIS
Management Discussion and Analysis	Annex "F" of the DIS
2024 Consolidated Audited Financial Statements	Annex "G" of the DIS

This SEC Form 20-IS, together with its attachments shall be uploaded to the Company's website, and posted on the PSE Edge Platform. The Company undertakes to submit to the MSRD via email the appropriate links to access these documents. In the meantime, you may access the Company's Preliminary Information Statement and its attachments through this link: https://thekeepers.com.ph/wp-content/uploads/SECandFiling/2025/20-IS/Preliminary_Information Statement.pdf

Thank you very much!

Kind regards,

Atty. Jewelyn A. Jumalon
Assistant Corporate Secretary

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

09178612459

(Company Telephone Number)

1 2	3 1	SEC FORM 20-IS	0 5	1 3
Month	**Day**	(Form Type)	**Month**	**Day**

(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

Remarks: Please sure BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20 - IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
   [ ] Preliminary Information Statement
   [X] Definitive Information Statement

2. **THE KEEPERS HOLDINGS, INC.**
   Name of Registrant as specified in its charter

3. **No. 900 Romualdez St., Paco, Manila**
   Province, country, or other jurisdiction of incorporation or organization

4. **24015**
   SEC Identification Number

5. **000-282-553**
   BIR Tax Identification Code

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

7. **0917 861 2459**
   Registrant's telephone number, including area code:

8. **May 13, 2025, Tuesday, 2:00 PM, via Remote Communication (Zoom)**
   Date, time, and place of the meeting of security holders

9. **April 22, 2025**
   Approximate date on which the Information Statement is first to be sent or given to security holders

10. In case of Proxy Solicitations: **We are not asking for Proxy Solicitations.**

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on the number of shares and amount of debt is applicable only to corporate registrants):

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

12. Are any or all of the registrant's securities listed in a Stock Exchange?
    Yes [x] No [ ]

If yes, disclose the name of such Stock Exchange and the class of securities listed therein: **Philippine Stock Exchange, common shares.**

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Notice is hereby given that the Annual Stockholders' Meeting of **THE KEEPERS HOLDINGS, INC.** will be on May 13, 2025, Tuesday, at 2:00 pm, via Remote Communication (Zoom), with the following agenda:

AGENDA

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of Minutes of the Previous Stockholders' Meeting and Ratification of Acts and Resolutions of the Board of Directors and Management
4. Approval of the 2024 Annual Report and 2024 Audited Financial Statements
5. Election of Regular Directors and Independent Directors
6. Re-appointment of an External Auditor and Fixing its Remuneration
7. Other Matters
8. Adjournment

Only stockholders of record, as of April 29, 2025, are entitled to notice of, and vote at, this meeting.

Pursuant to the Company's bylaws and resolution of the Board of Directors dated April 11, 2025, the annual stockholders' meeting will be held via remote communication, through the online platform "Zoom". Stockholders may participate in the meeting by remote communication, voting *in absentia*, or by appointing the Chairman of the meeting as their proxy. The Information Statement will be accessible on the Company website, www.thekeepers.com.ph, starting April 21, 2025.

Stockholders attending by proxy should e-mail their duly accomplished proxies to corporate.secretary@thekeepers.com.ph or send original hard copies of proxies to the Office of the Assistant Corporate Secretary, The Keepers Holdings, Inc., No. 900 Romualdez St., Paco, Manila 1007 on or before May 5, 2025. Stockholders attending by remote communication should notify the Company on or before May 5, 2025. The Information Statement will provide the requirements and procedures for participating in the meeting.

The Company's Stock Transfer Agent will validate the votes on May 6, 2025, at 3:00 pm, at the Office of the Assistant Corporate Secretary, The Keepers Holdings, Inc., No. 900 Romualdez St., Paco, Manila 1007.

Manila, Philippines, April 11, 2025.

ATTY. JEWELYN A. JUMALON
Assistant Corporate Secretary & Compliance Officer

EXPLANATION OF AGENDA ITEMS

1. Call to Order
The Chairman of the meeting, Mr. Lucio L. Co, will welcome the stockholders and formally open the meeting at 2:00 pm.

2. Certification of Notice and Quorum
The Assistant Corporate Secretary, Atty. Jewelyn A. Jumalon will certify that the notice of the meeting was sent to the stockholders on record by posting it on the Company website and the Philippine Stock Exchange Edge, and was also published in the business section of The Philippine Star and The Philippine Daily Inquirer, both newspapers of general circulation, on April 20 and 21, 2025. She will also certify that there is a quorum to transact business in the meeting.

3. Approval of Minutes of the Previous Meeting and Ratification of Acts and Resolutions of the Board of Directors and Management
The results and the minutes of the last Annual Meeting is posted on the Company website. A resolution presenting the said Minutes and the ratification of the said acts and resolutions of the Board of Directors and Management since last stockholders' meeting will be submitted to the stockholders for approval.

4. Presentation of Annual Report and Approval of the 2024 Consolidated Audited Financial Statements
The Company will present its Annual Report and the 2024 Consolidated Audited Financial Statements to the stockholders, which are also posted on the Company's website and on the Philippine Stock Exchange Edge Platform starting 15 April 2025. A resolution ratifying the Annual Report and the 2024 Consolidated Audited Financial Statements will be presented to the stockholders for approval.

5. Election of Regular and Independent Directors
The Chairman of the meeting will announce the names of the nominees for the election of directors and will open the floor for stockholders' voting. The nominees for the election of directors are:

For Regular Directors

1.) Mr. Lucio Co
2.) Mr. Jose Paulino Santamarina
3.) Ms. Camille Clarisse Co – Lao
4.) Mr. Robin Derrick Chua
5.) Ms. Jannelle Uy

For Independent Directors:

1.) Mr. Enrico Cruz
2.) Mr. Edgardo Lacson

The nominees' profiles will be provided in the information statement.

6. Re-appointment of an External Auditor and fixing its remuneration
A resolution for the reappointment R.G. Manabat & Company (KPMG) and its proposed remuneration of up to P1.8 million as External Auditor of the Company will be presented for stockholders' approval.

7. Other Matters

The Chairman will open the floor to answer any questions from the stockholders.

PART 1: INFORMATION REQUIRED IN THE INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time, and place of meeting of security holders

(a) May 13, 2025, Tuesday, 2:00 PM, via Online Meeting
Principal Office: No. 900 Romualdez St., Paco, Manila 1007

(b) The Information Statement will be available on the Company's website, www.thekeepers.com.ph, beginning on April 21, 2025. In the alternative, the Company will also disseminate to the stockholders copies of the Notice of the Annual Stockholders' Meeting, Information Statements, and its Attachments by posting them on the Company website and on the PSE Edge Platform. The Notice of the Annual Stockholders; Meeting will also be published in two newspapers of general circulation (The Philippine Star and The Philippine Daily Inquirer) on April 20 and 21, 2025.

The stockholders and the investing public in general may access the Company's Information Statement (Preliminary & Definitive), together with its attachments by accessing this link: https://thekeepers.com.ph/sec-filings/ and thereafter selecting the "SEC Form 20-IS (Information Statement)" tab.

We are not asking for a proxy, and you are requested not to send us a proxy.

Item 2. Dissenters' Right of Appraisal

Under Section 80, Title X of the Revised Corporation Code, any stockholder shall have the right to dissent and demand payment of the fair value of the shares in the following instances:

a) In case of an amendment to the articles of incorporation that has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
b) In case of a sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all the corporate property and assets;
c) In case of merger or consolidation; and
d) In case of investment of corporate funds for any purpose other than the corporation's primary purpose.

However, no matters or actions to be taken at the meeting may give rise to a possible exercise by stockholders of their appraisal rights.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

a) No director, officer, nominee, or any associate of the foregoing person has a substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election or appointment to office.

b) No director, officer, nominee, or any associate of the foregoing person has informed the Company in writing that he intends to oppose any action to be taken by the Company at the meeting and indicate the action which he intends to oppose.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders

(a) Number of outstanding shares as of March 31, 2025:
14,508,750,313 common shares
Number of votes entitled: one (1) vote per share

(b) All stockholders on record as of April 29, 2025, shall be entitled to vote in the meeting.

(c) Section 23 of the Revised Corporation Code states that stockholders entitled to vote shall have the right to vote on the number of shares of stock standing in their own names in the stock books of the Company as of the record date. The said stockholder may: (a) vote such number of shares for as many as there are directors to be elected; (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by a number of shares owned; or (c) distribute them on the same principle among as many candidates as may be seen fit. Provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholders as shown in the books of the Company multiplied by the whole number of directors to be elected.

(d) Security Ownership of Certain Beneficial Owners and Management

1. Security ownership of more than 5% of the stock of the Company as of March 31, 2025:

Title of Class	Name, Address of record owner	Relationship with the Company	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of shares held	%
Common	Cosco Capital, Inc.[1] No. 900 Romualdez St., Paco, Manila	Stockholder/ Parent Company	Parent Company	Filipino	11,250,000,000	77.54%
Common	PCD Nominee Corporation	Stockholder/ Not related	Acting for various clients	Filipino	2,235,184,354	15.40%
Common	PCD Nominee Corporation	Stockholder/ Not related	Acting for Various clients	Non-Filipino	767,213,528	5.2%

[1] Mr. Lucio L. Co will vote on behalf of Cosco Capital, Inc.

2. Security Ownership of Directors and Executive Officers of the Company as of March 31, 2025:

Title of Class	Name of Beneficial Owner	Position	Nature of Beneficial ownership	Citizenship	Number of shares	%
Common	Lucio L. Co	Chairman	Direct	Filipino	1	0.00%
Common	Jose Paulino L. Santamarina	President	Direct	Filipino	8,000,023	0.06%
Common	Camille Clarisse P. Co	Director	Direct	Filipino	1,500,023	0.01%
Common	Robin Derrick C. Chua	Director	Direct	Filipino	1,000,023	0.01%
Common	Jannelle O. Uy	Director	Direct	Filipino	2,000,023	0.01%
Common	Enrico S. Cruz	Independent Director	Direct	Filipino	2,750,230	0.02%
Common	Edgardo G. Lacson	Independent Director	Direct	Filipino	1,000	0.00%
Common	Imelda D. Lacap	Financial Comptroller	Direct	Filipino	1,600,000	0.01%
Common	Ma. Editha D. Alcantara	Treasurer	Direct	Filipino	1,000,000	0.01%
Common	Baby Gerlie I. Sacro	Corporate Secretary	Direct	Filipino	0	0.00%
Common	Jewelyn A. Jumalon	Assistant Corporate Secretary	Direct	Filipino	0	0.00%
Common	Abigail D. Lintag	Internal Auditor, Risk Officer and Data Protection Officer	Direct	Filipino	14,000	0.00%
Common	John Marson T. Hao	Investor Relations Officer and Sustainability Officer	Direct	Filipino	0	0.00%

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

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

4. Foreign ownership level as of March 31, 2025:
945,940,391, or 6.52% of the Company's outstanding capital stock.

Item 5. Directors and Executive Officers

(a) 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%

(b) The Company has three (3) Board-Level Committees:

1. Executive Committee:

   Chairman: Mr. Lucio L. Co

   Members: Mr. Jose Paulino L. Santamaria
   Ms. Camille Clarisse P. Co – Lao
   Ms. Jannelle O. Uy
   Mr. Robin Derrick Chua

2. Audit Committee

   Chairman: Mr. Enrico Cruz

   Members: Mr. Edgardo Lacson
   Mr. Jose Paulino Santamarina

3. Corporate Governance Committee:

   Chairman: Mr. Edgardo Lacson

   Members: Mr. Enrico Cruz
   Mr. Robin Derrick Chua

(c) The following are the nominees for the election of regular directors for the year 2025 - 2026:

1. Mr. Lucio L. Co
2. Mr. Jose Paulino L. Santamarina
3. Ms. Camille Clarisse P. Co
4. Ms. Jannelle O. Uy
5. Mr. Robin Derrick C. Chua

The following are the nominees for the election of independent directors for the year 2025 - 2026

1. Mr. Enrico S. Cruz as Independent Director
2. Mr. Edgardo G. Lacson as Independent Director

Presented below are the business profiles of the nominees for the election 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[2], 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

[2] The Certification of Independent Director of Mr. Enrico Cruz is hereto attached as ANNEX **"C"**.

(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[3], 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.

Presented below are the Executive Officers' Business Profiles:

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

[3] The Certification of Independent Director of Mr. Edgardo Lacson is hereto attached as ANNEX "**D**".

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.

Significant Employees

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

Family Relationships

1. Mr. Lucio L. Co and Ms. Camille Clarisse P. Co are father and daughter.
2. Mr. Robin Derrick C. Chua is a nephew of Mr. Lucio L. Co and a cousin of Ms. Camille Clarisse P. Co.

Involvement in Certain Legal Proceedings

As of December 31, 2024, and in the past five years, the Company has no director, executive officer, or principal officer who is involved in any of the following:

(1) Bankruptcy case.
(2) Convicted by final judgment of any criminal proceeding, domestic or foreign.
(3) The subject of any order, judgment, or decree of any court of competent jurisdiction permanently or temporarily enjoining, barring, suspending, or otherwise limiting his involvement in any type of business, securities, commodities, or banking activities.
(4) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body or a domestic or foreign exchange or other organized trading market or self-regulatory organization to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

Since the last annual meeting of security holders, no director has resigned or declined to stand for re-election to the board of directors because of a disagreement with the company on any matter relating to the Company's operations, policies, or practices.

Item 6. Compensation of Directors and Executive Officers

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 P10,627,430 in 2021 and P12,942,730 in 2022. 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 – Lao (Director) Imelda G. Lacap (Comptroller)				
Aggregate compensation of the President and the four most highly compensated officers	2023: 2024: Projected 2025:	P11,778,400 P13,806,667 P15,187,333		
Aggregate compensation paid to all other officers and managers	2023: 2024: Projected 2025:	P11,379,041 P13,269,652 P14,596,617		

(B) Standard Arrangements

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

(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 or salaries.

(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 are consistent with the country's labor laws. The Company also has a retirement plan for its employees that is consistent with current labor laws.

(E) Warrants and Options

None.

Item 7. Independent Public Accountants

(a) The Company’s external auditor in 2024:

Mr. Darwin P. Virocel
Partner
CPA License No.00944495
SEC Accreditation No. 0003-SEC (Group A) valid until 2024.
Tax Identification No. 912-535-864
R.G. Manabat & Co.
The KPMG Center, 9/F 6787 Ayala Avenue, Makati City Philippines
+63 (2) 885 7000

(b) The Board recommends the same principal accountant for 2025, upon the favorable recommendation of the Audit Committee.

(c) Mr. Darwin P. Virocel or his representatives are expected to be present at the stockholders' meeting; they will have the opportunity to make a statement if they desire to do so; and they are expected to be available to respond to appropriate questions.

(d) The independent accountant who was previously engaged as the principal accountant to audit the Company's financial statements has not resigned, nor was there any indication that he declined to stand for re-election after completing the current audit, and neither was he dismissed by the Company.

(e) There were no changes in or disagreements with independent accountants on accounting and financial disclosure.

(f) The Company paid the independent accountant P1.8 million as a professional fee in 2023 and P2.1 million in 2024. The amount of up to P1.8 million is being proposed to the stockholders as an independent accountant fee for the Company and its subsidiaries for 2025.

Item 8. Compensation Plans

No action is to be taken regarding any plan under which cash or non-cash compensation may be paid or distributed during the meeting.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

No action is to be taken concerning the authorization or issuance of any securities other than for exchange for outstanding securities of the Company during the meeting.

Item 10. Modification or Exchange of Securities

No action is to be taken concerning the modification of any class of securities of the registrant or the issuance or authorization for issuing one class of securities of the Company in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

Please refer to the 2024 Management Discussion and Analysis of Operations **(ANNEX "F")** and 2024 Consolidated Audited Financial Statements **(ANNEX "G")** hereto attached.

Item 12. Mergers, Consolidations, Acquisitions, and Similar Matter

No action involving mergers, consolidations, acquisitions, or similar transactions of the Company is to be taken during the meeting.

Item 13. Acquisition or Disposition of Property

No action is to be taken concerning the acquisition or disposition of any property during the meeting.

Item 14. Restatement of Accounts

No action will be taken in the meeting concerning the restatement of any company asset, capital, or surplus.

D. OTHER MATTERS

Item 15. Action concerning Reports

(a) Minutes of the 2024 Annual Stockholders' Meeting,
(b) 2024 Annual Report including the 2024 Consolidated Audited Financial Statements

Item 16. Matters Not Required to be Submitted

No action is to be taken concerning any matter that is not required to be submitted to a vote of security holders.

Item 17. Amendment of Charter, Bylaws, or Other Documents

No action is to be taken regarding the amendment of the charter, bylaws, or any other documents.

Item 18. Other Proposed Action

(a) Ratification of all the acts and resolutions of the board of directors and management from the date of the previous stockholders' meeting. The summary of material matters approved by the Board of Directors in 2024 is as follows:

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) (2)	3rd Quarter Financial Report for the year 2024 Acquisition of up to 100% Outstanding Shares of Booze On-Line, Inc.

(b) Election of regular and independent directors.

Upon the recommendation of the Corporate Governance Committee in a meeting held on March 21, 2025, the Board of Directors endorsed for the stockholders' approval the election the following nominees for regular and independent directors for calendar year 2025 to 2026, to wit:

Regular Directors:	*Independent Directors:*
Mr. Lucio L. Co	Mr. Enrico S. Cruz
Mr. Jose Paulino L. Santamarina	Mr. Edgardo G. Lacson
Ms. Camille Clarisse P. Co	
Ms. Jannelle O. Uy	
Mr. Robin Derrick C. Chua	

(c) Re-appointment of an external auditor and fixing its audit service fees.

R.G. Manabat & Co. (KPMG) for The Keepers and Subsidiaries	2024 P2,130,240	2025 Up to P1.8 Million

The Board of Directors approved the foregoing audit scope and fee after it received a favorable recommendation from the Audit Committee.

Item 19. Voting Procedures

(a) All actions submitted to the stockholders' vote shall be approved by the affirmative vote of at least the majority of the shares present or represented in the meeting.

(b) The stockholders may cast their votes by sending proxies, *in absentia,* or by any means of remote communication. Please refer to ***Annex "A"***- Guidelines for participating in the 2025 Annual Stockholders Meeting" and ***Annex "B"*** – Voting Form. The stockholders entitled to vote shall have the right to vote on the number of shares of stock standing in their names in the stock books of the corporation as of the record date.

For the election of directors, a stockholder may: (a) vote such number of shares for as many as there are directors to be elected; (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by several shares owned; or (c) distribute them on the same principle among as many candidates as may be seen fit. Provided that the total number of votes cast shall not exceed the number of shares owned by the stockholders as shown in the corporation's books multiplied by the whole number of directors to be elected.

All votes of the stockholders must be submitted by email to corporate.secretary@thekeepers.com.ph on or before May 5, 2025.

(c) The Company will engage the services of its Stock Transfer Agent, BDO Stock Transfer Agent, to count and validate the stockholders' votes.

PART II: OPERATIONAL AND FINANCIAL INFORMATION

Market for Issuer's Common 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		2025	
	High	**Low**	**High**	**Low**	**High**	**Low**	**High**	**Low**
1st Quarter	1.51	1.14	1.60	1.28	1.46	1.33	2.60	2.30
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 March 31, 2025, the Company's share is trading at P2.52 per share.

(B) Stockholders

As of March 31, 2025, 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 March 31, 2025, the Company's top 20 stockholders are as follows:

	Stockholder	**Number of Shares**	**Percentage**
1	Cosco Capital, Inc.	11,250,000,000	77.54%

2	PCD Nominee Corporation (Filipino)	2,056,335,776	14.17%
3	PCD Nominee Corporation (Non-Filipino)	945,726,183	6.52%
4	Invescap Incorporated	219,926,768	1.51%
5	Carousel Holdings, Inc.	15,122,000	0.10%
6	Beniya Antoinette Chua Catienza	4,094,110	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 Mitchell Jonathan Keh Stewart	3,538,250	0.02%
10	Yvonne Ong Chua Keh ITF Abigail Janet Keh Stewart	3,538,250	0.02%
11	TGN Realty Corp.	1,356,489	0.01%
12	Tersero, Inc.	323,964	0.00%
13	Bo Qiu	214,000	0.00%
14	Rudy A. Verano	200,000	0.00%
15	Silcor Management	121,289	0.00%
16	Peter Nepomuceno	98,762	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 20, 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 Management's Discussion & Analysis of Financial Position and Results of Operation which will be submitted with the Definitive Information Statement

Item 7. Financial Statements

Please refer to the 2024 Consolidated Audited Financial Statements of the Company which will be submitted with the Definitive Information Statement

PART III: 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, which incorporates 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 the 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.

PART IV:

Compliance with Section 49 of the Revised Corporation Code

Items	Status of Compliance
Description of the voting and voting tabulation procedures used in the previous meeting	Please refer to the Minutes of the Previous Stockholders' meeting dated 13 May 2024, which may be viewed/downloaded on the company website, www.thekeepers.com.ph, and which is hereto attached as Annex "E"
Description of the opportunity given to stockholders or members to ask questions and a record of the questions	Please refer to the Minutes of the Previous Stockholders' meeting dated 13 May 2024,

asked and answers given	which may be viewed/downloaded on the company website, www.thekeepers.com.ph, and which is hereto attached as Annex “E”
The matters discussed and resolutions reached	Please refer to the Minutes of the Previous Stockholders’ meeting dated 13 May 2024, which may be viewed/downloaded on the company website, www.thekeepers.com.ph, and which is hereto attached as Annex “E”
A record of the voting results for each agenda item	Please refer to the Minutes of the Previous Stockholders’ meeting dated 13 May 2024, which may be viewed/downloaded on the company website, www.thekeepers.com.ph, and which is hereto attached as Annex “E”
List of directors, officers, and stockholders who attended the meeting	Please refer to the Minutes of the Previous Stockholders’ meeting dated 13 May 2024, which may be viewed/downloaded on the company website, www.thekeepers.com.ph, and which is hereto attached as Annex “E”
Such other items that the Commission may require in the interest of good corporate governance and the protection of minority stockholders	Please refer to pages 19 to 21 hereof
List of material information on the current stockholders and their voting rights	Please refer to pages 19 to 20 hereof
Detailed, descriptive, balanced and comprehensive assessment of the corporation’s business strategy, and other affairs	Please refer to the 2023 Annual Report (SEC 17-C) of the Company, which may be viewed/downloaded on the company website, www.thekeepers.com.ph or through the Edge platform of the Philippine Stock Exchange
Financial report for the preceding year, which shall include financial statements duly signed and certified in accordance with the Revised Corporation Code, and the rules of the Commission may prescribe, a statement on the adequacy of the corporation’s internal controls or risk management systems, and a statement of all external audit and non-audit fees	Please refer to the 2023 Annual Report (SEC 17-C) of the Company, which may be viewed/downloaded on the company website, www.thekeepers.com.ph or through the Edge platform of the Philippine Stock Exchange
An explanation of the dividend policy and the fact of payment of dividends or the reasons for non-payment thereof	Please refer to page 20 hereof
Directors’ qualifications and relevant experience, length of service in the corporation, trainings and continuing education attended, and their board representation in other corporations	Please refer to the directors’ profile on pages 10 to 13 hereof; On 26 September 2024, the directors attended their Annual Corporate Governance Training, hosted by the Philippine Chamber of Commerce and Industry (PCCI), and was held at the Acacia Hotel, Alabang, Muntinlupa
Director’s attendance report, indicating the attendance of each director at each of the meetings of the board and its committees, and in regular or special stockholders meeting	Please refer to page 8 hereof
Appraisal and performance reports for the board and the criteria and procedure for assessment	The company aims to improve its good Corporate governance policies including adopting an evaluation system for individual directors and as a group
Director compensation report prepared in accordance with the Revised Corporation Code and the rules the Commission may prescribe	Please refer to pages 13 to 14 hereof
Director disclosures on self-dealings and related party	Please refer to the 2023 Consolidated Audited

transactions	Financial Statements attached to the 2023 Annual Report of the Company, which may be viewed/downloaded on the company website, www.thekeepers.com.ph or through the Edge platform of the Philippine Stock Exchange
The profiles of directors nominated or seeking election or re-election	Please refer to the directors' profile on pages 9 to 13 hereof;

SIGNATURE PAGE

After reasonable inquiry and to the best of our knowledge and belief, I hereby certify that the information set forth in this report is true, complete, and correct. This report was signed in Manila, Philippines, on April 22, 2025.

THE KEEPERS HOLDINGS, INC.

By:

Atty. Jewelyn A. Jumalon
Assistant Corporate Secretary

Annex "A"

The Keepers Holdings

GUIDELINES FOR PARTICIPATING IN THE 2025 ANNUAL STOCKHOLDERS' MEETING OF THE KEEPERS HOLDINGS, INC. VIA REMOTE COMMUNICATION AND VOTING *IN ABSENTIA*

The 2025 Annual Stockholders' Meeting ("**ASM"**) of The Keepers Holdings, Inc. (the **"Company"**) will be held on May 13, 2025, at 2pm via remote communication ("Zoom")

Registration

Stockholders must notify the Assistant Corporate Secretary of their intention to participate in the ASM via remote communication and vote in absentia by no later than May 5, 2025, by sending an email to corporate.secretary@thekeepers.com.ph and by submitting the following supporting documents/information:

- ***Individual Stockholders***

1. Copy of valid government ID of stockholder/proxy
2. Stock certificate number/s
3. If appointing a proxy, a copy of the proxy form duly signed by the stockholder (need *not* be notarized)
4. Email address and contact number of stockholder or proxy

- ***Multiple Stockholders or joint owners***

1. Stock certificate number/s
2. Proof of authority of stockholder voting the shares signed by the other registered stockholders, for shares registered in the name of multiple stockholders (need *not* be notarized)
3. Copy of valid government IDs of all registered stockholders
4. Email-address and contact number of the authorized representative

- ***Corporate Stockholders***

1. Secretary's Certification of Board resolution appointing and authorizing a proxy to participate in the ASM
2. Valid government ID of the authorized representative
3. Stock certificate number/s
4. Email-address and contact number of the authorized representative

- ***Stockholders with Shares under Broker's Account***

1. Certification from the broker as to the number of shares owned by the stockholder
2. Valid government ID of stockholder
3. If appointing a proxy, a copy of the proxy form duly signed by the stockholder (*need not be notarized*)
4. Email address and contact number of stockholder or proxy

Online Voting and Meeting

The stockholders who have sent us their intention to participate in the ASM shall be notified via email of their login passwords to join the online meeting. There will be video recordings of the ASM, which a stockholder on record may avail upon request.

The stockholders can then cast their votes following these simple steps:

1. Visit our company website www.thekeepers.com.ph.
2. Look for the "Casting Votes in the 2025 Stockholders' Meeting" button.
3. Fill up the Voting Forms.
4. Submit your vote by clicking the "Submit" button.
5. For our verification, email the required documents under the "registration" portion at corporate.secretary@thekeepers.com.ph
6. After our verification, you will receive an email confirmation regarding your votes from the Company.

Open Forum

There will be an Open Forum during the meeting, where representatives of the Company may answer as many questions as time will allow. However, a stockholder may email their questions in advance to corporate.secretary@thekeepers.com.ph on or before May 6, 2025. The Company's Investor Relations Officer will answer questions received but not answered during the ASM by email.

For any queries or concerns, please contact the Office of the Assistant Corporate Secretary at 09178612459 or via email at *corporate.secretary@thekeepers.com.ph.*

Annex "B"

THE KEEPERS HOLDINGS, INC.
Annual Stockholders Meeting
May 13, 2025, www.thekeepers.com.ph

(__) Vote by Ballot – casting votes following the instructions in the table below.

(__) Vote by Proxy – appointing the Chairman of the meeting to represent and cast votes following the instructions in the table below.

	Agenda Item	FOR	AGAINST	ABSTAIN
1	Approval of the Minutes of the Previous Meeting and Ratification of Acts and Resolutions of the Board of Directors and Management in 2024			
2	Approval of 2024 Annual Report and Consolidated Audited Financial Statements			
3	Re-appointment of R.G. Manabat & Company as External Auditor of the Company and subsidiaries with up to P1.8 million remuneration			
	Election of Regular and Independent Directors			
4	Mr. Lucio L. Co			
4.1	Mr. Jose Paulino L. Santamarina			
4.2	Ms. Camille Clarisse P. Co			
4.3	Ms. Jannelle O. Uy			
4.4	Mr. Robin Derrick C. Chua			
4.5	Mr. Enrico S. Cruz, *Independent Director*			
4.6	Mr. Edgardo G. Lacson, *Independent Director*			

Name of Stockholder ________________________

Number of Shares ________________________

Signature of Stockholder / Authorized Signatory ________________________

1. For corporate shareholders, this form must be accompanied by a corresponding secretary's certificate confirming the appointment of the Proxy or the designated representative and the votes cast.

2. Where no specific authority is indicated, the vote shall be deemed for the approval of all the corporate matters listed above and for all the nominated directors named therein.

3. This form should be sent by e-mail to corporate.secretary@thekeepers.com.ph on or before May 5, 2025. The Company's Stock Transfer Agent will validate the votes on May 6, 2025 3:00 pm, at the Office of the Assistant Corporate Secretary, Tabacalera Building, No. 900 Romualdez St., Paco, Manila, 1007.

ANNEX "C"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ENRICO S. CRUZ**, Filipino, of legal age and a resident of [redacted], after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for the position of Independent Director of **THE KEEPERS HOLDINGS, INC.** (the "Company") for the years 2025 to 2026 and have been its independent director since 2020.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION / RELATIONSHIP	PERIOD OF SERVICE
Security Bank Corporation	Independent Director	Aug. 2019 up to the present
DITO CME Holdings Corp.	Independent Director	Dec. 2021 up to the present
Robinsons Retail Holdings, Inc.	Independent Director	Apr. 2022 up to the present
SB Capital Investment Corporation	Vice-Chairman	May 2020 up to the present
AREIT, Inc.	Independent Director	Feb. 2020 up to the present
Maxicare Corporation	Independent Director	Aug. 2019 up to the present
Maxilife Insurane Corporation	Independent Director	Jul. 2022 up to the present
Robinsons Retail Holdings, Inc.	Independent Director	Apr. 2022 up to the present
CIBI Information, Inc.	Independent Director	Jul. 2020 up to the present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.

4. I am not related to any of the directors/officers/substantial shareholders of the Company and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service or affiliated with government agency or GOCC as it would require written permission or consent from the head of the agency/department for me to be independent director of the Company, pursuant to the Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as an Independent Director under the Securities Regulation Code of Corporate Governance and other SEC issuances.

8. I shall inform the Company's Corporate Secretary of any changes in the abovementioned information within five days from its occurrence.

Signed this 21 MAR 2025 in the City of Manila, Philippines.

ENRICO S. CRUZ
Affiant

SUBSCRIBED AND SWORN to before me this 21 MAR 2025 at Manila, Philippines, affiant personally appeared before me and exhibited to me his [redacted]

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Series of 2025.

ATTY. MARIELLE JENELLE L. LAGUERTA
Notary Public fo City of Manila- Until Dec. 31, 2025
Notarial Commission No. 2024-179
Tower 3, 3K, No. 181 N. Lopez St., Ermita, Manila
I.B.P. NO. 488207- Dec. 27, 2024 for the year 2025
PTR. NO. 2041441- Jan. 2, 2025 at Manila
MCLE NO. VIII-0010660- Valid until 4-14-2028 Roll No. 88314

ANNEX "D"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EDGARDO G. LACSON**, Filipino, of legal age and a resident of [redacted] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for the position of Independent Director of **THE KEEPERS HOLDINGS, INC.** (the "Company") for the years 2025 to 2026 and have been its independent director since 2020.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION / RELATIONSHIP	PERIOD OF SERVICE
Marine Industry Supply Corp.	President	1985 up to the present
MIS Maritime Corporation	President	1992 up to the present
Safe Seas Shipping Agency Co., Inc.	President	1992 up to the present
Metrostores, Inc.	Chairman	2002 up to the present
Link Edge	Director	2006 up to the present
Management Association of the Philippines	Member	2011 up to the present
Global Ferronickel Holdings, Inc.	Independent Director	2016 up to the present
Employers Confederation of the Philippines	Chairman	2016 up to the present
Double Dragon Meridian Park – REIT	Independent Director	2021 up to the present
University of Makati	Member, Board of Trustee	2020 up to the present
Kareila Management Corporation	Independent Director	2022 up to the present
Manila House Private Club, Inc.	Independent Director	2023 up to the present
Capital Market Integrity Corporation	Independent Director	2023 up to the present
Greenergy Holdings, Inc.	Chairman	2024 up to the present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.

4. I am not related to any of the directors/officers/substantial shareholders of the Company and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service or affiliated with government agency or GOCC as it would require written permission or consent from the head of the agency/department for me to be independent director of the Company, pursuant to the Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as an Independent Director under the Securities Regulation Code of Corporate Governance and other SEC issuances.

8. I shall inform the Company's Corporate Secretary of any changes in the abovementioned information within five days from its occurrence.

Signed this 04 APR 2025 in the City of Manila, Philippines.

EDGARDO G. LACSON
Affiant

SUBSCRIBED AND SWORN to before me this 04 APR 2025 at Manila, Philippines, affiant personally appeared before me and exhibited to me his Philippine Passport with no. [redacted] valid until June 5, 2028.

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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

Minutes[4] of the Annual Stockholders' Meeting of The Keepers Holdings, Inc. **ANNEX "E"**

Date: 13 May 2024 Time: 1:00 PM Manner: Remote Communication (Zoom)

Board of Directors	Management Present
1.) Mr. Lucio Co (via Zoom)	1.) Ms. Imelda Lacap
2.) Mr. Jose Paulino Santamarina	2.) Ms. Abigail Lintag
3.) Ms. Camille Clarisse Co	3.) Mr. John Marson T. Hao
4.) Mr. Robin Derrick Chua	4.) Mr. Leonardo B. Dayao
5.) Mr. Enrico Cruz	5.) Mr. Roberto Juanchito T. Dispo
6.) Mr. Edgardo Lacson	6.) Mr. Gerardo Teofilo, Jr.
	7.) Atty. Jewelyn Jumalon

Others Present:

1.) Representative from the External Auditor – RG Manabat and Company (KPMG)
2.) Representative from the Stock Transfer Agent – BDO Unibank, Inc. – Trust and Investments Group

Stockholders Present: (attended via Zoom)
Stockholders representing 12,037,527,091 or 82.97% of the Corporation's Outstanding Capital Stock have attended the Corporation's 2024 Annual Stockholders' Meeting

Description of the voting and vote tabulation procedures used in the meeting:

The Corporation's stockholders of record as of 22 April 2024 voted on the matters submitted for approval as hereunder listed. The stockholders had casted their votes by filling out the Proxy form attached to the Corporation's Information Statement which was posted on the Corporation's website[5] starting 19 April 2024. After casting their votes, the stockholders were given until 06 May 2024 to either email their accomplished proxy forms to the official email address[6] of the Office of the Assistant Corporate Secretary or send the original hard copies thereof to the corporation's principal address. Thereafter, the Corporation's Stock Transfer Agent, in collaboration with the Assistant Corporate Secretary, validated the votes received and reproduced the same in a tabulated format.

A. Call to Order and Proof of Notice and Quorum:

The meeting began with a warm welcome from the Chairman of the Board of Directors, Mr. Lucio Co. Thereafter, Mr. Lucio Co asked the Assistant Corporate Secretary if Notice of the Annual Stockholders' Meeting was distributed to the Stockholders, in compliance with the provisions of the Revised Corporation Code, and other pertinent issuances from the Securities and Exchange Commission ("SEC"), and if there was quorum for today's meeting.

The Assistant Corporate Secretary responded in the affirmative, she certified the presence of quorum for today's meeting and informed that the Stockholders, as of record date 22 April 2024, have been provided with the required Notice of the Annual Stockholders' Meeting.

The Assistant Corporate Secretary likewise stated that the same Notice, together with the Corporation's Information Statement were submitted to the Securities and Exchange Commission and the Philippine Stock Exchange, through its EDGE submission tool, where it was approved as a "Company Announcement" on 18 April 2024.

Finally, the Assistant Corporate Secretary informed everyone that the Notice of the Annual Stockholders' Meeting was also posted on the Corporation's official website starting 18 April 2024, and was also published, both in physical paper and on the online platforms of Philippine Daily Inquirer and Philippine Star on 19 and 20 April 2024.

[4] The Minutes for the 2024 Annual Stockholders' Meeting of The Keepers Holdings, Inc. shall be submitted for the stockholders' approval on the next Annual Stockholders' Meeting scheduled on the following year (2025).
[5] www.thekeepers.com.ph
[6] corporate.secretary@thekeepers.com.ph

For the discussions on quorum, the Assistant Corporate Secretary informed that stockholders owning a total of 12,037,527,091 shares, representing at least 82.97% of the capital stock were present in the meeting in person and via video/audio conferencing. Hence, certifying the presence of quorum to validly proceed with the meeting.

She mentioned that the Board Members, who at the same time were nominees for reelection, together with the executive officers of the Corporation, and representatives from External Auditor R.G. Manabat & Co., and stock transfer agent, BDO Unibank, Inc. were also present in the meeting.

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

After establishing the presence of quorum, Chairman, Mr. Lucio Co immediately proceeded to the first item on the meeting's Agenda – the approval of the minutes of the previous stockholders' meeting and ratification of all acts of the board ng officers of the Corporation since the last Annual Stockholders' Meeting held on 30 May 2023.

Since the minutes of the previous Annual Stockholders' Meeting and the material Resolutions of the Board in 2023 were made available on the Corporation's website and in the Information Statements, the reading of the same was dispensed with

Thereafter, a motion was made to approve the minutes of the previous Annual Stockholders' meeting, and to approve, confirm, and ratify all acts, proceedings, contracts, or deeds performed, and entered into, or executed by the Corporation's Board of Directors, officers, as if such acts, proceedings, contracts, or deeds had been performed, entered into, or executed with specific and special authorization of the stockholders in a meeting duly convened and held.

There being no objections raised by the Stockholders, the motion was duly seconded and effectively carried out.

Thereafter, Mr. Lucio Co called upon the Assistant Corporate Secretary to present the voting results for this item on the Agenda, for which she presented the following results:

	In favor	Against	Abstain
Approval of the Minutes and Ratification of all acts of the Board of Directors and Management	12,037,527,091 (100%)	0	0

C. Approval of the 2023 Annual Report and Audited Financial Statements

Moving forward to the next item on the Agenda, Mr. Jose Paulino Santamarina, President, delivered his message to everyone and discussed the Corporation's Annual Report and Consolidated Audited Financial Statements as of 31 December 2023.

After Mr. Santamarina's discussion, Mr. Lucio Co asked the Stockholders if they had any questions or objections to the Annual Report and Consolidated Audited Financial Statements as discussed. No questions or objections were raised. Therefore, a motion to approve the Corporation's Annual Report and Consolidated Audited Financial Statements was made and which was subsequently seconded.

Consequently, upon request by Mr. Lucio Co, the Assistant Corporate Secretary presented the voting results on the agenda at hand, to wit:

	In favor	Against	Abstain
Approval of the 2023 Annual Report and Audited Financial Statements	12,037,527,091 (100%)	0	0

D. Election of Directors

Mr. Lucio Co then proceeded to the next item on the agenda – the election of the members of the Board of Directors for the year 2024-2025. For starters, he informed everyone that the Corporate Governance Committee pre-screened the qualifications of all nominees and prepared a final list of all candidates for directorship, which was disclosed to all stockholders through the Information Statements released to the public.

After which, the Assistant Corporate Secretary began to announce the candidates for the election of the regular and independent members of the Board of Directors for the year 2024-2025, which included the following:

For Regular Directors:

1. Mr. Lucio Co
2. Mr. Jose Paulino Santamarina
3. Ms. Camille Clarisse Co
4. Ms. Jannelle Uy
5. Mr. Robin Derrick Chua

For Independent Directors:

1. Mr. Enrico Cruz
2. Mr. Edgardo Lacson

Acting on Mr. Lucio Co's request to present the voting results for the said election, the Assistant Corporate Secretary presented the following:

	In favor	Against	Abstain
Election of Lucio Co	12,033,113,091 (99.96%)	4,414,000	0
Election of Jose Paulino Santamarina	12,033,113,091 (99.96%)	4,414,000	0
Election of Camille Clarisse Co	12,034,415,091 (99.97%)	3,112,000	0
Election of Jannelle Uy	12,034,415,091 (99.97)	3,112,000	0
Election of Robin Derrick Chua	12,034,415,091 (99.97%)	3,112,000	0
Election of Enrico Cruz	12,037,527,091 (100%)	0	0
Election of Edgardo Lacson	12,037,527,091 (100%)	0	0

After the presentation of the voting results, Mr. Lucio Co thereby declared himself, together with Mr. Jose Paulino Santamarina, Ms. Camille Clarisse Co, Ms. Jannelle Uy, and Mr. Robin Derrick Chua as the regular directors of The Keepers Holdings, Inc. for the year 2024 – 2025.

He also declared Mr. Enrico Cruz and Mr. Edgardo Lacson. as the Corporation's independent directors for the year 2024 – 2025.

E. Re-appointment of External Auditor

After the elections of the Corporation's regular and independent directors, Mr. Lucio Co then proceeded into the next item on the Agenda – the re-appointment of R.G. Manabat & Company (KPMG) as the Corporation's and its subsidiaries' external auditor for the year 2024. The re-appointment comes with an auditor's fee of up to PHP 1.2 million

Thereafter, a motion was made for the approval of the re-appointment of R.G. Manabat & Company (KPMG) as the Corporation's and its subsidiaries' external auditor for the year 2024, which was duly seconded.

Before the motion and its secondment was acted upon, Mr. Lucio Co asked the stockholders if they have any questions on the re-appointment or objections to the motion made. Mr. Co received no question or objection from the stockholders, hence, the motion as presented and seconded was effectively carried.

Consequently, Mr. Lucio Co asked the Assistant Corporate Secretary to present the voting results for this item on the Agenda. Atty. Jose then presented the following results:

	In favor	Against	Abstain
Reappointment of RG Manabat and Company (KPMG) as External Auditor	12,037,527,091 (100%)	0	0

of the Corporation and its subsidiaries with up to PHP 1.2 million auditor's fees			

F. Other Matters

Mr. Lucio Co asked the stockholders present in the meeting if they had any questions for the board or the management, or if they had any matters intended to bring up or discuss during the meeting. None of the stockholders raised any question or brought up any matters for discussion with the board or the management.

G. Adjournment

There being no other matters or business to transact, a motion for the adjournment of the meeting was made and which was duly seconded. There being no objection to the motion and to its secondment, the meeting was adjourned.

The meeting concluded with Mr. Lucio Co's manifestation of gratitude to the stockholders, the board, and the management who participated in the 2024 Annual Stockholders' Meeting.

Prepared and certified true and correct by:

[sgd.]
Atty. Jewelyn A. Jumalon
Assistant Corporate Secretary

Approved by:

[sgd.]
Mr. Lucio L. Co
Chairman

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 "G"

C O V E R   S H E E T
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.

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

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

R.G. Manabat & Co.
The KPMG Center, 6/F
6787 Ayala Avenue, Makati City
Philippines 1209
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)

	Note	**2024**	2023	2022
			Years Ended December 31	
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.

(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:

Entity	Place of Incorporation	Percentage of Ownership Direct	Percentage of Ownership 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.

<u>Cost and Expense Recognition</u>
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.

<u>Employee Benefits</u>
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.

<u>Accounting Estimates and Assumptions</u>
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.

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:

Category/Transaction	*Note*	Year	Transactions During the Year	Outstanding Balance Receivable	Outstanding Balance 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:

Date	Activity	Issue Price	Number of Shares 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)*

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:

<u>Credit Risk</u>
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

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)
BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)

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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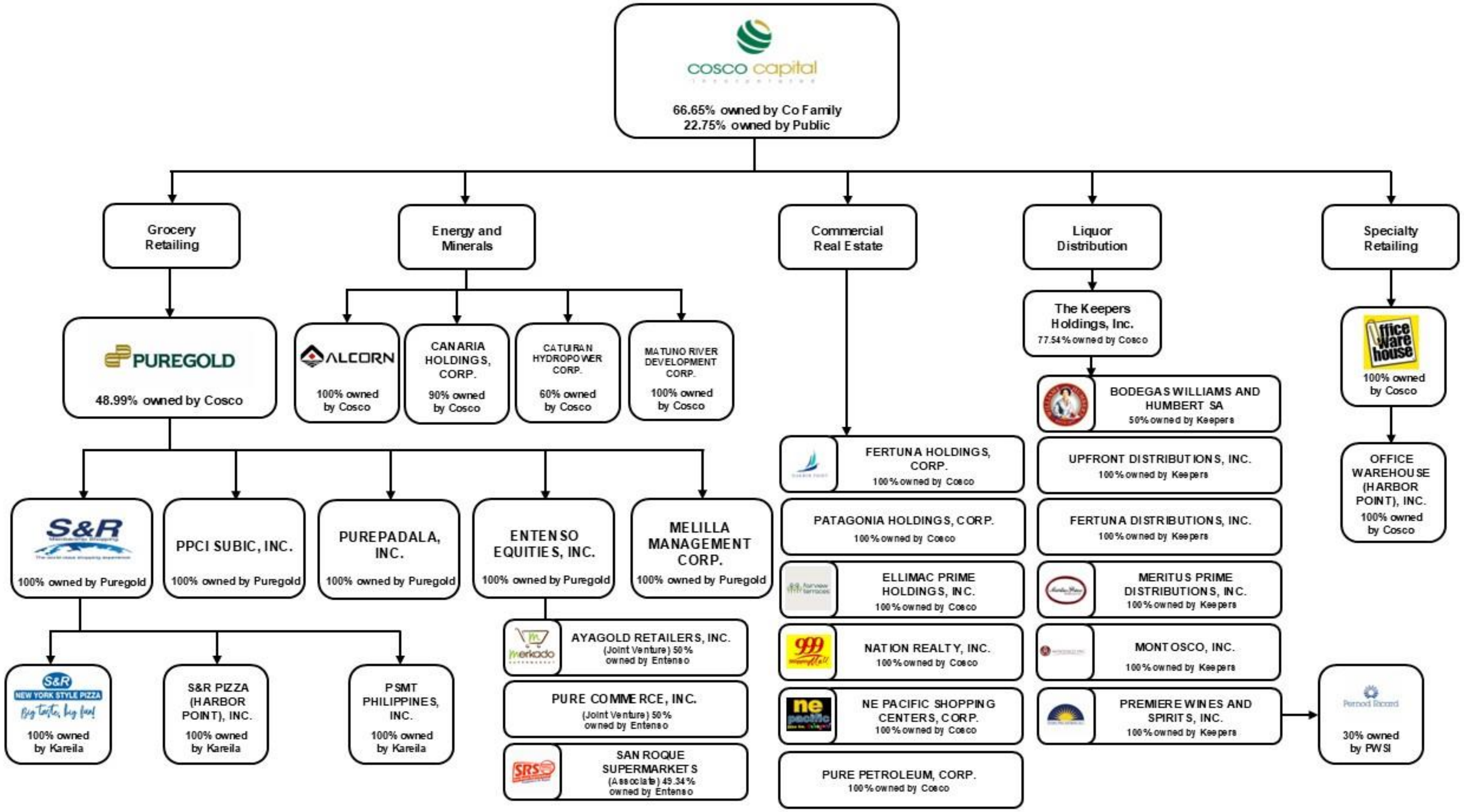
Issued January 2, 2025 at Makati City

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