

# COVER SHEET

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SEC Registration Number

F R U I T A S H O L D I N G S , I N C .

(Company's Full Name)

6 8 D A T A S T . B R G Y .

D O N M A N U E L Q U E Z O N C I T Y

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

RUSHELL A. SALVADOR  
Contact Person

+(632) 8731-8886  
Company Telephone Number

## SEC Form 20-IS: DEFINITIVE INFORMATION STATEMENT

1 2 3 1  
Month Day  
Fiscal Year

FORM TYPE

0 7 2 2  
Month Day  
Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc

Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings  
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

**NOTICE OF ANNUAL STOCKHOLDERS’  
MEETING OF  
FRUITAS HOLDINGS, INC.**

Please take notice that the 2025 Annual Stockholders’ Meeting (“ASM”) of Frutas Holdings, Inc. (the “Company”) will be held on 22 July 2025 (Tuesday) at 2:00 pm via remote communication.

The Agenda for the ASM shall be as follows:

1. Call to order
2. Certification of service of notice and presence of quorum
3. Reading and approval of the minutes of the last Annual Meeting of Stockholders held on 23 July 2024
4. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last annual stockholders’ meeting until the date of this meeting
5. Presentation of the President’s Report
6. Management Report and Approval of Audited Financial Statements for the year 2024
7. Election of the members of the Board of Directors, including the Independent Directors, for the year 2025
8. Appointment of External Auditors
9. Other Matters
10. Adjournment

The Minutes of the 2024 ASM is available for examination on the website of the Company at [www.fruitasholdings.com](http://www.fruitasholdings.com).

The record date shall be on 24 June 2025 for the purpose of determining the list of stockholders of the Corporation who are entitled to vote in the 2025 ASM. The Company will allow attendance by stockholders only by remote communication and voting *in absentia*, subject to validation procedures, though the directors will be at 3961 Frutas Bldg. Ramon Magsaysay Boulevard, Sta. Mesa, Metro Manila for the conduct of the meeting.

Stockholders who will participate in the 2025 ASM by remote communication should send an e-mail indicating their intent to participate to [IPO.Compliance@fruitasholdings.com](mailto:IPO.Compliance@fruitasholdings.com). They will then be sent a link to a registration form requiring certain information and documentation. The following documents must likewise be uploaded:

**A. Individual stockholders**

1. Copy of valid government ID of stockholder/proxy
2. If appointing a proxy, copy of proxy form duly signed by stockholder (need not be notarized)

**B. Multiple stockholders or joint owners**

1. 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)
2. Copy of valid government IDs of all registered stockholders

**C. Corporate stockholders**

1. Secretary’s Certificate or Board Resolution appointing and authorizing a representative
2. Proxy Form for authorized representative
3. Valid government ID of the authorized representative

**D. Stockholders with shares under broker account**

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

The Company will then check and validate the entries uploaded by the stockholder.

Upon their successful completion of the registration form, they will receive an e-mail invitation with a complete guide on how to join the ASM and how to cast votes *in absentia*. Registration and voting must be accomplished by 17 July 2025. Proxies, in the form provided by the Company, however, must be scanned and emailed to the Company’s Corporate Secretary at [IPO.Compliance@fruitasholdings.com](mailto:IPO.Compliance@fruitasholdings.com) not later than 14 July 2025. The proxies shall be validated by 15 July 2025. The Corporate Secretary’s decision shall be final and binding on the shareholders, and those not settled during the proxy validation shall be deemed waived and may no longer be raised. **WE ARE NOT, HOWEVER, SOLICITING PROXIES.**

For any registration concerns, please contact [IPO.Compliance@fruitasholdings.com](mailto:IPO.Compliance@fruitasholdings.com). Please refer to the *Definitive Information Statement* ("DIS") on the guidelines on attendance by remote communication and voting *in absentia*. The DIS is posted on the website of the Company at [www.fruitasholdings.com](http://www.fruitasholdings.com). Only stockholders who have successfully registered within the prescribed period, together with the stockholders who voted *in absentia* and by proxy, will be included in the determination of quorum.

Stockholders may send their questions about the ASM and the Company to [IPO.Compliance@fruitasholdings.com](mailto:IPO.Compliance@fruitasholdings.com).

Pursuant to SEC Notice dated March 12, 2025, the Stockholders may examine the Definitive Information Statement, Management Report, and SEC Form 17A at the Company's website and through the PSE Edge Portal.

There will be an audio and video recording of the ASM. All votes cast shall be validated by the Stock and Transfer Agent, BDO Unibank, Inc.

Quezon City, Philippines, June 20, 2025.

For the Board of Directors,

  
MARVIN C. YU  
Corporate Secretary



## 2025 Annual Stockholders' Meeting

Please scan the completed and signed proxy form and e-mail the scanned copy to the Corporate Secretary at [IPO.Compliance@fruitasholdings.com](mailto:IPO.Compliance@fruitasholdings.com) not later than 14 July 2025.

This proxy, when properly executed, will be voted in the manner as directed by the stockholder(s). If no direction is given, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement and/or as recommended by management or the Board of Directors.

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised.

Notarization of this proxy is not required.

## PROXY FORM

### FRUITAS HOLDINGS INC. 2025 Annual Stockholders' Meeting

I/We hereby name and appoint \_\_\_\_\_ or in his /her absence, the CHAIRMAN of the meeting, as my/our proxy at the Annual Stockholders' Meeting of Fruitash Holdings, Inc. ("FRUIT") to be held via remote communication using the Zoom Video Communications platform on 22 July 2025 at 2:00pm.

Place: \_\_\_\_\_

Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Number of shares held: \_\_\_\_\_

In particular, I hereby direct my said proxy to vote all my shares on the agenda items set forth below as I have expressly indicated by marking the same with an "X".

Items Nos.	Subject	Action		
		For	Against	Abstain
2.	Approval of the Minutes of the Previous Annual Meeting			
3.	Ratifications of All Acts and Resolutions of the Board of Directors and Management			
4.	Approval of Management Report and Audited Financial Statements			
5.	Appointment of External Auditors			
	For the election of directors, you can vote up to seven (7) names to fill the (7) seats of the Board of Directors. If you vote for fewer than seven (7) nominees, your votes shall be divided among the nominees you voted for. Please mark abstain if you are not voting for any of the nominees.	No. of Shares Voted		
6.	Election of Directors	Yes	Abstain	
	a. Rogelio M. Guadalquivir			
	b. Lester C. Yu			
	c. Calvin F. Chua			
	d. Madelene T. Sayson			
	e. Bambi Maureen E. Donato			
	f. Dennis T. Beng Hui			
	g. Shirley O. Tan			

\_\_\_\_\_  
Signature of Stockholder/s over Printed Name/s

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. Name of Registrant as specified in its charter: **FRUITAS HOLDINGS, INC.**
3. Province, country or other jurisdiction of incorporation or organization: **Quezon City, Philippines**
4. SEC Identification Number: **CS201503014**
5. BIR Tax Identification Code: **008-961-476**
6. Address of principal office: **68 Data St., Brgy. Don Manuel, Quezon City, Philippines**  

**1113**  
Postal  
Code
7. Registrant's telephone number, including area code: **(632) 8243-1741**
8. Date, time and place of the meeting of security holders:  
**22 July 2025, 02:00 p.m., virtual meeting via remote communication using the Zoom platform (with the presiding officer and executive directors physically present at the place of the meeting)**
9. Approximate date on which the Information Statement is first to be sent or given to security holders  
**30 June 2025 or earlier**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA:

Title of Each Class

**Common stock**

Number of Shares of Common Stock  
Outstanding

**2,130,986,000 shares**

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

Yes [ ☒ ]

No [ ☐ ]

Name of Stock

**Philippine Stock**

Exchange:

**Exchange**

Class of securities listed:

**Common**

**Shares**

<p><b>WE ARE NOT ASKING YOU FOR A PROXY, AND YOU ARE REQUESTED NOT TO SEND US A PROXY.</b></p>
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## INFORMATION REQUIRED IN INFORMATION STATEMENT

### A. GENERAL INFORMATION

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

Date: 22 July 2025  
Time: 02:00 pm  
Place: **Virtual meeting via remote communication using the Zoom platform (with the presiding officer and executive directors physically present at the place of the meeting)**  
3961 Ramon Magsaysay Boulevard Sta. Mesa, Manila  
Metro Manila, Philippines

The presiding officer and executive directors will be physically present in the Registrant's place of meeting at 3961 Ramon Magsaysay Boulevard Sta. Mesa, Manila, Metro Manila, Philippines for the 2025 Annual Stockholders' Meeting. Successfully registered stockholders of record as of 24 June 2025, the Record Date, may join the meeting through the Zoom platform. The Registrant will provide the necessary details of the meeting once the stockholder of record has successfully completed pre-registration requirements.

This Information Statement shall be sent with the Notice of the Annual Stockholders' Meeting and other related documents to the stockholders, in accordance with the Registrant's By-Laws, by or before 30 June 2025. The Notice of Annual Stockholders Meeting shall be published on June 27 and June 30, 2025 in the business section of two (2) newspapers of general circulation, in print and online format. This Information Statement may likewise be accessed by the Registrant's stockholders beginning 22 May 2025 at the Registrant's website, [www.fruitasholdings.com](http://www.fruitasholdings.com), and PSE Edge.

#### **Item 2. Dissenters' Right of Appraisal**

Pursuant to Section 80, Title X, of the Revised Corporation Code of the Philippines ("Corporation Code"), any stockholder of the Registrant shall have the right to dissent and demand payment of the fair value of his/her shares only in the following instances:

In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of

authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;

- i. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets;
- ii. In case of merger or consolidation; and
- iii. In case of investments in another corporation, business or purpose.

The appraisal right, when available, may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the Registrant within thirty (30) days after the date on which the vote was taken, for payment of the fair value of his/her shares, provided that failure to make the demand within such period shall be deemed a waiver of the appraisal right. A stockholder must have voted against the proposed corporate action in order to avail himself/herself of the appraisal right. If the proposed corporate action is implemented or effected, the Registrant shall pay to such stockholder, upon surrender of



his/her certificate/s of stock representing his/her shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Registrant cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two (2) thus chosen. The findings of the majority of appraisers shall be final, and their award shall be paid by the Registrant within thirty (30) days after such award is made, provided that no payment shall be made to any dissenting stockholder unless the Registrant has unrestricted retained earnings in its books to cover such payment and that upon payment by the Registrant of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Registrant.

**No item in the agenda will trigger the exercise of appraisal rights by dissenting shareholders.**

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

None of the following has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office:

- (1) Each person who has been a director or officer of the Registrant at any time since the beginning of the last fiscal year;
- (2) Each nominee for election as a director of the Registrant; and
- (3) Each associate of any of the foregoing persons.

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

**B. CONTROL AND COMPENSATION INFORMATION**

**Item 4. Voting Securities and Principal Holders Thereof**

- (a) Number of shares outstanding of the class/es entitled to vote and number of votes of said class/es of shares: Common shares: **2,130,986,000 shares** and Preferred Shares: **2,000,000,000**. Each of the common and preferred shares shall be entitled to one (1) vote.
- (b) Record Date: **24 June 2025**

Under Section 7, Article II of the Registrant's By-Laws, each stockholder shall, at every meeting of the stockholders be entitled to one (1) vote, in person or by proxy, for each share, of capital stock held by such stockholder.

Section 3, Article III of the By-Laws further provides that at each meeting of the stockholders for the election of directors at which a quorum is present, the directors shall be elected by cumulative vote with each share having a number of votes equal to the number of the directors to be elected. The persons receiving the highest number of votes shall be the directors.

Section 8, Article II of the By-Laws, meanwhile, provides that the instrument appointing a proxy

shall be in writing, signed under the hand of the appointer or his attorney-in-fact duly authorized in writing or, if the appointer is a corporation, either under the seal of the corporation or under the hand of an officer or attorney-in-fact duly authorized by the corporation. Any corporation that is a stockholder may also by resolution of its directors or other governing body authorize such person as it thinks fit to act as its attorney-in-fact at any and all meetings of stockholders, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporate stockholders that he represents as that which the corporation could have itself exercised if present. A proxy need not be a stockholder, unless otherwise provided in the proxy, and it shall be valid only for the meeting at which it has been presented to the Secretary or Assistant Secretary. All proxies must be in the hands of the Secretary or Assistant Secretary at least five (5) business days before the time set for the meeting. A stockholder shall not be allowed to designate two (2) or more proxies for any meeting unless the designation is in the alternative.

**(1) Security Ownership of Certain Record and Beneficial Owners (of more than 5% of the Registrant's voting securities) as of 31 May 2025**

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of class
Common Shares	PCD Nominee Corp. / The Enterprise Center, Ayala Avenue Corner Paseo de Roxas, Makati City / Stockholder of Record	Please see BDO Report as of May 31, 2025	Filipino	2,113,746,711	99.07%

The following are non-certificated shareholders and part of PCD Nominee Corp. (Filipino) which hold significant shares of the Registrant (more than 5%) as of 31 May 2025:

	Stockholder's Name	Common Shares	Percentage
1	Lush Properties Inc.	1,132,300,010 <sup>1</sup>	53.07%
2	Lester C. Yu	126,117,000	5.91%

Apart from the stockholders listed above, no other stockholders own at least 5% of the Registrants shares under PCD Nominee Corp.

**(2) Security Ownership of Management as of 31 May 2025**

Title of Class	Name of Beneficial Owner	Amount and nature of beneficial ownership	Citizenship	Percent of class
Common Shares	Lester C. Yu - Director, President and Chief Executive Officer <sup>2</sup>	126,117,000 - Direct 1,132,300,010 - Indirect	Filipino	58.98%

Common Shares	Rogelio M. Guadalquiver - Chairman	500,000 - Direct	Filipino	0.02%
Common Shares	Calvin F. Chua - Director and Chief Financial Adviser	4,150,000 - Direct 59,000 - Indirect	Filipino	0.20%
Common Shares	Madelene T. Sayson - Director and Chief Operating Officer	1,500,000 - Direct	Filipino	0.07%
Common Shares	Bambi Maureen E. Donato - Independent Director	10,000 - Direct	Filipino	0.00%
Common Shares	Shirley Tan – Independent Director	10,000 - Direct 90,000 - Indirect	Filipino	0.00%
Common Shares	Dennis Beng Hui - Independent Director	10,000 - Direct	Filipino	0.00%
Common Shares	Roselyn A. Legaspi - Managing Director – Visayas and Mindanao	3,319,000 - Direct	Filipino	0.16%
Common Shares	Marvin C. Yu – Corporate Secretary	1,030,000 - Direct	Filipino	0.05%

Except as indicated in the above table, none of the above-listed officers and management indirectly own shares of the Registrant. Except as aforementioned, no other officers of the Registrant hold, directly or indirectly, shares in the Registrant.

<sup>1</sup> The 1,132,300,010 shares of Lush Properties Inc. include 1,132,300,010 lodged shares.

<sup>2</sup> The indirect shares of Mr. Lester C. Yu, consisting of 1,132,300,010 shares, includes 1,132,300,000 shares owned by Lush Properties Inc. (53.07% to the Registrant's total outstanding share and 97% owned by Mr. Yu) and 10 shares owned by Ms. Janet Yu (Mr. Yu's mother).

### **(3) Voting Trust Holders of 5% or more**

The Registrant is not aware of any voting trust agreements or any other similar agreements which may result in a change in control of the Registrant.

### **(4) Description of Any Arrangement which may Result in a Change in Control of Registrant/Any Change of Control Since the Beginning of the Last Fiscal Year**

No change in control of the Registrant has occurred since the beginning of its last fiscal year. The Registrant is likewise unaware of any arrangement which may result in a change of control.

## **Item 5. Directors and Executive Officers of the Registrant**

The record of attendance of the directors at the meetings of the Board of Directors (the "Board") held in 2024 are as follows:

<b>Directors</b>	<b>No. of Meetings Attended/No. of Meetings as Director*</b>	<b>Percent Present</b>
Roger M. Guadalquiver	17/17	100%
Lester C. Yu	9/9	100%
Calvin F. Chua	17/17	100%
Madelene T. Sayson	9/9	100%
Dennis T. Beng Hui	21/21	100%
Bambi Maureen E. Donato	11/11	100%
Shirley O. Tan	22/22	100%

*\*Including Committee Meetings*

The current Board of Directors was formed on 23 July 2024 during the 2024 Annual Stockholders' Meeting. The meetings of the Board of Directors in 2024 discussed the following matters:

<b>Date</b>	<b>Matters Discussed</b>
April 1, 2024	Approval of RCBC Private Corporate Notes Issuance to QIBs.
April 6, 2024	Approval of 2023 Audited Financial Statements.
April 8, 2024	Approval to acquire the land, building and improvements on a 1,968 sqm property located at San Juan Del Monte, Prov. of Rizal.
April 16, 2024	FRUIT Financial Results as of December 31, 2023.
May 16, 2024	FRUIT Financial Results as of March 31, 2024.
May 22, 2024	Rescheduling of 2024 Annual Stockholders' Meeting to July 23. Amendment of Article III - Corporation's Principal Office address.
May 29, 2024	Approval of the 2023 Annual Corporate Governance Report
July 23, 2024	Annual Stockholders' Meeting and Organizational Meeting held
August 15, 2024	FRUIT Financial Results as of June 30, 2024.
October 25, 2024	Declaration of cash dividend of Php 0.01 per share.
November 9, 2024	Approval of 2024 Audit Proposal.
November 14, 2024	FRUIT Financial Results as of September 30, 2024.
November 19, 2024	Approval to complete the Subscription Agreement of Negril Trading Inc. to Bigboks Enterprises Inc.

The Management Committee members and other officers, unless removed by the Board, shall serve as such until their successors are elected or appointed.

The Board of Directors fulfilled its responsibilities by providing ample guidance to the Group through the pandemic. Currently, the Registrant is completing the metrics for performance appraisal of its Directors this will also include attendance.

(A)(1) Information on directors, executive officers and nominees

The following are the names, ages and citizenship of all directors, including independent directors, executive officers and all persons nominated or chosen to become such:

**Directors**

Name	Age	Position	Citizenship	Directorship
Rogelio M. Guadalquiver	82	Chairman	Filipino	Nominee
Lester C. Yu	50	Director, President, and Chief Executive Officer	Filipino	Nominee
Calvin F. Chua	45	Director and Chief Financial Adviser	Filipino	Nominee
Madelene T. Sayson	36	Director and Chief Operating Officer	Filipino	Nominee
Bambi Maureen E. Donato	49	Independent Director	Filipino	Nominee
Dennis T. Beng Hui	55	Independent Director	Filipino	Nominee
Shirley O. Tan	62	Independent Director	Filipino	Nominee

**Executive Officers**

Roselyn A. Legaspi	46	Managing Director - Visayas and Mindanao	Filipino	Non-nominee
Rushell A. Salvador	35	Chief Financial Officer and Treasurer	Filipino	Non-nominee
Marvin C. Yu	46	Corporate Secretary	Filipino	Non-nominee
Lerma C. Fajardo	38	Deputy Chief Financial Officer and Comptroller	Filipino	Non-nominee
Shaun Aldrich G. Si	33	Investor Relations Officer	Filipino	Non-nominee
Ralf F. Sarmiento	39	Compliance Officer	Filipino	Non-nominee

The following states the positions and offices held or to be held by the directors and executive officers, the period which said director has served of his 1-year term under the By-Laws of the Registrant, the directors' and executive officers' business experience for the last 5 years and their other directorship/s in reporting companies:

**Rogelio M. Guadalquiver, 82**, was appointed as the Chairman of FHI in August 24, 2019 and was also appointed as the Chairman of Balai ni Fruitas Inc. in December 21, 2021. He is also currently a Director of Philippine Deposit Insurance Corporation. Rogelio was the Chairman and Chief Executive Officer of CG & Co. from 2000 to 2018. Prior to joining CG & Co., he was a senior partner of SGV & Co., a member practice firm of Ernst & Young where he was heavily involved in both domestic and global audit practices. He also specialized in initial public offerings, industry research studies, corporate restructuring, business process re-engineering, business risk management, and financial and tax management consulting. Mr. Guadalquiver is a Certified Public Accountant and holds a Master's in Management degree from the Asian Institute of Management and a Bachelor of Science in Commerce degree from University of San Jose-Recoletos.

**Lester C. Yu, 50**, has been our President and Chief Executive Officer since its incorporation and served as the FHI's Chairman from Feb. 2015 to Aug. 2019. He has also been appointed as President and CEO of Balai ni Fruitas Inc. in 2021. Mr. Lester Yu started his career with their family business, Janette Jewelry in 1989. Before founding the Group, he entered the

banking industry and served as the youngest Branch Manager for Westmont Bank. He is responsible for the growth of the Group from a single store to more than 900 stores nationwide. Under his leadership, the Group has successfully introduced several well-known brands and has made strategic acquisitions such as Negril Trading, which houses the De Original Jamaican Pattie Shop and Juice Bar brand and Sabroso Lechon. Mr. Yu is also the Chairman and President of Ralproperties, Inc., One Fifty Food Place, Inc., Lush Properties Inc., Negril Trading, Inc., Themangofarm Corp., Fruitasgroup Incorporated, Lush Enterprises Corp., Bamazeh Incorporated, Lush Coolers, Inc., La Petite Parisienne, Inc., Dough Matters, Inc., Lush Harvest Manufacturing Inc., Toyoda Technik Corporation, Cocodelivery Incorporated, Lingnam Food Inc., Flykitchen Inc. and Bigboks Enterprises Inc. He holds a Master's of Business Administration degree from the University of the Philippines and a degree in Industrial Management Engineering from De La Salle University.

**Calvin F. Chua, 45**, was elected as Director and Chief Financial Adviser on Aug. 24, 2019. He has served as a consultant of the Fruitas Group since May 2017. He is also currently an Executive Director and Treasurer of AlphaPrimus Advisors Inc. He was part of the Corporate Finance team of ING Bank N.V., Manila Branch, most recently as Consultant up to June 2019 and Director up to July 2015. During his stint at ING Bank, he advised on mergers and acquisitions and capital-raising activities of various Philippine clients across several sectors. He holds a Bachelor of Science degree in Management Engineering and a Bachelor of Arts degree in Economics (Honors Program) from Ateneo de Manila University.

**Madelene T. Sayson, 36**, was elected as our Chief Operating Officer on Jan. 2018 and has been with the Group since 2009. She also served as a Director of FHI from Feb. 2015 to Aug. 2019. Ms. Sayson is also the Chairman and President of Gyuma Fragrance Inc. She is the Corporate Secretary and Director of One Fifty Food Place, Inc., Lush Properties Inc., Negril Trading, Inc., Bamazeh Incorporated, Dough Matters, Inc., Sure Jobs Academy, Inc., Toyoda Technik Corporation, Lingnam Food Inc., and Flykitchen Inc. Ms. Sayson is also the Vice President and Director of Themangofarm Corp., and La Petite Parisienne, Inc.. She is a Director in Balai ni Fruitas Inc. and the Treasurer and Director of Lush Coolers, Inc. She holds a Bachelor of Science degree in Accountancy from Garcia College of Technology.

**Bambi Maureen E. Donato, 49**, was elected as our Independent Director on Aug. 24, 2019. Bambi is currently the Program and Marketing Manager for the Inquirer Academy, a member of the Inquirer Group of Companies. She is currently the Pastoral Counselor of Center for Family Ministries, Inc. from June 2023 up to present. Prior to working with Inquirer Academy, she was Regional Marketing Manager of SUBSTOGO Corporation, Marketing Manager of Silverworks and Yellow Cab Food Corporation. She was also involved with Couples for Christ Global Mission Foundation Inc. as a SFC International Council and Missions Head during the early stages of her career. Ms. Donato holds a Master's in Business Administration from De La Salle University and a Bachelor of Science in Management from Ateneo de Manila University.

**Dennis T. Beng Hui, 55**, was elected as our Independent Director on Aug. 24, 2019. Mr. Beng Hui is the Founder and current Managing Director of Technopoly Inc., a consulting company which uses Lean Thinking and Six Sigma to improve business performance. Technopoly has served various clients across several sectors, including the foodservices sector. He taught at De La Salle University, Department of Industrial Engineering, for more than 15 years until 2017. He holds a Master's of Science degree in Industrial Engineering and a Bachelor of Science degree in Industrial Management Engineering minor in Mechanical Engineering from De La Salle University. He is also a PhD candidate in Industrial Engineering at De La Salle University. He is a Certified ASEAN Engineer (ASEAN, 2013) and a Certified Professional Industrial Engineer (Philippine Institute of Industrial Engineers, 2010).

**Shirley O'Yek Tan, 62**, was elected as our Independent Director on Aug. 24, 2019. She is currently the Corporate Treasurer of Bank of Makati, one of the top 10 Thrift Banks in the Philippines, and sits as a member of the Senior Management Committees of said bank. Her responsibilities include planning and formulating policies to protect the financial well-being of the Bank, as well as managing the overall operations of the Corporate Treasury sector to ensure that strategic plans are implemented and financial targets are met. Shirley graduated from University of Santo Tomas with a Bachelor of Science in Commerce, Major in Accounting and is a Certified Public Accountant.

**Roselyn A. Legaspi, 46**, was appointed as our Managing Director - Visayas & Mindanao on Aug. 2019 and is responsible for the overall operations of FHI for the said regions. She has been with the Fruitas Group since 2002 and has served as a Director of FHI from Feb. 2015 to Aug. 2019. Ms. Legaspi is also the Vice President and Director of Negril Trading, Inc., Bamazeh Inc., Lush Properties Incorporated, Ralproperties Inc., and Sure Jobs Academy Inc. She is also a Director for Gyuma Fragrance Inc., Lush Harvest Manufacturing Inc., Themangofarm Corp., La Petite Parisienne, Inc., and Lush Enterprises Corp. Also, Ms. Legaspi is the Treasurer of Fruitasgroup Incorporated and Buko ni Fruitas, Inc. She obtained her Bachelor of Science degree in Accountancy in 1999 and also passed her Civil Service Exams in 1997. She is currently taking up her Master's in Business Administration degree at the University of San Carlos, Cebu City.

**Rushell A. Salvador, 35**, was appointed as Chief Financial Officer on December 2023. She is previously the Compliance Officer since July 2019. She has been with the Group as Profit and Loss Accounting Manager since May 2016. Prior to joining the Group, Ms. Salvador held different Finance and Accounting positions in Polyserve Philippines, Inc. and HR Network Inc. with Accounting and Finance Head as her last post before being a consultant of Jardine Schindler Elevator Corporation from June 2014 to February 2015. She holds a Bachelor of Science in Accountancy from Polytechnic University of the Philippines, Sta. Mesa, Manila and is a Certified Public Accountant.

**Lerma C. Fajardo, 38**, has been the Group's Deputy Chief Financial Officer and Comptroller since 2018. She has over 10 years of experience in accounting and finance, previously working as an Assistant Manager for Extramind Global Outsourcing Group, Inc. Ms. Fajardo also serves as the Comptroller of FHI's subsidiary, Balai ni Fruitas Inc. since December 2021. She holds a Bachelor of Science degree in Accountancy from Polytechnic University of the Philippines and is a Certified Public Accountant.

**Ralf Sarmiento, 39**, was appointed as Compliance Officer on December 2023, He has served the Group's Accounting Manager for Tax Compliance since December 2018. Prior to joining the Group, Mr. Sarmiento held different Accounting positions in Goodwill Metal Corporation and JLA & Associates. He graduated from Polytechnic University of the Philippines with a Bachelor of Science in Accounting and is a Certified Public Accountant.

**Shaun Aldrich G. Si, 33**, was appointed as the Investor Relations Officer of the Company on December 2023 and has been the Group's Chief Marketing Officer since September 2022. He spearheads all the marketing strategies and initiatives of the Group and shall also be responsible for all interactions with investors and financial institutions through creating programs which strengthens relationship of FHI to the various investment groups and individuals. Prior to joining FHI, he held various positions in Brand Management in Wyeth Philippines Inc. and Jollibee Foods Corporation. In 2013, he started his career as a Management Trainee in GlaxoSmithKline Philippines where he eventually became the Digital Marketing Manager in 2016. He holds a Bachelor of Arts degree in Management Economics Minor in Chinese Studies and the program award recipient for being the most outstanding

student in the Management Economics Program Class of 2013 from the Ateneo de Manila University.

**Marvin C. Yu, 46**, has been FHI's Corporate Secretary since Aug. 24, 2019. On December 2021, he was appointed as the Corporate Secretary of Buko ni Fruitas Inc. He has more than 15 years of experience in the technical and engineering field. He was a Consultant in the SMC Telco Project, Master Planning Network Coverage Senior Manager for the Sun Cellular 2G and 3G Project, and RF Network Planning, Design and Optimization Engineer for Smart Communications Inc. Mr. Marvin Yu holds a Bachelor of Science degree in Electronics and Communications Engineering from De La Salle University and an Electronics and Communications Engineering Board Passer.

All the incumbent Directors above have one (1) year term of office. All the current directors have been nominated for re-election to the Board of Directors

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual stockholders because of a disagreement with the registrant on any matter relating to the Registrant's operations, policies or practices.

The Registrant does not believe that any of the descriptions provided for or by the directors is incorrect or incomplete.

#### **(A)(2) Significant Employees**

The Registrant has no other significant employee other than its Executive Officers. While the Registrant values the contribution of each of its executive and non-executive employees, the Registrant believes there is no non-executive employee that the resignation or loss of whom would have a material adverse impact on the business of the Registrant. Other than standard employment contracts, there are no special arrangements with non-executive employees of the Registrant.

#### **(A)(3) Family Relationships**

Mr. Lester C. Yu and Mr. Marvin C. Yu are brothers. Except for said relationship, none of the aforementioned Directors or Executive Officers are related to the others by consanguinity or affinity within the fourth civil degree.

#### **(A)(4) Involvement in Certain Legal Proceedings**

None of the directors, executive officers or nominees for election have been involved in any bankruptcy proceeding, nor have they been convicted by final judgment in any criminal proceeding, or been subject to any order, judgment, or decree of a court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, or found in action by any court or administrative bodies to have violated a securities or commodities law, for the past five (5) years up to the latest date.

As of the date of this report, the Registrant is not a party to any litigation or arbitration proceedings of material importance, which could be expected to have a material adverse effect on the Registrant or on the results of its operations. No litigation or claim of material importance is known to be pending or threatened against the Registrant or any of its properties.



## ***Certain Relationships and Related Transactions***

### ***Due from Related Parties***

The Group has outstanding noninterest-bearing amounts due from related parties amounting to ₱93.14 million as of December 31, 2024.

### **Lease Agreements**

#### ***Group as Lessee - Short-term Lease***

The Group entered into several lease agreements with third parties for its store spaces for varying periods of up to one year and renewable annually. The lease contracts for the stores provide for a monthly rental based on a certain percentage of gross sales and a monthly fixed rental or an agreed minimum rental, whichever is higher. Lease agreements are generally renewable through a notice of lease renewal and upon mutual agreement with the lessors.

#### ***Group as Lessor***

Starting from 2017, the Group entered into several sublease agreements with third parties for the lease of spaces in food parks for varying periods up to one year.

### **Franchise Agreements**

The Group has granted its franchisees the right to operate outlets under various brands for varying periods and subject to the terms and conditions specified in the franchise agreements.

The agreements are renewable at the option of the Group. The agreements provide for an initial franchise fee payable upon execution of the agreements. The non-refundable initial franchise fee payment covers the renovation of franchisee's unit, signage, promotional materials and equipment.

In 2017, the Group obtained the rights to the lease of 216 outlets from related parties

Rental deposits and advance rentals on leases were transferred to the Group through an assignment of lease agreements.

### **Terms and Conditions of Transactions with Related Parties**

Outstanding balances are unsecured, noninterest-bearing and due, demandable and to be settled in cash. Management makes an annual assessment of the financial position of the related parties and the market in which the related parties operate. There was no impairment losses recognized for the year ended in 2024.

### **Related Party Transaction Policy**

The Company enters into transactions with affiliates and other related parties on an arm's length basis. Aligned with this thrust, the Company, in dealing with affiliates and other related parties, ensures above-board transactions and fairness and equity among all parties.

The Company exerts efforts to obtain the most beneficial terms and conditions for the Company,

taking into consideration various factors including pricing and quality.

For this purpose, the Company determines the prevailing and applicable price in the market. In the process, it also gathers quotes and/or proposals from other parties engaged in similar or the same undertaking. Based on these, a comparable summary is presented to ascertain a fair price for the applicable related party transaction.

Other related party transactions are commissioned to a 3rd party assessor/s to determine fairness and reasonable value of the property.

Further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to affiliated companies can be found in the Note 16 to the Company's financial statements.

## **Item 6. Compensation of Directors and Executive Officers**

### **(1) Summary Compensation Table**

Name	Year	Salary	Bonuses	Total
Total Compensation of the 5 most highly compensated executive officers namely:  Lester C. Yu, Madelene T. Sayson, Marvin C. Yu, Rushell A. Salvador	2024	₱8.1 million	₱0.4 million	₱8.5 million
	2023	₱6.6 million	₱0.7 million	₱7.3 million
	2022	₱6.4 million	₱0.6 million	₱7.0 million
	2021	₱5.3 million	₱0.4 million	₱5.7 million

All other officers as a group unnamed	2024	-	-	-
	2023	₱0.6 million	₱0.1 million	₱0.7 million
	2022	₱0.6 million	₱0.1 million	₱0.7 million
	2021	₱1.6 million	₱0.1 million	₱1.7 million

*The total annual compensation paid to the above-named officers and directors was paid in cash.*

*The annual compensation includes the basic salary and 13<sup>th</sup> month bonus.*

### **(2) Standard Arrangements**

There are no standard arrangements pursuant to which directors of the Company are compensated, or were compensated directly as a director and for their committee participation for 2024 up to the present.

### **(3) Any Other Arrangement**

There are no other arrangements pursuant to which any director of the Company was compensated, or to be compensated, directly or indirectly for 2024 up to the present for any service provided as a director.

### **(4) Contracts between Registrant and Executive Officers**

#### **a. Employment Contract**

There is a standard employment contract between the Registrant and the named executive officers, but the same does not provide for a standard arrangement pursuant to which the executive officers are compensated. Their compensation is based on several special meetings of directors where executive compensation was discussed and held before the initial public offering of the Registrant in November 2019.

#### **b. Compensatory Plan or Arrangement**

There is a standard employment contract between the Registrant and the named executive officers, but the same does not provide for a standard arrangement pursuant to which the executive officers are compensated. Their compensation is based on several special meetings of directors where executive compensation was discussed and held before the initial public offering of the Registrant in November 2019.

#### **c. Warrants and options held by the executive officers and directors**

There are no outstanding warrants or options held by the Registrant's named executive officers, and all officers and directors as a group.

#### **d. Per diems**

Directors and officers do not receive a *per diem*.

### **Item 7. Independent Public Accountants**

- (a) The principal accountant and external auditor of the Registrant is Reyes Tacandong & Co. ("RT & Co.") with Mr. Wilson Teo as partner-in-charge for the years 2016 to 2021 while Mr. Cedric M. Caterio took over the role in 2022. The same accounting firm is being recommended for re-election at the annual stockholders' meeting.
- (b) Representatives of RT & Co. for the current year are expected to participate at the annual stockholders' meeting. They will be given the opportunity to make a statement if they desire to do so and respond to appropriate questions after the meeting, if necessary.

Pursuant to the General Requirements of SRC Rule 68, par. 3 (Qualifications and Report of Independent Auditors), the Registrant has engaged RT & Co. as external auditor, with Mr. Wilson Teo as the partner-in-charge, for the audit

years 2016 to 2021, and with Mr. Cedric M. Caterio as the partner in charge, for the audit starting the year 2022.

(c) Changes in and Disagreement with Accountants on Accounting and Financial Disclosure

Reyes Tacandong & Co. has not resigned from, been dismissed from or ceased service to the Registrant, The Registrant has not had any material disagreements on accounting and financial disclosures with said accountant/external auditor.

There are no disagreements with auditors, represented by Mr. Wilson Teo, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Registrant and its subsidiaries.

(d) Audit and Audit-Related Fees

The following table sets out the aggregate fees billed for the current year and each of the last three years for professional services rendered by RT&Co. to our Registrant, excluding fees directly related to the Offer.

In ₱ Millions	2024	2023	2022	2021
Audit and Audit Related Fees*	₱ 2.50	₱ 2.40	₱ 2.05	₱ 2.20
Out-of-Pocket Expense	₱ 0.25	₱ 0.24	₱ 0.21	₱ 0.22
All Other Fees**	₱ 0.14	₱ 0.23	₱ 0.25	₱ 0.18
<b>Total</b>	<b>₱ 2.89</b>	<b>₱ 2.87</b>	<b>₱ 2.51</b>	<b>₱ 2.60</b>

*\*\*Out-of-pocket and other related fees for 2024 and prior years have been adjusted and may differ from the figures previously reported in the Annual Report.*

\* Audit and Audit-Related Fees. This category includes the audit of annual financial statements and interim financial statements and services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those calendar years. This is exclusive of out-of-pocket expenses incidental to the independent auditors' work, the amounts of which do not exceed 10% of the agreed-upon engagement fees.

\*\* All Other Fees. This category includes other services rendered by RT & Co. such as internal audit, or special audit if any.

(e) Tax Fees

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

**Item 8. Compensation Plans**

There is no action required at this time concerning any plan involving the payment or distribution

of cash or non-cash compensation

### **C. ISSUANCE AND EXCHANGE OF SECURITIES**

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

There are no actions required with respect to the authorization or issuance of any securities, except in exchange for the Company's outstanding securities

#### **Item 10. Modification and Exchange of Securities**

There are no actions to be taken regarding any amendment or modification of any class of the Company's securities.

#### **Item 11. Financial and Other Information**

##### ***Audit Committee's Approval Policies and Procedures***

In relation to the audit of our annual financial statements, our Corporate Governance Manual, which was approved by the Board of Directors on Aug. 24, 2019, provides that the audit committee shall, among other activities, (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of our Registrant, (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors, and (iii) ensure the compliance of our Registrant with acceptable auditing and accounting standards and regulations.

The Audit Committee shall be composed of at least four (4) voting members who are members of the Group's Board, at least three of which are non-executive directors, including the independent directors. The Chairman of this Committee should be an independent director.

The key functions of the Audit Committee are assisting the Group's Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations; providing oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks, including receipt or information on risk exposures and risk management activities; providing oversight over the Internal Audit Department and External Auditors; monitoring and evaluating the adequacy and effectiveness of our Registrant's internal control system; reviewing the quarterly and annual financial statements before their submission to our Registrant's Board; and overseeing the implementation of risk management.

The Audit Committee is composed of the following members, the chairman of which is an independent director:

<b>Name</b>	<b>Position</b>
<b>Dennis T. Beng Hui</b>	Chairman
<b>Shirley O. Tan</b>	Member
<b>Calvin F. Chua</b>	Member
<b>Rogelio M. Guadalquivier</b>	Member

The audited financial statements as of December 31, 2024, Management's Discussion and

Analysis, Market Price of Shares Dividends and other data related to the Registrant's financial information are in the Registrant's Annual Report attached to this Information Statement as Annex A.

**Item 12. Mergers, Consolidations, Acquisitions and Similar Matters**

There are no proposals concerning any merger, consolidation, sale, or liquidation of the Company scheduled to be presented at the meeting.

**Item 13. Acquisition or Disposition of Property**

There are no matters or actions to be taken up at the Meeting concerning the acquisition or disposition of any property by the Company that would require stockholders' approval under the Revised Corporation Code.

**Item 14. Restatement of Accounts**

There are no actions proposed regarding the restatement of any asset, capital, or surplus account of the Company.

**D. OTHER MATTERS**

**Item 15. Action with Respect to Reports**

The following are included in the agenda for approval by the stockholders on the Annual Meeting of the Stockholders to be held on 22 July 2025:

1. Approval of the Minutes of the Annual Stockholders' Meeting held on 23 July 2024.

A Copy of the Minutes of the last year's Annual Meeting is hereto attached as Annex B.

2. Ratification of all acts and resolutions of the Board of Directors and Management for the year 2024 until the date of the meeting, as set forth in the Minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the SEC and the PSE.

These minutes cover approval of key corporate actions including the issuance of RCBC Private Corporate Notes, the 2023 Audited Financial Statements, and the acquisition of a property in Rizal. Review of financial results for all quarters and approved the rescheduling of the Annual Stockholders' Meeting, along with an amendment to its principal office address. Governance activities included the approval of the 2023 Annual Corporate Governance Report, a Php 0.01 per share cash dividend declaration, the 2024 audit proposal, and Negril Trading Inc.'s subscription to Bigboks Enterprises Inc.

3. Approval/Ratification of the 31 December 2024 Reports and the Audited Financial Statements

A Copy of the 2024 Annual Report with the Audited Financial Statements is hereto attached as Annex A.

4. Election of the Members of the Board of Directors including three (3) Independent Directors to serve for 2025 to 2026.

All the current Independent Directors have been nominated for re-election for 2025-2026.

#### 5. Selection and appointment of External Auditors

The external auditor of the Registrant is Reyes Tacandong & Co. ("RT & Co.") with Mr. Cedric M. Caterio as partner-in-charge. The same accounting/auditing firm is being recommended for re-election at the annual stockholders' meeting.

The 2024 Annual Stockholders' meeting was conducted via remote access communications and the minutes of the meeting, which include the matters discussed, the results of the voting and the full list and names of stockholders who participated in the virtual 2024 Annual Stockholders' Meeting, were posted in the Company's website within twenty-four (24) hours from adjournment of the meeting. The Chairman had also opened the floor for clarifications and questions of which, there were no questions from the floor. In compliance with the rules of the SEC, the Definitive Information Statement disclosure of Fruitash Holdings, Inc. ("FRUIT") was previously posted in the PSE EDGE Portal on July 2, 2024 and posted on the Company's website and published in the Business Sections of The Manila Standard and Business Mirror last July 2 and 3, 2024 in print and online formats prior to the 2024 Annual Meeting. The DIS contains detailed discussions on the material information on the current stockholders, and their voting rights. The same information is found in this Information Statement on Item 1 (Voting Securities), Item 4 (Voting Securities and Principal Holders Thereof), and Item 18 (Voting Procedures).

#### **Item 16. Matters Not Required to be Submitted**

No action will be taken with respect to this item.

#### **Item 17. Voting Procedures**

##### *Guidelines for Participating via Remote Communication and Voting in Absentia*

The 2025 ASM of Fruitash Holdings, Inc. (the "Company") will be held on 22 July 2025 (Tuesday) at 2:00 pm via remote communication.

The record date shall be 24 June 2025 for the purpose of determining the list of stockholders of the Corporation who are entitled to vote in the 2025 ASM. The Company will allow attendance by stockholders only by remote communication and voting in absentia, subject to validation procedures, though the directors will be in the principal office of the Company.

Stockholders who will participate in the ASM by remote communication should send an e-mail indicating their intent to participate to [IPO.Compliance@fruitashholdings.com](mailto:IPO.Compliance@fruitashholdings.com). They will then be sent a link to a registration form requiring certain information. The following documents must likewise be uploaded:

##### **A. Individual stockholders**

1. Copy of valid government ID of stockholder/proxy
2. If appointing a proxy, copy of proxy form duly signed by stockholder (need not be notarized)

##### **B. Multiple stockholders or joint owners**

1. 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)
2. Copy of valid government IDs of all registered stockholders

**C. Corporate stockholders**

1. Secretary's Certificate or Board Resolution appointing and authorizing a representative
2. Proxy Form for authorized representative
3. Valid government ID of the authorized representative

**D. Stockholders with shares under broker account**

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

The Company will then check and validate the entries uploaded by the stockholder.

Upon their successful accomplishment of the registration form and validation by the Company, they will receive an e-mail invitation with a complete guide on how to join the ASM and how to cast votes in absentia. Registration and voting must be accomplished by July 17, 2025. Only stockholders who have successfully registered within the prescribed period, together with the stockholders who voted in absentia and by proxy, will be included in the determination of quorum. Validity of votes cast by proxy will be subject to the validation of the submitted proxies, in the form provided by the Company, must be scanned and emailed to the Company's Corporate Secretary at [IPO.Compliance@fruitasholdings.com](mailto:IPO.Compliance@fruitasholdings.com) not later than 14 July 2025. The proxies shall be validated by 15 July 2025. The Corporate Secretary's decision shall be final and binding on the shareholders, and those not settled during the proxy validation shall be deemed waived and may no longer be raised.

***Manner of voting***

In all items for approval, except in the election of directors, each share of stock entitles its registered owner to 1 vote.

For the purpose of electing directors, a stockholder may vote such number of his shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them in the same principle among as many candidates as he shall see fit. Unless required by law, or demanded by a stockholder present or represented at the meeting and entitled to vote thereat, voting need not be by ballot and will be done by show of hands.

The matters to be acted upon by the stockholders as contained in the agenda, except the election of Directors, would require the affirmative vote of a majority of the shares of the Registrant's common stock represented and entitled to vote.

Stockholders who have successfully registered in accordance with the Guidelines for Participating via Remote Communication shall be provided via e-mail of the link to the voting portal. Stockholders can then cast their votes for specific items in the agenda, as follows:



1. Said stockholders shall access the voting portal by clicking the link sent by e-mail to the email-address of the stockholder provided to the Registrant.
2. Upon accessing the portal, the stockholders can proceed to vote on each agenda item.
  - a. A stockholder has the option to vote “Approve”, “Disapprove”, or “Abstain” on each agenda item for approval.
  - b. For the election of directors, the stockholder has the option to vote for all nominees, withhold vote for any of the nominees, or vote for certain nominees only. Accordingly, a stockholder entitled to vote: (i) may vote such number of shares owned by it for as many persons as there are Directors to be elected; or (ii) may cumulate said shares and give one candidate as many votes as the number of Directors to be elected multiplied by the number of their shares; or (iii) may distribute them on the same principle among as many candidates as may be seen fit.
3. Once the stockholder has finalized his/her vote, he/she can proceed to submit his/her vote by clicking the “Submit” button.

### ***Voting requirements***

- (a) With respect to the election of directors, candidates who received the highest number of votes shall be declared elected.
- (b) With respect to the adoption of the Audited Financial Statements for the year ended 31 December 2024, the vote of majority of the outstanding capital stock entitled to vote and represented in the meeting is required to approve such matters.

### ***Method of counting votes***

The Corporation’s stock transfer agent and Office of the Corporate Secretary will tabulate all votes received and will validate the results.

**PART III.**

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

**FRUITAS HOLDINGS INC.  
68 Data St.,  
Brgy. Don Manuel, Quezon City**

**SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth on this Report is true, complete, and correct. This Report is signed in Manila City on June 20, 2025.

By:

  
**Rushell A. Salvador**  
CFO & Treasurer

## ANNEXES

The attachments to this Information Statement are the following:

ANNEX	DOCUMENTS
A	Management Report
	Management's Discussion and Analysis of Results and Operations for the Quarter ended 2025 vs Quarter ended 2024
	Management's Discussion and Analysis of Results and Operations for the year ended December 31, 2024 vs December 31, 2023
	Nature and Scope of Business
	Market for Registrant's Common Equity and Related Stockholder's Matter
B	Annual Report
	Audited Consolidated Financial Statements for the year ended December 31, 2024
C	Result of 2024 Annual Stockholders' Meeting
D	Report on Number of Stockholders as of May 31, 2025
E	Certification of Independent Directors
F	Secretary's Certificate
G	Interim Financial Statement for the quarter ended March 31, 2025

## MANAGEMENT REPORT

### I. FINANCIAL STATEMENTS

The Financial Statements of the Registrant as of and for the year ended December 31, 2024 are incorporated herein in the accompanying Index to Financial Statements and Supplementary Schedules of the 2024 Annual Report in Annex A.

### II. INFORMATION ON INDEPENDENT ACCOUNTANT

Our fiscal year begins on January 1 and ends on December 31. Reyes Tacandong & Co. ("RT&Co.") has audited our financial statements for the years ended December 31, 2024, 2023, 2022, 2021 and 2020 in accordance with the Philippine Standards on Auditing.

Wilson P. Teo has been the audit partner and served our Company from 2016 to 2021 while Cedric M. Caterio took over the role in 2022. We have not had any material disagreements on accounting and financial disclosures with our current external auditor for the same periods or any subsequent interim period. RT&Co. has neither shareholdings in our Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of our Company. RT&Co. will not receive any direct or indirect interest in our Company or our securities (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The following table sets out the aggregate fees billed for the current year and each of the last three years for professional services rendered by RT&Co. to the Registrant, excluding fees directly related to the Offer.

In ₱ Millions	2024	2023	2022	2021
Audit and Audit Related Fees*	₱ 2.50	₱ 2.40	₱ 2.05	₱ 2.20
Out-of-Pocket Expense	₱ 0.25	₱ 0.24	₱ 0.21	₱ 0.22
All Other Fees**	₱ 0.14	₱ 0.23	₱ 0.25	₱ 0.18
<b>Total</b>	<b>₱ 2.89</b>	<b>₱ 2.87</b>	<b>₱ 2.51</b>	<b>₱ 2.60</b>

*\*\*Out-of-pocket and other related fees for 2024 and prior years have been adjusted and may differ from the figures previously reported in the Annual Report.*

- \* Audit and Audit-Related Fees. This category includes the audit of annual financial statements and interim financial statements and services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those calendar years. This is exclusive of out-of-pocket expenses incidental to the independent auditors' work, the amounts of which do not exceed 10% of the agreed-upon engagement fees.

\*\* All Other Fees. This category includes other services rendered by RT&Co. such as internal audit, or special audit if any.

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

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

### IV. MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion should be read in conjunction with the accompanying consolidated financial statements and notes thereto, which form part of this SEC Form Amended 17-A as "Annex A". The consolidated financial statements and notes thereto have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

#### ***Results of Operations for First Quarter ended 2025 vs First Quarter ended 2024***

	1Q 2025	1Q 2024	Increase / (Decrease)	% Change
Revenue	679,350,030	639,807,919	39,542,121	6.18%
Cost of Sales	(275,132,229)	(263,082,247)	(12,049,982)	4.58%
Gross Profit	404,217,801	376,725,672	27,492,129	7.30%
Operating Expenses	(349,625,014)	(330,491,592)	(19,133,422)	5.79%
Income from Operations	54,592,787	46,234,080	8,358,707	18.08%
Other Income (expense)-net	(9,121,827)	(4,817,933)	(4,303,894)	89.33%
Income before income tax	45,470,960	41,416,147	4,054,813	9.79%
Income tax expense	12,215,853	11,597,850	618,003	5.33%
Net Income	33,255,107	29,818,297	3,436,810	11.53%

#### ***Revenues***

The Group generated revenues of ₱679.4 million for the three months ended March 31, 2025, reflecting a 6.2% increase or ₱39.5 million growth compared to ₱639.8 million in the same period of 2024. This growth was primarily driven by the continued expansion of the store network and the improved performance of existing stores.

#### ***Cost of Sales***

Cost of sales for the three months ended March 31, 2025 closed at ₱275.1 million, 4.6% or

₱12.0 million increase from the same period in 2024 which closed at ₱263.1 million. The increase is attributable mainly to the increase in revenues and the continuous rise of raw material prices due to inflation. The Company continues to implement efficient purchasing strategies and tactical price increases to mitigate the effects of inflationary pressures.

### **Operating Expenses**

The Group's operating expenses settled at ₱349.6 million as of March 31, 2025, a 5.8 % or ₱19.1 million increase from the same period in 2024 which settled at ₱330.5 million. The increase was mainly attributed to the increased business volume during the first three months of 2025 and expansion undertaken by the Group.

### **Income Tax Expense/ Benefits**

From ₱11.6 million current income tax last 2024 to ₱12.2 million income tax for the same period in 2025. Income tax for the first quarter of 2025 was primarily due to the increase in taxable operating income.

### **Net income/ loss**

Consolidated net income reached ₱33.3 million as of March 31, 2025, representing an 11.5% increase from ₱29.8 million in the same period of 2024.

### **Financial Condition as of MARCH 31, 2025 versus DECEMBER 31, 2024**

	As of March 31, 2025 (Unaudited)	As of December 31, 2024 (Audited)	Increase / (Decrease)	% Change
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	570,664,336	585,269,977	(14,605,641)	-2.50%
Investments in FVPL	48,334,583	47,542,019	792,564	1.67%
Trade and other receivables	105,448,536	110,243,597	(4,795,061)	-4.35%
Merchandise inventories	74,151,978	71,688,320	2,463,658	3.44%
Due from related parties	97,046,318	93,140,843	3,905,475	4.19%
Deposits and advance rentals	8,759,229	9,920,660	(1,161,431)	-11.71%
Other current assets	102,076,900	60,262,755	41,814,235	69.39%
<b>Total Current Assets</b>	<b>1,006,481,880</b>	<b>978,068,171</b>	<b>28,413,709</b>	<b>2.91%</b>
<b>Noncurrent Assets</b>				
Non-current portion of receivable				
Financial asset at FVOCI	1,725,000	1,725,000	0	0.0%
Property and equipment	846,023,231	857,886,371	(11,863,140)	-1.38%
Intangible assets	260,184,731	260,184,731	0	0.0%
Investment property	273,150,325	273,150,325	0	0.0%
Right-of-use (ROU) assets	33,671,772	42,591,399	(8,919,627)	-20.94%
Rental deposits	108,293,294	106,125,692	2,167,602	2.04%
Net deferred tax assets	64,035,796	64,035,796	0	0.0%
<b>Total Noncurrent Assets</b>	<b>1,587,084,149</b>	<b>1,605,699,314</b>	<b>(18,615,165)</b>	<b>-1.16%</b>
	<b>2,593,566,029</b>	<b>2,583,767,485</b>	<b>9,798,544</b>	<b>0.38%</b>

### **LIABILITIES AND EQUITY**

#### **Current Liabilities**

Trade and other payables	141,559,592	143,170,904	(1,611,312)	-1.13%
Current portion of:				
Notes payable	577,550,001	599,466,667	(21,916,666)	-3.66%
Mortgage payable	1,424,422	1,424,422	0	0.0%
Lease liabilities	26,702,703	26,702,703	0	0.0%
Income tax payable	41,592,387	29,376,532	12,215,855	41.58%

Total Current Liabilities	788,829,105	800,141,228	(11,312,123)	-1.41%
<b>Noncurrent Liabilities</b>				
Noncurrent portion of:				
Notes payable	4,583,333	5,833,333	(1,250,000)	-21.43%
Mortgage payable	1,618,880	2,464,623	(845,743)	-34.32%
Lease liabilities	6,424,526	17,387,823	(10,963,297)	-63.05%
Security Deposits	635,143	635,143	0	0.0%
Retirement benefits liability	19,686,613	18,591,613	1,095,000	7.6%
Deferred Tax Liability	13,003,357	13,003,357	0	0.0%
Total Noncurrent Liabilities	45,951,852	57,915,892	(11,964,040)	-20.66%
<b>Total Liabilities</b>	<b>834,780,957</b>	<b>858,057,120</b>	<b>249,723,837</b>	<b>29.10%</b>
<b>Equity</b>				
Capital stock	233,368,000	233,368,000	0	0.0%
Additional paid-in capital	777,837,044	777,837,044	0	0.0%
Other equity reserves	195,207,311	195,207,311	0	0.0%
Retained earnings	417,983,198	384,728,091	33,255,107	8.64%
Other comprehensive loss	1,772,342	1,772,342	0	0.0%
Treasury shares	(180,400)	0	0	0.0%
Equity Attributable to Equity Holders of Parent company	1,625,987,495	1,592,912,788	33,074,707	2.08%
Non-controlling interest	132,797,577	132,797,577	0	0.0%
<b>Total Equity</b>	<b>1,758,785,072</b>	<b>1,725,710,365</b>	<b>33,074,707</b>	<b>1.92%</b>
	<b>2,593,566,029</b>	<b>2,583,767,485</b>	<b>9,798,544</b>	<b>0.38%</b>

FRUIT had consolidated total assets of ₱2,593.6 million as of March 31, 2025, a slight increase from the total assets from ₱2,583.8 million last December 2024.

### ***Cash and cash equivalents***

As of end March 2025, cash and cash equivalents totaled ₱570.7 million, a decreased from ₱585.3 million as of end-2024 primarily as a result of increased store expansions and improvements. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash.

### ***Trade and other receivables***

Trade and other receivables stood at ₱105.4 million as of March 2025, 4.3% lower than the ₱110.2 million reported at the end of 2024. The decrease is primarily attributed to improved collection efforts from third-party customers.

### ***Inventories***

As of March 2025, inventories increased to ₱74.2 million from ₱71.7 million as of end-2024. The slight increase is primarily attributed to the increase in raw material prices.

### ***Other Current assets***

Other current assets stood at ₱102.1 million as of March 31, 2025 which was 69.39% higher than as of December 31, 2024, ₱60.3 million. The increase is due to increase in Prepayments which pertains to unamortized part of Business Permits.

### ***Property, plant, and equipment***

Consolidated net property and equipment stood at ₱846.0 million as of March 31, 2025. Acquisition of property and equipment for the first quarter of the year reached ₱28.6 million, which was invested in the building of new stores, additional transportation equipment, office and

commissary improvements.

### **Trade and other payables**

Trade and other payables decreased by 1.1% for the three months ending March 31, 2025 to ₱141.6 driven by the payment of statutory payables for the towards the end of 2024.

### **Notes payable**

As of March 31, 2025, the Group's notes payable stood at ₱577.6 million, a -3.66% decrease from ₱599.5 million in December 31, 2024.

### **Income tax payable**

The increase in Income tax as of March 31, 2025 was due to the income tax effect of result of operation of the company for the first quarter of 2025.

### **Lease liabilities**

Total lease liabilities comprising of current and non-current portions as of March 31, 2025 stood at ₱41.6 million higher than December 31, 2024 amount of ₱29.4 million.

### **Equity**

As of March 31, 2025, the Group's consolidated equity increased to ₱1,758.8 million from ₱1,725.7 million as of end-2024.

### **Cash Flow Summary**

	1Q 2025	1Q 2024	Increase / (Decrease)	% Change
Net cash generated from (used) in operating activities	54,206,429	64,642,853	(40,436,424)	-62.55%
Net cash generated from (used) in investing activities	(32,536,459)	(50,879,557)	(18,343,098)	36.05%
Net cash generated from (used) in financing activities	(36,275,612)	(6,456,922)	(29,818,690)	-461.81%

Net cash provided by operating activities amounted to ₱54.2 million for the first three months of 2025.

Net cash used for investing activities was ₱32.5 million during first three months of 2025, driven by CAPEX.

Net cash used in financing activities amounted to ₱36.3 million for the first quarter of 2025, primarily due to the settlement of notes payable.

	Interim Three Months Ended March 31, 2025	Interim Three Months Ended March 31, 2024
Revenue Growth	6.2%	24.2%
Gross Profit Margin	59.5%	58.9%
Net Income/ Loss (₱ million)	33.3	29.8
	As of March 31, 2025	As of December 31, 2024
Current Ratio	1.28x	1.22x
Debt to Equity Ratio	47.5%	50.0%



## REVIEW OF DECEMBER 2024 VS DECEMBER 2023

### Key Highlights

FRUIT registered a consolidated net income of Php 111.0 million for the twelve months ending December 31, 2024. This yields a net income margin of 3.8%.

	2024	2023	Increase / (Decrease)	% Change
Revenue	2,903,454,769	2,469,098,397	434,356,372	17.59%
Cost of Sales	(1,163,931,093)	(975,545,191)	(188,385,902)	19.31%
Gross Profit	1,739,523,676	1,493,553,206	245,970,470	16.47%
Operating Expenses	(1,563,079,794)	(1,342,836,736)	(220,243,058)	16.40%
Income from Operations	176,443,882	150,716,470	25,727,412	17.107%
Other Income (expense)-net	(12,480,953)	7,337,510	(5,143,443)	-70.10%
Income before income tax	163,962,929	158,053,980	5,908,949	3.74%
Income tax expense	53,012,513	44,881,288	8,131,225	18.12%
Net Income	110,950,416	113,172,692	(2,222,276)	-1.96%

### Revenues

As of December 31, 2024, consolidated net revenues, composed of sales from company-owned stores, franchise and royalty fees from franchisees, and revenue from wholly-owned subsidiaries, reached Php 2,903.5 million, increasing by 17.6% from reported revenues of Php 2,469.1 million for the twelve months ending December 31, 2023.

### Cost of Sales

For the year ending 2024, consolidated cost of sales increased by 19.3% from Php 975.5 million in 2023 to Php 1,163.9 million.

Consolidated cost of sales is mainly composed of raw material and packaging costs, direct labor costs, and store-related costs including rent, utilities, etc.

### Gross Profit

Consolidated gross profit amounted to Php 1,739.5 million for the full year 2024, increasing by 16.5% from Php 1,493.6 million in the previous year. This yielded a gross profit margin of 59.9%, a slight decrease from the 60.5% gross profit in the previous year despite the increasing raw material prices, inflation and other factors.

### Selling and Distribution Expenses

For the twelve months ending December 31, 2023, consolidated selling and distribution expenses totaled Php 1,058.2 million, representing a 43.3% cost-to-sales ratio. This is Php 274.1 million higher compared to Php 784.2 million during the same period in 2022.

### General and Administrative Expenses

For the twelve months ending December 31, 2024, consolidated general and administrative expenses totaled Php 241.4 million, representing a 8.3% cost-to-sales ratio. This is Php 26.0

million higher compared to Php 215.5 million during the same period in 2023.

### **Operating Income (Loss)**

Consolidated operating income reached Php 164.0 million in 2024, a 3.7% increase from Php 158.1 million in 2023. This was primarily driven by improvement of revenues from the improved same-store sales and expansion of the Group's store network.

### **Interest Expense**

Interest expense of Php 35.3 million was recorded for the twelve months ending December 31, 2024.

### **Other Income**

Consolidated other income totaled Php 22.8 million as of year-end 2024. This is composed mainly dividend income, gain from change in fair value of investment properties, change in fair value of financial assets and goodwill impairment.

### **Net Income**

For the year ending 2024, consolidated net income reached Php 111.0 million, yielding a net income margin of 3.8%. Income decreased by Php 2.2 million or 2.0% from Php 115.8 million in 2023.

### **Financial Condition for the year ended December 31, 2024 and December 31, 2023**

	As of December 31, 2024	As of December 31, 2023	Increase / (Decrease)	% change
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	585,269,977	581,573,621	3,696,356	0.64%
Investments in FVPL	47,542,019	61,316,952	(13,774,933)	-22.47%
Trade and other receivables	110,243,597	69,198,597	41,045,000	59.31%
Merchandise inventories	71,688,320	56,727,021	14,961,299	26.37%
Due from related parties	93,140,843	103,647,446	(10,506,603)	-10.14%
Deposits and advance rentals	9,920,660	42,221,445	32,300,785	-76.50%
Other current assets	60,262,755	81,205,186	(20,942,431)	-25.79%
Total Current Assets	978,068,171	995,890,268	(17,822,097)	-1.79%
<b>Noncurrent Assets</b>				
Financial asset at FVOCI	1,725,000	1,725,000	0	0.0%
Investment property	273,150,325	169,337,000	103,813,325	61.31%
Property and equipment	857,886,371	514,316,412	343,569,959	66.80%
Right-of-use (ROU) assets	42,591,399	79,370,086	(36,778,687)	-46.34%
Intangible assets	260,184,731	241,348,448	18,836,283	7.80%
Deferred tax assets	64,035,796	60,872,899	3,162,897	5.20%
Rental deposits	106,125,692	66,435,868	39,689,824	59.74%
Total Noncurrent Assets	1,605,699,314	1,133,405,713	472,293,601	41.67%
	<b>2,583,767,485</b>	<b>2,129,295,981</b>	<b>454,471,504</b>	<b>21.34%</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Trade and other payables	143,170,904	97,103,028	46,067,876	47.44%
Current portion of:				
Notes payable	599,466,667	252,451,500	347,015,167	137.46%
Mortgage payable	1,424,422	0	0	0.0%
Lease liabilities	26,702,703	69,540,957	(42,838,254)	-61.60%
Income tax payable	29,376,532	19,765,691	9,610,841	48.62%
Total Current Liabilities	800,141,228	438,861,176	361,280,052	82.32%

<b>Noncurrent Liabilities</b>				
Noncurrent portion of:				
Notes payable	5,833,333	0	0	0.0%
Mortgage payable	2,464,623	0	0	0.0%
Lease liabilities	17,387,823	27,752,104	(10,364,281)	-37.35%
Security Deposits	635,143	870,799	(235,656)	-27.06%
Retirement benefits liability	18,591,613	14,327,522	4,264,091	29.76%
Deferred Tax Liability	13,003,357	11,214,357	1,789,000	15.95%
<b>Total Noncurrent Liabilities</b>	<b>57,915,892</b>	<b>54,164,782</b>	<b>3,751,110</b>	<b>6.93%</b>
<b>Total Liabilities</b>	<b>858,057,120</b>	<b>493,025,958</b>	<b>365,031,162</b>	<b>74.04%</b>
<b>Equity</b>				
Capital stock				
Preferred stock	20,000,000	20,000,000	0	0.0%
Common stock	213,368,000	213,368,000	0	0.0%
Additional paid-in capital	777,837,044	777,837,044	0	0.0%
Other equity reserves	195,207,311	192,818,000	2,389,311	1.24%
Retained earnings	382,665,506	313,244,657	69,420,849	22.16%
Other comprehensive income (loss)	1,772,342	1,772,342	0	0.0%
Equity Attributable to Equity Holders of Parent company	1,590,850,203	1,519,040,043	71,810,160	4.73%
Non-controlling interest	134,860,162	117,229,980	17,630,182	15.04%
<b>Total Equity</b>	<b>1,725,710,365</b>	<b>1,636,270,023</b>	<b>89,440,342</b>	<b>5.47%</b>
	<b>2,583,767,485</b>	<b>2,129,295,981</b>	<b>454,471,504</b>	<b>21.34%</b>

FRUIT had consolidated total assets of Php 2,583.8 million as of December 31, 2024, an increase versus total assets of Php 2,129.3 million as of end-2023.

### ***Cash and cash equivalents***

As of end 2024, cash and cash equivalents totaled Php 585.3 million. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash.

### ***Trade and other receivables***

Trade and other receivables was at Php 110.2 million as of year-end 2024 compared to Php 69.2 million in 2023, an improvement of 59.3% due to increase in third party receivables.

### ***Inventories***

As of December 31, 2024, inventories increased to Php 71.7 million from Php 56.7 million in 2023, an increase of 26.4% due to expansion of storage and warehouse facilities and effective management of inventory levels during the expansion of the Group's store network in 2024.

### ***Property, plant, and equipment***

Consolidated net property, plant, and equipment stood at Php 857.9 million as of year-end 2024. Acquisition of property and equipment for the year reached Php 514.5 million, which were invested in the building of new stores and improvements in the corporate office and commissary.

### ***Investment Property***

In 2020, the Company purchased a parcel of land with improvement located in Sta. Manila amounting to Php 127 million. The Company commissioned a third-party appraiser to revalue the property which valued the property amounting to Php 176.0 million in 2024 from Php 169.3

million in 2023. Additional investment property was acquired in 2024 amounting to Php 97.1 million.

#### ***Intangible assets***

Intangible assets stood at Php 260.2 million in 2024 from Php 241.3 million in 2023. The increase is driven by acquisition of brands within the group.

#### ***Accounts payable and other current liabilities***

Accounts payable and other current liabilities increased by 82.3% for the full-year 2024 to Php 800.1 million from Php 438.9 million in 2023, driven by the increases in the Trade and other payables, current portion of notes payables and lease liabilities, and income tax payable.

#### ***Loans payable***

As of December 31, 2024, the Company's total interest-bearing debt stood at ₱ 605.3 million. Php 599.5 was short-term loans used to partially fund working capital requirements.

#### ***Capital stock and Additional paid-in capital***

For the twelve months ending December 31, 2024, the Company's total capital stock stood at Php 233.4 million and additional paid-in capital of Php 777.8 million.

#### ***Cash flows***

	2024	2023	Increase / (Decrease)	% change
Net cash generated from (used) in operating activities	322,032,134	306,357,153	15,674,981	5.12%
Net cash generated from (used) in investing activities	(591,609,568)	(227,191,347)	(364,418,221)	(160.40%)
Net cash generated from (used) in financing activities	273,273,790	(21,980,239)	251,293,551	1,143.27%

Consolidated net cash provided from operating activities amounted to Php 322.0 million for the full-year 2024, 5.1% increase versus the previous year's Php 306.4 million. The increase is primarily attributable to the expansion of the store network during the year.

Consolidated net cash used in investing activities was Php 591.6 million. This is mainly due to capital expenditures for new store openings and other corporate investments primarily Property, Plant and Equipment acquisition for the year.

Consolidated net cash provided by financing activities was Php 273.3 million in 2024, primarily due availment of loans.

All in all, net cash generated for the year totaled Php 3.7 million, leading to cash and cash equivalents balance of Php 585.3 million at year-end 2024.

## Key Performance Indicators (KPIs)

	Audited Twelve Months Ended December 31, 2024	Audited Twelve Months Ended December 31, 2023
Revenue Growth	17.6%	37.2%
Gross Profit Margin	59.9%	60.5%
Net Income Margin	3.8%	4.7%
EBITDA (Php thousands)	389.3	357.8
EBITDA Margin	13.4%	14.5%
Return on Average Assets	4.7%	5.7%
Return on Average Equity	6.6%	7.3%
Current Ratio	1.22	2.27
Debt to Equity Ratio	49.7%	30.1%

Gross Profit Margin is gross profit as a percentage of revenues Net Income

Margin is net income as a percentage of revenues

EBITDA is defined as earnings before interest, tax, depreciation and amortization

EBITDA margin is EBITDA as a percentage of revenues

## REVIEW OF DECEMBER 2023 VS DECEMBER 2022

### Key Highlights

FRUIT registered a consolidated net income of Php 115.8 million for the twelve months ending December 31, 2023. This yields a net income margin of 4.7%.

	2023	2022	Increase / (Decrease)	% Change
Revenue	2,469,098,397	1,799,170,723	669,927,674	37.24%
Cost of Sales	(975,545,191)	(746,900,309)	(228,644,882)	30.61%
Gross Profit	1,493,553,206	1,052,270,414	441,282,792	41.94%
Operating Expenses	(1,342,836,736)	(922,690,887)	(420,145,849)	45.53%
Income from Operations	150,716,470	129,579,527	21,136,943	16.31%
Other Income (expense)-net	7,337,510	(21,708,166)	29,045,676	-133.80%
Income before income tax	158,053,980	107,871,361	50,182,619	46.52%
Income tax expense	44,881,288	25,511,620	19,369,668	75.92%
Net Income	113,172,692	82,359,741	30,812,951	37.41%

### Revenues

As of December 31, 2023, consolidated net revenues, composed of sales from company-owned stores, franchise and royalty fees from franchisees, and revenue from wholly-owned subsidiaries, reached Php2,469.1 million, increasing by 37.2% from reported revenues of Php 1,799.2 million for the twelve months ending December 31, 2022.

**Cost of Sales**

For the year ending 2023, consolidated cost of sales increased by 30.6% from Php 746.9 million in 2022 to Php 975.5 million.

Consolidated cost of sales is mainly composed of raw material and packaging costs, direct labor costs, and store-related costs including rent, utilities, etc.

**Gross Profit**

Consolidated gross profit amounted to Php 1,493.6 million for the full year 2023, increasing by 41.9% from Php 1,052.3 million in the previous year. This yielded a gross profit margin of 60.5%, an improvement from the 58.5% gross profit in the previous year despite the increasing raw material prices, inflation and other factors, the Company executed more efficient inventory-buying strategies, implemented price increases, rationalized manpower requirements and expanded product mix resulted to a better margin.

**Selling and Distribution Expenses**

For the twelve months ending December 31, 2023, consolidated selling and distribution expenses totaled Php 1,058.2 million, representing a 43.3% cost-to-sales ratio. This is Php 274.1 million higher compared to Php 784.2 million during the same period in 2022.

**General and Administrative Expenses**

For the twelve months ending December 31, 2023, consolidated general and administrative expenses totaled Php 284.6 million, representing a 11.7% cost-to-sales ratio. This is Php 146.1 million higher compared to Php 138.5 million during the same period in 2022.

**Operating Income (Loss)**

Consolidated operating income reached Php 158.1 million in 2023, a 46.5% increase from Php 107.9 million in 2022. This was primarily driven by improvement of revenues from the improved same-store sales and expansion of the Group's store network.

**Interest Expense**

Interest expense of Php 27.6 million was recorded for the twelve months ending December 31, 2023.

**Interest Income**

Interest income of Php 10.5 million was recorded for the twelve months ending December 31, 2023. This income is from time deposit and other money market investment income.

**Other Income**

Consolidated other income totaled Php 33.1 million as of year-end 2023. This is composed mainly of outlets' cash overages and fees charged to lessees for utilities incurred on leased spaces on food parks.

**Net Income**

For the year ending 2023, consolidated net income reached Php 115.8 million, yielding a net income margin of 4.7%. Income increased by Php 33.4 million or 40.6% from Php 82.4 million in 2022. While a complete turnaround from the 2020 and 2021 recorded net loss after tax of Php 48.1 million and Php 16.3 million, respectively.

## Financial Condition for the year ended December 31, 2023 and December 31, 2022

	As of December 31, 2023	As of December 31, 2022	Increase / (Decrease)	% change
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	581,573,621	528,582,342	52,991,279	10.0%
Investments in FVPL	61,316,952	61,305,065	11,887	0.0%
Trade and other receivables	69,198,597	93,598,650	(24,400,053)	-26.1%
Notes receivable	-	-	-	0.0%
Merchandise inventories	56,727,021	49,918,349	6,808,672	13.6%
Due from related parties	103,647,446	123,929,208	(20,281,762)	-16.4%
Deposits and advance rentals	108,657,313	102,047,259	6,610,054	6.5%
Other current assets	81,205,186	34,849,570	46,355,616	133.0%
<b>Total Current Assets</b>	<b>1,062,326,136</b>	<b>994,230,443</b>	<b>68,095,693</b>	<b>6.8%</b>
<b>Noncurrent Assets</b>				
Financial asset at FVOCI	1,725,000	1,725,000	-	0.0%
Investment property	169,337,000	168,173,850	1,163,150	0.7%
Property and equipment	514,316,412	360,001,089	154,315,323	42.9%
Right-of-use (ROU) assets	79,370,086	113,480,249	(34,110,163)	-30.1%
Intangible assets	241,348,448	215,038,690	26,309,758	12.2%
Deferred tax assets	60,872,899	63,851,813	(2,978,914)	-4.7%
Advances for assets acquisition	-	54,000,000	(54,000,000)	-100.0%
<b>Total Noncurrent Assets</b>	<b>1,066,969,845</b>	<b>976,270,691</b>	<b>90,699,154</b>	<b>9.3%</b>
	<b>2,129,295,981</b>	<b>1,970,501,134</b>	<b>158,794,847</b>	<b>8.1%</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Notes payable	252,451,500	205,000,000	47,451,500	23.1%
Trade and other payables	97,103,028	81,725,913	15,377,115	18.8%
Current portion of:				
Mortgage payable	-	80,909	(80,909)	-100.0%
Lease liabilities	69,540,957	42,752,568	26,788,389	62.7%
Income tax payable	19,765,691	831,880	18,933,811	2276.0%
<b>Total Current Liabilities</b>	<b>438,861,176</b>	<b>330,391,270</b>	<b>108,469,906</b>	<b>32.8%</b>
<b>Noncurrent Liabilities</b>				
Noncurrent portion of lease liabilities	27,752,104	89,957,285	(62,205,181)	-69.1%
Security Deposits	870,799	771,128	99,671	12.9%
Retirement benefits liability	14,327,522	13,897,930	429,592	3.1%
Deferred Tax Liability	11,214,357	11,118,415	95,942	0.9%
<b>Total Noncurrent Liabilities</b>	<b>54,164,782</b>	<b>115,744,758</b>	<b>(61,579,976)</b>	<b>-53.2%</b>
<b>Total Liabilities</b>	<b>493,025,958</b>	<b>446,136,028</b>	<b>46,889,930</b>	<b>10.5%</b>
<b>Equity</b>				
Capital stock				
Preferred stock	20,000,000	-	20,000,000	0.0%
Common stock	213,368,000	213,368,000	-	0.0%
Additional paid-in capital	777,837,044	777,837,044	-	0.0%
Other equity reserves	192,818,000	195,207,311	(2,389,311)	-1.2%
Retained earnings	313,244,657	236,282,749	76,961,908	32.6%
Other comprehensive income (loss)	1,772,342	(806,668)	2,579,010	-319.7%
Equity Attributable to Equity Holders of Parent company	1,519,040,043	1,421,886,436	97,153,607	6.8%
Non-controlling interest	117,229,980	102,478,670	14,751,310	14.4%
<b>Total Equity</b>	<b>1,636,270,023</b>	<b>1,524,365,106</b>	<b>111,904,917</b>	<b>7.3%</b>
	<b>2,129,295,981</b>	<b>1,970,501,134</b>	<b>158,794,847</b>	<b>8.1%</b>

FRUIT had consolidated total assets of Php 2,129.3 million as of December 31, 2023, an increase versus total assets of Php 1,970.5 million as of end-2022.

***Cash and cash equivalents***

As of end 2023, cash and cash equivalents totaled Php 581.6 million. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash.

***Trade and other receivables***

Trade and other receivables was at Php 69.2 million as of year-end 2023 compared to Php 93.6 million in 2022, an improvement of 26% attained by efficient third party trade receivables collection.

***Inventories***

As of December 31, 2023, inventories increased to Php 69.2 million from Php 49.9 million in 2022, an increase of 38.7% due to expansion of storage and warehouse facilities and effective management of inventory levels during the expansion of the Group's store network in 2023.

***Property, plant, and equipment***

Consolidated net property, plant, and equipment stood at Php 514.3 million as of year-end 2023. Acquisition of property and equipment for the year reached Php 301.1 million, which were invested in the building of new stores and improvements in the corporate office and commissary.

***Investment Property***

In 2020, the Company purchased a parcel of land with improvement located in Sta. Manila amounting to Php 127 million. The Company commissioned a third-party appraiser to reevaluate the property which valued the property amounting to Php 169.3 million in 2023 from Php 168.2 million in 2022.

***Intangible assets***

Intangible assets stood at Php 241.3 million in 2023 from Php 215.0 million in 2022. The increase is driven by acquisition of brands within the group.

***Accounts payable and other current liabilities***

Accounts payable and other current liabilities increased by 32.8% for the full-year 2023 to Php 438.9 million from Php 330.4 million in 2022, driven by the increases in the Trade and other payables, current portion of notes payables and lease liabilities, and income tax payable.

***Loans payable***

As of December 31, 2023, the Company's total interest-bearing debt stood at ₱ 252.5 million. The total amount was short-term loans used to partially fund working capital requirements.

***Capital stock and Additional paid-in capital***

For the twelve months ending December 31, 2023, the Company's total capital stock stood at Php 233.4 million and additional paid-in capital of Php 777.8 million. The increase in the capital stock was from the Php 20 million subscription of the Company's preferred shares in 2023.



## Cash flows

	2023	2022	Increase / (Decrease)	% change
Net cash generated from (used) in operating activities	304,260,009	271,050,511	33,209,498	12.3%
Net cash generated from (used) in investing activities	(229,288,491)	(200,955,246)	(28,333,245)	14.1%
Net cash generated from (used) in financing activities	(21,980,239)	207,601,385	(229,581,624)	-110.6%

Consolidated net cash provided from operating activities amounted to Php 304.3 million for the full-year 2023, 12.3% increase versus the previous year's Php 271.1 million. The increase is primarily attributable to the expansion of the store network during the year.

Consolidated net cash used in investing activities was Php 229.3 million. This is mainly due to capital expenditures for new store openings and other corporate investments primarily Property, Plant and Equipment acquisition for the year.

Consolidated net cash used in financial activities was Php 22.0 million in 2023, primarily due to payments of Notes Payable.

All in all, net cash generated for the year totaled Php 53.0 million, leading to cash and cash equivalents balance of Php 581.6 million at year-end 2023

## Key Performance Indicators (KPIs)

	Audited Twelve Months Ended December 31, 2023	Audited Twelve Months Ended December 31, 2022
Revenue Growth	37.2%	63.3%
Gross Profit Margin	60.5%	58.5%
Net Income Margin	4.7%	4.6%
EBITDA (Php thousands)	304.3	287
EBITDA Margin	12.3%	16.0%
Return on Average Assets	5.7%	4.6%
Return on Average Equity	7.3%	6.0%
Current Ratio	242.1%	300.9%
Debt to Equity Ratio	30.1%	28.5%

*Gross Profit Margin is gross profit as a percentage of revenues Net Income Margin is net income as a percentage of revenues*

*EBITDA is defined as earnings before interest, tax, depreciation and amortization EBITDA margin is EBITDA as a percentage of revenues*

*Return on Average Assets is net income as a percentage of the average of the assets at year- end and assets at end of the immediately preceding year*

*Return on Average Equity is net income as a percentage of the average of the equity at year- end and equity at end of the immediately preceding year*

*Current Ratio is current assets divided by current liabilities Debt to Equity Ratio is total liabilities over total equity.*

## REVIEW OF DECEMBER 2022 VS DECEMBER 2021

### Key Highlights

FRUIT registered a consolidated net income of Php 82.4 million for the twelve months ending December 31, 2022. This yields a net income margin of 4.6%, a turnaround from the reported net loss of Php 16.3 million in 2021.

	2022	2021	Increase/ (Decrease)	% Change
Revenue	1,799,170,723.00	1,101,704,546.00	697,466,177.00	63.31%
Cost of sales	- 746,900,309.00	- 419,295,089.00	- 327,605,220.00	78.13%
Gross profit	1,052,270,414.00	682,409,457.00	369,860,957.00	54.20%
Operating expenses	- 922,690,887.00	- 725,392,612.00	- 197,298,275.00	27.20%
Income from operations	129,579,527.00	42,983,155.00	172,562,682.00	-401.47%
Other income (expense)- net	- 21,708,166.00	36,983,074.00	- 58,691,240.00	-158.70%
Income before income tax	107,871,361.00	6,000,081.00	113,871,442.00	-1897.83%
Income tax expense	25,511,620.00	10,324,127.00	15,187,493.00	147.11%
Net Income	82,359,741.00	- 16,324,208.00	98,683,949.00	-604.53%

### Revenues

Consolidated net revenues, composed of sales from company-owned stores, franchise and royalty fees from franchisees, and revenue from wholly-owned subsidiaries, reached Php 1,101.7 million, increasing by 23.5% from reported revenues of Php 891.8 million for the twelve months ending December 31, 2020.

### Cost of Sales

For the year ending 2022, consolidated cost of sales increased by 78.1% from Php 419.3 million in 2021 to Php 746.9 million.

Consolidated cost of sales is mainly composed of raw material and packaging costs, direct labor costs, and store-related costs including rent, utilities, etc.

### Gross Profit

Consolidated gross profit amounted to Php 1,052.3 million for the full year 2022, increasing by 54.2% from Php 682.4 million in the previous year. This yielded a gross profit margin of 58.5%, a slight decrease due to increasing raw material prices but the Company executed more efficient inventory-buying strategies, implemented price increases, rationalized manpower requirements and expanded product mix to limit the adverse effects.

### Selling and Distribution Expenses

For the twelve months ending December 31, 2022, consolidated selling and distribution expenses totaled Php 784.2 million, representing a 43.6% cost-to-sales ratio. This is Php 175.4 million higher compared to Php 608.8 million during the same period in 2021

### General and Administrative Expenses

For the twelve months ending December 31, 2022, consolidated general and administrative expenses totaled Php 138.5 million, representing a 7.7% cost-to-sales ratio. This is Php 21.9 million higher compared to Php 116.6 million during the same period in 2021.

### Operating Income (Loss)

Consolidated operating income reached Php 107.9 million in 2022, a turnaround from an

operating loss of Php 6.0 million in 2021. This was primarily driven by improvement of revenues from the improved same-store sales and expansion of the Group's store network.

### **Interest Expense**

Interest expense of Php 24.7 million was recorded for the twelve months ending December 31, 2022.

### **Other Income**

Consolidated other income totaled Php 2.3 million as of year-end 2022. This is composed mainly of outlets' cash overages and fees charged to lessees for utilities incurred on leased spaces on food parks.

### **Net Income**

For the year ending 2022, consolidated net income reached Php 82.4 million, yielding a net income margin of 4.6%. This is a complete turnaround from the 2020 and 2021 recorded net loss after tax of Php 48.1 million and Php 16.3 million, respectively.

### **Financial Condition for the year ended December 31, 2022 and December 31, 2021**

				2022 vs 2021	
	As of March 31, 2023 (Unaudited)	As of December 31, 2022 (Audited)		Increase/ (Decrease)	% Change
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	₱ 556,444,046	₱ 528,582,342		277,696,650	110.7%
Investments in FVPL	61,918,726	61,305,065		-6,240,260	-9.2%
Trade and other receivables	94,985,799	93,598,650		340,513	0.4%
Notes receivable				0	0.0%
Merchandise inventories	51,116,600	49,918,349		13,223,757	36.0%
Due from related parties	123,929,208	123,929,208		-3,499,030	-2.7%
<b>LIABILITIES AND EQUITY</b>					%
<b>Current Liabilities</b>					%
Trade and other payables	₱ 79,987,602	₱ 81,725,913		18,270,533	28.8%
Current portion of:				0	0.0%
Notes payable	211,000,000	205,000,000		20,419,500	11.1%
Mortgage payable		80,909		-1,642,459	-95.3%
Lease liabilities	29,695,146	42,752,568		-589,123	-1.4%
Due to related parties				0	0.0%
Dividends payable				0	0.0%
Income tax payable	5,966,030	831,880		-7,574,563	-90.1%
Total Current Liabilities	326,648,778	330,391,270		28,883,888	9.6%
					%
<b>Noncurrent Liabilities</b>					%
Noncurrent portion of:					%
Mortgage payable	-			-80,909	-100.0%
Lease liabilities	89,471,214	89,957,285		-16,486,029	-15.5%
Security Deposits	771,128	771,128		128,329	20.0%
Retirement benefits liability	14,707,930	13,897,930		3,188,541	29.8%
Total Noncurrent Liabilities	104,950,272	104,626,343		-13,250,068	-11.2%
Total Liabilities	431,599,050	435,017,613		15,633,820	3.7%
<b>Equity</b>					
Capital stock	213,368,000	213,368,000		-	0.0%
Additional paid-in capital	777,837,044	777,837,044		-	0.0%
Other equity reserves	195,207,311	195,207,311		14,824,982	8.2%
Retained earnings	255,446,157	236,282,749		185,029,970	361.0%
Other comprehensive loss	- 808,668	- 808,668		-	0.0%
Equity Attributable to Equity Holders of Parer	1,441,049,844	1,421,886,436		199,854,952	16.4%
Non-controlling interest	102,478,670	102,478,670		102,478,670	0.0%
Total Equity	1,543,528,514	1,524,365,106		302,333,622	80.2%
	₱ 1,975,127,564	₱ 1,959,382,719		317,967,442	19.4%

FRUIT had consolidated total assets of Php 1,959.4 million as of December 31, 2022, an increase versus total assets of Php 1,641.4 million as of end-2021.

***Cash and cash equivalents***

As of end 2022, cash and cash equivalents totaled Php 528.6 million. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash.

***Trade and other receivables***

Trade and other receivables was at Php 93.6 million as of year-end 2022 compared to Php 93.3 million in 2021, an increase of 0.3% maintained by efficient third party trade receivables collection.

***Inventories***

As of December 31, 2022, inventories increased to Php 49.9 million from Php 36.7 million in 2021, an increase of 36.0% due to efficient management of inventory levels during the expansion of the Group's store network in 2022.

***Property, plant, and equipment***

Consolidated net property, plant, and equipment stood at Php 360.0 million as of year-end 2022. Acquisition of property and equipment for the year reached Php 120.7 million, which were invested in the building of new stores and improvements in the corporate office and commissary.

***Investment Property***

In 2020, the Company purchased a parcel of land with improvement located in Sta. Manila amounting to Php 127 million. The Company commissioned a third-party appraiser to reevaluate the property which valued the property amounting to Php 168.2 million in 2022.

***Intangible assets***

Intangible assets stood at Php 215.0 million for the period.

***Accounts payable and other current liabilities***

Accounts payable and other current liabilities increased by 9.6% for the full-year 2022 to Php 330.4 million, driven by the increases in the Trade and other payables, current portion of notes payables and lease liabilities, and income tax payable.

***Loans payable***

As of December 31, 2022, the Company's total interest-bearing debt stood at ₱ 205.1 million. The total amount were short-term loans used to partially fund working capital requirements.

***Capital stock and Additional paid-in capital***

For the twelve months ending December 31, 2022, the Company's total capital stock stood at Php 213.4 million and additional paid-in capital of Php 777.8 million.

## Cash flows

	2022	2021	Increase/ (Decrease)	% Change
Net cash generated from (used) in operating act	271,050,511.00	108,609,326.00	162,441,185.00	149.56%
Net cash generated from (used) in investing acti-	200,955,246.00	220,555,278.00	19,600,032.00	-8.89%
Net cash generated from (used) in financing acti	207,601,385.00	12,007,498.00	195,593,887.00	1628.93%

Consolidated net cash provided from operating activities amounted to Php 271.1 million for the full-year 2022, 149.6% increase versus the previous year's Php 108.6 million. The increase is primarily attributable to the expansion of the store network during the year.

Consolidated net cash used in investing activities was Php 201.0 million. This is mainly due to capital expenditures for new store openings and other corporate investments.

Consolidated net cash provided by financial activities was Php 207.6 million in 2022, primarily arising from the issuance of shares during the Initial Public Offering of Balai ni Frutas Inc.

All in all, net cash generated for the year totaled Php 277.7 million, leading to cash and cash equivalents balance of Php 528.6 million at year-end 2022.

## Key Performance Indicators (KPIs)

	Audited Twelve Months Ended December 31, 2021	Audited Twelve Months Ended December 31, 2022
Revenue Growth	23.5%	63.3%
Gross Profit Margin	61.9%	58.5%
Net Income Margin	-1.5%	4.6%
EBITDA (Php thousands)	131	287
EBITDA Margin	11.9%	16.0%
Return on Average Assets	-1.0%	4.6%
Return on Average Equity	-1.3%	6.0%
Current Ratio	237.2%	300.9%
Debt to Equity Ratio	34.3%	28.5%

*Gross Profit Margin is gross profit as a percentage of revenues*

*Net Income Margin is net income as a percentage of revenues*

*EBITDA is defined as earnings before interest, tax, depreciation and amortization EBITDA margin is EBITDA as a percentage of revenues*

*Return on Average Assets is net income as a percentage of the average of the assets at year- end and assets at end of the immediately preceding year*

*Return on Average Equity is net income as a percentage of the average of the equity at year- end and equity at end of the immediately preceding year*

*Current Ratio is current assets divided by current liabilities*

*Debt to Equity Ratio is total liabilities over total equity*

## **COMMITMENTS AND CONTINGENCIES**

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

### **Events within the Reporting Period**

*Impact of COVID-19.* In March 2020, the COVID-19 outbreak was declared to be a global pandemic by the World Health Organization and the Registrant's Group temporarily closed its Group-operated stores across the country beginning March 16, 2020. The Registrant expects these stores to remain closed until further notice. The Registrant plans to follow the guidance of local governments and health organizations to determine when it can reopen these stores. As the situation continues to evolve rapidly, the Registrant is not currently able to predict the timing of the reopening of all its stores but will be subject on a location-by-location basis.

As the community quarantine eases, the Registrant expects to see material improvement in sales as compared to sales while the country was subject to Enhanced Community Quarantine imposed. The Group has started to strategically re-open stores and around 70% of its total stores have reopened.

Despite the decrease of the Registrant Group's topline, management made sure to manage and rationalize expenses to maximize the bottom line. The Group took additional steps from March 2020 onwards to reduce discretionary spending and other expenditures, rolled out procedures to ensure continuous delivery of products using the newly acquired subsidiary, Cocodelivery Inc., and repurposed or upgrade some stores into delivery hubs, also known as Community Stores. The Registrant continues to monitor the situation closely and may implement further measures to provide additional flexibility and improve the Registrant's cash position and liquidity. We managed our payables through negotiating longer terms with suppliers and decreasing our rent expenses.

After-effects of the pandemic also caused disruption in the economy which includes increased interest rates, high inflation, poor performance of the capital markets, and more. These collective disruptions negatively affect the company's operations and financial condition. However, the company is able to maneuver itself through these uncertainties through successful execution of its strategies which include store expansion, disciplined acquisitions, and profitable investments.

The Registrant Group is still pushing through with its plans to expand more stores in strategic locations. The Registrant wants to position itself in high foot-traffic and logistically viable areas to ensure the sustainability of the store which may be located inside and outside of commercial centers. Aside from the current pandemic and its effects in the global and local economies, the Registrant sees no major risk on the business' operational and financial health and management believes that the Registrant's strong financial condition and ability to obtain short-term or long-term borrowings, the Registrant Group can continue in this more health-conscious environment.

Apart from the events discussed above or in this Management Report, there are no other known trends, events or uncertainties expected to have a material impact on liquidity/sales or events that will trigger direct or contingent financial obligation that is material to the Registrant, including any default or acceleration of an obligation. There is also no known cause for any

material change from period to period of financial statements or any seasonal aspects that may have a material effect on the financial statements.

Likewise, the corporation has not entered into any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships with unconsolidated entities or other persons during the reporting period nor made any material commitments for capital expenditures

#### **IV. NATURE AND SCOPE OF BUSINESS**

##### **(A) Background**

Fruititas Holdings, Inc. (“FHI”) serves as the holding company of food and beverage community store and kiosk operators with over 30 active brands across its portfolio. As of December 31, 2024, it has established more than 848 stores across the Philippines. The Group serves Philippine consumers daily with fresh fruit shakes and juices, lemonade, coolers, milk tea, desserts, meat-filled pastries, soya-based products, baked goods, and lechon (roasted pig), among other products.

FHI traces its roots from Lush Enterprises Corporation (“LEC”), which was incorporated by Mr. Lester Yu in 2000. LEC opened its first “Fruititas Fresh from Babot’s Farm” store in 2002 at SM Manila. Fast forward to current year, FHI has more than 848 stores across the Philippines generally located in prime commercial establishments and institutions. Since its establishment, FHI, its Subsidiaries, and other indirect subsidiaries Green Empire International Limited, Oceanic Limited (the “Group”) Lingnam Food Inc., and Bigboks Enterprises Inc. has expanded its brand portfolio to include Buko Loco, Buko ni Fruititas, Juice Avenue, Johnn Lemon, Black Pearl, Tea Rex, De Original Jamaican Pattie Shop and Juice Bar, The Mango Farm, Babot’s Farm, Soy & Bean, Balai Pandesal, Sabroso Lechon, Ling Nam Fried Siopao and Ling Nam since 1950, Mang Bok’s, Big Boks Chik n’ Dips, to name a few. The Group continues to make its mark in the industry through the growth of its store network, expansion through acquisitions, and development of new business concepts and formats.

The Group’s main production facilities are strategically located in Metro Manila, Philippines for more efficient supply chain operations. The Group maintains its own logistics facilities to deliver various materials, supplies, and products to its stores.

The Group considers itself as one of the largest food and beverage community store and kiosk operators in the Philippines. The multiple brands across its portfolio allows it to serve a wide array of products to the local market. The Community store format allows the Group to sell multi-brand products in one roadside location while the kiosk format enables more flexibility and faster expansion. The Group believes its business model is highly scalable, as evidenced by its store network expansion in the past years.

The Group generated total revenues of Php 891.8 million, Php 1,101.7 million, Php 1,799.2 million, Php 2,469.1 million, and Php 2,903.5 million for the years ended December 31, 2020, 2021, 2022, 2023, and 2024 respectively, and net income (loss) of (Php 48.1) million, (Php 16.3), Php 82.4 million, Php 115.8 million, Php 111.0 million for the same periods.

On November 29, 2019, FRUIT reached another milestone by successfully listing on the Main Board of the Philippine Stock Exchange (PSE) with a total of 2,133,680,000 common shares at ₱1.68 per share.

During the first quarter of 2020, FHI acquired Soykingdom, Inc., manufacturer of soya- based products, and CocoDelivery Inc., a same-day delivery service provider of food and beverage. FHI expanded to 5 subsidiaries including the three kiosk operators namely Fruitasgroup Incorporated, Negril Trading Inc., and Buko Ni Fruitas Inc. In the third quarter of 2020, the Group launched cocodeliveryph.com to provide easier online access to our products and started to open community stores to get closer to the communities of our customers. The Group also strengthened its presence online through social media channels such as Facebook, Instagram, and Viber communities.

2021 marked the entry of FHI to the baked goods industry through the acquisition of Balai Pandesal assets on June by one of its wholly-owned subsidiary, Balai Ni Fruitas Inc. The asset acquisition included initial inventories, technical know-how, equipment and vehicle, trademark, and franchise agreements for five (5) stores. The Balai ni Fruitas Inc. was able to grow the Balai Pandesal store network to 48 community stores as of the end of December 2022, which includes 43 company-owned and 6 franchised stores.

In June 2022, FHI, through its wholly-owned subsidiary, Soykingdom Inc., signed an agreement to acquire, Ling Nam. The Group completed the acquisition in 2023 which added the Ling Nam brand to its list of well-loved brands. Ling Nam restaurants are known for its “legacy brand” which was built since 1950’s. The restaurant is known for its delicious, quality and authentic Cantonese dishes such as noodles, congee, and other dim sum products. Ling Nam is also known for its signature Beef Wonton Noodles and other hot and tasty meals serve freshly cooked in its restaurants in Banawe, Quezon City, T. Alonzo, Manila, and San Juan. The Group acquired the trademark, recipes and other technical know-how, leasehold improvements, certain equipment, inventory, among others, from the stores located in San Juan City, Quezon City, and Manila City. The acquisition also includes a land and building located in Caloocan City.

In June 2023, a cloud kitchen concept, Fly Kitchen Inc. was acquired by FHI through purchase of 100% of Outstanding Shares. Fly Kitchen Inc. was founded in 2020 at the height of the COVID-19 pandemic. The business was able to expand into four strategic kitchen locations in Metro Manila, specifically in Makati City, Pasig City, Mandaluyong City, and Quezon City with a combined cooking area of about 200 square meters and cater to over 10 brands, including Hatid Pinoy, Jade Express, Kanin at Sabaw, and more. The business has also developed strong relationships with third-party food aggregators like Foodpanda and Grabfood.

In November 2024, FHI entered the roasted chicken segment, through its wholly-owned subsidiary, Negril Trading Inc. NTI became a 60% shareholder of Bigboks Enterprises Inc., which served as the acquisition vehicle for the assets related to the Mang Bok’s business. Mang Bok’s is a well-loved “ulam” brand of Filipinos. Since its inception in September 2002, it has been catering to Filipinos by offering good-tasting, value-for-money and quality food. Known for its signature Roasted Chicken and Roasted Pork Belly (Liempo), cooked fresh daily to perfection, making every bite juicy, flavorful, and satisfying. The acquisition includes all assets, including inventories, equipment, leasehold improvement, transportation equipment, if any, intellectual property rights/trademark (including brand registrations, know-how, recipes for all past and current products and certain products under research and development of Mang Bok’s, and process/menu manual), franchise ownership grant/rights, contractual rights to suppliers and lessor including security deposits at the time of acquisition.

## **(B) Risks Relating to the Business**

The business and operations of the Group are subject to a number of laws, rules and



regulations governing the food and beverage kiosk industry in the Philippines. These laws and regulations impose requirements relating to food manufacturing and storage. In particular, the Group is subject to extensive regulation by the Food and Drug Administration ("FDA") and local government units ("LGU"), and environmental regulators.

Food service businesses are affected by changes in consumer tastes, economic conditions and demographic trends. The timing of product launches, pricing and advertising efforts of competitors may also impact our sales. In the past, we have introduced new products which were unsuccessful and there can be no guarantee that we will be able to introduce new products or new menu items successfully in the future. If we cannot successfully introduce new products or new menu offerings, our business, financial condition and results of operations could be materially and adversely affected.

The food and beverage kiosk industry in the Philippines is highly competitive with relatively low barriers to entry. As such, there are many well-established food services that compete directly and indirectly with FHI. FHI's competitors are located domestically. The domestic competitors in the meat-filled pastry category is *Yumpanada*. In the buko (coconut) category are *Louie's Buko*, *Coconut Republic*, *Buko Express Pies & Sweets* and *Buko Juan*. In the fruit shakes category are *Fruit Magic*, *Big Chill* and *Thirsty*. In the juices and smoothies category are *Islands Juice*, *Pure Nectar*, *Jamba Juice*, *Fruitfull*, *Mooshi Green Bar* and *Tubo Cane Juice*. In the coolers category is *Zagu*. In the fries category are *Potato Corner* and *Potato Giant*. In the Lemonade Category are *Simply Lemon* and *Lemon na Bai*. These competitors may not be the only ones in the industry, as there can be other major or minor players in each category. If the Registrant's Group will not be able to compete with them, this could lead to a decline to our businesses affecting our financial conditions and operations.

Our ability to perform on a day-to-day basis is dependent on the capacity and efficiency of our manpower and infrastructure. There may be material interruptions in manpower because of natural calamities or fortuitous events, such as our employees not being able to go to work because of a typhoon or our vehicles not being able to go to different areas because of floods which can affect our delivery schedule. Moreover, our future sales growth will depend on our ability to acquire or lease strategic land for increase of production capacity and will depend on our ability to acquire or maintain machines that will make production and distribution more efficient. Not being able to capably distribute our product and not being able to acquire or lease strategic land or machines will increase our costs, affecting our capacity to successfully operate daily.

We cannot guarantee that our internal controls and training will be fully effective in preventing all food safety issues at our stores, including any occurrences of foodborne illnesses such as salmonella, E. coli and hepatitis A. In addition, there is no guarantee that our franchised stores will maintain the high levels of internal controls and training we require at our owned stores. Furthermore, we and our franchisees rely on third-party vendors, making it difficult to monitor food safety compliance and increasing the risk that foodborne illness would affect multiple locations rather than a single store. Some foodborne illness incidents could be caused by third-party vendors and transporters outside of our control. New illnesses resistant to our current precautions may develop in the future, or diseases with long incubation periods could arise, that could give rise to claims or allegations on a retroactive basis. One or more instances of foodborne illness in any of our stores or markets or related to food products we sell could negatively affect our store sales nationwide if highly publicized on national media

outlets or through social media. This risk exists even if it were later determined illness was wrongly attributed to us or one of our stores. The occurrence of food safety or foodborne illness incident at one or more of our stores, or negative publicity or public speculation about an incident, could materially adversely affect our business, financial condition and results of operations.

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

### Market Information

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

Quarter	2025			2024			2023		
	High	Low	Close	High	Low	Close	High	Low	Close
1 <sup>st</sup>	0.72	0.60	0.64	0.97	0.81	0.80	1.30	1.10	1.12
2 <sup>nd</sup>				0.87	0.79	0.82	1.18	0.99	1.08
3 <sup>rd</sup>				0.83	0.70	0.73	1.22	0.95	0.95
4 <sup>th</sup>				0.78	0.60	0.64	1.15	0.91	1.12

The market capitalization of the Company's common shares as of end 2022, based on the closing price of Php 1.12 per share was Php 2,389,721,600.

The market capitalization of the Company's common shares as of end 2023, based on the closing price of Php 0.96 per share was Php 2,048,332,800.

The market capitalization of the Company's common shares as of end 2024, based on the closing price of Php 0.64 per share was Php 1,365,555,200.

The market capitalization of the Company's common shares as of April 30, 2025, based on the closing price of Php 0.64 per share was Php 1,364,852,480.

*\*April 2025 market capitalization are based on the total outstanding shares as of the April 30, 2025, amounting to 2,132,582,000 shares.*

### Price Information as of the Latest Practicable Trading Date

<u>Trading Date</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
30 April 2025	0.65	0.61	0.64

### Stockholders

The number of shareholders of record as of April 30, 2025, was 21. The shareholders as of the same date are as follows:

<b>Name of Shareholder</b>	<b>Number of Shares</b>	<b>% Ownership</b>
PCD Nominee Corp. (Filipino)	2,113,786,711	99.068%
PCD Nominee Corp. (Non-Filipino)	17,230,281	0.808%

Necisto U. Sytengco	2,500,000	0.117%
Myra P. Villanueva	59,000	0.003%
Milagros P. Villanueva	20,000	0.001%
Myrna P. Villanueva	20,000	0.001%
Myra P. Villanueva	11,000	0.001%
Juan Carlos V. Cabreza	10,000	-
Marietta V. Cabreza	10,000	-
Irene O. Chua	10,000	-
Ma. Christmas R. Nolasco	10,000	-
Mylene C. Arnigo	5,000	-
Dennis T. Beng Hui	1,000	-
Calvin F. Chua	1,000	-
Vincent Ricardo Cuevas	1,000	-
Bambi Maureen E. Donato	1,000	-
Rogelio M. Guadalquiver	1,000	-
Madelene T. Sayson	1,000	-
Shirley O. Tan	1,000	-
Lester C. Yu	1,000	-
Gerardo L. Salgado	8	-

The following are non-certificated shareholders and part of PCD Nominee Corp. (Filipino) which hold significant shares of the Registrant (more than 5%) as of April 30, 2025:

	<b>Stockholder's Name</b>	<b>Common Shares</b>	<b>Percentage</b>
1	Lush Properties Inc.	1,132,300,010 <sup>1</sup>	53.07%
2	Lester C. Yu	126,117,000	5.91%

<sup>1</sup>The 1,132,300,010 shares of Lush Properties Inc. include 1,132,300,010 lodged shares.

<sup>2</sup>The indirect shares of Mr. Lester C. Yu, consisting of 1,132,300,010 shares, includes 1,132,300,000 shares owned by Lush Properties Inc. (53.07% to the Registrant's total outstanding share and 97% owned by Mr. Yu) and 10 shares owned by Ms. Janet Yu (Mr. Yu's mother).

Apart from the stockholders listed above, no other stockholders own at least 5% of the Registrants shares under PCD Nominee Corp.

### **Dividends**

<b>Declaration Date</b>	<b>Record Date</b>	<b>Payment Date</b>
October 25, 2024	November 11, 2024	November 29, 2024
October 13, 2023	November 8, 2023	November 29, 2023
August 5, 2022	August 2, 2022	September 1, 2022

Last October 25, 2024, the Company declared regular cash dividends amounting to Php0.01 per share or a total of Php 21,336,800.00 on all shares of common stock issued and outstanding to stockholders of record as of November 11, 2024. Cash dividends were paid on November 29, 2024. The amount of Php 21,336,800.00 represents the total cash declared and paid for in 2024.

Last October 13, 2023, the Company declared regular cash dividends amounting to Php0.01 per share or a total of Php 21,336,800.00 on all shares of common stock issued and outstanding to stockholders of record as of November 8, 2023. Cash dividends were paid on

November 29, 2023. The amount of Php 21,336,800.00 represents the total cash declared and paid for in 2023.

Last August 5, 2022, the Company declared regular cash dividends amounting to Php0.01 per share or a total of Php 21,336,800.00 on all shares of common stock issued and outstanding to stockholders of record as of August 8, 2022. Cash dividends were paid on September 1, 2022. The amount of Php 21,336,800.00 represents the total cash declared and paid for in 2022.

Outstanding net dividends payable as of December 31, 2022 totaled to Php 22,743.07.

The Company did not declare dividends for the year 2021. There are no outstanding dividend payables as at December 31, 2021.

### **Dividend Policy**

We have approved a dividend policy of distributing 30% of our net income after tax from the preceding year payable primarily in cash. However, the Board of Directors, in its discretion, may decide to declare dividends to be payable in property or share. Declaration of dividends is subject to the requirements of applicable laws and regulations, the terms and conditions of our outstanding loan facilities, and the absence of circumstances that may restrict the payment of such dividends, such as when we undertake major projects, expansions, and developments. Dividends must be approved by our Board of Directors and in the case of stock dividends, approved by 2/3 of the Registrant's total outstanding capital stock at a regular or special meeting called for the purpose, and may be declared only from our unrestricted retained earnings. The Registrant will conduct a periodic review of available unrestricted balance of retained earnings for purposes of earmarking surplus profit for future capital expenditures or for distributing the same as special cash or stock dividends. Our board of directors may, at any time, modify our dividend policy or declare special dividends, depending upon our capital expenditure plans and/or any terms of financing facilities entered into to fund our current and future operations and projects. We cannot assure you that we will pay any dividends in the future.

### **Record Date**

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

### **Recent Sale of Unregistered Securities**

The following securities were issued as exempt from the registration requirements of the SRC and therefore have not been registered with the Philippine SEC.

- In November 2016, the Registrant sold its common shares at par value of Php1.00 per share to the following individuals and entity: Madelene Timbas-Sayson (150,000 shares); Marvin Yu (100,000 shares), and Lester Yu (7,000,000 shares).
- In February 2017, the Registrant sold its common shares at par value of Php1.00 per share to Melanie Legaspi (50,000 shares); and to Lush Properties Incorporated (12,700,000 shares).

- On 15 February 2017, the majority of the Board of Directors of the Registrant and its stockholders owning or representing at least two-thirds of the outstanding capital stock of the Registrant approved to change the par value of its common shares from Php1.00 to Php0.10 per share and reclassified Php 30 million of its authorized capital stock to 3,000,000,000 preferred shares with par value of Php0.01 per share. Thus, the number of common shares of the Registrant increased from 500,000,000 common shares at Php1.00 per share, to 4,700,000,000 common shares at Php0.10 per share. As a result of the lowering of the par value, the common shares of the following entities and individuals increased: Lush Properties Incorporated (from 38,700,000 common shares to 387,000,000 common shares); Ralproperties Inc. (from 10,000,000 common shares to 100,000,000 common shares); Lester C. Yu (from 17,250,000 common shares to 172,500,000 common shares); Jonathan G. Co (from 100,000 common shares to 1,000,000 common shares); Sherlyn U. Gonzales (from 250,000 common shares to 2,500,000 common shares); Roselyn A. Legaspi (from 300,000 common shares to 3,000,000 common shares); Madelene Timbas-Sayson (from 150,000 common shares to 1,500,000 common shares); Marvin C. Yu (from 100,000 common shares to 1,000,000 common shares); Melanie Legaspi (from 150,000 common shares to 1,500,000 common shares); Lush Enterprises Corporation (from 26,000,000 common shares to 260,000,000 common shares); FGI (from 26,000,000 common shares to 260,000,000 common shares); and BNF (from 26,000,000 common shares to 260,000,000 common shares).
- On 7 November 2017, the Registrant sold its common shares at par value of Php0.10 to the following entities and individuals: Next Merchant Holdings, Inc. (74,490,000 common shares); Highlands Sunrise Holdings Inc. (74,480,000 common shares); Calvin Chua (500,000 common shares); Rogelio Guadalquivir (500,000 common shares); Bambi Maureen Donato (10,000 common shares); Bernardino Ramos (10,000 common shares); and Shirley Tan (10,000 common shares).
- On 20 August 2019, the Registrant sold its common shares at par value of Php 0.10 to the following individuals: Dennis Beng Hui (10,000 commons shares); and Irene O. Chua (10,000 common shares).

### **Stock Options**

None.

## **VI. COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE**

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

Ultimate responsibility and oversight of the Registrant's adherence to superior corporate governance practices rests with the Board of Directors. As a policy matter, the Board will hold monthly meetings, at which any number of relevant corporate governance issues may be raised for discussion.

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

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

As of the date of this report, there are no known material deviations from the Registrants Manual of Corporate governance. The Registrant is taking further steps to enhance adherence to principles and practices of good corporate governance.

ANNEX B

COVER SHEET

C S 2 0 1 5 0 3 0 1 4  
SEC Registration Number

F R U I T A S H O L D I N G S , I N C .

(Company's Full Name)

N O . 6 0 C O R D I L L E R A S T .

B R G Y . D O N A J O S E F A Q U E Z O N C I T Y

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

RUSHELL A. SALVADOR  
Contact Person

+(632) 8731-8886  
Company Telephone Number

SEC FORM 17-A

1 2 3 1  
Month Day  
Fiscal Year

FORM TYPE

0 7 2 3  
Month Day  
Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc  
Number / Section

Amended Articles

Total No. of Stockholders

Total Amount of Borrowings  
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes



April 15, 2025

**THE SECURITIES AND EXCHANGE COMMISSION**

Markets and Securities Regulation Department  
17/F SEC Headquarters  
7907 Makati Avenue, Salcedo Village,  
Barangay Bel-Air, Makati City, 1209

Attention : **Director Vicente Graciano P. Felizmenio, Jr.**  
Markets and Securities Regulation Department

**THE PHILIPPINE STOCK EXCHANGE**

3rd Floor, Philippines Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue, Makati City

Attention : **Atty. Johanne Daniel M. Negre**  
Officer-in-Charge, Disclosure Department  
Head, Listing Department

Subject : **Fruititas Holdings Inc. 2024 SEC Form 17-A Annual Report**

Dear Director Felizmenio and Mr. Negre:

We hereby submit the SEC Form 17-A Annual Report for the year ended 31 December 2024 with the following exhibits:

1. 2024 Audited Financial Statement
2. Top 100 Stockholders as of December 31, 2024
3. Sustainability Report

We trust that you will find everything to be in order.

Very Truly Yours,  
**FRUITAS HOLDINGS INC.**

By:  Rushell A. Salvador  
Chief Financial Officer & Treasurer



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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

1. For the fiscal year ended **December 31, 2024**
2. SEC Identification Number **CS201503014**
3. BIR Tax Identification No. **008-961-476**
4. Exact name of issuer as specified in its charter **Fruitas Holdings, Inc.**
5. **Quezon City, Philippines**  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. **60 Cordillera St. Brgy. Doña Josefa, Quezon City**  
Address of principal office  
  
**1113**  
Postal Code
8. **(632) 8243-1741**  
Issuer's telephone number, including area code
9. **Not Applicable**  
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<b>Common Shares</b>	<b>2,133,680,000</b>

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

Yes [ x ]      No [ ]

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

**Philippine Stock Exchange**

**Common Share**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation

FRUIT\_ANNUAL REPORT 2024

Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes ☒ ]

No ☐ ]

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

Yes ☒ ]

No ☐ ]

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

As of December 31, 2024

<b>Total Number of Outstanding Shares</b>	2,133,680,000
<b>Less: Outstanding Shares held by Affiliates</b>	1,264,295,010
<b>Shares held by Non-Affiliates</b>	869,384,990
<b>Closing price as of December 31, 2024</b>	Php0.64
<b>Aggregate Market Value of Voting Stock held by Non-Affiliate</b>	Php 556,406,393.60
<b>Level of Public Float based on information available as of Dec. 31, 2024</b>	40.75%

**APPLICABLE ONLY TO ISSUERS INVOLVED IN  
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS  
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes ☐ ]

No ☒ ]

**DOCUMENTS INCORPORATED BY REFERENCE**

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

(a) 2024 Consolidated Financial Statements of Fruitas Holdings, Inc. and its Subsidiaries and Fruitas Holdings, Inc. separate 2024 Financial Statements attached as Annex A;

(b) List of Stockholders as Annex B;

(c) Sustainability Report as Annex C

## PART I - BUSINESS AND GENERAL INFORMATION

### Item 1. Business

#### a. Overview

Fruititas Holdings, Inc. (“FHI”) serves as the holding company of food and beverage community store and kiosk operators with over 30 active brands across its portfolio. As of December 31, 2024, it has established more than 848 stores across the Philippines. The Group serves Philippine consumers daily with fresh fruit shakes and juices, lemonade, coolers, milk tea, desserts, meat-filled pastries, soya-based products, baked goods, and *lechon* (roasted pig), among other products.

FHI traces its roots from Lush Enterprises Corporation (“LEC”), which was incorporated by Mr. Lester Yu in 2000. LEC opened its first “*Fruititas Fresh from Babot’s Farm*” store in 2002 at SM Manila. Fast forward to current year, FHI has more than 848 stores across the Philippines generally located in prime commercial establishments and institutions. Since its establishment, FHI, its Subsidiaries, and other indirect subsidiaries Green Empire International Limited, Oceanic Limited (the “Group”) Lingnam Food Inc., and Bigboks Enterprises Inc. has expanded its brand portfolio to include *Buko Loco, Buko ni Fruititas, Juice Avenue, Johnn Lemon, Black Pearl, Tea Rex, De Original Jamaican Pattie Shop and Juice Bar, The Mango Farm, Babot’s Farm, Soy & Bean, Balai Pandesal, Sabroso Lechon, Ling Nam Fried Siopao and Ling Nam since 1950, Mang Bok’s, Big Boks Chik n’ Dips*, to name a few. The Group continues to make its mark in the industry through the growth of its store network, expansion through acquisitions, and development of new business concepts and formats.

The Group’s main production facilities are strategically located in Metro Manila, Philippines for more efficient supply chain operations. The Group maintains its own logistics facilities to deliver various materials, supplies, and products to its stores.

The Group considers itself as one of the largest food and beverage community store and kiosk operators in the Philippines. The multiple brands across its portfolio allows it to serve a wide array of products to the local market. The Community store format allows the Group to sell multi-brand products in one roadside location while the kiosk format enables more flexibility and faster expansion. The Group believes its business model is highly scalable, as evidenced by its store network expansion in the past years.

The Group generated total revenues of Php 891.8 million, Php 1,101.7 million, Php 1,799.2 million, Php 2,469.1 million, and Php 2,903.5 million for the years ended December 31, 2020, 2021, 2022, 2023, AND 2024 respectively, and net income (loss) of (Php 48.1) million, (Php 16.3), Php 82.4 million, Php 115.8 million, Php 111.0 million for the same periods.

On November 29, 2019, FRUIT reached another milestone by successfully listing on the Main Board of the Philippine Stock Exchange (PSE) with a total of 2,133,680,000 common shares at ₱1.68 per share.

During the first quarter of 2020, FHI acquired Soykingdom, Inc., manufacturer of soya-based products, and CocoDelivery Inc., a same-day delivery service provider of food and beverage. FHI expanded to 5 subsidiaries including the three kiosk operators namely Fruititasgroup Incorporated, Negril Trading Inc., and Buko Ni Fruititas Inc. In the third quarter of 2020, the Group launched cocodeliveryph.com to provide easier online access to our products and started to open community stores to get closer to the communities of our customers. The Group also strengthened its presence online through social media channels such as Facebook, Instagram, and Viber communities.

2021 marked the entry of FHI to the baked goods industry through the acquisition of Balai Pandesal assets on June by one of its wholly-owned subsidiary, Balai Ni Fruitas Inc. The asset acquisition included initial inventories, technical know-how, equipment and vehicle, trademark, and franchise agreements for five (5) stores. The Balai ni Fruitas Inc. was able to grow the Balai Pandesal store network to 48 community stores as of the end of December 2022 and 58 stores as of end of December 2023, which includes 49 company-owned and 9 franchised stores.

In June 2022, FHI, through its wholly-owned subsidiary, Soykingdom Inc., signed an agreement to acquire, Ling Nam restaurant business in the Philippines through asset and share acquisition.

In March 1, 2023, the final acquisition structure employed by Soykingdom Inc. was to set up a new subsidiary called Lingnam Food Inc. amending the acquisition to acquire only the assets related to the Ling Nam Food Business. The Group completed the acquisition in March 2023 which added the Ling Nam brand to its list of well-loved brands. Ling Nam restaurants are known for its “legacy brand” which was built since 1950’s. The restaurant is known for its delicious, quality and authentic Cantonese dishes such as noodles, congee, and other dim sum products. Ling Nam is also known for its signature Beef Wonton Noodles and other hot and tasty meals serve freshly cooked in its restaurants in Banawe, Quezon City, T. Alonzo, Manila, and San Juan. The Group acquired the trademark, recipes and other technical know-how, leasehold improvements, certain equipment, inventory, among others, from the stores located in San Juan City, Quezon City, and Manila City. The acquisition also includes a land and building located in Caloocan City.

In June 2023, a cloud kitchen concept, Fly Kitchen Inc. was acquired by FHI through purchase of 100% of Outstanding Shares. Fly Kitchen Inc. was founded in 2020 at the height of the COVID-19 pandemic. The business was able to expand into four strategic kitchen locations in Metro Manila, specifically in Makati City, Pasig City, Mandaluyong City, and Quezon City with a combined cooking area of about 200 square meters and cater to over 10 brands, including Hatid Pinoy, Jade Express, Kanin at Sabaw, and more. The business has also developed strong relationships with third-party food aggregators like Foodpanda and Grabfood.

In November 2024, FHI entered the roasted chicken segment, through its wholly-owned subsidiary, Negril Trading Inc. NTI became a 60% shareholder of Bigboks Enterprises Inc., which served as the acquisition vehicle for the assets related to the Mang Bok’s business. Mang Bok’s is a well-loved “ulam” brand of Filipinos. Since its inception in September 2002, it has been catering to Filipinos by offering good-tasting, value-for-money and quality food. Known for its signature Roasted Chicken and Roasted Pork Belly (Liempo), cooked fresh daily to perfection, making every bite juicy, flavorful, and satisfying. The acquisition includes all assets, including inventories, equipment, leasehold improvement, transportation equipment, if any, intellectual property rights/trademark (including brand registrations, know-how, recipes for all past and current products and certain products under research and development of Mang Bok’s, and process/menu manual), franchise ownership grant/rights, contractual rights to suppliers and lessor including security deposits at the time of acquisition.

## b. Key Risks

The business and operations of the Group are subject to a number of laws, rules and regulations governing the food and beverage kiosk industry in the Philippines. These laws and regulations impose requirements relating to food manufacturing and storage. In particular, the Group is subject to extensive regulation by the Food and Drug Administration (“FDA”) and local government units (“LGU”), and environmental regulators.

Foodservice businesses are affected by changes in consumer tastes, economic conditions and demographic trends. The timing of product launches, pricing and advertising efforts of competitors may also impact our sales. In the past, we have introduced new products which were unsuccessful and there can be no guarantee that we will be able to introduce new products or new menu items successfully in

the future. If we cannot successfully introduce new products or new menu offerings, our business, financial condition and results of operations could be materially and adversely affected.

The food and beverage kiosk industry in the Philippines is highly competitive with relatively low barriers to entry. As such, there are many well-established foodservices that compete directly and indirectly with us. Our competitors are located domestically. The domestic competitors in the Meat-filled pastry category is *Yumpanada*; in the Buko (Coconut) category are *Louie's Buko*, *Coconut Republic*, *Buko Express Pies & Sweets* and *Buko Juan*; in the Fruit Shakes category are *Fruit Magic*, *Big Chill* and *Thirsty*; in the Juices and Smoothies category are *Islands Juice*, *Pure Nectar*, *Jamba Juice*, *Fruitfull*, *Mooshi Green Bar* and *Tubo Cane Juice*; in the Coolers category is *Zagu*; in the Fries category are *Potato Corner* and *Potato Giant*; in the Lemonade Category are *Simply Lemon* and *Lemon na Bai*. These competitors may not be the only ones in the industry as there can be other major or minor players in each category. If our Group will not be able to compete with them, this could lead to a decline to our businesses affecting our financial conditions and operations.

Our ability to perform on a day-to-day basis is dependent on the capacity and efficiency of our manpower and infrastructure. There may be material interruptions in manpower because of natural calamities or fortuitous events like our employees not being able to go to work because of a typhoon or our vehicles not being able to go to different areas because of floods which can affect our delivery schedule. Moreover, our future sales growth will depend on our ability to acquire or lease strategic land for increase of production capacity and will depend on our ability to acquire or maintain machines that will make production and distribution more efficient. Not being able to capably distribute our product and not being able to acquire or lease strategic land or machines will increase our costs, affecting our capacity to successfully operate daily.

We cannot guarantee that our internal controls and training will be fully effective in preventing all food safety issues at our stores, including any occurrences of foodborne illnesses such as salmonella, E. coli and hepatitis A. In addition, there is no guarantee that our franchised stores will maintain the high levels of internal controls and training we require at our owned stores. Furthermore, we and our franchisees rely on third-party vendors, making it difficult to monitor food safety compliance and increasing the risk that foodborne illness would affect multiple locations rather than a single store. Some foodborne illness incidents could be caused by third-party vendors and transporters outside of our control. New illnesses resistant to our current precautions may develop in the future, or diseases with long incubation periods could arise, that could give rise to claims or allegations on a retroactive basis. One or more instances of foodborne illness in any of our stores or markets or related to food products we sell could negatively affect our store sales nationwide if highly publicized on national media outlets or through social media. This risk exists even if it were later determined illness was wrongly attributed to us or one of our stores. The occurrence of food safety or foodborne illness incident at one or more of our stores, or negative publicity or public speculation about an incident, could materially adversely affect our business, financial condition and results of operations.

The Philippines has experienced a number of major natural catastrophes including typhoons, floods, volcanic eruptions, and earthquakes. In 2017 alone, two (2) major earthquakes struck off the Philippines with a 6.8-magnitured earthquake affecting the Southern region of Mindanao in April and a 6.5- magnitude earthquake affecting Eastern Visayas in July. In October 2013, a 7.2-magnitude earthquake also affected Cebu and the island of Bohol, and in 2013, Super Typhoon Haiyan (called Yolanda in the Philippines) caused destruction, devastation, and casualties of unprecedented levels in Tacloban city, certain parts of Samar, and certain parts of Cebu, all of which are located in the Visayas, the southern part of the Philippines. In January 2020, the Taal volcano erupted and caused destruction in some parts of Batangas and Cavite. The COVID-19 pandemic has also been plaguing the public safety of the whole country. There can be no assurance that the occurrence of such catastrophes or outbreaks will not materially disrupt our operations. We could experience substantial property loss as a result of any such catastrophe and might not be able to rebuild or restore operations in a timely fashion. Our property insurance may not cover all cases of loss of material property. Any such accident could have a material adverse effect on our

business, financial condition, and results of operations.

## Item 2. Properties

Our key properties are summarized as follows:

Location	Area	Status
<b><u>Offices</u></b>		
60 Cordillera, Quezon City	1,464 sq. m.	Leased
Tisa, Cebu City*	538 sq. m.	Owned**
68 Data, Quezon City	420 sq. m.	Leased
1 Ubay, Quezon City	500 sq. m. (approximate)	Leased
Balete Drive, Quezon City (LFI)	2,000 sq. m.	Owned
<b><u>Commissaries</u></b>		
70 Brixton Hills, Quezon City	1,046 sq. m.	Leased
72 Brixton Hills, Quezon City	750 sq. m.	Leased
KJ Street, Kamias, Quezon City	1,928 sq. m.	Leased
Altura, Manila (NTI)	958 sq. m.	Leased
Altura, Manila (NTI)	1,031 sq. m.	Leased
N. Domingo, Quezon City (BNFI)	484 sq. m.	Owned
San Juan Del Monte, Rizal (FHI)	1,968 sq. m.	Owned
San Juan Del Monte, Quezon City (NTI)	1,340 sq. m.	Owned
<b><u>Warehouses</u></b>		
Labangon, Cebu City	1,500 sq. m. (approximate)	Leased
120 Kapiligan, Quezon City	1,000 sq. m (approximate)	Leased
Sasa, Davao City	240 sq. m.	Owned
56 Banawe, Quezon City	1,000 sq. m (approximate)	Leased
Catmon, Bulacan	4,316 sq. m.	Owned
<b><u>Foodparks</u></b>		
55 Cordillera St, Quezon City	1,646 sq. m.	Sub-leased
<b><u>Properties for future use</u></b>		
71 Brixton Hills, Quezon City	750 sq. m.	leased
Tisa, Cebu City	457 sq. m.	Owned**
Catwayan, Carles, Iloilo	6,128 sq. m.	Owned**
Sta. Mesa, Manila	909.5 sq. m.	Owned
C. Namie, Caloocan	297.5 sq. m.	Owned

\* Also the site for House of Fruitas in Cebu

\*\*Title pending transfer

## Item 3. Legal Proceedings

As of the date, neither the Group nor any of its properties is engaged in or a subject of any material litigation, claims or arbitration either as plaintiff or defendant, which could be expected to have a material effect on our financial position and we are not aware of any facts likely to give rise to any proceedings which would materially and adversely affect our business or operations.

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

Except for matters taken up during the annual meeting of the stockholders, there was no other matter submitted to a vote of security holders during the period covered by this report.

**PART II - OPERATIONAL AND FINANCIAL INFORMATION****Item 5. Market for Issuer's Common Equity and Related Stockholder Matters***a.) Market Information*

The Company's common shares are traded in the Main Board of the Philippine Stock Exchange, Inc. ("PSE"). The common shares were listed on November 29, 2019.

The following table shows the high and low prices (in pesos per common share) of the Company's shares in the PSE for each month from date of listing:

Period	High	Low
November 2019	2.45	1.71
December 2019	1.80	1.03
January 2020	1.87	1.33
February 2020	2.07	1.55
March 2020	1.72	0.90
April 2020	1.53	1.13
May 2020	1.48	1.17
June 2020	1.39	1.25
July 2020	1.35	1.15
August 2020	1.27	1.08
September 2020	1.32	1.13
October 2020	1.29	1.14
November 2020	1.62	1.25
December 2020	1.88	1.50
January 2021	1.80	1.40
February 2021	1.64	1.41
March 2021	1.53	1.31
April 2021	1.45	1.35
May 2021	1.47	1.31
June 2021	1.49	1.36
July 2021	1.40	1.20
August 2021	1.30	1.15
September 2021	1.34	1.20
October 2021	1.43	1.28
November 2021	1.35	1.20
December 2021	1.25	1.21
January 2022	1.28	1.13
February 2022	1.30	1.16
March 2022	1.22	1.10
April 2022	1.14	1.04
May 2022	1.12	0.99
June 2022	1.18	1.04
July 2022	1.10	0.99
August 2022	1.20	1.01
September 2022	1.22	0.95
October 2022	1.05	0.91
November 2022	1.03	0.95
December 2022	1.15	0.98
January 2023	1.34	1.12
February 2023	1.37	1.19
March 2023	1.33	1.22
April 2023	1.28	1.11
May 2023	1.33	1.11
June 2023	1.34	1.10
July 2023	1.24	1.06
August 2023	1.26	0.98
September 2023	1.28	1.04
October 2023	1.21	1.03
November 2023	1.25	1.00
December 2023	1.05	0.94
<b>January 2024</b>	<b>0.97</b>	<b>0.81</b>



February 2024	0.88	0.81
March 2024	0.80	0.78
April 2024	0.84	0.82
May 2024	0.87	0.80
June 2024	0.85	0.79
July 2024	0.83	0.74
August 2024	0.80	0.74
September 2024	0.77	0.70
October 2024	0.78	0.71
November 2024	0.75	0.68
December 2024	0.70	0.60

The market capitalization of the Company's common shares as of end 2024, based on the closing price of Php 0.64 per share was Php 1,365,555,200.

*b) Holders*

Total shares outstanding as of December 31, 2024, is 2,133,680,000 with a par value of P0.10. The shareholders as of the same date are as follows:

Name of Shareholder	Number of Shares	% Ownership
PCD Nominee Corp. (Filipino)	2,113,608,711	99.059%
PCD Nominee Corp. (Non-Filipino)	17,408,281	0.816%
Necisto U. Sytengco	2,500,000	0.117%
Myra P. Villanueva	59,000	0.003%
Milagros P. Villanueva	20,000	0.001%
Myrna P. Villanueva	20,000	0.001%
Myra P. Villanueva	11,000	0.001%
Marietta V. Cabreza	10,000	-
Irene O. Chua	10,000	-
Ma. Christmas R. Nolasco	10,000	-
Mylene C. Arnigo	5,000	-
Dennis T. Beng Hui	1,000	-
Calvin F. Chua	1,000	-
Vincent Ricardo Cuevas	1,000	-
Bambi Maureen E. Donato	1,000	-
Rogelio M. Guadalquiver	1,000	-
Madelene T. Sayson	1,000	-
Shirley O. Tan	1,000	-
Lester C. Yu	1,000	-
Gerardo L. Salgado	8	-
<b>Total</b>	<b>2,133,680,000</b>	

*c) Dividends*

The company released cash dividends to its shareholders as follows:

BOD Approval	Type	Record Date	Payment Date	Amount
August 7, 2020	Cash Dividends	August 27, 2020	September 18, 2020	Php 21,336,800
August 5, 2022	Cash Dividends	August 8, 2022	September 1, 2022	Php 21,336,800
October 13, 2023	Cash Dividends	November 8, 2023	November 29, 2023	Php 21,336,800
October 25, 2024	Cash Dividends	November 11, 2024	November 29, 2024	Php 21,336,800

The company was able to release cash dividends of Php0.01 per share for years 2020, 2022, 2023, and 2024 since its listing date.

There is an accrued dividends payable for the preferred shares amounting to Php 522,842 as at December 31, 2024.

*d). Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction*

In September 2023, The Board of Directors approved the issuance of 2 billion Fruitas Holdings Inc. unlisted preferred shares to Lush Properties Inc. with total subscription price of P20 million pesos for 2 billion preferred shares at P0.01 par value.

In accordance with the Company's' Articles of Incorporation, the preferred shares have a par value of P0.01 per share entitled to a fixed annual dividend rate of 2.5%. The shares are non-participating and non-convertible to common shares, with voting rights. The dividends, upon declaration by the company's Board of Directors, shall be paid within 120 days from the close of each calendar year.

The Company did not issue any stocks to its employees as of December 31, 2024.

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

The following discussion should be read in conjunction with the accompanying consolidated financial statements and notes thereto, which form part of this SEC Form Amended 17-A as "Annex B". The consolidated financial statements and notes thereto have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

***FY 24 Results of Operations***

***Key Highlights***

FRUIT registered a consolidated net income of Php 111.0 million for the twelve months ending December 31, 2024. This yields a net income margin of 3.8%.

***Revenues***

As of December 31, 2024, consolidated net revenues, composed of sales from company-owned stores, franchise and royalty fees from franchisees, and revenue from wholly-owned subsidiaries, reached Php 2,903.5 million, increasing by 17.6% from reported revenues of Php 2,469.1 million for the twelve months ending December 31, 2023.

***Cost of Sales***

For the year ending 2024, consolidated cost of sales increased by 19.3% from Php 975.5 million in 2023 to Php 1,163.9 million.

Consolidated cost of sales is mainly composed of raw material and packaging costs, direct labor costs, and store-related costs including rent, utilities, etc.

### **Gross Profit**

Consolidated gross profit amounted to Php 1,739.5 million for the full year 2024, increasing by 16.5% from Php 1,493.6 million in the previous year. This yielded a gross profit margin of 59.9%, a slight decrease from the 60.5% gross profit in the previous year despite the increasing raw material prices, inflation and other factors.

### **Selling and Distribution Expenses**

For the twelve months ending December 31, 2024, consolidated selling and distribution expenses totaled Php 1,321.7 million, representing a 45.5% cost-to-sales ratio. This is Php 194.3 million higher compared to Php 1,127.4 million during the same period in 2023.

### **General and Administrative Expenses**

For the twelve months ending December 31, 2024, consolidated general and administrative expenses totaled Php 241.4 million, representing a 8.3% cost-to-sales ratio. This is Php 26.0 million higher compared to Php 215.5 million during the same period in 2023.

### **Operating Income (Loss)**

Consolidated operating income reached Php 164.0 million in 2024, a 3.7% increase from Php 158.1 million in 2023. This was primarily driven by improvement of revenues from the improved same-store sales and expansion of the Group's store network.

### **Interest Expense**

Interest expense of Php 35.3 million was recorded for the twelve months ending December 31, 2024.

### **Other Income- net**

Consolidated other income totaled Php 22.8 million as of year-end 2024. This is composed mainly dividend income, gain from change in fair value of investment properties, change in fair value of financial assets and goodwill impairment.

### **Net Income**

For the year ending 2024, consolidated net income reached Php 111.0 million, yielding a net income margin of 3.8%. Income decreased by Php 2.2 million or 2.0% from Php 115.8 million in 2023.

### **FY24 Financial Condition**

FRUIT had consolidated total assets of Php 2,583.8 million as of December 31, 2024, an increase versus total assets of Php 2,129.3 million as of end-2023.

### **Cash and cash equivalents**

As of end 2024, cash and cash equivalents totaled Php 585.3 million. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash.

### ***Trade and other receivables***

Trade and other receivables was at Php 110.2 million as of year-end 2024 compared to Php 69.2 million in 2023, an improvement of 59.3% due to increase in third party receivables.

### ***Inventories***

As of December 31, 2024, inventories increased to Php 71.7 million from Php 56.7 million in 2023, an increase of 26.4% due to expansion of storage and warehouse facilities and effective management of inventory levels during the expansion of the Group's store network in 2024.

### ***Property, plant, and equipment***

Consolidated net property, plant, and equipment stood at Php 857.9 million as of year-end 2024. Acquisition of property and equipment for the year reached Php 514.5 million, which were invested in the building of new stores and improvements in the corporate office and commissary.

### ***Investment Property***

In 2020, the Company purchased a parcel of land with improvement located in Sta. Manila amounting to Php 127 million. The Company commissioned a third-party appraiser to reevaluate the property which valued the property amounting to Php 176.0 million in 2024 from Php 169.3 million in 2023. Additional investment property was acquired in 2024 amounting to Php 97.1 million.

### ***Intangible assets***

Intangible assets stood at Php 260.2 million in 2024 from Php 241.3 million in 2023. The increase is driven by acquisition of brands within the group.

### ***Accounts payable and other current liabilities***

Accounts payable and other current liabilities increased by 82.3% for the full-year 2024 to Php 800.1 million from Php 438.9 million in 2023, driven by the increases in the Trade and other payables, current portion of notes payables and lease liabilities, and income tax payable.

### ***Loans payable***

As of December 31, 2024, the Company's total interest-bearing debt stood at ₱ 605.3 million. Php 599.5 was short-term loans used to partially fund working capital requirements.

### ***Capital stock and Additional paid-in capital***

For the twelve months ending December 31, 2024, the Company's total capital stock stood at Php 233.4 million and additional paid-in capital of Php 777.8 million.

### ***Cash flows***

Consolidated net cash provided from operating activities amounted to Php 322.0 million for the full-year 2024, 5.1% increase versus the previous year's Php 306.4 million. The increase is primarily attributable to the expansion of the store network during the year.

Consolidated net cash used in investing activities was Php 591.6 million. This is mainly due to capital expenditures for new store openings and other corporate investments primarily Property, Plant and Equipment acquisition for the year.

Consolidated net cash provided by financing activities was Php 273.3 million in 2024, primarily due availment of loans.

All in all, net cash generated for the year totaled Php 3.7 million, leading to cash and cash equivalents balance of Php 585.3 million at year-end 2024.

### Key Performance Indicators (KPIs)

	Audited Twelve Months Ended December 31, 2024	Audited Twelve Months Ended December 31, 2023
Gross Revenue (Php millions)	2,903.5	2,469.1
Revenue Growth	17.6%	37.2%
Gross Profit Margin	59.9%	60.5%
Net Income Margin	3.8%	4.7%
EBITDA (Php millions)	389.3	357.8
EBITDA Margin	13.4%	14.5%
Return on Average Assets	4.7%	5.7%
Return on Average Equity	6.6%	7.3%
Current Ratio	1.22	2.27
Debt to Equity Ratio	49.7%	30.1%

*Gross Profit Margin is gross profit as a percentage of revenues*

*Net Income Margin is net income as a percentage of revenues*

*EBITDA is defined as earnings before interest, tax, depreciation and amortization*

*EBITDA margin is EBITDA as a percentage of revenues*

*Return on Average Assets is net income as a percentage of the average of the assets at year-end and assets at end of the immediately preceding year*

*Return on Average Equity is net income as a percentage of the average of the equity at year-end and equity at end of the immediately preceding year*

*Current Ratio is current assets divided by current liabilities*

*Debt to Equity Ratio is total liabilities over total equity*

### Item 7. Financial Statements

The Company's financial statements and notes thereto form part of this SEC Form as "Annex B".

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

#### a.) External Auditor

Our fiscal year begins on January 1 and ends on December 31. Reyes Tacandong & Co. ("RT&Co.") has audited our financial statements for the years ended December 31, 2024, 2023, 2022 and 2021 in accordance with the Philippine Standards on Auditing.

Wilson P. Teo has been the audit partner and served our Company from 2016 to 2021 while Cedric M. Caterio took over the role since 2022. We have not had any material disagreements on accounting and financial disclosures with our current external auditor for the same periods or any subsequent interim

period. RT&Co. has neither shareholdings in our Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of our Company. RT&Co. will not receive any direct or indirect interest in our Company or our securities (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

#### b.) Audit Fees

The following table sets out the aggregate fees billed for the current year and each of the last three years for professional services rendered by RT&Co. to our Company, excluding fees directly related to the Offer.

In ₱ Millions	2024	2023	2022	2021
Audit and Audit-Related Fees <sup>a</sup>	₱ 2.50	₱ 2.40	₱ 2.05	₱ 2.20
All Other Fees <sup>b</sup>	0.12	0.12	0.12	0.12
<b>Total</b>	<b>₱ 2.62</b>	<b>₱ 2.52</b>	<b>₱ 2.17</b>	<b>₱ 2.32</b>

- a. Audit and Audit-Related Fees. This category includes the audit of annual financial statements and interim financial statements and services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those calendar years. This is exclusive of out-of-pocket expenses incidental to the independent auditors' work, the amounts of which do not exceed 10% of the agreed-upon engagement fees.
- b. All Other Fees. This category includes other services rendered by RT&Co. such as internal audit, or special audit if any.

#### c.) Audit Committee and Policies

In relation to the audit of our annual financial statements, our Corporate Governance Manual, which was approved by the Board of Directors on Aug. 24, 2019, provides that the audit committee shall, among other activities, (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of our Company, (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors, and (iii) ensure the compliance of our Company with acceptable auditing and accounting standards and regulations.

The Audit Committee shall be composed of at least four (4) voting members who are members of the Group's Board, at least three of which are non-executive directors, including the independent directors. The Chairman of this Committee should be an independent director.

The key functions of the Audit Committee are assisting the Group's Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations; providing oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks, including receipt or information on risk exposures and risk management activities; providing oversight over the Internal Audit Department and External Auditors; monitoring and evaluating the adequacy and effectiveness of our Company's internal control system; reviewing the quarterly and annual financial statements before their submission to our Company's Board; and overseeing the implementation of risk management and related party strategies and policies.

The Audit Committee is composed of the following members, the chairman of which is an independent director:

<b>Name</b>	<b>Position</b>
<b>Dennis T. Beng Hui</b>	Chairman
<b>Shirley O. Tan</b>	Member
<b>Rogelio M. Guadalquiver</b>	Member
<b>Calvin F. Chua</b>	Member

d.) Changes in and Disagreement with Accountants on Accounting and Financial Disclosure

There were no disagreements with Accountants on Accounting and Financial Disclosure or Changes in Accounting Policies for the period ended December 31, 2024.

### **PART III - CONTROL AND COMPENSATION INFORMATION**

#### **Item 9. Directors and Executive Officers of the Issuer**

a.) Directors, Including Independent Directors, and Executive Officers

The overall management and supervision of the Company is undertaken by the Company's Board of Directors. The Company's executive officers and management team cooperate with its Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review. Pursuant to the Company's amended articles of incorporation, the Company's board of directors shall consist of nine members, of whom three are independent directors.

The table below sets forth each member of the board of directors as of December 31, 2024:

<b>Name</b>	<b>Age</b>	<b>Nationality</b>	<b>Position</b>
Rogelio M. Guadalquiver	82	Filipino	Chairman
Lester C. Yu	50	Filipino	Director, President, and Chief Executive Officer
Madelene T. Sayson	36	Filipino	Director, Chief Operating Officer
Calvin F. Chua	45	Filipino	Director and Chief Financial Adviser
Bambi Maureen E. Donato	49	Filipino	Independent Director
Dennis T. Beng Hui	55	Filipino	Independent Director
Shirley O'Yek Tan	62	Filipino	Independent Director

The business experiences for the last five years of members of our board of directors are set forth below.

**Rogelio M. Guadalquiver, 82**, was appointed as the Chairman of FHI in August 24, 2019 and was also appointed as the Chairman of Balai ni Frutas Inc. in December 21, 2021. He is also currently a Director of Philippine Deposit Insurance Corporation. Rogelio was the Chairman and Chief Executive Officer of CG & Co. from 2000 to 2018. Prior to joining CG & Co., he was a senior partner of SGV & Co., a member practice firm of Ernst & Young where he was heavily involved in both domestic and global audit practices. He also specialized in initial public offerings, industry research studies, corporate restructuring, business process re-engineering, business risk management, and financial and tax management consulting. Mr. Guadalquiver is a Certified Public Accountant and holds a Master's in Management degree from the Asian Institute of Management and a Bachelor of Science in Commerce degree from University of San Jose-Recoletos.

**Lester C. Yu, 50**, has been our President and Chief Executive Officer since its incorporation and served as the FHI's Chairman from Feb. 2015 to Aug. 2019. He has also been appointed as President and CEO of Balai ni Fruitas Inc. in 2021. Mr. Lester Yu started his career with their family business, Janette Jewelry in 1989. Before founding the Group, he entered the banking industry and served as the youngest Branch Manager for Westmont Bank. He is responsible for the growth of the Group from a single store to more than 900 stores nationwide. Under his leadership, the Group has successfully introduced several well-known brands and has made strategic acquisitions such as Negril Trading, which houses the De Original Jamaican Pattie Shop and Juice Bar brand and Sabroso Lechon. Mr. Yu is also the Chairman and President of Ralproperties, Inc., One Fifty Food Place, Inc., Lush Properties Inc., Negril Trading, Inc., Themangofarm Corp., Fruitasgroup Incorporated, Lush Enterprises Corp., Bamazeh Incorporated, Lush Coolers, Inc., La Petite Parisienne, Inc., Dough Matters, Inc., Lush Harvest Manufacturing Inc., Toyoda Technik Corporation, Cocodelivery Incorporated, Lingnam Food Inc., and Flykitchen Inc.. He holds a Master's of Business Administration degree from the University of the Philippines and a degree in Industrial Management Engineering from De La Salle University.

**Madelene T. Sayson, 36**, was elected as our Chief Operating Officer on Jan. 2018 and has been with the Group since 2009. She also served as a Director of FHI from Feb. 2015 to Aug. 2019. Ms. Sayson is also the Chairman and President of Gyuma Fragrance Inc. She is the Corporate Secretary and Director of One Fifty Food Place, Inc., Lush Properties Inc., Negril Trading, Inc., Bamazeh Incorporated, Dough Matters, Inc., Sure Jobs Academy, Inc., Toyoda Technik Corporation, Lingnam Food Inc., and Flykitchen Inc. Ms. Sayson is also the Vice President and Director of Themangofarm Corp., and La Petite Parisienne, Inc.. She is a Director in Balai ni Fruitas Inc. and the Treasurer and Director of Lush Coolers, Inc. She holds a Bachelor of Science degree in Accountancy from Garcia College of Technology.

**Calvin F. Chua, 45**, was elected as Director and Chief Financial Adviser on Aug. 24, 2019. He has served as a consultant of the Fruitas Group since May 2017. He is also currently an Executive Director and Treasurer of AlphaPrimus Advisors Inc. He was part of the Corporate Finance team of ING Bank N.V., Manila Branch, most recently as Consultant up to June 2019 and Director up to July 2015. During his stint at ING Bank, he advised on mergers and acquisitions and capital-raising activities of various Philippine clients across several sectors. He holds a Bachelor of Science degree in Management Engineering and a Bachelor of Arts degree in Economics (Honors Program) from Ateneo de Manila University.

**Bambi Maureen E. Donato, 49**, was elected as our Independent Director on Aug. 24, 2019. Bambi is currently the Program and Marketing Manager for the Inquirer Academy, a member of the Inquirer Group of Companies. Prior to working with Inquirer Academy, she was Regional Marketing Manager of SUBSTOGO Corporation, Marketing Manager of Silverworks and was a Marketing Manager for Yellow Cab Food Corporation. She was also involved with Couples for Christ Global Mission Foundation Inc. as a SFC International Council and Missions Head during the early stages of her career. Ms. Donato holds a Master's in Business Administration from De La Salle University and a Bachelor of Science in Management from Ateneo de Manila University.

**Dennis T. Beng Hui, 55**, was elected as our Independent Director on Aug. 24, 2019. Mr. Beng Hui is the Founder and current Managing Director of Technopoly Inc., a consulting company which uses Lean Thinking and Six Sigma to improve business performance. Technopoly has served various clients across several sectors, including the foodservices sector. He taught at De La Salle University, Department of Industrial Engineering, for more than 15 years until 2017. He holds a Master's of Science degree in Industrial Engineering and a Bachelor of Science degree in Industrial Management Engineering minor in Mechanical Engineering from De La Salle University. He is also a PhD candidate in Industrial Engineering at De La Salle University. He is a Certified ASEAN Engineer (ASEAN, 2013) and a Certified Professional Industrial Engineer (Philippine Institute of Industrial Engineers, 2010).



**Shirley O'Yek Tan, 62**, was elected as our Independent Director on Aug. 24, 2019. She is currently the Corporate Treasurer of Bank of Makati, one of the top 10 Thrift Banks in the Philippines, and sits as a member of the Senior Management Committees of said bank. Her responsibilities include planning and formulating policies to protect the financial well-being of the Bank, as well as managing the overall operations of the Corporate Treasury sector to ensure that strategic plans are implemented and financial targets are met. Shirley graduated from University of Santo Tomas with a Bachelor of Science in Commerce, Major in Accounting and is a Certified Public Accountant.

The table below sets forth the key executive and corporate officers as of December 31, 2023:

<b>Name</b>	<b>Age</b>	<b>Nationality</b>	<b>Position</b>
Roselyn A. Legaspi	46	Filipino	Managing Director – Visayas and Mindanao
Rushell A. Salvador	36	Filipino	Chief Financial Officer and Treasurer
Lerma C. Fajardo	38	Filipino	Deputy Chief Financial Officer and Comptroller
Ralf F. Sarmiento	39	Filipino	Compliance Officer
Shaun Aldrich G. Si	33	Filipino	Investor Relations Officer
Marvin C. Yu	46	Filipino	Corporate Secretary

The business experience for the last five years of key executive and officers are set forth below.

**Roselyn A. Legaspi, 46**, was appointed as our Managing Director – Visayas & Mindanao on Aug. 2019 and is responsible for the overall operations of FHI for the said regions. She has been with the Fruitas Group since 2002 and has served as a Director of FHI from Feb. 2015 to Aug. 2019. Ms. Legaspi is also the Vice President and Director of Negril Trading, Inc., Bamazeh Inc., Lush Properties Incorporated, Ralproperties Inc., and Sure Jobs Academy Inc. She is also a Director for Gyuma Fragrance Inc., Lush Harvest Manufacturing Inc., Themangofarm Corp., La Petite Parisienne, Inc., and Lush Enterprises Corp. Also, Ms. Legaspi is the Treasurer of Fruitasgroup Incorporated and Buko ni Fruitas, Inc. She obtained her Bachelor of Science degree in Accountancy in 1999 and also passed her Civil Service Exams in 1997. She is currently taking up her Master's in Business Administration degree at the University of San Carlos, Cebu City.

**Rushell A. Salvador, 36**, was appointed as Chief Financial Officer on December 2023. She is previously the Compliance Officer since July 2019. She has been with the Group as Profit and Loss Accounting Manager since May 2016. Prior to joining the Group, Ms. Salvador held different Finance and Accounting positions in Polyserve Philippines, Inc. and HR Network Inc. with Accounting and Finance Head as her last post before being a consultant of Jardine Schindler Elevator Corporation from June 2014 to February 2015. She holds a Bachelor of Science in Accountancy from Polytechnic University of the Philippines, Sta. Mesa, Manila and is a Certified Public Accountant.

**Lerma C. Fajardo, 38**, has been the Group's Deputy Chief Financial Officer and Comptroller since 2018. She has over 10 years of experience in accounting and finance, previously working as an Assistant Manager for Extramind Global Outsourcing Group, Inc. Ms. Fajardo also serves as the Comptroller of FHI's subsidiary, Balai ni Fruitas Inc. since December 2021. She holds a Bachelor of Science degree in Accountancy from Polytechnic University of the Philippines and is a Certified Public Accountant.

**Ralf Sarmiento, 39**, was appointed as Compliance Officer on December 2023. He has served the Group's Accounting Manager for Tax Compliance since December 2018. Prior to joining the Group, Mr. Sarmiento held different Accounting positions in Goodwill Metal Corporation and JLA & Associates. He graduated from Polytechnic University of the Philippines with a Bachelor of Science in Accounting and is a Certified Public Accountant.

**Shaun Aldrich G. Si, 33**, was appointed as the Investor Relations Officer of the Company on December 2023 and has been the Group's Chief Marketing Officer since September 2022. He spearheads all the marketing strategies and initiatives of the Group and shall also be responsible for all interactions with investors and financial institutions through creating programs which strengthens relationship of FHI to the various investment groups and individuals. Prior to joining FHI, he held various positions in Brand Management in Wyeth Philippines Inc. and Jollibee Foods Corporation. In 2013, he started his career as a Management Trainee in GlaxoSmithKline Philippines where he eventually became the Digital Marketing Manager in 2016. He holds a Bachelor of Arts degree in Management Economics Minor in Chinese Studies and the program award recipient for being the most outstanding student in the Management Economics Program Class of 2013 from the Ateneo de Manila University.

**Marvin C. Yu, 46**, has been FHI's Corporate Secretary since Aug. 24, 2019. On December 2021, he was appointed as the Corporate Secretary of Buko ni Fruit Inc. He has more than 15 years of experience in the technical and engineering field. He was a Consultant in the SMC Telco Project, Master Planning Network Coverage Senior Manager for the Sun Cellular 2G and 3G Project, and RF Network Planning, Design and Optimization Engineer for Smart Communications Inc. Mr. Marvin Yu holds a Bachelor of Science degree in Electronics and Communications Engineering from De La Salle University and an Electronics and Communications Engineering Board Passer.

b.) Family Relationships

Mr. Lester C. Yu and Mr. Marvin C. Yu are brothers. Aside from the foregoing, there are no family relationships between any Directors and any members of the Group's senior management.

c.) Involvement in Certain Legal Proceedings

None of the directors and officers have been involved in any bankruptcy proceeding, nor have they been convicted by final judgment in any criminal proceeding, or been subject to any order, judgment, or decree of competent jurisdiction, permanent or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, or found in action by any court or administrative bodies to have violated a securities of commodities law, for the past five (5) years up to the latest date.

As of date of this report, the Company is not a party to any litigation or arbitration proceedings of material importance, which could be expected to have a material adverse effect on the Company or on the results of its operations. No litigation or claim of material importance is known to be pending or threatened against the Company or any of its properties.

## **Item 10. Executive Compensation**

a.) General

The levels of remuneration of the Company should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance.

No director should participate in deciding on his remuneration.

The Company may, in exceptional cases, e.g., when the Company is under receivership or rehabilitation, regulate the payment of the compensation, allowances, fees and fringe benefits to its directors and officers.

## b.) Summary Compensation Table

The following table sets forth our most highly compensated executive officers, including Fruitas Holdings, Inc. Chief Executive Officer, for the year ending December 31, 2023:

<b>Name</b>	<b>Position</b>
Lester C. Yu	Director, President and Chief Executive Officer
Madelene T. Sayson	Director and Chief Operating Officer
Rushell A. Salvador	Chief Financial Officer and Treasurer
Lerma C. Fajardo	Deputy Chief Financial Officer and Comptroller
Marvin C. Yu	Corporate Secretary

The following table identifies and summarizes the aggregate compensation of our President and CEO and the four most highly compensated executive officers, as well as the aggregate compensation paid to all other officers and Directors as a group, for the years ended December 31, 2020, 2021, 2022 and 2023 (estimated):

<b>Aggregate Compensation – Executive Officers (top five)</b>	
<b>Year</b>	<b>Total (P million)</b>
2020	5.3
2021	5.3
2022	6.4
2023	6.6
2024	8.5

<b>Aggregate Compensation – Directors and Executive Officers (excluding top five above)</b>	
<b>Year</b>	<b>Total (P million)</b>
2020	1.6
2021	1.6
2022	0.6
2023	0.6
2024	0

### Standard Arrangements

Other than payment of reasonable per diem as may be determined by the Board for every meeting, there are no standard arrangements pursuant to which directors of the Company are compensated, or were compensated, directly or indirectly, for any services provided as a director and for their committee participation or special assignments for 2024 up to the present.

### Other Arrangements

There are no other arrangements pursuant to which any director of the Company was compensated, or to be compensated, directly or indirectly for 2024 up to the present for any service provided as a director.

### Warrants and Options

As of the date of this annual report, there are no outstanding warrants or options held by the President, the CEO, the named executive officers, and all officers and directors as a group.

## Item 11. Security Ownership of Certain Beneficial Owners and Management

### a.) Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2024, the following were owners of more than 5% of the Company's outstanding

shares:

Title of Class	Name. Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	% to Total Outstanding
<b>Common</b>	PCD Nominee Corp. <sup>1</sup> / The Enterprise Center, Ayala Avenue Corner Paseo de Roxas, Makati City / Stockholder of Record	Please see BDO Report as of December 31, 2024 attached as Annex "C"	Filipino	2,113,608,711	99.059%

b.) Security Ownership of the Board of Directors and Senior Management

Title of Class	Name of Beneficial Owner	Citizenship	Number of Direct Shares	Number of Indirect Shares	% of Capital Stock
<b>Common</b>	Lester C. Yu	Filipino	126,117,000	1,127,500,010	58.75%
<b>Common</b>	Rogelio M. Guadalquivier	Filipino	500,000	-	0.02%
<b>Common</b>	Calvin F. Chua	Filipino	4,150,000	59,000	0.20%
<b>Common</b>	Bambi Maureen E. Donato	Filipino	10,000	-	0.00%
<b>Common</b>	Shirley O'Yek Tan	Filipino	10,000	90,000	0.00%
<b>Common</b>	Dennis Beng Hui	Filipino	10,000	-	0.00%
<b>Common</b>	Roselyn A. Legaspi	Filipino	3,319,000	-	0.16%
<b>Common</b>	Madelene T. Sayson	Filipino	1,500,000	-	0.07%
<b>Common</b>	Marvin C. Yu	Filipino	1,030,000	-	0.05%
		<b>Total</b>	<b>136,646,000</b>	<b>1,127,649,010</b>	<b>59.25%</b>

c.) Voting Trust Holder of 5% or more

As of December 31, 2024, there are no persons holding more than 5.0% of a class of shares under a voting trust or similar agreement.

d.) Changes in Control

There are no arrangements which may result in a change in control of the Registrant as of December 31, 2023.

## Item 12. Certain Relationships and Related Transactions

### ***Due from Related Parties***

The Group has outstanding noninterest-bearing amounts due from related parties amounting to ₱93.14 million as of December 31, 2024.

<sup>1</sup> PCD Nominee Corp. includes 1,253,617,010 shares beneficially owned by Lester C. Yu representing 58.75% of

outstanding shares (126,117,000 in his name, 1,127,500,000 shares owned by Lush Properties Inc., and 10 shares owned by Ms. Janet Yu, Mr. Yu's mother)

## **Lease Agreements**

### ***Group as Lessee - Short-term Lease***

The Group entered into several lease agreements with third parties for its store spaces for varying periods of up to one year and renewable annually. The lease contracts for the stores provide for a monthly rental based on a certain percentage of gross sales and a monthly fixed rental or an agreed minimum rental, whichever is higher. Lease agreements are generally renewable through a notice of lease renewal and upon mutual agreement with the lessors.

### ***Leases - Group as Lessor***

Starting from 2017, the Group entered into several sublease agreements with third parties for the lease of spaces in food parks for varying periods up to one year.

## **Franchise Agreements**

The Group has granted its franchisees the right to operate outlets under various brands for acquired periods and subject to the terms and conditions specified in the franchise agreements.

The agreements are renewable at the option of the Group. The agreements provide for an initial franchise fee payable upon execution of the agreements. The non-refundable initial franchise fee payment covers the renovation of franchisee's unit, signage, promotional materials and equipment.

In 2017, the Group obtained the rights to the lease of 216 outlets from related parties.

Rental deposits and advance rentals on leases were transferred to the Group through an assignment of lease agreements.

## **Terms and Conditions of Transactions with Related Parties**

Outstanding balances are unsecured, noninterest-bearing and due, demandable and to be settled in cash. Management makes an annual assessment of the financial position of the related parties and the market in which the related parties operate. There were no impairment losses recognized for the year ended in 2024.

## **Related Party Transaction Policy**

The Company enters into transactions with affiliates and other related parties on an arm's length basis. Aligned with this thrust, the Company, in dealing with affiliates and other related parties, ensures above-board transactions and fairness and equity among all parties.

The Company exerts efforts to obtain the most beneficial terms and conditions for the Company, taking into consideration various factors including pricing and quality.

For this purpose, the Company determines the prevailing and applicable price in the market. In the process, it also gathers quotes and/or proposals from other parties engaged in similar or the same undertaking. Based on these, a comparable summary is presented to ascertain a fair price for the applicable related party transaction.

Other related party transactions are commissioned to a 3<sup>rd</sup> party assessor/s to determine fairness and reasonable value of the property.

Further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to affiliated companies can be found in the notes to the Company's financial statements.

#### PART IV – EXHIBITS AND SCHEDULES

Fruitas Holdings, Inc. has six (7) subsidiaries as of December 31, 2024:

<b>Subsidiary</b>	<b>Business</b>	<b>% Ownership</b>	<b>Country of Residence</b>
Fruitasgroup, Inc.	Operating company primarily housing the stores under Fruitas, Buko Loco, Black Pearl, Johnn Lemon, Juice Avenue, Tea Rex, The Mango Farm, Shou, Friends Fries, 7,107 Halo Halo Islands, Fruitas Ice Candy, and Cindy's Candy Cloud, Munifico, and The Pub, Soy & Bean, Babot's Farm brands, among others. It also operates the Le Village and Uno Cinquenta Lifestyle Parks.	100%	Philippines
Negril Trading, Inc.	Operating company primarily housing the stores under the De Original Jamaican Pattie Shop and Juice Bar, Sabroso Lechon, Three Frenchmen Creperie brands, among others.	100%	Philippines
Balai ni Fruitas, Inc.	Operating company primarily housing the stores under the Balai Pandesal, Buko ni Fruitas, and House of Desserts brands.	75%	Philippines
Soykingdom, Inc.	Operating company primarily manufacturing soya-based products for Group and houses the Ling Nam brand	100%	Philippines
CocoDelivery, Inc.	Operating company primarily executing same-day delivery service for the Group.	100%	Philippines
FlyKitchen Inc.	Operating company serves as a cloud kitchen for the entire product portfolio. A cloud kitchen typically focuses on preparing food for delivery or takeout.	100%	Philippines
Lingnam Food Inc. *	A 100% owned subsidiary of Soykingdom Inc. and operates the Lingnam Restaurant Business. This restaurant offers a variety of Cantonese dining options.	100%	Philippines
Bigboks Enterprises Inc.*	A 60% owned subsidiary of Negril Trading Inc. and operated the Mang Bok's and Chik N' Dips business. Mang Bok's is known for its signature Roasted Chicken and Roasted Pork Belly (Liempo), cooked fresh daily to perfection.	60%	Philippines

*\*Indirect Subsidiary of Fruitas Holdings Inc.*

**(b) Reports on SEC Form 17-C**

Date	Subject of Report
April 1, 2024	Approval of RCBC Private Corporate Notes Issuance to QIBs.
April 6, 2024	Approval of 2023 Audited Financial Statements.
April 8, 2024	Approval to acquire the land, building and improvements on a 1,968 sqm property located at San Juan Del Monte, Prov. of Rizal.
April 16, 2024	FRUIT Financial Results as of December 31, 2023.
May 16, 2024	FRUIT Financial Results as of March 31, 2024.
May 22, 2024	Rescheduling of 2024 Annual Stockholders' Meeting to July 23. Amendment of Article III – Corporation's Principal Office address.
May 29, 2024	Approval of the 2023 Annual Corporate Governance Report
July 23, 2024	Annual Stockholders' Meeting and Organizational Meeting held
August 15, 2024	FRUIT Financial Results as of June 30, 2024.
October 25, 2024	Declaration of cash dividend of Php 0.01 per share.
November 9, 2024	Approval of 2024 Audit Proposal.
November 14, 2024	FRUIT Financial Results as of September 30, 2024.
November 19, 2024	Approval to complete the Subscription Agreement of Negril Trading Inc. to Bigboks Enterprises Inc.

## SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of QUEZON CITY on \_\_\_\_\_, 20\_\_\_\_.

By:



LESTER C. YU  
President and CEO

19 4 APR 2025



RUSHELL A. SALVADOR  
CFO and Treasurer



MARVIN C. YU  
Corporate Secretary



LERMA C. FAJARDO  
Comptroller

**SUBSCRIBED AND SWORN** to before me this 19 4 APR 2025 day of \_\_\_\_\_  
20\_\_ affiant(s) exhibiting to me their Tax Identification No., as follows:

### NAMES

### TIN NOS.

Lester C. Yu

191-309-944-000

Rushell A. Salvador

308-465-813-000

Marvin C. Yu

214-877-469-000

Lerma C. Fajardo

257-881-618-000

DOC. NO. 163  
PAGE NO. 34  
BOOK NO. XX  
SERIES NO. XX

ATTY. MA. PERLITA P. CABRERA

Notarial Commission until DEC. 31, 2025

Adm. Reg. No. 12 (2024-2025)

PTR. No. 1688885; 01/02/2025 - QC

IBP. No.: 433671; 12/16/2024 - QC

Attorney's Roll No. 44573

MCLE Compliance No. VIII-0002597,

Valid until 14 APR 2025





Compliance Department Tax Section &lt;compliancetax.fhi@gmail.com&gt;

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## SEC eFast Initial Acceptance

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noreply-cifssost@sec.gov.ph &lt;noreply-cifssost@sec.gov.ph&gt;

15 April 2025 at 20:00

Greetings!

**SEC Registration No:** CS201503014

**Company Name:** FRUITAS HOLDINGS, INC.

**Document Code:** AFS

This serves as temporary receipt of your submission.

Subject to verification of form and quality of files of the submitted report.

Another email will be sent as proof of review and acceptance.

Thank you.

**REMINDER:** TO ALL FILERS OF REPORTS IN THE e-FAST Please strictly follow the instruction stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer. 1. General Information Sheet (GIS-Stock) 2. General Information Sheet (GIS-Non-stock) 3. General Information Sheet (GIS- Foreign stock & non-stock) 4. Broker Dealer Financial Statements (BDFS) 5. Financing Company Financial Statements (FCFS) 6. Investment Houses Financial Statements (IHFS) 7. Publicly – Held Company Financial Statement 8. General Form for Financial Statements 9. Financing Companies Interim Financial Statements (FCIF) 10. Lending Companies Interim Financial Statements (LCIF) Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFast, if the filed report is compliant with the existing requirements. A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the reports rejection in the remarks box.

### SECURITIES AND EXCHANGE COMMISSION

SEC Headquarters, [7907 Makati Avenue](#),  
Salcedo Village, Barangay Bel-Air, Makati City,  
1209, Metro Manila, Philippines

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# COVER SHEET

## for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	5	0	3	0	1	4
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### COMPANY NAME

F	R	U	I	T	A	S		H	O	L	D	I	N	G	S	,		I	N	C	.		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S	
(	A		S	u	b	s	i	d	i	a	r	y		o	f		L	U	S	H		P	R	O	P	E	R	T	I	E	S	,		I	N	C	.	)	

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

N	o	.		6	0		C	o	r	d	i	l	l	e	r	a		S	t	.	,		B	r	g	y	.		D	o	n	a		J	o	s	e	f
a	,		Q	u	e	z	o	n		C	i	t	y	,		1	1	1	3																			

Form Type

A	A	C	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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### COMPANY INFORMATION

Company's Email Address

ipo.compliance@fruitasholdings.com

Company's Telephone Number/s

(02) 8 243-1741

Mobile Number

0967 7824 286

No. of Stockholders

121

Annual Meeting (Month / Day)

Every Second Monday of June

Calendar Year (Month / Day)

December 31

### CONTACT PERSON INFORMATION

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

Name of Contact Person

Madelene T. Sayson

Email Address

madelene.sayson@fruitasholdings.com

Telephone Number/s

(02) 8 243-1741

Mobile Number

09420711576

### CONTACT PERSON'S ADDRESS

No. 60 Cordillera St., Brgy. Dona Josefa, Quezon City, 1113

**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.

**NOTE 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 shall not excuse the corporation from liability for its deficiencies.



## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
FRUITAS HOLDINGS, INC. AND SUBSIDIARIES  
No. 60 Cordillera St., Brgy. Dona Josefa  
Quezon City, 1113

### *Opinion*

We have audited the consolidated financial statements of FRUITAS HOLDINGS, INC. AND SUBSIDIARIES (a subsidiary of LUSH PROPERTIES, INC.) (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 the years ended December 31, 2024, 2023 and 2022, and notes to consolidated financial statements, including a summary of material accounting policy 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 the years ended December 31, 2024, 2023 and 2022, 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 Audit 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 the audit of the 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 Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were 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 these matters.

### Impairment Assessment of Intangible Assets

The Group has intangible assets with indefinite useful lives with a carrying amount of ₱259.4 million as at December 31, 2024. This represents 10% of the total consolidated assets as at that date. The Group is required to assess the intangible assets with indefinite useful lives for impairment annually. The impairment assessment of intangible assets is significant to our audit because the assessment process requires significant judgments and estimation relating to assumptions used involving expected future financial performance.



We reviewed the cash flow projections included in the annual impairment assessment. We assessed and tested reasonableness and propriety of the assumptions, methodologies and other data used by comparing these to external and historical data and by analyzing sensitivities in the Group's valuation model. We evaluated cash generating units whether a reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount, and assessed the historical accuracy of management's estimates. We also assessed the adequacy of the disclosures in Note 12 to the consolidated financial statements.

#### Valuation of Investment Properties at Fair Value

The carrying amount of the Group's investment properties amounted to ₱273.2 million as at December 31, 2024. This represents 11% of the Group's consolidated assets as at that date. The net gain from change in fair value of investment properties recognized in the consolidated statements of comprehensive income. amounted to P6.7 million for the year ended December 31, 2024. The Group engaged the services of an independent firm of appraisers to determine the appraised values of the investment properties.

We considered the valuation of the investment properties at fair value as a key audit matter because the determination of the fair value and the selection of appropriate valuation methodology thereof involve significant judgment and estimation. Our audit procedures included, among others, understanding of the valuation process of the investment properties, evaluation of the appraisal reports prepared by the independent firm of appraisers that support the fair value determination, and review of the underlying assumptions and calculation of the valuation adjustment. We also evaluated the professional qualifications and objectivity of the independent firm of appraisers. Moreover, we reviewed the adequacy of the related disclosures in Note 10 to the consolidated financial statements.

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in 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 Those Charged with Governance 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

*Auditors' Responsibilities for the Audit 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 audit. 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 audit 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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

We also provide those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit 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 audit resulting in this independent auditors' report is Cedric M. Caterio.

**REYES TACANDONG & Co.**

CEDRIC M. CATERIO

Partner

CPA Certificate No. 87322

Tax Identification No. 102-083-647-000

BOA Accreditation No. 4782/P-008; Valid until June 6, 2026

BIR Accreditation No. 19-005765-001-2022;

Valid until December 13, 2025

PTR No. 10467124;

Issued January 2, 2025, Makati City

April 5, 2025

Makati City, Metro Manila

# FRUITAS HOLDINGS INC.

60 Cordillera St. Brgy Dona Josefa Quezon City, Philippines  
Tel: (63.2)8-330-3188; Mobile No. +63928.361.6345

Email: [ipo.compliance@fruitasholdings.com](mailto:ipo.compliance@fruitasholdings.com); [compliancetax.fhi@gmail.com](mailto:compliancetax.fhi@gmail.com)

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **Fruitash Holdings Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended **December 31, 2024 and 2023**, 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 from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible in overseeing the Company'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 or members.

**Reyes Tacandong & Co.,** the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature: \_\_\_\_\_

Rogelio M. Guadalquiver  
Chairman of the Board

Signature: \_\_\_\_\_

Lester C. Yu  
President and Chief Executive Officer

Signature: \_\_\_\_\_

Rushell Salvador  
Chief Financial Officer and Treasurer

Signed this 5th day of April 2024

SUBSCRIBED AND SWORN APR 14 2025  
to before me this \_\_\_\_\_  
Affiant exhibited to me his/her \_\_\_\_\_

ATTY. FELIZARDO M. IBARRA  
Notary Public for Q.C./Until Dec. 31, 2025  
Roll No. 80835

PTR No. 6986788D/Jan. 07, 2025/Q.C.  
IBP No. 331161(2024-2025)/Q.C.  
MCLE Comp. No. VIII-0000973(04/15/2022-04/14/2025)  
Admin. Matter No. NP. 088(2025-2026)  
Quirino Highway Brgy., Kaligayahan Q.C.

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**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES**  
(A Subsidiary of LUSH PROPERTIES, INC.)

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		December 31	
	Note	2024	2023
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	₱585,269,977	₱581,573,621
Financial assets at fair value through profit or loss (FVPL)	6	47,542,019	61,316,952
Trade receivables	7	110,243,597	69,198,597
Due from related parties	16	93,140,843	103,647,446
Merchandise inventories	8	71,688,320	56,727,021
Advance rentals	24	9,920,660	42,221,445
Other current assets	9	60,262,755	81,205,186
Total Current Assets		978,068,171	995,890,268
<b>Noncurrent Assets</b>			
Financial assets at fair value through other comprehensive income (FVOCI)	6	1,725,000	1,725,000
Investment properties	10	273,150,325	169,337,000
Property and equipment	11	857,886,371	514,316,412
Right-of-use (ROU) assets	24	42,591,399	79,370,086
Intangible assets	12	260,184,731	241,348,448
Rental deposits	24	106,125,692	66,435,868
Deferred tax assets	25	64,035,796	60,872,899
Total Noncurrent Assets		1,605,699,314	1,133,405,713
		₱2,583,767,485	₱2,129,295,981

**LIABILITIES AND EQUITY**

<b>Current Liabilities</b>			
Trade and other payables	13	₱143,170,904	₱97,103,028
Current portion of:			
Notes payable	14	599,466,667	252,451,500
Lease liabilities	24	26,702,703	69,540,957
Mortgage payable	15	1,424,422	—
Income tax payable		29,376,532	19,765,691
Total Current Liabilities		800,141,228	438,861,176

(Forward)



		December 31	
	Note	2024	2023
<b>Noncurrent Liabilities</b>			
Noncurrent portion of:			
Notes payable	14	<b>₱5,833,333</b>	₱—
Lease liabilities	24	<b>17,387,823</b>	27,752,104
Mortgage payable	15	<b>2,464,623</b>	—
Security deposits	24	<b>635,143</b>	870,799
Retirement benefits liability	17	<b>18,591,613</b>	14,327,522
Deferred tax liabilities	25	<b>13,003,357</b>	11,214,357
Total Noncurrent Liabilities		<b>57,915,892</b>	54,164,782
Total Liabilities		<b>858,057,120</b>	493,025,958
<b>Equity</b>			
Capital stock	18		
Preferred stock		<b>20,000,000</b>	20,000,000
Common stock		<b>213,368,000</b>	213,368,000
Additional paid-in capital	18	<b>777,837,044</b>	777,837,044
Retained earnings	18	<b>382,665,506</b>	313,244,657
Other equity reserves	4	<b>195,207,311</b>	192,818,000
Other comprehensive income	17	<b>1,772,342</b>	1,772,342
Equity Attributable to Equity Holders of the Parent			
Company		<b>1,590,850,203</b>	1,519,040,043
Non-controlling interests	18	<b>134,860,162</b>	117,229,980
Total Equity		<b>1,725,710,365</b>	1,636,270,023
		<b>₱2,583,767,485</b>	₱2,129,295,981

See accompanying Notes to Consolidated Financial Statements.

**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES**  
(A Subsidiary of LUSH PROPERTIES, INC.)

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

		Years Ended December 31		
	Note	2024	2023	2022
REVENUE	19	₱2,903,454,769	₱2,469,098,397	₱1,799,170,723
DIRECT COSTS	20	(1,163,931,093)	(975,545,191)	(746,900,309)
GROSS PROFIT		1,739,523,676	1,493,553,206	1,052,270,414
SELLING AND DISTRIBUTION EXPENSES	21	(1,321,650,087)	(1,127,362,451)	(784,153,252)
GENERAL AND ADMINISTRATIVE EXPENSES	22	(241,429,707)	(215,474,285)	(138,537,635)
INTEREST EXPENSE	14	(35,303,165)	(27,600,379)	(24,727,470)
OTHER INCOME - Net	23	22,822,212	34,937,889	3,019,304
INCOME BEFORE INCOME TAX		163,962,929	158,053,980	107,871,361
PROVISION FOR (BENEFIT FROM) INCOME TAX	25			
Current		54,386,410	42,681,432	13,757,149
Deferred		(1,373,897)	2,199,856	11,754,471
		53,012,513	44,881,288	25,511,620
NET INCOME		110,950,416	113,172,692	82,359,741
OTHER COMPREHENSIVE INCOME				
Remeasurement gain on retirement benefits liability (net of deferred tax)	17	—	2,625,003	—
TOTAL COMPREHENSIVE INCOME		₱110,950,416	₱115,797,695	₱82,359,741
Net income attributable to:				
Equity holders of the Parent Company		₱93,320,234	₱98,465,375	₱77,237,220
Non-controlling interests		17,630,182	14,707,317	5,122,521
		₱110,950,416	₱113,172,692	₱82,359,741
Total comprehensive income attributable to:				
Equity holders of the Parent Company		₱93,320,234	₱101,046,385	₱77,237,220
Non-controlling interests		17,630,182	14,751,310	5,122,521
		₱110,950,416	₱115,797,695	₱82,359,741
Basic and Diluted Earnings per Share	26	₱0.0437	₱0.0461	₱0.0362

See accompanying Notes to Consolidated Financial Statements.

**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES**  
(A Subsidiary of LUSH PROPERTIES, INC.)

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

		Years Ended December 31		
	Note	2024	2023	2022
<b>Capital Stock</b>	18			
Preferred stock		₱20,000,000	₱20,000,000	₱—
Common stock		213,368,000	213,368,000	213,368,000
		233,368,000	233,368,000	213,368,000
<b>Additional Paid-in Capital</b>	18			
Balance at beginning and end of year		777,837,044	777,837,044	777,837,044
<b>Retained Earnings</b>	18			
Balance at beginning of year		313,244,657	236,282,749	180,382,329
Net income		93,320,234	98,465,375	77,237,220
Cash dividends		(23,899,385)	(21,503,467)	(21,336,800)
Balance at end of year		382,665,506	313,244,657	236,282,749
<b>Other Equity Reserves</b>	4			
Balance at beginning of year		192,818,000	195,207,311	51,252,779
Acquisition of non-controlling interests		2,389,311	(2,389,311)	(16,252,542)
Equity transaction resulting from the listing of a subsidiary		—	—	160,207,074
Balance at end of year		195,207,311	192,818,000	195,207,311
<b>Other Comprehensive Income (Loss)</b>	17			
Balance at beginning of year		1,772,342	(808,668)	(808,668)
Remeasurement gain on retirement benefits liability, net of deferred tax		—	2,581,010	—
Balance at end of year		1,772,342	1,772,342	(808,668)
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>		<b>1,590,850,203</b>	<b>1,519,040,043</b>	<b>1,421,886,436</b>
<b>NON-CONTROLLING INTERESTS</b>	18			
Balance at beginning of year		117,229,980	102,478,670	—
Total comprehensive income		17,630,182	14,751,310	5,122,521
Share of non-controlling interests from listing of a subsidiary	4	—	—	107,603,607
Acquisition of non-controlling interests	4	—	—	(10,247,458)
Balance at end of year		134,860,162	117,229,980	102,478,670
		<b>₱1,725,710,365</b>	<b>₱1,636,270,023</b>	<b>₱1,524,365,106</b>

See accompanying Notes to Consolidated Financial Statements.

**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES**  
**(A Subsidiary of LUSH PROPERTIES, INC.)**

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**CONSOLIDATED STATEMENTS OF CASH FLOWS**

		Years Ended December 31		
	Note	2024	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax		<b>₱163,962,929</b>	₱158,053,980	₱107,871,361
Adjustments for:				
Depreciation and amortization	11	<b>208,679,151</b>	204,175,271	152,252,355
Interest expense	14	<b>35,303,165</b>	27,600,379	24,727,470
Fair value loss (gain) on:				
Investment properties	10	<b>(6,668,500)</b>	(583,150)	(737,250)
Financial assets at FVPL	6	<b>(2,827,932)</b>	969,537	7,778,172
Dividend income	6	<b>(8,907,919)</b>	(2,097,144)	—
Impairment loss on goodwill	12	<b>8,483,852</b>	—	—
Loss(gain) from:				
Bargain purchase	4	<b>(6,811,298)</b>	(24,000,000)	—
Termination of lease	24	<b>821,149</b>	—	(299,365)
Rent concessions	24	—	—	(1,851,786)
Interest income	23	<b>(7,150,022)</b>	(10,549,782)	(6,402,780)
Retirement benefits cost	17	<b>4,464,091</b>	4,224,595	3,188,541
Operating income before working capital changes		<b>389,348,666</b>	357,793,686	286,526,718
Decrease (increase) in:				
Trade receivables		<b>(39,649,437)</b>	24,400,053	(340,513)
Merchandise inventories		<b>(14,083,873)</b>	(6,808,672)	(13,223,757)
Deposits and advance rentals		<b>(7,389,039)</b>	(6,610,054)	4,011,599
Other current assets		<b>24,148,286</b>	(49,083,324)	665,075
Increase (decrease) in:				
Trade and other payables		<b>39,485,214</b>	12,843,880	18,270,533
Security deposits		<b>(209,376)</b>	99,671	128,329
Net cash generated from operations		<b>391,650,441</b>	332,635,240	296,037,984
Income taxes paid		<b>(47,981,424)</b>	(18,922,769)	(17,156,965)
Interest paid		<b>(28,586,905)</b>	(17,610,100)	(14,233,288)
Interest received		<b>7,150,022</b>	10,549,782	6,402,780
Retirement benefits paid	17	<b>(200,000)</b>	(295,000)	—
Net cash provided by operating activities		<b>322,032,134</b>	306,357,153	271,050,511
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisitions of:				
Property and equipment	11	<b>(514,466,461)</b>	(301,105,973)	(120,691,364)
Investment properties	10	<b>(97,144,825)</b>	(580,000)	—
Intangible assets	12	<b>(1,814,572)</b>	(3,000,000)	—
Non-controlling interests	4	—	—	(26,500,000)
Financial assets at FVOCI	6	—	—	(1,725,000)
Financial assets at FVPL	6	—	—	(1,537,912)
Disposals of financial assets at FVPL	6	<b>16,602,865</b>	1,115,720	—
Net cash outflow from business combination	12	<b>(14,201,097)</b>	—	—
Collections from related parties	16	<b>10,506,603</b>	74,281,762	3,499,030
Dividends received		<b>8,907,919</b>	2,097,144	—
Advances for asset acquisition	24	—	—	(54,000,000)
Net cash used in investing activities		<b>(591,609,568)</b>	(227,191,347)	(200,955,246)

(Forward)

Years Ended December 31				
	Note	2024	2023	2022
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from:				
Availments of loans	14	<b>₱873,500,000</b>	₱252,800,000	₱40,000,000
Availments of mortgage	15	<b>4,533,538</b>	—	—
Issuances of preferred shares	18	—	20,000,000	—
Issuances of shares to non-controlling interests	4	—	—	267,810,681
Payments of:				
Notes payable	14	<b>(520,651,500)</b>	(205,348,500)	(19,580,500)
Lease liabilities	24	<b>(60,064,370)</b>	(67,991,287)	(57,568,628)
Cash dividends	18	<b>(23,399,385)</b>	(21,359,543)	(21,336,800)
Mortgage payable	15	<b>(644,493)</b>	(80,909)	(1,723,368)
Net cash provided by (used in) financing activities		<b>273,273,790</b>	(21,980,239)	207,601,385
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>3,696,356</b>	52,991,279	277,696,650
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>581,573,621</b>	528,582,342	250,885,692
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>₱585,269,977</b>	₱581,573,621	₱528,582,342
<b>SUPPLEMENTARY INFORMATION ON NONCASH ACTIVITIES</b>				
Recognition of:				
Lease liabilities	24	<b>(₱11,511,421)</b>	(₱22,584,216)	(₱40,378,725)
ROU assets	24	<b>11,511,421</b>	22,584,216	40,378,725
Derecognition of:				
ROU assets	24	<b>(41,284,700)</b>	(11,478,933)	(22,813,126)
Lease liabilities	24	<b>(11,365,846)</b>	—	(8,527,645)
Recognition of:				
Transportation equipment	15	<b>4,511,421</b>	—	—
Mortgage payable	15	<b>4,511,421</b>	—	—

See accompanying Notes to Consolidated Financial Statements.

**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES**  
(A Subsidiary of LUSH PROPERTIES, INC.)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2024 AND 2023**  
**AND FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

**1. Corporate Information**

FRUITAS HOLDINGS, INC. (herein referred to as FHI or the “Parent Company”) and its subsidiaries, collectively referred to as the “Group”, were incorporated in the Philippines [except for Green Empire International Limited (GEIL) and Oceanic Luck Limited (OLL)] and registered with the Securities and Exchange Commission (SEC) on the following dates:

Name of Companies	Date of Incorporation
Parent Company	February 18, 2015
Subsidiaries with direct ownership:	
Fruitasgroup Incorporated (FGI)	July 13, 2010
Balai Ni Fruitas, Inc. (BNFI)	May 17, 2005
Negril Trading, Inc (NTI)	June 20, 1990
SoyKingdom, Inc. (SKI)	August 28, 2006
Fly Kitchen Inc. (FKI)	October 1, 2019
CocoDelivery, Inc. (CDI)	September 6, 2018
Subsidiaries with indirect ownership:	
Lingnam Food Inc. (LFI)*	November 4, 2022
Green Empire International Limited (GEIL)**	May 10, 2017
Oceanic Luck Limited (OLL)***	April 25, 2016
Bigboks Enterprises, Inc. (BEI)****	November 05, 2024

*\*ownership through SKI*

*\*\*ownership through FGI*

*\*\*\*ownership through GEIL*

*\*\*\*\*ownership through NTI*

The Parent Company is engaged in investment activities. On November 29, 2019, the common shares of the Parent Company were listed and traded in the Philippine Stock Exchange (PSE) through an initial public offering (IPO) under the trading name “FRUIT”.

The principal activities and percentage of ownership of the Parent Company’s subsidiaries as at December 31, 2024, 2023 and 2022 are presented below.

Subsidiaries	Principal Activities	Principal Place of Business	Percentage of Ownership (%)		
			2024	2023	2022
Direct:					
FGI	Trading of goods	Philippines	100	100	100
BNFI	Trading of goods	Philippines	74.92	74.92	74.92
NTI	Trading of goods	Philippines	100	100	100
SKI	Trading of goods	Philippines	100	100	100
CDI	Trading of goods	Philippines	100	100	100
FKI	Trading of goods	Philippines	100	100	—
Indirect:					
BEI	Restaurant	Philippines	60	—	—
LNI	Restaurant	Philippines	100	100	—
GEIL	Holding company	British Virgin Islands	100	100	100
OLL	Holding company	Samoan Islands	100	100	100

As at December 31, 2024 and 2023, the Parent Company is 52.84% owned by LUSH PROPERTIES, INC. (LPI or the Ultimate Parent), a company incorporated and domiciled in the Philippines. LPI is engaged in leasing/real estate activities.

In May 2024, the Group acquired the assets and the brand name Sugarhouse from Golden Spatula Corporation (GSC) for a total consideration of 9.0 million.

On November 19, 2024, the Group subscribed to shares of Bigboks Enterprises Inc., for a value of for a total subscription price of 8.9 million. The Company paid 2.2 million for the said subscription.

#### **Authorization for Issuance**

The consolidated financial statements as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 were approved and authorized for issuance by the BOD on April 5, 2025, upon review and recommendation for approval by the Audit Committee on the same date.

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## **2. Summary of Material Accounting and Reporting Policies**

The material accounting policies used in the presentation of the consolidated financial statements have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of Preparation and Statement of Compliance**

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

#### **Bases of Measurement**

The consolidated financial statements of the Group have been prepared on a historical cost basis except for financial assets at fair value through profit or loss (FVPL), financial assets at fair value through other comprehensive income (FVOCI), investment properties which are measured at fair value and retirement benefits and lease liabilities measured at present value. The consolidated financial statements are presented in Philippine Peso (Peso), the Group's functional currency. All amounts are rounded to the nearest Peso, unless otherwise indicated.

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability.

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 Group uses observable market data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- 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.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions used in measuring fair values is included in Notes 10 and 29 to the consolidated financial statements.

#### **Adoption of Amendments to PFRS Accounting Standards**

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS Accounting Standards effective January 1, 2024 –

- Amendments to PAS 1, *Presentation of Financial Statements - Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements.

The adoption of the amendments to PFRS Accounting Standards did not materially affect the consolidated financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

#### **Amendments to PFRS Accounting Standards in Issue But Not Yet Effective or Adopted**

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and have not been applied in preparing the financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.



Annual Improvements to PFRS Accounting Standards Volume 11:

- Amendments to PFRS 1, *Hedge Accounting by First-time Adoption of PFRS Accounting Standards* – The amendments update certain language used in PFRS 1 and include cross references to the qualifying criteria for hedge accounting in PFRS 9, Financial Instruments, which are intended to address inconsistencies in certain wordings used between these standards. Earlier application is permitted.
- Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.
- Amendments to PFRS 9, *Financial Instruments* – Transaction Price and Lessee Derecognition of Lease Liabilities – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to ‘transaction price as defined by PFRS 15, Revenue from Contracts with Customers’ to ‘the amount determined by applying PFRS 15’ to remove potential confusion. Earlier application is permitted.
- Amendments to PAS 7, Statement of Cash Flows - Cost Method – The amendments replace the term ‘cost method’ with ‘at cost’ following the deletion of the definition of ‘cost method’. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027:

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, Presentation of Financial Statements, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity’s assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.
- PFRS 19, *Subsidiaries without Public Accountability: Disclosures* – This standard specifies reduced disclosure requirements that eligible subsidiaries are permitted to apply, instead of the disclosure requirements in other PFRS Accounting Standards. An entity is eligible to apply PFRS 19 when it does not have public accountability and its parent prepares consolidated financial statements available for public use that complies with PFRS Accounting Standards disclosure requirements. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRS Accounting Standards is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

### **Basis of Consolidation**

The consolidated financial statements include the accounts of the Parent Company and its subsidiaries.

### **Subsidiaries**

A subsidiary is an entity that is controlled by the Parent Company. A subsidiary is consolidated from the date when control is transferred to the Parent Company directly or through a holding company. Control is achieved when the Parent Company is exposed or has rights to variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee. A subsidiary is deconsolidated from the date when control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as that of the Parent Company using uniform accounting policies. Significant intercompany transactions and balances, including intercompany profits, dividends and unrealized profits and losses, are eliminated in full.

### **Non-controlling interests**

Non-controlling interests represent the portion of net results and net assets not held by the Parent Company. They are presented in the consolidated statements of financial position within equity, apart from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statements of comprehensive income. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

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

If the Parent Company loses control over a subsidiary, the Group: (a) derecognizes the assets and liabilities of the subsidiary; (b) derecognizes the carrying amounts of any non-controlling interest; (c) derecognizes the cumulative translation differences recorded in equity; (d) recognizes the fair value of consideration received; (e) recognizes the fair value of any investment retained; (f) recognizes any surplus or deficit in profit or loss; and (g) reclassifies the Parent Company's share of components previously recognized in other comprehensive income in relation to that subsidiary on same basis as would be required if the Parent Company had directly disposed of the related assets and liabilities.

A change in the ownership interest of a subsidiary, without a change in control, is accounted for as an equity transaction. Upon the loss of control, the Group derecognizes the assets (including goodwill) and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Gain or loss arising from the loss of control is recognized in profit or loss. If the Group retains an interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as financial assets at FVOCI depending on the level of interest retained.

Non-controlling interests represent the interests of minority shareholders of BNFI and BEI.

### **Business Combination and Goodwill**

Business combination is accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. Acquisition-related costs incurred are expensed and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date, including the separation of embedded derivatives in host contracts by the acquiree, if any.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PFRS 9 either in the consolidated statements of comprehensive income or as a change to other comprehensive income. If the contingent consideration is not within the scope of PFRS 9, it is measured in accordance with appropriate PFRS Accounting Standards. Contingent consideration that is classified as equity is not remeasured until it is finally settled and accounted for within equity.

If necessary information, such as the fair value of assets and liabilities acquired, is not available by the end of the reporting period in which the business combination occurs, provisional amounts are used for a period not exceeding one year from the date of acquisition or the measurement period. During this period, provisional amounts recognized for a business combination may be retrospectively adjusted if relevant information has been obtained or becomes available.

The Group also considers whether the acquisition represents an acquisition of a business or a group of assets. The Group accounts for an acquisition as a business if it acquires an integrated set of business processes in addition to the group of assets acquired.

A gain from bargain purchase is generated when the fair value of the net assets acquired by the Group exceeds the acquisition price, and is recognized in the consolidated statements of comprehensive income in the year of acquisition.

Business combination arising from transfers of interest involving entities under common control is accounted for using book values. Any difference between the purchase price and the net assets of acquired entity is presented separately within equity on consolidation. Any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities. The acquiree's assets and liabilities are recognized at book values and results of operations are included in the consolidated financial statements as at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for NCI and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in consolidated statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units (CGUs), or group of cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or group of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than an operating segment or determined in accordance with PFRS 8, *Operating Segment*.

Goodwill is tested for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the CGU or group of CGUs, to which the goodwill relates. When the recoverable amount of the CGU or group of CGUs is less than the carrying amount, an impairment loss is recognized. Impairment loss with respect to goodwill cannot be reversed in future periods.

When goodwill has been allocated to a CGU or group of CGUs and part of the operations within the unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed and the portion of the CGU retained.

## **Financial Assets and Liabilities**

### **Recognition and Measurement**

*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 a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

*Initial Recognition and Measurement.* Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments is at fair value plus transaction costs, unless it is carried at FVPL, in which case transaction costs are immediately expensed.

*"Day 1" Difference.* Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

### **Classification**

The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model and its contractual cash flow characteristics.

As at December 31, 2024 and 2023 the Group has no financial instruments classified as financial liabilities at FVPL.

*Financial Assets at Amortized Cost.* Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2024 and 2023, the Group's cash and cash equivalents, trade receivables, due from related parties and construction bond (presented under "Other current assets") are classified under this category.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of placement and which is subject to an insignificant risk of change in value.

*Financial Assets at FVPL.* Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if these are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless these are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are measured at fair value at each reporting date, with any fair value gains or losses recognized in profit or loss to the extent these are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the “Gain (loss) on change in fair value at FVPL” under “Other income (loss)” account in the consolidated statements of comprehensive income.

The Group’s investments in Unit Investment Trust Funds (UITF) which are held for trading are included in this category.

*Financial Assets at FVOCI.* For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets; and,
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Group may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in other comprehensive income and presented in the equity section of the consolidated statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As at December 31, 2024 and 2023, the Group has classified its investments in club shares as financial assets at FVOCI.

*Financial Liabilities at Amortized Cost.* Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As at December 31, 2024 and 2023, the Group's trade and other payables (excluding nonfinancial liabilities), notes payable, mortgage payable, lease liabilities and security deposits are classified under this category.

### **Reclassification**

The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

### **Impairment**

The Group records an allowance for expected credit losses (ECL) based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables, the Group has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets at amortized cost, the Group has applied the general approach and ECL computation is based on the 12-month ECL, which pertains to the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition

## **Derecognition**

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

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

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group’s continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

*Financial Liabilities.* A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Group could raise debt with similar terms and conditions in the market. The difference between the carrying amount of the original liability and fair value of the new liability is recognized in the consolidated statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

## **Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.



### **Classification of Financial Instrument between Liability and Equity**

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

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

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

### **Merchandise Inventories**

Merchandise inventories are carried at the lower of cost and net realizable value (NRV). The cost of merchandise inventories includes all costs of purchase and other costs incurred to bring the merchandise inventories to their present location and condition. The NRV of merchandise inventories is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale. Cost is determined using first-in, first-out method.

At each reporting date, merchandise inventories are assessed for impairment. If merchandise inventories are impaired, the carrying amount is reduced to its NRV. Impairment loss is recognized immediately in profit or loss.

When merchandise inventories are sold, the carrying amount of those merchandise inventories is recognized to profit or loss in the year when the related revenue is recognized.

### **Deposits and Advance Rentals**

Deposits and advance rentals represent payments for security, utilities and other deposits made in relation to the lease agreements entered into by the Group. These are carried at face amounts and will generally be applied as lease payments toward the end of the lease terms. Deposits and advances expected to be realized for no more than 12 months after the financial reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

### **Investment Properties**

Investment properties represent a parcel of land, land improvements, and building and building improvements, which are held to earn rental and are not for sale in the ordinary course of business or for administrative purposes.

The investment properties are initially measured at cost. Cost comprises its purchase price, after deducting discounts and rebates, and other directly attributable costs to its working condition and location for its intended use. Subsequent to initial recognition, investment properties are stated at fair value. Any gain or loss resulting from a change in the fair value of the investment properties is recognized in profit or loss as "Gain from change in fair value of investment properties" presented in the consolidated statements of comprehensive income. Fair value is determined by independent appraisers with sufficient experience with respect to both the location and the nature of the investment properties.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by the end of owner-occupation or commencement of an operating lease to another party or ending of the construction or development. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

Investment properties are derecognized when either these have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in profit or loss in the year of retirement or disposal.

For tax purposes, the Group's investment properties are carried at cost less accumulated depreciation computed on a straight-line basis over the estimated useful lives of the investment properties:

Asset Type	Useful Life (in years)
Land improvements	5
Building and building improvements	5 - 20

#### **Property and Equipment**

Property and equipment, except for land, are stated at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost less impairment in value, if any.

Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to operations 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 property and equipment.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

Asset Type	Number of Years
Leasehold improvements	5 years or term of lease, whichever is shorter
Transportation equipment	5-10
Office furniture, fixtures and equipment	2-5
Store furniture, fixtures and equipment	2-5

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

Fully depreciated and amortized assets are retained in the accounts until these are no longer in use.

When property and equipment are sold or retired, their cost, accumulated depreciation and amortization and any allowance for impairment in value are eliminated and any resulting gain or loss is included in profit or loss.

### **Intangible Assets**

Intangible assets are identifiable non-monetary assets of the Group without physical substance held for use in operations, the production of goods or services and for rental to others. This account includes the following:

*Brand Names.* The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. Subsequently, intangible asset is carried at cost less any accumulated impairment losses.

The Group assessed the useful life of brand names to be indefinite. Based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate cash inflows for the Group.

Brand names with indefinite useful lives are tested for impairment annually, either individually or at the cash-generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The Relief-from-Royalty method was used in the valuation of the brands. Under this method, the value of an intangible asset is determined by reference to the value of the hypothetical royalty payments that would be saved through owning the asset, as compared with licensing the intangible asset from a third party. The hypothetical royalty payments over the life of the intangible asset are adjusted for tax and discounted to present value at the valuation date. Conceptually, the method may also be viewed as a discounted cash flow method applied to the cash flow that the owner of the intangible asset could receive through licensing the intangible asset to third parties.

*Software License.* Software license is measured initially at cost, which is the amount of the purchase consideration. Following initial recognition, software license is carried at cost less accumulated amortization and any accumulated impairment losses. The Group's software license has a term of five years and is amortized over such period using the straight-line method.

The useful life and amortization method for software license are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the software is accounted for by changing the useful life and amortization method, as appropriate, and treated as a change in accounting estimates. The amortization expense on software is recognized in the profit or loss.

Gains or losses arising from the disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

### **Impairment of Nonfinancial Assets**

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Brand names and goodwill with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. When the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an orderly transaction between market participants less the cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax 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 cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charges are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

### **Operating Segments**

The Group operates using different brand names on which operating results are regularly monitored by the chief operating decision-maker (CODM) for the purpose of making decisions regarding resource allocation and performance assessment. The CODM has been identified as the Chief Executive Officer of the Group. However, as permitted by PFRS 8, *Operating Segments*, the Group has aggregated these segments into a single operating segment to which it derives its revenues and incurs expenses as these segments have the same economic characteristics and are similar in the following respects:

- the nature of products and services;
- the nature of production processes;
- the type or class of customer for the products and services; and
- the methods used to distribute their products and services.

### **Equity**

*Common Stock.* Common stock represents the par value of issued common shares. Unpaid subscriptions are recognized as a reduction from subscribed capital.

*Preferred Stock.* Preferred shares are voting, cumulative, nonparticipating and nonconvertible and nonredeemable.

*Additional Paid-in Capital.* Additional paid-in capital represents the excess of proceeds or fair value of consideration received over par value.

*Retained Earnings.* Retained earnings represent the cumulative balance of the results of operations, net of any dividend declaration.

*Dividend Distribution.* Dividends are recognized as a liability and deducted from equity when declared by the BOD and the shareholders of the Group. Dividends for the year that are declared after the reporting date are dealt with as an event after the reporting date.

*Other Equity Reserves.* Other equity reserves arise from business reorganizations within the Group. This represents the difference between the net interest of the Parent Company and the carrying amounts of the assets and liabilities of the combined entities within the Group.

*Other Comprehensive Income.* This pertains to the cumulative remeasurement gain on the Group's retirement benefits liability arising from experience adjustments and changes in financial

assumptions. Remeasurements of retirement benefits liability, and the corresponding deferred tax component, are recognized immediately in other comprehensive loss and are included in equity. These are not reclassified to profit or loss in subsequent periods.

### **Earnings per Share**

Basic earnings per share is calculated by dividing the net income by the weighted average number of common shares outstanding during the year, with retroactive adjustments for any stock dividends declared and stock split.

Diluted earnings per share is computed by adjusting the weighted average number of common shares outstanding to assume conversion of all the potentially dilutive common shares into common shares.

The Parent Company has no potentially dilutive common shares.

### **Revenue Recognition**

#### **Revenue**

The Group generates revenue primarily from sale of goods and franchise revenues.

*Revenue from Contracts with Customers.* Revenue from contracts with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue sources.

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

*Net Sales.* Revenue is recognized, net of sales discounts, at a point in time when the control over the goods has transferred to the customers, which is normally upon delivery to and acceptance of the goods by the buyer.

*Franchise Revenue.* Revenue from franchisees includes continuing royalty and initial franchise revenues. Royalty fees are recognized in the period earned. Initial franchise revenues are recognized upon opening of a store when the Group has performed substantially all of the performance obligations required under the franchise agreement.

*Rental Income.* Rental income is recognized on a straight-line basis over the lease term.

*Service Fees.* Service fees are recognized when the related delivery services are rendered.

## **Other Sources of Income**

*Interest Income.* Interest income is recognized as it accrues, net of final tax, using the effective interest method.

*Dividend Income.* Dividend income is recognized when the right to receive the dividend is established.

*Other Income.* Income from other sources is recognized when earned during the period.

## **Cost and Expense Recognition**

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

*Direct Costs.* Direct costs are costs directly related to the production and sale of goods and are recognized as expense when the related goods are sold or the related services are rendered.

*Selling and Distribution Expenses.* Selling and distribution expenses constitute costs of selling and distribution of the goods to customers that are not qualified as cost of sales. These are recognized in profit or loss in the period when these are incurred.

*General and Administrative Expenses.* General and administrative expenses constitute costs of administering the business. These are recognized in profit or loss in the period when these are incurred.

*Interest Expense.* Interest expense includes interest expense and other finance costs. This is recognized in profit or loss using the effective interest method.

## **Retirement Benefits**

The Group has an unfunded, noncontributory defined benefit plan covering all qualified employees. The retirement benefits cost is determined using the projected unit credit method, which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes current service costs and interest expense on the retirement benefits liability in profit or loss.

The Group determines the interest expense on retirement benefits liability by applying the discount rate to the retirement benefits liability at the beginning of the year, taking into account any changes in the liability during the period as a result of benefit payments.

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

The retirement benefits liability recognized by the Group is the present value of the defined benefits obligation. This is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related retirement benefits liability.

Actuarial valuations are made with sufficient regularity that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

### **Leases**

The Group assesses whether the contracts is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

- i. the right to obtain substantially all of the economic benefits from the use of the identified asset; and
- ii. the right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

*The Group as a Lessee.* At the commencement date, the Group recognizes ROU assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

*ROU Assets.* At commencement date, the Group measures ROU assets at cost. The cost comprises:

- i. the amount of the initial measurement of lease liabilities;
- ii. any lease payments made at or before the commencement date less any lease incentives received;
- iii. any initial direct costs; and
- iv. an estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

The ROU assets are recognized at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. After the commencement date, the ROU assets are carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. The ROU assets are amortized over the shorter of the lease terms or the useful lives of the underlying assets ranging from three to ten years.

*Lease Liabilities.* At commencement date, the Group measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability comprise the following:

- i. fixed payments, including in-substance fixed payments;
- ii. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- iii. amounts expected to be payable by the lessee under residual value guarantees; and
- iv. the exercise price under a purchase option that 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.

A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liability is remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liability is also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

For income tax reporting purposes, payments under operating lease agreements are treated as deductible expense in accordance with the terms of the lease agreements.

*The Group as a Lessor.* Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which these are earned.

### **Income Taxes**

*Current Tax.* Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as at the reporting date.

*Deferred Tax.* Deferred tax is provided 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 tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of net operating loss carryover (NOLCO) and minimum corporate income tax (MCIT), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of NOLCO and MCIT can be utilized.



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

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

Deferred tax is recognized in profit or loss except to the extent that it relates to items directly recognized in OCI.

*Offsetting.* Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to set off the amounts and it can be demonstrated without undue cost or effort that the Group plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### **Related Party Relationships and Transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals who, owning directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on legal form.

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties, regardless of whether a price is charged.

Related party transactions are considered material and/or significant if i) these transactions amount to 10% or higher of the Group's total assets or, ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Group's total assets. Details of transactions entered into by the Group with related parties are reviewed by independent directors in accordance with the Group's related party transactions policy.

#### **Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable 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. 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. These are disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefit is probable.

### **Events after the Reporting Period**

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

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### **3. Significant Accounting Judgments and Estimates**

The preparation of the Group's consolidated financial statements requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements. The judgments and estimates used in the consolidated financial statements are based on management's evaluation of relevant facts and circumstances as at the reporting date.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

The following are the significant judgments and estimates made by the Group:

*Accounting for the Business Acquisition.* At the time of acquisition, the Group considers whether the acquisition represents an acquisition of a business or a group of assets. The Group accounts for an acquisition as a business combination if it acquires an integrated set of business processes in addition to the group of assets acquired.

The Group accounts for acquired businesses using the acquisition method of accounting, which requires that the assets acquired and the liabilities assumed are recognized at the date of acquisition based on their respective fair values

*Recognizing Gain from Bargain Purchase.* As a result of the business combination completed during 2024, the Group recognized a gain from bargain purchase amounting to ₱6.8 million, which is presented under "Other Income" in the consolidated statement of comprehensive income. The gain arose because the fair value of the identifiable net assets acquired exceeded the total consideration transferred.

The application of the acquisition method requires certain estimates and assumptions concerning the determination of the fair values of acquired intangible assets and property and equipment, as well as liabilities assumed at the acquisition date. Moreover, the useful lives of the acquired intangible assets and property and equipment have to be determined. Accordingly, for significant acquisitions, the Group obtains assistance from valuation specialists. The valuations are based on information available at the acquisition date. The Group's acquisitions that have resulted in the recognition of intangible assets with indefinite lives is disclosed in Note 4.

*Classifying Operating Segments.* The Group is organized into operating segments based on brand names but the Group has aggregated the brand names into a single operating segment as allowed under PFRS 8 due to their similar characteristics. This is evidenced by a consistent range of gross margin across all brand outlets as well as uniformity in sales increase and trending for all outlets, regardless of the brand name (see Note 30). Moreover, all brands have the following business characteristics:

- (a) Similar nature of products/services offered and methods to distribute products and provide services;
- (b) Similar class of target customers; and
- (c) Primary place of operations is in the Philippines.

*Classifying Financial Instruments.* The Group exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

*Classifying Lease Commitments - Group as a Lessee.* The Group has entered into commercial property leases for its stores. For the Group's non-cancellable lease, the Group recognizes ROU assets and lease liabilities measured at the present value of lease payments to be made over the lease term using the Group's incremental borrowing rate. The Group availed exemption for leases with term of 12 months or less. Accordingly, lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

ROU assets and lease liabilities as at December 31, 2024 and 2023 is disclosed in Note 24.

*Assessing the ECL of Trade Receivables.* The Group estimates ECL using a provision matrix. Depending on the diversity of its debtor's base, the Group uses its historical credit loss experience adjusted for forward-looking factors, as appropriate. The information about the ECL assessment on the Group's trade receivables is disclosed in Note 28 to the consolidated financial statements.

The carrying amounts of the Group's trade receivables as at December 31, 2024 and 2023 are disclosed in Note 7.

*Assessing the ECL on Other Financial Assets at Amortized Cost.* The Group determines the allowance for ECL using a general approach based on the probability-weighted estimate of the present value of all cash the shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12-months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

No provision for ECL on other financial assets at amortized cost was recognized in 2024, 2023 and 2022. The transactions with respect to these financial assets were entered into by the Group only with reputable banks and companies with good credit standing and relatively low risk of defaults.

The carrying amounts of other financial assets at amortized cost are disclosed in Note 5, 9 and 16.

The fair value of the Group's financial assets at FVPL is disclosed in Note 29.

*Estimating the ROU Assets and Lease Liabilities.* The Group's ROU assets and lease liabilities are initially measured at the present value of lease payments. In determining the appropriate discount rate, the Group considered readily available interest rate implicit in the lease agreements, interest rate on its borrowings and the term of each lease commitment. The Group determined that the incremental borrowing rate is readily available and presents the appropriate financing cost in leasing the underlying assets. The incremental borrowing rate is the rate that would cause the present value of the lease payments and unguaranteed residual to equal the sum of the fair value of the underlying assets and initial direct costs incurred.

The carrying amounts of ROU assets and lease liabilities as at December 31, 2024 and 2023 are disclosed in Note 24.

*Estimating the Fair Value of Investment Properties.* Investment properties are measured at fair value. The Group works closely with external qualified appraisers who performed the valuation using appropriate valuation techniques. The appraiser used a valuation technique based on comparable market data adjusted as necessary to reflect the specific assets' location and condition and, estimated expected future cash flows, yields, occupancy rates, discount rates, replacement costs and remaining economic life. The valuation techniques and inputs used in the fair value measurement of investment properties are disclosed in Note 10.

For the purpose of fair value determination and disclosure, the Group determines the nature, characteristics and risks of the investment properties and the level of the fair value hierarchy.

Details of investment properties are disclosed in Note 10.

*Assessing the Impairment of Brand Names with Indefinite Useful Life.* The Group tests annually whether any impairment in brand names is to be recognized in accordance with the related accounting policy in Note 2. The recoverable amounts of cash-generating units (CGUs) have been determined based on the higher of fair value less costs to sell and value in use calculations, which require the use of estimates. Based on the impairment testing conducted, the recoverable amounts of the CGUs calculated based on value in use as at December 31, 2024 and 2023 are greater than the corresponding carrying amounts of the CGUs as at the same dates.

No impairment loss was recognized in 2024, 2023 and 2022. The carrying amount of brand names as at December 31, 2024 and 2023 is disclosed in Note 12.

*Estimating Impairment of Goodwill.* The Group determines whether goodwill is impaired at least annually. This requires the estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating value in use requires management to make an estimate of the expected future cash flows from the cash-generating units and to choose a suitable discount rate to calculate the present value of cash flows.

The Group recognized impairment loss on goodwill amounting to ₱8.5 million in 2024 (see Note 12).

*Assessing the Impairment of Other Nonfinancial Assets.* The Group assesses impairment of its nonfinancial assets whenever events or changes in circumstances indicate that the carrying amounts of the assets or group of assets may not be recoverable. The relevant factors that the Group considers in deciding whether to perform an asset impairment review include, among others, the following:

- significant underperformance of a business in relation to expectations;
- significant negative industry or economic trends; and
- significant changes or planned changes in the use of the assets.

No impairment was recognized in 2024, 2023 and 2022. The carrying amounts of deposits and advance rentals, other current assets (excluding construction bond), investment properties, property and equipment, software license and ROU assets are disclosed in Notes 9, 10, 11, 12 and 24, respectively.

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#### 4. Accounting for Business Acquisition and Group Reorganization

##### Brands and Asset Purchase

The Group accounts for acquisitions of assets as an acquisition of a business when the Group acquires an integrated set of business processes in addition to the group of assets acquired.

##### *LNFI*

In March 2023, the Group acquired the brand name Lingnam and the related assets from LN Banaue Inc. for a consideration amounting to ₱60.0 million. Under the agreement, the Group acquired the trademark, recipes and other technical know-how, leasehold improvements, certain equipment, inventory, among others, from stores located in San Juan City, Quezon City and Manila. The acquisition also includes land and building located in Caloocan City. Consequently, the business combination resulted in a gain from bargain purchase amounting to ₱24.0 million, as the fair values of the assets acquired exceeded the total consideration by the same amount.

##### *Sugarhouse*

In May 2024, the Group acquired the brand name Sugarhouse and the related assets from Golden Spatula Corporation (GSC). The acquisition was completed following the execution of Deeds of Absolute Sale of Assets and the payment of the related consideration amounting to ₱9.0 million.

Under the agreement, the Company acquired the trademark, recipes and other technical know-how relating to Sugarhouse business, leasehold improvements, certain equipment, inventory, among others.

##### Acquisition of a Subsidiary, Brand and Related Assets

*Mang Bok's.* On October 28, 2024, the Group subscribed to 960,000 shares, equivalent to 60% ownership interest in Bigboks Enterprises Inc. for a total subscription price of ₱9.0 million. The Company has partially paid ₱2.2 million for the said subscription.

In November 2024, BEI acquired the the brand name Mang Boks and the related assets from Boksbro Inc. for a total consideration amounting to ₱2.0 million. Under the agreement, the Group acquired leasehold improvements, intellectual property, franchise rights and contractual rights.

The following are the fair values of the identifiable assets acquired and the resulting gain as at acquisition date:

	2024		2023
	Sugarhouse	Mang Boks	LNFI
Intangible asset	<b>₱6,247,150</b>	<b>₱1,564,148</b>	₱27,000,000
Leasehold improvement	<b>5,760,000</b>	–	33,584,244
Merchandise inventories	<b>1,200,000</b>	–	–
Transportation equipment	<b>1,000,000</b>	–	2,750,000
Store equipment, furniture and fixtures	–	–	15,757,006
Land	–	–	4,908,750
Property and equipment	–	<b>2,000,000</b>	–
Fair value of identifiable assets	<b>14,207,150</b>	<b>3,564,148</b>	84,000,000
Total consideration	<b>8,960,000</b>	<b>2,000,000</b>	60,000,000
Gain from bargain purchase	<b>₱5,247,150</b>	<b>₱1,564,148</b>	₱24,000,000

#### Business Combination

*FKI.* In June 2023, the Group acquired 100% of the outstanding shares of FKI for a total consideration of ₱14.7 million. The effect of the acquisition initially resulted to a reduction in “other equity reserves” of ₱2.3 million. In 2024, the valuation of the net assets and liabilities of SKI was finalized and the acquisition resulted to a goodwill amounting to ₱18.7 million (see Note 12). As such, the amount of “other equity reserve” was adjusted in 2024.

The following are the fair values of the identifiable net liabilities acquired and the resulting goodwill as at acquisition date:

	Amount
Property and equipment	₱1,679,536
Trade and other receivables	1,395,563
Inventories	877,426
Cash	478,903
Security deposit	26,280
Trade and other payables	(8,471,973)
Fair value of identifiable net liabilities	(4,014,265)
Total consideration	14,680,000
Goodwill	(₱18,694,265)

#### Equity Transaction Resulting from the Listing of a Subsidiary

In 2021, the common shares of BNFI were listed in the PSE and 325.0 million new common shares were issued at an offer price of ₱0.70 a share in 2021. Expenses incurred during the listing process amounted to ₱23.7 million. This resulted to a decrease in ownership interest of the Parent Company from 100% to 78.26% and the effect is as follows:

Gross proceeds	₱227,500,000
Less expenses charged to APIC of BNFI	20,939,319
Net proceeds	206,560,681
Share of non-controlling interests	(84,779,540)
Other equity reserve	₱121,781,141

On the same day, the Parent Company disposed 87.5 million common shares of BNFI for a total consideration amounting to ₱61.3 million. Thus, further reducing the ownership interest to 72.41% and the effect is as follows:

Net proceeds	₱61,250,000
Share of non-controlling interests	(22,824,067)
Other equity reserve	₱38,425,933

Subsequently in November 2022, the Parent Company acquired ₱37.5 million common shares of BNFI through the PSE for a total consideration of ₱26.5 million. Accordingly, the acquisition increased the ownership interest to 74.92% and the effect is as follows:

Carrying amount of non-controlling interest acquired	₱10,247,458
Acquisition costs	(26,500,000)
Other equity reserve	(₱16,252,542)

The change in the Parent Company's ownership does not result to losing of control. Accordingly, no gain or loss was recognized on the consolidated statements of comprehensive income.

Details of other equity reserves follows:

	2024	2023
Group reorganization		
FGI, BNFI and NTI	₱55,192,582	₱55,192,582
CDI	(3,939,803)	(3,939,803)
Changes in ownership interest without loss of control -		
BNFI	143,954,532	143,954,532
Business acquisition	—	(2,389,311)
	<b>₱195,207,311</b>	<b>₱192,818,000</b>

## 5. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand	₱17,664,230	₱25,624,552
Cash in banks	427,613,236	445,417,230
Short-term placements	139,992,511	110,531,839
	<b>₱585,269,977</b>	<b>₱581,573,621</b>

Cash in banks earn interest at the prevailing bank deposit rates.

Short-term placements are made for three months depending on the immediate cash requirement of the Group and earn interest at the prevailing short-term placement rates.

Interest income earned is disclosed in Note 23.

## 6. Financial Assets at FVPL and FVOCI

### Financial Assets at FVPL

Investments in unit investment trust funds (UITF) are held for trading. Hence, these have been classified as financial assets at FVPL.

Movements in investments at FVPL are as follows:

	Note	2024	2023
Balance at beginning of year		<b>₱61,316,952</b>	₱61,305,065
Additions		–	981,424
Disposals		<b>(16,602,865)</b>	–
Unrealized gain on changes in fair value	23	<b>2,827,932</b>	(969,537)
Balance at end of year		<b>₱47,542,019</b>	₱61,316,952

Dividend income earned amounted to ₱8.9 million and ₱2.1 million in 2024 and 2023 (see Note 23).

### Financial Assets at FVOCI

Financial asset at FVOCI pertains to the investment in club shares amounting to ₱1.7 million.

The Group designated its investment in club shares as financial asset at FVOCI because the Group intends to hold this investment for the long term and for strategic purposes. The Group has assessed that the cost of the recently acquired investment approximates its fair value as at December 31, 2024 and 2023.

## 7. Trade Receivables

This account consists of:

	2024	2023
Trade receivables	<b>₱113,481,597</b>	₱72,436,597
Less allowance for ECL	<b>3,238,000</b>	3,238,000
	<b>₱110,243,597</b>	₱69,198,597

Trade receivables represent mainly outstanding receivables from franchisees. These are unsecured, noninterest-bearing and are normally collected on a 30-day term.

## 8. Merchandise Inventories

This account consists of:

	2024	2023
At cost:		
Food and beverages	<b>₱45,710,521</b>	₱39,149,433
Store supplies and others	<b>25,977,799</b>	17,577,588
	<b>₱71,688,320</b>	₱56,727,021



Cost of merchandise inventories charged to “Direct costs” is disclosed in Note 20.

## 9. Other Current Assets

This account consists of:

	2024	2023
Advances to suppliers	₱35,431,459	₱32,486,510
Construction bond	6,793,747	3,873,626
Spare parts, materials and supplies	6,172,029	5,983,804
Advances to officers and employees	5,153,715	24,114,161
CWTs	3,205,855	—
Input VAT	3,050,069	10,494,435
Prepayments	455,881	4,252,650
	<b>₱60,262,755</b>	<b>₱81,205,186</b>

Advances to suppliers were payments for goods pending delivery as at year-end.

Construction bond is collectible once the improvement is completed and transferred by the Group to the lessor.

Advances to officers and employees pertain to cash advances and are settled through liquidation.

Prepayments mainly consist of insurance, taxes and licenses and advertising.

## 10. Investment Properties

The composition of and movements in this account are as follows:

	2024			
	Land	Land Improvements	Building and Building Improvements	Total
<b>Cost</b>				
Balance at beginning of year	₱95,393,047	₱577,500	₱31,984,503	₱127,955,050
Additions	53,569,111	119,750	43,455,964	97,144,825
Balance at end of the year	148,962,158	697,250	75,440,467	225,099,875
<b>Cumulative Fair Value Changes</b>				
Balance at beginning of year	44,669,953	(201,500)	(3,086,503)	41,381,950
Gain (loss) from changes in fair value	8,185,500	(12,000)	(1,505,000)	6,668,500
Balances at end of year	52,855,453	(213,500)	(4,591,503)	48,050,450
<b>Carrying Amount</b>	<b>₱201,817,611</b>	<b>₱483,750</b>	<b>₱70,848,964</b>	<b>₱273,150,325</b>

	2023			
	Land	Land Improvements	Building and Building Improvements	Total
<b>Cost</b>				
Balance at beginning of year	₱95,393,047	₱577,500	₱31,404,503	₱127,375,050
Additions	—	—	580,000	580,000
Balance at end of the year	95,393,047	577,500	31,984,503	127,955,050
<b>Cumulative Fair Value Changes</b>				
Balance at beginning of year	43,123,803	(160,500)	(2,164,503)	40,798,800
Gain (loss) from changes in fair value	1,546,150	(41,000)	(922,000)	583,150
Balances at end of year	44,669,953	(201,500)	(3,086,503)	41,381,950
<b>Carrying Amount</b>	<b>₱140,063,000</b>	<b>₱376,000</b>	<b>₱28,898,000</b>	<b>₱169,337,000</b>

#### Fair Value

*Land.* The fair value of the Group's land is ₱201.8 million and ₱140.1 million as at December 31, 2024 and 2023, respectively. The fair value of the land was determined by an independent property appraiser in 2024 and 2023. The inputs used to determine the market value of the investment properties using the sales comparison approach include location characteristics, size, time element, quality and marketability. Accordingly, the fair value measurement used is classified as Level 3 in 2024 and 2023, respectively.

*Land Improvements, Building and Building Improvements.* The fair value of land improvements, building and building improvements is categorized under Level 3 using the cost approach wherein the appraised value was based on the cost of constructing an equivalent new structure less depreciation adjustments.

The fair value of the land improvements, building and building improvements was determined by an independent firm of appraisers as at December 31, 2024.

Description of key inputs to valuation on land follows:

Location	Significant unobservable Inputs	Range (weighted average)	
		2024	2023
Sampaloc District, City of Manila	Selling price per square meter	<b>₱163,000/sq. m.</b>	₱154,000/sq. m.
	Value adjustments	<b>4% to 10%</b>	1% to 15%

The significant unobservable inputs to fair valuation are as follows:

*Price per square meter:* Estimated value prevailing in the real estate market depending on the location, area, shape and time element.

*Value adjustments:* Adjustments are made to bring the comparative values in approximation to the investment properties taking into account external factors (market conditions, competitiveness, economic condition/demand/growth, time element) and internal factors (location, size/shape/terrain and development).

In valuing the land using sales comparison approach, records of recent sales and offerings of similar land are analyzed and comparisons were made for such factors as size, characteristic of the lot, location, quality and prospective use.

*Sensitivity Analysis.* Generally, significant increases (decreases) in useful life of assets (excluding land) would result in a significantly higher (lower) fair value measurement. Significant increases (decreases) in factors that contributed in the physical deterioration and all relevant forms of obsolescence in isolation would result in a significantly lower (higher) fair value measurement.

Rental income is disclosed in Note 19. The related direct cost incurred pertains to real property taxes amounting to ₱331,429 in 2024, ₱331,429 in 2023 and ₱213,842 in 2022.

## 11. Property and Equipment

The composition of and movements in this account follows:

	2024					
	Land	Leasehold Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Store Furniture, Fixtures and Equipment	Total
<b>Cost</b>						
Balance at beginning of year	₱148,842,350	₱340,174,436	₱96,863,406	₱49,348,028	₱451,349,077	₱1,086,577,297
Additions	343,945,658	54,977,104	34,031,344	14,029,069	69,162,822	516,145,997
Effect of business combination	4,908,750	39,344,244	3,750,000	–	15,757,006	63,760,000
Balance at end of year	497,696,758	434,495,784	134,644,750	63,377,097	536,268,905	1,188,682,736
<b>Accumulated Depreciation and Amortization</b>						
Balance at beginning of year	–	190,626,785	47,426,441	37,213,801	296,993,858	572,260,885
Depreciation and amortization	–	57,358,720	19,689,721	21,554,771	73,972,826	172,576,038
Balance at end of year	–	247,985,505	67,116,162	58,768,572	370,966,684	744,836,923
<b>Carrying Amount</b>	<b>₱492,788,008</b>	<b>₱186,510,279</b>	<b>₱67,528,588</b>	<b>₱4,608,525</b>	<b>₱165,302,221</b>	<b>₱443,845,813</b>

	2023					
	Land	Leasehold Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Store Furniture, Fixtures and Equipment	Total
<b>Cost</b>						
Balance at beginning of year	₱32,600,000	₱261,522,408	₱77,550,250	₱52,061,382	₱397,670,280	₱821,404,320
Additions	116,242,350	80,333,097	19,313,156	7,822,593	77,394,777	301,105,973
Disposals	–	(1,681,069)	–	(10,535,947)	(23,715,980)	(35,932,996)
Balance at end of year	148,842,350	340,174,436	96,863,406	49,348,028	451,349,077	1,086,577,297
<b>Accumulated Depreciation and Amortization</b>						
Balance at beginning of year	–	148,703,254	32,153,905	40,255,121	240,290,951	461,403,231
Depreciation and amortization	–	43,604,600	15,272,536	7,494,627	80,418,887	146,790,650
Disposals	–	(1,681,069)	–	(10,535,947)	(23,715,980)	(35,932,996)
Balance at end of year	–	190,626,785	47,426,441	37,213,801	296,993,858	572,260,885
<b>Carrying Amount</b>	<b>₱148,842,350</b>	<b>₱149,547,651</b>	<b>₱49,436,965</b>	<b>₱12,134,227</b>	<b>₱154,355,219</b>	<b>₱514,316,412</b>

The cost of fully depreciated and amortized property and equipment that are still in use by the Group amounted to ₱428.0 million and ₱226.7 million as at December 31, 2024 and 2023, respectively.

Depreciation and amortization are summarized as follows:

	Note	2024	2023	2022
Property and equipment		<b>₱172,576,038</b>	₱146,790,650	₱102,374,415
ROU assets	24	<b>36,103,113</b>	56,694,379	49,095,574
Intangible assets	12	—	690,242	782,366
		<b>₱208,679,151</b>	₱204,175,271	₱152,252,355

Depreciation and amortization are charged to the following:

	Note	2024	2023	2022
Selling and distribution expenses	21	<b>₱163,468,137</b>	₱135,599,629	₱102,973,602
General and administrative expenses	22	<b>35,244,684</b>	41,066,745	22,381,261
Direct costs	20	<b>9,966,330</b>	27,508,897	26,897,492
		<b>₱208,679,151</b>	₱204,175,271	₱152,252,355

## 12. Intangible Assets

This account consists of:

2024					
	Note	Brand Names	Goodwill	Software License	Total
<b>Cost</b>					
Balance at beginning of year		<b>₱241,348,448</b>	₱—	₱5,193,830	<b>₱246,542,278</b>
Additions	4	<b>7,811,298</b>	<b>18,694,265</b>	<b>814,572</b>	<b>27,320,135</b>
Balance at end of year		<b>249,159,746</b>	<b>18,694,265</b>	<b>6,008,402</b>	<b>273,862,413</b>
<b>Accumulated Amortization and Impairment Loss</b>					
Balance at beginning of year		—	—	5,193,830	5,193,830
Impairment loss		—	<b>8,483,852</b>	—	<b>8,483,852</b>
Balance at end of year		—	<b>8,483,852</b>	<b>5,193,830</b>	<b>13,677,682</b>
<b>Carrying Amount</b>		<b>₱249,159,746</b>	<b>₱10,210,413</b>	<b>₱814,572</b>	<b>₱260,184,731</b>

2023					
	Note	Brand Names	Goodwill	Software License	Total
<b>Cost</b>					
Balance at beginning of year		₱214,348,448	₱—	₱5,193,830	₱219,542,278
Additions	4	27,000,000	—	—	27,000,000
Balance at end of year		241,348,448	—	5,193,830	246,542,278
<b>Accumulated Amortization</b>					
Balance at beginning of year		—	—	4,503,588	4,503,588
Amortization	11	—	—	690,242	690,242
Balance at end of year		—	—	5,193,830	5,193,830
<b>Carrying Amount</b>		<b>₱241,348,448</b>	<b>₱—</b>	<b>₱—</b>	<b>₱241,348,448</b>

In 2024, the Group recognized an impairment loss on goodwill amounting to ₱8.5 million, based on the annual impairment test. The impairment loss was recorded under “Other Income (Charges)” in the 2024 consolidated statement of comprehensive income.

#### Brand Names

Details of the Group’s brand names are as follows:

Brand Name	Year Acquired	2024	2023
Fruitas, The Mango Farm, Shou, Black Pearl, Friends Fries and Juice Avenue	2017	<b>₱200,160,050</b>	₱200,160,050
Sabroso Lechon	2018	<b>11,188,398</b>	11,188,398
Balai Pandesal	2021	<b>3,000,000</b>	3,000,000
Ling Nam	2023	<b>27,000,000</b>	27,000,000
Sugarhouse	2024	<b>6,247,150</b>	–
Mang Bok’s	2024	<b>1,564,148</b>	–
		<b>₱249,159,746</b>	₱241,348,448

#### Valuation of Brands

The Relief-from-Royalty method was used in the valuation of the brands. Under this method, the value of brands is determined by reference to the value of the hypothetical royalty payments that would be saved through owning the asset, as compared with licensing the brands from a third party. The hypothetical royalty payments over the life of the brands are adjusted for tax and discounted to present value at the valuation date.

The fair values of the brand names were determined based on a valuation using cash flow projections (value-in-use) covering a five-year period based on long-range plans approved by management. Cash flows beyond the five-year period are extrapolated using a determined constant growth rate to arrive at its terminal value. The growth rates are consistent with the long-term average growth rate for the industry which ranges from 2% to 8%.

The Group used the weighted average cost of capital as the discount rate, which reflected management’s estimate of the risk. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. The recoverable amount of each CGU, calculated using value in use, exceeded the carrying amount of the CGU as at December 31, 2024 and 2023.

Management believes that any reasonably possible change in the key assumptions on which the Group’s recoverable amount is based would not result to the Group’s carrying amount to exceed its recoverable amount.

#### Valuation of Goodwill

*FKI.* In 2023, the Group acquired 100% of the outstanding shares of FKI for a total consideration of ₱14.7 million. The acquisition resulted in the recognition of goodwill amounting to ₱18.7 million (see Note 4).

Goodwill is subject to an annual impairment assessment. The recoverable amounts of this asset have been determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by management. The cash flow projections cover five years, taking into consideration the effect of significant events on the macroeconomic factors used in developing the assumptions. In 2024, the Group recognized impairment of its goodwill amounting to ₱8.5 million.

*Sensitivity Analysis.* Generally, an increase (decrease) in the incremental after-tax cash flows will result in an increase (decrease) in the fair value of intangible assets. An increase (decrease) in discount rate will result in a decrease (increase) in the fair value of intangible assets.

### 13. Trade and Other Payables

This account consists of:

	Note	2024	2023
Trade payables		<b>₱84,096,975</b>	₱63,441,399
Statutory payables		<b>41,535,274</b>	25,643,105
Accrued expenses		<b>17,015,813</b>	7,851,857
Dividend payable	18	<b>522,842</b>	166,667
		<b>₱143,170,904</b>	₱97,103,028

Trade payables are unsecured, noninterest-bearing and generally settled on a 15 to 60-day term.

Statutory payables pertain to obligations to government agencies which are normally settled in the following month.

Accrued expenses consist mainly of rentals, unpaid salaries and professional fees which are noninterest-bearing and are normally settled in the next financial year.

### 14. Notes Payable

Balances and movements in this account are as follows:

	2024	2023
Balance at beginning of year	<b>₱252,451,500</b>	₱205,000,000
Availments	<b>873,500,000</b>	252,800,000
Payments	<b>(520,651,500)</b>	(205,348,500)
Balance at end of year	<b>605,300,000</b>	252,451,500
Less current portion	<b>599,466,667</b>	252,451,500
Noncurrent portion	<b>₱5,833,333</b>	₱—

In 2024 and 2023, the Group availed of short and long-term loans from various local banks which bear interest at rates ranging from 6% per annum to 8% per annum. The purpose of the loans is to support the Group's working capital requirements. Long-term notes payable will mature in February 2027.

Interest charged to operations is as follows:

	Note	2024	2023	2022
Notes payable		<b>₱28,444,537</b>	₱17,608,962	₱14,182,876
Lease liabilities	24	<b>6,716,260</b>	9,990,279	10,494,182
Mortgage payable	15	<b>142,368</b>	1,138	50,412
		<b>₱35,303,165</b>	₱27,600,379	₱24,727,470

#### 15. Mortgage Payable

Balances and movements in this account are as follows:

	2024	2023
Balance at beginning of year	<b>₱—</b>	₱80,909
Availments	<b>4,533,538</b>	—
Payments	<b>(644,493)</b>	(80,909)
Balance at end of year	<b>3,889,045</b>	—
Less current portion	<b>1,424,422</b>	—
Noncurrent portion	<b>₱2,464,623</b>	₱—

In 2024, the Group obtained loans from a local commercial bank to finance its acquisition of transportation equipment. The loans are payable in monthly installments up to July 2027 with interest rates ranging from 7.70% to 13.63% per annum. Interest expense is disclosed in Note 14.

#### 16. Related Party Transactions

The Group, in the normal course of business, has outstanding advances with the Parent Company for working capital amounting to ₱95.1 million and ₱103.6 million as at December 31, 2024 and 2023, respectively. The Group's collections amounted to ₱8.5 million and ₱74.3 million in 2024 and 2023, respectively.

##### **Terms and Conditions of Transactions with Related Parties**

Outstanding balances are unsecured, noninterest-bearing and settled in cash upon demand. Management makes an annual assessment of the financial position of the related parties and the market in which the related parties operate. There were no impairment losses recognized in 2024, 2023 and 2022.

##### **Compensation of Key Management Personnel**

Compensation of key management personnel, consisting of management fees, salaries, short-term and post-employee benefits amounted to ₱25.4 million, ₱26.6 million, and ₱22.8 million, in 2024, 2023, and 2022, respectively.

## 17. Retirement Benefits Liability

The Group's retirement plan is unfunded, noncontributory defined benefit plan with a single lump-sum payment covering retirement based on Republic Act No. 7641. The retirement benefits are based on years of service and compensation on the last year of employment as determined by an external actuary using the projected credit unit method. The most recent actuarial valuation was made by an independent actuary as at December 31, 2023.

The table below summarizes the components of retirement benefits cost recognized in the consolidated statements of comprehensive income (see Note 22).

	2024	2023	2022
Current service cost	<b>₱3,648,248</b>	₱3,501,193	₱2,663,431
Interest cost	<b>815,843</b>	723,402	525,110
	<b>₱4,464,091</b>	₱4,224,595	₱3,188,541

Movements in the retirement benefits liability are as follows:

	2024	2023
Balance at beginning of year	<b>₱14,327,522</b>	₱13,897,930
Current service cost	<b>3,648,248</b>	3,501,193
Interest cost	<b>815,843</b>	723,402
Benefits paid	<b>(200,000)</b>	(295,000)
Actuarial gain	—	(3,500,003)
Balance at end of year	<b>₱18,591,613</b>	₱14,327,522

The principal assumptions used in determining the retirement benefits liability as at December 31, 2024 and 2023 are as follows:

	2024	2023
Discount rate	<b>6.12%</b>	6.12%
Future salary increases	<b>3.00%</b>	3.00%

The projected unit credit method was applied to all the benefits without using one-year term cost.

This sensitivity analysis shows the impact of changes in key actuarial assumptions in 2024 and 2023.

	Basis Points	2024	2023
Discount rate	+1%	<b>(₱2,631,877)</b>	(₱2,227,576)
	-1%	<b>3,287,508</b>	2,797,163
Salary increase rate	+1%	<b>3,150,026</b>	2,940,008
	-1%	<b>(2,485,895)</b>	(2,362,810)

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the retirement benefits liability at the reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remain unchanged.



The Group does not maintain a fund for its retirement liability. While funding is not a requirement of the law, there is a risk that the Group may not have the cash if several employees retire within the same year.

The average duration of the retirement benefits liability as at December 31, 2024 is 23.4 years.

#### **Remeasurement Gain**

The cumulative remeasurement gain on retirement benefits liability recognized in other comprehensive income in the consolidated statements of financial position as at December 31, 2024 and 2023 are as follows:

	Cumulative Actuarial Gain	Deferred Tax	Net
Balance as at December 31, 2022	₱2,441,616	₱625,281	₱1,816,335
Actuarial gain -			
Equity holders of the Parent Company	3,441,346	860,336	2,581,010
	2,382,960	610,618	1,772,342
Actuarial gain -			
Non-controlling interests	58,656	14,663	43,993
Balance as at December 31, 2023 and 2024	2,441,616	625,281	1,816,335
Less non-controlling interests	58,656	14,663	43,993
Equity holders of the Parent Company	₱2,382,960	₱610,618	₱1,772,342

The table below shows the maturity profile of the undiscounted benefit payments:

	2024	2023
Less than five years	₱1,099,708	₱557,471
One year to less than 10 years	4,925,388	5,169,312
More than ten years	354,656,143	355,043,191

## **18. Equity**

#### **Capital Stock**

The composition of and movements in this account are as follows:

	2024		2023	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorized</b>				
<b>Common Stock - ₱0.10 par value</b>	<b>4,700,000,000</b>	<b>₱470,000,000</b>	4,700,000,000	₱470,000,000
<b>Preferred Stock - ₱0.01 par value</b>	<b>3,000,000,000</b>	<b>30,000,000</b>	3,000,000,000	30,000,000

	2024		2023	
	Number of Shares	Amount	Number of shares	Amount
<b>Issued and Outstanding</b>				
<b>Common Stock - ₱0.10 par value</b>				
Balance at beginning and end of year	2,133,680,000	₱213,368,000	2,133,680,000	₱213,368,000
<b>Preferred Stock - ₱0.01 par value</b>				
Issued and balance at end of year	2,000,000,000	20,000,000	2,000,000,000	20,000,000
	<b>4,133,680,000</b>	<b>₱233,368,000</b>	<b>4,133,680,000</b>	<b>₱233,368,000</b>

#### Common Shares

On November 29, 2019, the Parent Company's common shares were listed on the PSE. As at December 31, 2024, 2023 and 2022, 2,133,680,000 common shares are listed in the PSE.

#### Preferred Shares

The salient features of the preferred shares are as follows:

- guaranteed dividend yield of 2.5% per annum;
- voting, cumulative and non-participating; and,
- shall not be convertible into common share.

#### Additional Paid-in Capital

Additional paid-in capital represents the excess of the amounts received over the par value of the shares issued, net of directly attributable transaction costs on the Parent Company's IPO amounting to ₱777.8 million.

#### Retained Earnings

The Group declared dividends from available retained earnings as follows:

Date of Declaration	Type	Stockholders of Record	Date of Payment	Amounts Declared	
				Per Share	Total
<b>2024</b>					
October 25	Common	November 11, 2024	November 29, 2024	₱0.01	₱23,399,385
December 31	Preferred	December 31, 2024	Unpaid as of December 31,2024	0.01	500,000
					<b>₱23,899,385</b>
<b>2023</b>					
October 13	Common	November 8, 2023	November 29, 2023	₱0.01	₱21,336,800
December 31	Preferred	December 31, 2023	August 2, 2024	0.01	166,667
					<b>₱21,503,467</b>

#### Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit standing and stable capital ratios in order to support its business and maximize shareholder value. The Group maintains its current capital structure and will make adjustments, if necessary, in order to generate a reasonable level of returns to stockholders over the long term. No changes were made in the objectives, policies or processes during the year.

The Group considers the equity presented in the consolidated statements of financial position as its core capital.

The Group manages its capital structure and makes adjustments when there are changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using debt-to-equity ratio, which is total debt divided by total equity.

The debt-to-equity ratios are as follows:

	2024	2023
Total debt	<b>₱858,057,120</b>	₱493,025,958
Total equity	<b>1,725,710,365</b>	1,636,270,023
Debt-to-equity ratio	<b>0.50:1</b>	0.30:1

The public ownership of the Group is 40.75% as at December 31, 2024 and 2023, respectively.

As at December 31, 2024 and 2023, the Company has 121 and 122 stockholders, respectively.

#### Non-controlling Interests

The Group's non-controlling interests represent ownership of non-controlling interests' stockholders of BNFI and BEI amounting to ₱134.9 million and ₱117.2 million as at December 31, 2024 and 2023, respectively.

Below are the summarized financial information of BNFI, a subsidiary with material NCI, as at and for the years ended December 31, 2024, 2023 and 2022. The information presented is before intercompany eliminations and other consolidation adjustments.

	2024	2023	2022
Total assets	<b>₱609,748,806</b>	₱561,777,870	₱450,558,999
Total liabilities	<b>89,332,432</b>	101,722,410	42,025,624
Revenue	<b>668,000,080</b>	535,205,651	341,159,284
Total comprehensive income	<b>67,835,939</b>	58,817,025	37,133,169

## 19. Revenue

This account consists of:

	Note	2024	2023	2022
Net sales		<b>₱2,838,366,057</b>	₱2,436,352,831	₱1,776,861,676
Franchise revenue	24	<b>63,293,712</b>	29,073,484	17,716,102
Rental income	24	<b>1,795,000</b>	3,672,082	4,592,945
		<b>₱2,903,454,769</b>	₱2,469,098,397	₱1,799,170,723

The Group recognizes revenue from sales of goods and services upon delivery to customers or at a point in time when the Group has no more obligations that could affect the acceptance of goods by the customers.

## 20. Direct Costs

This account consists of:

	Note	2024	2023	2022
Direct materials	8	<b>₱1,057,064,335</b>	₱875,620,398	₱645,855,662
Salaries, wages and other employee benefits		<b>80,899,645</b>	67,300,832	67,794,777
Utilities		<b>14,468,851</b>	3,781,200	5,082,064
Depreciation and amortization	11	<b>9,966,330</b>	27,508,897	26,897,492
Taxes and licenses		<b>1,531,932</b>	1,333,864	1,270,314
		<b>₱1,163,931,093</b>	₱975,545,191	₱746,900,309

## 21. Selling and Distribution Expenses

This account consists of:

	Note	2024	2023	2022
Salaries, wages and other employees' benefits		<b>₱479,370,150</b>	₱431,427,163	₱286,413,147
Rental	24	<b>220,369,367</b>	203,613,146	177,238,124
Outside services		<b>127,062,348</b>	121,284,969	49,587,084
Depreciation and amortization	11	<b>163,468,137</b>	135,599,629	102,973,602
Utilities		<b>103,600,633</b>	85,699,267	45,994,899
Service fees		<b>59,445,927</b>	21,688,254	27,502,147
Advertisement		<b>42,911,720</b>	21,973,574	9,598,517
Transportation and travel		<b>42,821,044</b>	36,018,129	28,270,982
Repairs and maintenance		<b>21,201,676</b>	23,281,820	10,472,293
Management fees		<b>20,509,884</b>	9,522,215	13,677,704
Distribution supplies		<b>14,493,805</b>	5,094,419	3,922,959
Training and development		<b>6,715,210</b>	6,794,434	3,967,599
Insurance		<b>4,114,233</b>	3,750,545	3,222,616
Others		<b>15,565,953</b>	21,614,887	21,311,579
		<b>₱1,321,650,087</b>	₱1,127,362,451	₱784,153,252

## 22. General and Administrative Expenses

This account consists of:

	Note	2024	2023	2022
Salaries, wages and other employees' benefits		<b>₱55,273,891</b>	₱44,693,011	₱32,677,294
Taxes and licenses		<b>50,589,356</b>	41,007,210	33,718,273
Depreciation and amortization	11	<b>35,244,684</b>	41,066,745	22,381,261
Rental	24	<b>28,780,176</b>	24,780,412	5,394,321
Representation		<b>10,454,685</b>	9,427,199	2,834,917
Outside services		<b>9,962,979</b>	5,032,222	5,259,343
Store and office supplies		<b>9,538,393</b>	5,630,620	5,372,628
Transportation and travel		<b>9,278,392</b>	9,315,307	2,834,917
Professional fees		<b>7,704,432</b>	9,699,344	14,984,669
Utilities		<b>5,353,502</b>	8,307,129	3,667,154
Retirement benefits cost	17	<b>4,464,091</b>	4,224,595	3,188,541
Management fees		<b>206,986</b>	887,998	1,923,287
Others		<b>14,578,140</b>	11,402,493	4,301,030
		<b>₱241,429,707</b>	₱215,474,285	₱138,537,635

## 23. Other Income (Charges) - Net

This account consists of:

	Note	2024	2023	2022
Dividend income	6	<b>₱8,907,919</b>	₱2,097,144	₱—
Impairment of goodwill	12	<b>(8,483,852)</b>	—	—
Interest income	5	<b>7,150,022</b>	10,549,782	6,402,780
Gain (loss) from:				
Bargain purchase	12	<b>6,811,298</b>	24,000,000	—
Gain from change in fair value of investment properties	10	<b>6,668,500</b>	583,150	737,250
Change in fair value of financial assets at FVPL	6	<b>2,827,932</b>	(969,537)	(7,778,172)
Termination of lease	24	<b>(821,150)</b>	—	299,365
Rent concessions	24	<b>—</b>	—	1,851,786
Others		<b>(238,457)</b>	(1,322,650)	1,506,295
		<b>₱22,822,212</b>	₱34,937,889	₱3,019,304

Others consist mainly of outlets' reimbursable income, cash overages and fees charged to lessees for utilities incurred on leased spaces on food parks.

## 24. Significant Agreements

### Group as Lessee - Short-term Lease

The Group entered into several lease agreements with third parties for its store spaces for varying periods of up to one year and renewable annually. The lease contracts for the stores provide for a monthly rental based on a certain percentage of gross sales and a monthly fixed rental or an agreed minimum rental, whichever is higher. Lease agreements are generally renewable through a notice of lease renewal and upon mutual agreement with the lessors.

The advance rentals will be utilized as rental payments for the last two to three months of the lease term amounting to ₱9.9 million and ₱42.2 million as at December 31, 2024 and 2023, respectively.

Rental expense is charged to operations as follows:

	Note	2024	2023	2022
Selling and distribution expenses	21	<b>₱220,847,443</b>	₱203,613,146	₱177,238,124
General and administrative expenses	22	<b>28,780,176</b>	24,780,412	5,394,321
		<b>₱249,627,619</b>	₱228,393,558	₱182,632,445

### Group as Lessee - Long-term Lease

The Group entered into noncancellable leases on outlets spaces, land and building with lease terms ranging from three to ten years subject to renewal. These leases have a fixed monthly rental subject to escalation clause.

The rental deposits will be applied against any unpaid rentals and other expenses related to the lease upon termination amounting to ₱106.1 million and ₱66.4 million as at December 31, 2024 and 2023, respectively.

The balance and movements in ROU assets are as follows:

	Note	2024		
		Outlets Spaces	Land and Building	Total
<b>Cost</b>				
Balance at beginning of year		<b>₱102,399,301</b>	<b>₱139,100,805</b>	<b>₱241,500,106</b>
Additions		<b>11,511,421</b>	—	<b>11,511,421</b>
Termination of lease		<b>(36,865,500)</b>	<b>(10,069,601)</b>	<b>(46,935,101)</b>
Retirement of lease		<b>(12,147,710)</b>	<b>(29,136,990)</b>	<b>(41,284,700)</b>
Balance at end of year		<b>64,897,512</b>	<b>99,894,214</b>	<b>164,791,726</b>
<b>Accumulated Amortization</b>				
Balance at beginning of year		<b>68,164,296</b>	<b>93,965,724</b>	<b>162,130,020</b>
Amortization	11	<b>6,382,906</b>	<b>29,720,207</b>	<b>36,103,113</b>
Termination of lease		<b>(26,834,697)</b>	<b>(7,913,409)</b>	<b>(34,748,106)</b>
Retirement of lease		<b>(12,147,710)</b>	<b>(29,136,990)</b>	<b>(41,284,700)</b>
Balance at end of year		<b>35,564,795</b>	<b>86,635,532</b>	<b>122,200,327</b>
<b>Carrying Amount</b>		<b>₱29,332,717</b>	<b>₱13,258,682</b>	<b>₱42,591,399</b>

	Note	2023	
		Outlets Spaces	Land and Building
<b>Cost</b>			<b>Total</b>
Balance at beginning of year		₱106,444,958	₱123,949,865
Additions		—	22,584,216
Retirement of lease		(4,045,657)	(7,433,276)
Balance at end of year		102,399,301	139,100,805
<b>Accumulated Amortization</b>			
Balance at beginning of year		52,974,594	63,939,980
Amortization	11	19,235,359	37,459,020
Retirement of lease		(4,045,657)	(7,433,276)
Balance at end of year		68,164,296	93,965,724
<b>Carrying Amount</b>		<b>₱34,235,005</b>	<b>₱45,135,081</b>

The balance of and movements in lease liabilities are as follows:

	Note	2024	
		Outlets Spaces	Land and Building
<b>Total</b>			
Balance at beginning of year		₱31,829,767	₱65,463,294
Additions		11,511,421	—
Rental payments		(29,266,484)	(30,797,886)
Termination of lease		(8,344,196)	(3,021,650)
Interest	14	2,413,677	4,302,583
Balance at end of year		8,144,185	35,946,341
Less current portion		7,263,738	19,438,965
Noncurrent portion		₱880,447	₱16,507,376

	Note	2023	
		Outlets Spaces	Land and Building
<b>Total</b>			
Balance at beginning of year		₱65,349,896	₱67,359,957
Additions		—	22,584,216
Rental payments		(36,452,456)	(31,538,831)
Interest	14	2,932,327	7,057,952
Balance at end of year		31,829,767	65,463,294
Less current portion		27,929,634	41,611,323
Noncurrent portion		₱3,900,133	₱23,851,971

The incremental borrowing rates applied to the lease liabilities range from 10.87% to 11.00% per annum, depending on the lease term. ROU assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments.

The amounts recognized in profit or loss are as follows:

	Note	2024	2023	2022
Rental expense - short-term lease		<b>₱249,627,619</b>	₱228,393,558	₱182,632,445
Depreciation and amortization of ROU assets	11	<b>36,103,113</b>	56,694,379	49,095,574
Interest expense on lease liabilities		<b>6,716,260</b>	9,990,279	10,494,182
Gain from termination of lease		<b>821,150</b>	–	(299,365)
Gain from rent concessions		–	–	(1,851,786)

#### Group as Lessor

The Group entered into several sublease agreements with third parties for the lease of spaces in food parks for varying periods up to one year.

In 2021, the Group leased out certain commercial spaces of its building to several parties under various noncancellable operating lease agreements with a term of one year to five years, renewable upon mutual agreement by the parties.

Security deposits amounting to ₱635,143 and ₱870,799 as at December 31, 2024 and 2023, respectively, are noninterest-bearing and will be refunded at the end of the lease term.

Rental income is disclosed in Note 19.

#### Franchise Agreements

The Group has granted its franchisees the right to operate outlets under various brands for acquired periods and subject to the terms and conditions specified in the franchise agreements. The agreements are renewable at the option of the Group. The agreements provide for an initial franchise fee payable upon execution of the agreements. The non-refundable initial franchise fee payment covers the renovation of franchisee's unit, signage, promotional materials and equipment.

Franchise revenue is disclosed in Note 19.

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## 25. Income Taxes

The Group's provision for current income tax in 2024, 2023 and 2022 consists of regular corporate income tax (RCIT) and MCIT.

The details of the Group's deferred tax assets and liabilities are as follows:

	2024	2023
<b>Deferred tax assets:</b>		
MCIT	<b>₱32,449,621</b>	₱36,637,590
NOLCO	<b>25,530,897</b>	15,936,293
Retirement benefits liability	<b>4,634,165</b>	3,581,882
Allowance for impairment loss	<b>1,090,746</b>	809,500
Lease liabilities, net of ROU assets	<b>330,367</b>	3,907,634
	<b>₱64,035,796</b>	₱60,872,899



	2024	2023
<b>Deferred tax liabilities:</b>		
Gain from change in fair value of investment properties	<b>₱12,012,613</b>	₱10,345,488
Depreciation expense of investment properties for tax purposes	<b>990,744</b>	868,869
	<b>₱13,003,357</b>	₱11,214,357

The deferred tax assets on NOLCO and MCIT of a subsidiary amounting to ₱17.5 million and ₱18.7 million as at December 31, 2024 and 2023, respectively, were not recognized in the consolidated financial statement as management has assessed that there will be no sufficient future taxable income against which the benefit of the deferred tax asset can be utilized within the period allowed by the tax regulations.

The details of the Group's NOLCO are as follows:

Year Incurred	Balance at Beginning	Incurred	Applied	Balance at End	Expiry Date
2024	₱—	₱31,379,251	₱—	₱31,379,251	2027
2023	19,037,720	—	—	19,037,720	2026
2022	23,335,499	—	—	23,335,499	2025
2021	101,281,260	—	—	101,281,260	2026
2020	56,193,841	—	(53,131,657)	3,062,184	2025
	<b>₱199,848,320</b>	<b>₱31,379,251</b>	<b>(₱53,131,657)</b>	<b>₱178,095,914</b>	

The details of the Group's MCIT are as follows:

Year Incurred	Balance at Beginning	Incurred	Applied	Balance at End	Expiry Year
2024	₱—	₱24,339,338	₱—	₱24,339,338	2027
2023	17,131,561	—	—	17,131,561	2026
2022	1,987,410	—	—	1,987,410	2025
2021	2,801,865	—	(2,801,865)	—	2024
	<b>₱21,920,836</b>	<b>₱24,339,338</b>	<b>(₱2,801,865)</b>	<b>₱43,458,309</b>	

The reconciliation of provision for (benefit from) income tax computed at the statutory tax rate and the effective tax rate follows:

	2024	2023	2022
At statutory tax rate	<b>₱43,891,078</b>	₱38,896,457	₱29,045,494
Excess MCIT over RCIT	<b>2,771,174</b>	—	—
Changes in unrecognized deferred tax assets	<b>9,576,163</b>	12,818,289	(178,502)
Tax effects of:			
Dividend income exempt from income tax	<b>(1,945,730)</b>	(1,924,271)	—
Nondeductible expenses	<b>1,939,909</b>	348,867	2,337,959
Nontaxable income	<b>(1,311,788)</b>	(6,000,000)	—
Interest income already subjected to a final tax	<b>(1,287,044)</b>	(1,391,310)	(878,617)
Gain (loss) on change in fair value of financial assets at FVPL	<b>(651,940)</b>	2,133,256	—
Expired NOLCO	<b>30,691</b>	—	420,116
IPO expenses charged against APIC	—	—	(5,234,830)
At effective tax rate	<b>₱53,012,513</b>	<b>₱44,881,288</b>	<b>₱25,511,620</b>

## 26. Earnings per Share

Basic and diluted earnings per share are computed as follows:

	2024	2023	2022
Net income attributable to equity holders of the Parent Company	<b>₱93,320,234</b>	₱98,465,375	₱77,237,220
Divided by weighted average number of outstanding common shares	<b>2,133,680,000</b>	2,133,680,000	2,133,680,000
	<b>₱0.0437</b>	₱0.0461	₱0.0362

Diluted earnings per share equals the basic earnings per share as the Parent Company does not have any potentially dilutive common shares at the end of each of the periods presented.

## 27. Reconciliation of Liabilities Arising from Financing Activities

The tables below detail changes in the Group's liabilities arising from financing activities, including cash and noncash changes:

	2023	Effect of PFRS 16	Financing Cash Flows			2024
			Proceeds	Payments	Interest	
Notes payable	₱252,451,500	₱-	₱873,500,000	(₱554,929,370)	₱28,444,537	₱599,466,667
Mortgage payable	-	-	5,093,538	(1,410,989)	142,368	3,824,917
Lease liabilities	97,293,061	145,575	-	(60,064,370)	6,716,260	44,090,526
	<b>₱349,744,561</b>	<b>₱145,575</b>	<b>₱878,593,538</b>	<b>(₱616,404,729)</b>	<b>₱35,303,165</b>	<b>₱647,382,110</b>

	2022	Effect of PFRS 16	Financing Cash Flows			2023
			Proceeds	Payments	Interest	
Notes payable	₱205,000,000	₱-	₱252,800,000	(₱222,877,691)	₱17,529,191	₱252,451,500
Mortgage payable	80,909	-	-	(82,047)	1,138	-
Lease liabilities	132,709,853	22,584,216	-	(67,991,287)	9,990,279	97,293,061
	<b>₱337,790,762</b>	<b>₱22,584,216</b>	<b>₱252,800,000</b>	<b>(290,951,025)</b>	<b>₱27,520,608</b>	<b>₱349,744,561</b>

## 28. Financial Instruments Risk Management Objectives and Policies

The Group's financial instruments comprise cash and cash equivalents, financial assets at FVPL, trade receivables, due from related parties, construction bond, trade and other payables (excluding non financial liabilities), notes payable, mortgage payable, lease liabilities and due to related parties. The main purpose of these financial liabilities is to finance the Group's operations.

The Group is exposed to credit risk, interest rate risk and liquidity risk. The Group's management oversees the management of these risks. The Group's BOD reviews and approves policies for managing each of these risks as summarized below.

### Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its deposits with banks and financial institutions.

The table below shows the gross maximum exposure of the Group to credit risk before taking into consideration collateral and other credit enhancements:

	2024	2023
Cash and cash equivalents	<b>₱585,269,977</b>	₱581,573,621
Financial assets at FVPL	<b>47,542,019</b>	61,316,952
Financial assets at FVOCI	<b>1,725,000</b>	1,725,000
Trade receivables	<b>110,243,597</b>	69,198,597
Due from related parties	<b>93,140,843</b>	103,647,446
Construction bond*	<b>6,793,747</b>	3,873,626
	<b>₱844,715,183</b>	₱821,335,242

\*Presented under "Other current assets"

The Group deals only with reputable banks and customer to limit this risk. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The compliance with credit limits by customers is regularly monitored by management.

The tables below show the credit quality of financial assets:

	2024				
	Neither Past Due nor Impaired		Past Due but		
	High Grade	Standard Grade	Not Impaired	Impaired	Total
Cash and cash equivalents	<b>₱585,269,977</b>	₱—	₱—	₱—	<b>₱585,269,977</b>
Financial assets at FVPL	<b>47,542,019</b>	—	—	—	<b>47,542,019</b>
Financial assets at FVOCI	<b>1,725,000</b>	—	—	—	<b>1,725,000</b>
Trade receivables	—	<b>110,243,597</b>	—	<b>3,238,000</b>	<b>113,481,597</b>
Due from related parties	—	<b>93,140,843</b>	—	—	<b>93,140,843</b>
Construction bond*	—	<b>6,793,747</b>	—	—	<b>6,793,747</b>
	<b>₱644,615,573</b>	<b>₱210,178,187</b>	<b>₱—</b>	<b>₱3,238,000</b>	<b>₱858,031,760</b>

\*Presented under "Other current assets"

	2023				
	Neither Past Due nor Impaired		Past Due but		
	High Grade	Standard Grade	Not Impaired	Impaired	Total
Cash and cash equivalents	<b>₱581,573,621</b>	₱—	₱—	₱—	<b>₱581,573,621</b>
Financial assets at FVPL	61,316,952	—	—	—	61,316,952
Financial assets at FVOCI	1,725,000	—	—	—	1,725,000
Trade receivables	—	69,198,597	—	3,238,000	72,436,597
Due from related parties	—	103,647,446	—	—	103,647,446
Construction bond*	—	3,873,626	—	—	3,873,626
	<b>₱644,615,573</b>	<b>₱176,719,669</b>	<b>₱—</b>	<b>₱3,238,000</b>	<b>₱824,573,242</b>

\*Presented under "Other current assets"

The credit quality of such financial assets at amortized cost is managed by the Group using the internal credit quality ratings as follows:

- *High Grade.* Pertains to counterparty who is not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions and companies. Credit quality was determined based on the credit standing of the counterparty.
- *Standard Grade.* Other financial assets not belonging to high grade financial assets are included in this category.

*Impairment.* An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and other forms of credit insurance). The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

Trade receivables arise mainly from transactions with its approved franchisees. Franchisees are subject to stringent financial, credit, and legal verification process. In addition, trade receivable balances are monitored on an on-going basis to ensure timely collections. Allowance for expected credit loss for trade receivables amounted to ₱3.2 million as at December 31, 2024 and 2023, respectively. Management assessed that the allowance is sufficient to cover the ECL of trade receivables of the Group.

The Group's franchise agreement provides that in case of breach of agreement which includes significant delay or non-payment of obligations, the franchise will be terminated and the Group will be given the rights to take-over the franchised outlets. Accordingly, this will allow the Group to have the earning rights over the outlets' assets and this credit enhancement allows the Group to reduce its exposure to credit risk.

For other financial assets at amortized cost which is mainly comprised of cash and cash equivalents, due from related parties, and construction bond, the PFRS 9 impairment requirements do not result in significant ECL. The following are considered in the assessment:

- Cash and cash equivalents are deposited with reputable counterparty banks that possess good credit ratings.
- For construction bond and due from related parties, the Group considered the available liquid assets of the related parties and financial capacity of the third party service provider to refund the construction bond once the construction contract is completed.

#### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to its note payable and mortgage payable. The Group obtains additional financing through bank borrowings. The Group's policy is to obtain the most favorable interest rates available.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's note payable and mortgage payable with variable interest rates as disclosed in Notes 14 and 15, respectively.

The management has assessed that any variation in the interest rate will not have a material impact on the net profit or loss of the Group.

### **Liquidity Risk**

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet commitments from financial instruments. It may result from either the inability to sell assets quickly at fair values or failure to collect from counterparty.

The Group's objective is to maintain a balance between continuity of funding and flexibility through bank borrowings and related party advances and aims to manage liquidity as follows:

- To ensure that adequate funding is available at all times;
- To meet commitments as they arise without incurring unnecessary costs; and
- To be able to assess funding when needed at the least possible cost.

The tables below summarize the maturity profile of the Group's financial liabilities based on undiscounted cash flows:

	2024					Total
	Payable on Demand	1 to 120 Days	121 to 240 Days	241 to 360 Days	Over 360 Days	
Trade and other payables*	P=	P101,635,630	P=	P=	P=	P101,635,630
Notes payable	-	599,466,667	-	-	5,833,333	605,300,000
Mortgage payable	-	474,807	474,807	474,808	2,464,623	97,293,061
Lease liabilities	-	8,900,901	8,900,901	8,900,901	17,387,823	44,090,526
Future interests	-	4,170,287	355,003	314,061	2,702,825	7,542,176
	P=	P714,648,292	P9,730,711	P9,689,770	P28,388,604	P855,861,393

\* Excluding nonfinancial liabilities

	2023					Total
	Payable on Demand	1 to 120 Days	121 to 240 Days	241 to 360 Days	Over 360 Days	
Trade and other payables*	P=	P71,459,923	P=	P=	P=	P71,459,923
Notes payable	-	252,451,500	-	-	-	252,451,500
Mortgage payable	-	-	-	-	-	-
Lease liabilities	-	23,180,319	23,180,319	23,180,319	27,752,104	97,293,061
Future interests	-	495,217	742,825	1,238,042	1,733,042	4,209,126
	P=	P347,586,959	P23,923,144	P24,418,361	P29,485,146	P425,413,610

\* Excluding nonfinancial liabilities

## 29. Fair Value Measurement

The table below presents the carrying amounts and fair values of the Group's financial instruments as follows:

	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets at Amortized Cost</b>				
Cash and cash equivalents	₱585,269,977	₱585,269,977	₱581,573,621	₱581,573,621
Trade receivables	110,243,597	110,243,597	69,198,597	69,198,597
Due from related parties	93,140,843	93,140,843	103,647,446	103,647,446
Construction bond	6,793,747	6,793,747	3,873,626	3,873,626
<b>Financial Assets at FVPL</b>	47,542,019	47,542,019	61,316,952	61,316,952
<b>Financial Assets at FVOCI</b>	1,725,000	1,725,000	1,725,000	1,725,000
	<b>₱844,715,183</b>	<b>₱844,715,183</b>	<b>₱821,335,242</b>	<b>₱821,335,242</b>
<b>Financial Liabilities at Amortized Cost</b>				
Trade and other payables*	₱101,635,630	₱101,635,630	₱71,459,923	₱71,459,923
Notes payable	605,300,000	605,300,000	252,451,500	252,451,500
Mortgage payable	3,889,045	3,889,045	—	—
	<b>₱710,824,675</b>	<b>₱710,824,675</b>	<b>₱323,911,423</b>	<b>₱323,911,423</b>

\* Excluding statutory payables

The following methods and assumptions were used to estimate the fair values of each class of financial instruments.

*Cash and Cash Equivalents, Trade Receivables, Due from Related Parties, Construction Bond, Trade and Other Payables (Excluding Statutory Payables) and Notes Payable.* The carrying amounts of these financial instruments approximate their fair values due to the relatively short-term maturity and demand features of these financial instruments.

*Financial Assets at FVPL.* The fair value of investments at FVPL classified as Level 1 was determined using the quoted market prices as published by the trust company.

*Financial Assets at FVOCI.* The fair value of investment in club shares designated as financial assets at FVOCI is classified under Level 3 of the fair value hierarchy.

*Notes Payable and Mortgage Payable.* Fair value is determined based on the discounted cash flow analysis using effective interest rates for similar types of instruments. These financial instruments are classified under Level 2 of the fair value hierarchy groups of the financial statements (significant observable inputs). The rates applied to long-term notes payable and mortgage payable range from 2.42% to 3.76%.

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**30. Operating Segment Information**

For management purposes, the Group is organized into operating segments based on brand names. However, due to the similarity in the economic characteristics, such segments have been aggregated into a single operating segment for external reporting purposes.

Outlet stores sales reflected in the consolidated statements of comprehensive income are all from external customers and within the Philippines, which is the Group's domicile and primary place of operations. Additionally, the Group's noncurrent assets are also primarily acquired, located and used within the Philippines.

Outlet stores sales are attributable to revenue from the general public, which are generated through the Group's store outlets. Consequently, the Group has no concentrations of revenue from a single customer in 2024, 2023 and 2022.



## REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors  
FRUITAS HOLDINGS, INC. AND SUBSIDIARIES  
No. 60 Cordillera St., Brgy. Dona Josefa  
Quezon City, 1113

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of FRUITAS HOLDINGS, INC. (a subsidiary of LUSH PROPERTIES, INC.) and Subsidiaries (the "Group") as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, and have issued our report thereon dated April 5, 2025.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Supplementary Schedules are the responsibility of the Group's management. These supplementary schedules include the following:

- Supplementary Schedules as Required by Part II of the Revised Securities Regulation Code Rule 68 as at December 31, 2024
- Reconciliation of Retained Earnings Available for Dividend Declaration of the Parent Company as at December 31, 2024
- Schedule for Listed Companies with a Recent Offering of Securities to the Public as at December 31, 2024
- Conglomerate Map as at December 31, 2024

These schedules are presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. The information in these supplementary schedules have been subjected to the auditing procedures applied in our 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.

### REYES TACANDONG & Co.

CEDRIC M. CATERIO

Partner

CPA Certificate No. 87322

Tax Identification No. 102-083-647-000

BOA Accreditation No. 4782/P-008; Valid until June 6, 2026

BIR Accreditation No. 19-005765-001-2022;

Valid until December 13, 2025

PTR No. 10467124;

Issued January 2, 2025, Makati City

April 5, 2025

Makati City, Metro Manila



**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES****(A Subsidiary of LUSH PROPERTIES, INC.)****SUPPLEMENTARY SCHEDULES AS REQUIRED BY PART II of THE REVISED SRC RULE 68**  
**DECEMBER 31, 2024**

<u>Schedule</u>	<u>Description</u>	<u>Page</u>
A	Financial Assets	<u>1</u>
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	<u>2</u>
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements	<u>3</u>
D	Long-Term Debt	<u>4</u>
E	Indebtedness to Related Parties (Long-term Loans from Related Companies)	<u>N/A</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Capital Stock	<u>5</u>

N/A - Not applicable

**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES**  
**(A Subsidiary of LUSH PROPERTIES, INC.)**

**SCHEDULE A – FINANCIAL ASSETS**

**DECEMBER 31, 2024**

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotations at balance sheet date	Interest received and accrued
<b>Financial Assets at Fair Value through</b>				
<b>Profit or Loss</b>				
First Metro Securities Brokerage Corporation	38,573,670	₱23,581,953	₱23,581,953	₱—
AP Securities, Incorporate	448,000	18,822,027	18,822,027	—
Regina Capital Development Corp.	53,000	5,007,915	5,007,915	—
BPI Securities	32,531	130,124	130,124	—
		<b>₱47,542,019</b>	<b>₱47,542,019</b>	<b>₱—</b>
<b>Financial Assets at Fair Value</b>				
<b>through Other Comprehensive</b>				
<b>Income</b>				
Makati Sports Club	1	905,000	905,000	—
Quezon City Sports Club, Inc.	1	820,000	820,000	—
		<b>1,725,000</b>	<b>1,725,000</b>	<b>—</b>
		<b>₱49,267,019</b>	<b>₱49,267,019</b>	<b>₱—</b>

**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES**  
**(A Subsidiary of LUSH PROPERTIES, INC.)**

**SCHEDULE B – AMOUNTS RECEIVABLE FROM DIRECTOR, OFFICERS, EMPLOYEES,  
RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)**  
**DECEMBER 31, 2024**

Name and designation of debtor	Balance at beginning of year	Additions	Ending Balance		Current	Not current	Balance at end of year
			Amounts collected	Amounts written off			
Advances to officers and employees	₱24,114,161	₱–	₱18,960,446	₱–	₱5,153,715	₱–	₱5,153,715

**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES**  
**(A Subsidiary of LUSH PROPERTIES, INC.)**

**SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE  
ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

Name and Designation of debtor	Balance of Beginning of Period	Additions	Amounts Collected	Allowance for Doubtful Accounts	Current	Not Current	Balance at end of period
Due from related parties	P476,059,090	P99,152,392	P32,867,528	P–	P524,343,954	P–	P524,343,954

**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES**  
**(A Subsidiary of LUSH PROPERTIES, INC.)**

**SCHEDULE D – LONG-TERM DEBT**  
**DECEMBER 31, 2024**

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet
<b>Loan Payable</b>			
BDO Unibank, Inc.	₱31,000,000	₱9,000,000	₱5,833,333
<b>Mortgage Payable</b>			
Asia United Bank	₱2,293,538	₱718,216	₱1,277,485
Rizal Commercial Banking Corporation	2,240,000	706,206	1,187,138
	<b>₱4,533,538</b>	<b>₱1,424,422</b>	<b>₱2,464,623</b>

**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES**  
**(A Subsidiary of LUSH PROPERTIES, INC.)**

**SCHEDULE G – CAPITAL STOCK**

**DECEMBER 31, 2024**

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Number of shares held by related parties	Directors, officers and employees	Others
Common stock - ₱0.10 par value	4,700,000,000	2,133,680,000	–	–	₱1,264,295,010	₱869,384,990
Preferred stock - ₱0.01 par value	3,000,000,000	2,000,000,000	–	2,000,000,000	–	–

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR  
DIVIDEND DECLARATION OF THE PARENT COMPANY  
FOR THE REPORTING YEAR ENDED DECEMBER 31, 2024**

**FRUITAS HOLDINGS, INC.**

No. 60 Cordillera St., Brgy. Dona Josefa  
Quezon City, 1113

	Amount
<b>Unappropriated retained earnings, beginning of reporting period</b>	₱313,472,536
<b>Add: <u>Category A</u>: Items that are directly credited to unappropriated retained earnings</b>	
Reversal of retained earnings appropriation/s	—
Effect of restatements or prior-period adjustments	—
Others (Beginning balance of cumulative deferred tax assets related to set up of right-of-use of asset and lease liability and set up of retirement obligation directly debited to unappropriated retained earnings)	228,539
	228,539
<b>Less: <u>Category B</u>: Items that are directly debited to unappropriated retained earnings</b>	
Dividend declaration during the reporting period	(21,836,800)
Retained earnings appropriated during the reporting period	—
Effect of restatements or prior-period adjustments	—
Others (Beginning balance of cumulative deferred tax assets related to set up of right-of-use of asset and lease liability and set up of retirement obligation directly debited to unappropriated retained earnings)	—
	(21,836,800)
<b>Unappropriated retained earnings, as adjusted</b>	291,407,197
<b>Add/less: Net income (loss) for the current year</b>	(1,356,417)
<b>Less: <u>Category C.1</u>: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>	
Equity in net income of associate/joint venture, net of dividends declared	—
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	—
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPL)	(2,607,760)
Unrealized fair value gain of investment property	(6,668,500)
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the Philippine Financial Reporting Standards (PFRS) (describe nature)	—
	(9,276,260)
<b>Sub-total</b>	(9,276,260)

(Forward)

	Amount	
<b>Add: <u>Category C.2: Unrealized income recognized in profit or loss in prior periods but realized in the current reporting period (net of tax)</u></b>		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	—	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVPL	—	
Realized fair value of investment property	—	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—	
Realized foreign exchange gain, except those attributable to cash and cash equivalents	—	—
Sub-total		—
<b>Add: <u>Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</u></b>		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	—	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at FVPL	—	
Reversal of previously recorded fair value of investment property	—	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	—	—
Sub-total		—
<b>Adjusted net income (loss)</b>		<b>281,231,598</b>
<b>Add: <u>Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</u></b>		
Depreciation on revaluation increment (after tax)	—	—
Sub-total		—
<b>Add/less: <u>Category E: Adjustments related to relief granted by the SEC</u></b>		
Amortization of the effect of reporting relief	—	
Total amount of reporting relief granted during the year	—	
Others (describe nature)	—	—
Sub-total		—
<b>Add/less: <u>Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution</u></b>		
Net movement of treasury shares (except for reacquisition of redeemable shares)	—	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	—	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set up of asset and asset retirement obligation, and set up of service concession asset and concession payable	56,071	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	—	
Others (describe nature)	—	56,071
Sub-total		56,071
<b>Total retained earnings, end of the reporting period available for dividend</b>		<b>₱281,287,669</b>



**FRUITAS HOLDINGS, INC.**  
(A Subsidiary of LUSH PROPERTIES, INC.)

**SCHEDULE FOR LISTED COMPANIES WITH  
A RECENT OFFERING OF SECURITIES TO THE PUBLIC  
DECEMBER 31, 2024**

	Estimated	Actual
<b>Gross Proceeds</b>	<b>₱896,548,800</b>	<b>₱896,548,800</b>
<b>Offer Expenses</b>	<b>(72,464,600)</b>	<b>(72,464,600)</b>
<b>Net Proceeds</b>	<b>824,084,200</b>	<b>824,084,200</b>
<b>Use of Proceeds</b>		
Store network expansion and store improvement program	(158,048,800)	(158,048,800)
Debt repayment	(175,000,000)	(175,000,000)
Investment or advances to subsidiaries for working capital	(147,000,000)	(147,000,000)
Acquisition of head office of FHI	(142,375,050)	(142,375,050)
Acquisition opportunities and introduction of new concepts	(153,660,350)	(153,660,350)
Commissary expansion	(48,000,000)	(48,000,000)
	<b>(824,084,200)</b>	<b>(824,084,200)</b>
<b>Unapplied Proceeds</b>	<b>₱—</b>	<b>₱—</b>

**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES**  
(A Subsidiary of LUSH PROPERTIES, INC.)

**SUPPLEMENTARY OF EXTERNAL AUDITOR FEE-RELATED INFORMATION**  
**DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>Total Audit Fees</b>	<b>₱2,500,000</b>	<b>₱2,400,000</b>
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	<b>120,000</b>	120,000
<b>Total Non-Audit Fees</b>	<b>120,000</b>	120,000
<b>Total Audit and Non-audit Fees</b>	<b>₱2,620,000</b>	<b>₱2,520,000</b>

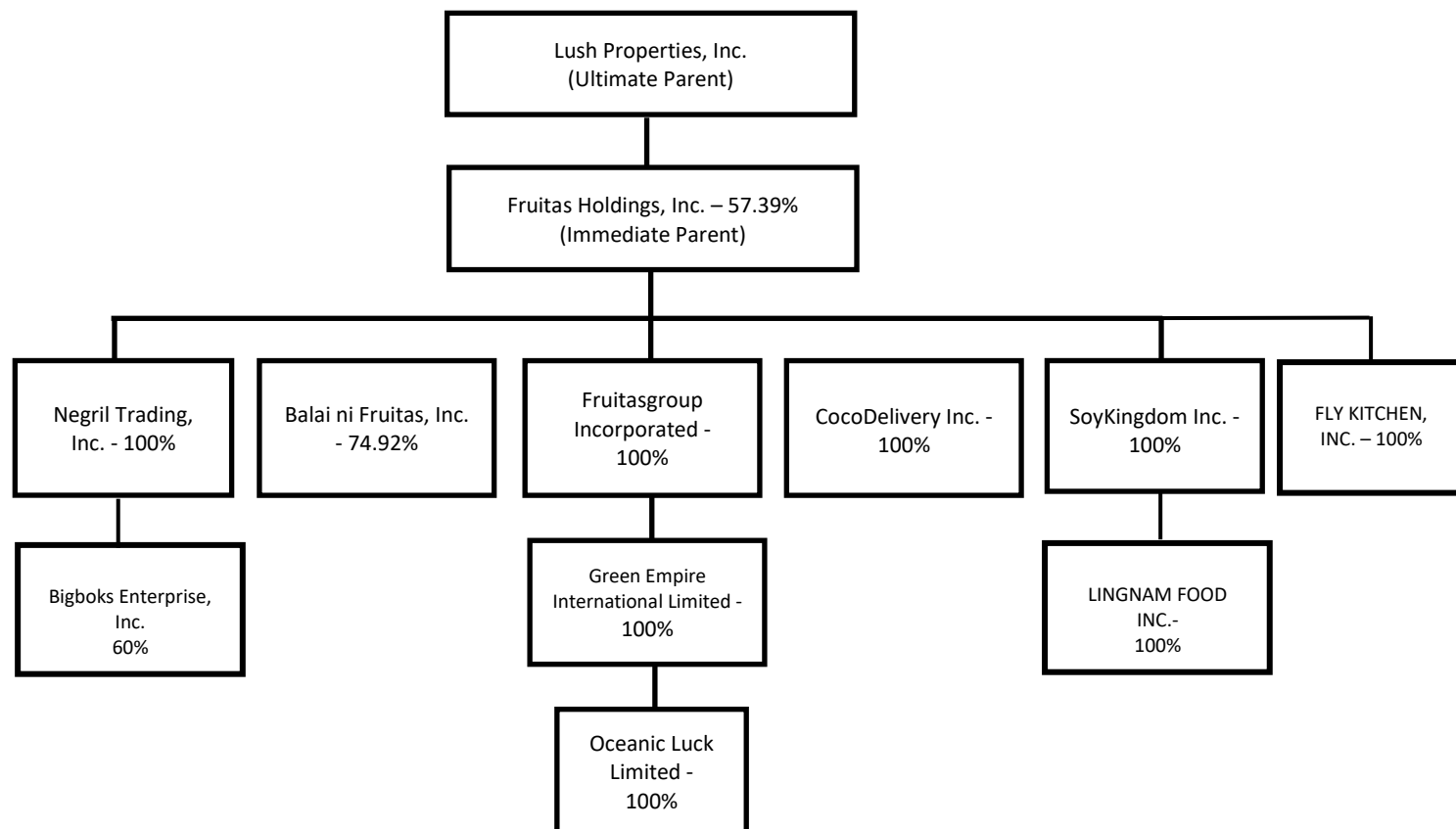
**Audit and Non-audit Fees of Other Related Entities**

	2024	2023
Audit Fees	₱—	₱—
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
<b>Total Audit and Non-audit Fees of Other Related Entities</b>	<b>₱—</b>	<b>₱—</b>

**FRUITAS HOLDINGS, INC.**  
**(A Subsidiary of LUSH PROPERTIES, INC.)**  
**AND SUBSIDIARIES**

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**CONGLOMERATE MAP**  
**DECEMBER 31, 2024**





**INDEPENDENT AUDITORS' REPORT ON  
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors  
FRUITAS HOLDINGS, INC. AND SUBSIDIARIES  
No. 60 Cordillera St., Brgy. Dona Josefa  
Quezon City, 1113

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of FRUITAS HOLDINGS, INC. and Subsidiaries (the "Group") as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, and have issued our report thereon dated April 5, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, 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 PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 and no material exceptions were noted.

**REYES TACANDONG & Co.**

**CEDRIC M. CATERIO**

Partner

CPA Certificate No. 87322

Tax Identification No. 102-083-647-000

BOA Accreditation No. 4782/P-008; Valid until June 6, 2026

BIR Accreditation No. 19-005765-001-2022;

Valid until December 13, 2025

PTR No. 10467124;

Issued January 2, 2025, Makati City

April 5, 2025  
Makati City, Metro Manila

**FRUITAS HOLDINGS, INC.**  
**(A Subsidiary of LUSH PROPERTIES, INC.)**  
**AND SUBSIDIARIES**

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**FINANCIAL SOUNDNESS INDICATORS**  
**DECEMBER 31, 2024**

Below is a schedule showing financial soundness indicators of the Group as at and for the years ended December 31, 2024 and 2023.

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<b>CURRENT/LIQUIDITY RATIO</b>		
Current assets	<b>₱978,068,171</b>	₱1,062,326,136
Current liabilities	<b>800,141,228</b>	438,861,176
<b>Current Ratio</b>	<b>1.22</b>	2.42
<b>ACID TEST RATIO</b>		
Cash and cash equivalents	<b>₱585,269,977</b>	₱581,573,621
Financial assets at FVPL	<b>47,542,019</b>	61,316,952
Trade receivables	<b>110,243,597</b>	69,198,597
Due from related parties	<b>93,140,843</b>	103,647,446
Quick assets	<b>836,196,436</b>	815,736,616
Current liabilities	<b>800,141,228</b>	438,861,176
<b>Acid Test Ratio</b>	<b>1.05</b>	1.86
<b>SOLVENCY RATIO</b>		
Net income before depreciation and amortization	<b>₱319,629,567</b>	₱317,347,963
Total liabilities	<b>858,057,120</b>	493,025,958
<b>Solvency Ratio</b>	<b>0.37</b>	0.64
<b>DEBT-TO-EQUITY RATIO</b>		
Total liabilities	<b>₱858,057,120</b>	₱493,025,958
Total equity	<b>1,725,710,365</b>	1,636,270,023
<b>Debt-to-Equity Ratio</b>	<b>0.50</b>	0.30
<b>ASSET-TO-EQUITY RATIO</b>		
Total assets	<b>₱2,583,767,485</b>	₱2,129,295,981
Total equity	<b>1,725,710,365</b>	1,636,270,023
<b>Asset-to-Equity Ratio</b>	<b>1.50</b>	1.30
<b>INTEREST-COVERAGE RATIO</b>		
Earnings before interest and taxes	<b>₱199,266,094</b>	₱185,654,359
Interest expense	<b>35,303,165</b>	27,600,379
<b>Interest-Coverage Ratio</b>	<b>5.64</b>	6.73

(Forward)

	December 31	
	2024	2023
<b>PROFITABILITY RATIO</b>		
Net income attributable to equity holders of the Parent Company	<b>₱93,320,234</b>	₱98,465,375
Average equity	<b>1,680,990,194</b>	1,580,317,565
<b>Return on Equity</b>	<b>0.06</b>	0.06
<b>RETURN ON ASSETS</b>		
Net income	<b>₱110,950,416</b>	₱113,172,692
Average assets	<b>2,356,531,733</b>	2,049,898,558
<b>Return on Assets</b>	<b>0.05</b>	0.06
<b>NET PROFIT MARGIN</b>		
Net income	<b>₱110,950,416</b>	₱113,172,692
Revenue	<b>2,903,454,769</b>	2,469,098,397
<b>Net Profit Margin</b>	<b>0.04</b>	0.05

# FRUITAS HOLDINGS INC.

60 Cordillera St. Brgy Dona Josefa Quezon City, Philippines

Tel: (63.2)8-330-3188, Mobile No. +63928.361.6345

Email: ipo.compliance@fruitasholdings.com; compliancetax.fhi@gmail.com

## "STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN"

The Management of **Fruitash Holdings, Inc.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2024. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of Fruitash Holdings, Inc., complete, and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards (i.e. Philippine Financial Reporting Standards, or those applicable to Non-Publicly Accountable Entities) and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signature: \_\_\_\_\_

Rogelio M. Guadalquiver  
Chairman of the Board

SUBSCRIBED AND SWORN APR 14 2025  
to before me this \_\_\_\_\_  
Affiant exhibited to me his/her \_\_\_\_\_

Signature: \_\_\_\_\_

Lester C. Yu  
President and Chief Executive Officer

Signature: \_\_\_\_\_

Rushell Salvador  
Chief Financial Officer and Treasurer

Signed this 5th day of April 2025

DOC NO. 370  
PAGE NO. 74  
BOOK NO. 1-0  
SERIES OF 2025

**ATTY. FELIZARDO M. IBARRA**

Notary Public for C.O. Until Dec. 31, 2025

Roll No. 80835

PTR No. 698-7830/Jan. 07, 2025/O.C.

IBP No. 331161(2024-2025)/O.C.

MCLE Comp. No. VIII-0009973/04/15/2022-04/14/2025)

Admin. Matter No. NP. 058(2025-2026)

Quinto Highway Brgy., Kaligayahan Q.C.

COVER SHEET

C S 2 0 1 5 0 3 0 1 4  
SEC Registration Number

F R U I T A S H O L D I N G S , I N C .  
  
  
  
  
(Company's Full Name)

N O . 6 0 C O R D I L L E R A S T .  
B R G Y . D O N A J O S E F A Q U E Z O N C I T Y  
(Business Address: No., Street City / Town / Province)

RUSHELL A. SALVADOR  
Contact Person  
+(632) 8731-8886  
Company Telephone Number

1 2 3 1  
Month Day  
Fiscal Year  
SEC FORM 17-C  
LIST OF TOP 100 STOCKHOLDERS – December 2024  
FORM TYPE  
0 7 2 5  
Month Day  
Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc  
Amended Articles Number / Section

Total No. of Stockholders  
Total Amount of Borrowings  
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number  
Document ID  
LCU  
Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes



January 13, 2025

**THE SECURITIES AND EXCHANGE COMMISSION**

Markets and Securities Regulation Department  
17/F SEC Headquarters  
7907 Makati Avenue, Salcedo Village,  
Barangay Bel-Air, Makati City, 1209

Attention : **Director Vicente Graciano P. Felizmenio, Jr.**  
Markets and Securities Regulation Department



**THE PHILIPPINE STOCK EXCHANGE**

3rd Floor, Philippines Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue, Makati City

Attention : **Atty. Stefanie Ann B. Go**  
Officer-in-Charge, Disclosure Department

Gentlemen:

We hereby submit the List of Top 100 Stockholders as of December 31, 2024 both certificated and shares lodged to PCD:

Number of Issued Common Shares	2,133,680,000
Number of Treasury Common Shares, if any	-
Number of Outstanding Common Shares	2,133,680,000
Number of Listed Common Shares	2,133,680,000
Number of Lodged Common Shares	2,131,016,992
PCD Nominee – Filipino	2,113,608,711
PCD Nominee – Non-Filipino	17,408,281
Number of Certificated Common Shares	2,663,008

Very truly yours,  
**FRUITAS HOLDINGS INC.**

By:   
Ralf F. Sarmiento  
Compliance Officer

SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-C  
CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. January 13, 2024  
Date of Report (Date of earliest event reported)
2. SEC Identification Number- CS201503014
3. BIR Tax Identification No.- 008-961-476-000
4. **FRUITASHOLDINGS INC**  
Exact name of issuer as specified in its charter
5. PHILIPPINES  
Province, country or other jurisdiction  
of incorporation
6.  (SEC Use Only)  
Industry Classification Code
7. 60 CORDILLERA ST. BRGY. DONA JOSEFA, QUEZON CITY  
Address of principal office
8. (02)8243-1741  
Issuer's telephone number, including area code
9. N/A  
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class

Common

Number of Shares of Common Stock

Outstanding and Amount of Debt Outstanding

2,133,680,000

1113  
Postal Code:

11. Indicate the item numbers reported herein: ITEM 9- OTHER EVENTS

We hereby submit the SEC form 17C for the List of Top 100 stockholders of Fruitas Holdings Inc. ("FRUIT") as of December 31, 2024. As of covered date, out of the 2,133,680,000 outstanding common shares of FRUIT, there are 2,663,008 certificate common shares and 2,131,016,992 lodged shares. Out of the total lodged shares, 2,113,608,711 are PCD Nominee- Filipino and 17,408,281 are PCD Nominee - Non-Filipino.

**SIGNATURES**

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

**FRUITAS HOLDINGS INC.**

Issuer

Date

  
Ralf F. Sarmiento  
Compliance Officer

13 January 2024



COMPANY NAME : FRUITAS HOLDINGS, INC.

LIST OF TOP 100 STOCKHOLDERS  
As Of December 31, 2024

STOCKHOLDER'S NAME	OUTSTANDING & ISSUED SHARES (FULLY PAID)	OUTSTANDING & ISSUED SHARES (PARTIALLY PAID)	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL
PCD NOMINEE CORP. (FILIPINO)	2,113,608,711	0	2,113,608,711	99.059
PCD NOMINEE CORP. (NON-FILIPINO)	17,408,281	0	17,408,281	0.816
NECISTO UY SYTENGCO	2,500,000	0	2,500,000	0.117
MYRA P. VILLANUEVA	59,000	0	59,000	0.003
MILAGROS P. VILLANUEVA	20,000	0	20,000	0.001
MYRNA P. VILLANUEVA	20,000	0	20,000	0.001
MYRA P. VILLANUEVA	11,000	0	11,000	0.001
JUAN CARLOS V. CABREZA	10,000	0	10,000	0.000
MARIETTA V. CABREZA	10,000	0	10,000	0.000
IRENE CHUA	10,000	0	10,000	0.000
MA. CHRISTMAS R. NOLASCO	10,000	0	10,000	0.000
MYLENE C. ARNIGO	5,000	0	5,000	0.000
DENNIS T. BENG HUI	1,000	0	1,000	0.000
CALVIN FENIX CHUA	1,000	0	1,000	0.000
VINCENT RICARDO CUEVAS	1,000	0	1,000	0.000
BAMBI MAUREEN ENRIQUEZ DONATO	1,000	0	1,000	0.000
ROGELIO MESINA GUADALQUIVER	1,000	0	1,000	0.000
MADELENE TIMBAS SAYSON	1,000	0	1,000	0.000
SHIRLEY O YEK TAN	1,000	0	1,000	0.000
LESTER C. YU	1,000	0	1,000	0.000
GERARDO L. SALGADO	8	0	8	0.000
GRAND TOTAL (21)	2,133,680,000	0	2,133,680,000	

FRUIT0000000\_12272024  
OUTSTANDING BALANCES FOR SPECIFIC COMPANY  
**12/27/2024**  
**FRUIT0000000**

BPNAME	QUANTITY
UPCC SECURITIES CORP.	328,000
A & A SECURITIES, INC.	2,062,000
ABACUS SECURITIES CORPORATION	37,642,971
PHILSTOCKS FINANCIAL INC	221,909,580
A. T. DE CASTRO SECURITIES CORP.	7,000
BA SECURITIES, INC.	105,000
AP SECURITIES INCORPORATED	11,202,100
ANSALDO, GODINEZ & CO., INC.	67,227,000
AB CAPITAL SECURITIES, INC.	229,380,931
SB EQUITIES, INC.	4,045,000
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	164,000
ASIASEC EQUITIES, INC.	1,292,000
ASTRA SECURITIES CORPORATION	3,982,000
CHINA BANK SECURITIES CORPORATION	2,348,000
BELSON SECURITIES, INC.	1,135,000
BPI SECURITIES CORPORATION	37,699,649
SINCERE SECURITIES CORPORATION	100,000
CTS GLOBAL EQUITY GROUP, INC.	7,886,000
LUNA SECURITIES, INC.	20,000
TRITON SECURITIES CORP.	1,189,000
IGC SECURITIES INC.	58,000
CUALOPING SECURITIES CORPORATION	92,000
DAVID GO SECURITIES CORP.	250,000
DIVERSIFIED SECURITIES, INC.	1,438,000
E. CHUA CHIACO SECURITIES, INC.	5,608,000
EASTERN SECURITIES DEVELOPMENT CORPORATION	2,765,000
EQUITIWORLD SECURITIES, INC.	82,000
EVERGREEN STOCK BROKERAGE & SEC., INC.	1,732,250
FIRST ORIENT SECURITIES, INC.	110,000
FIRST INTEGRATED CAPITAL SECURITIES, INC.	50,000
F. YAP SECURITIES, INC.	759,662
AURORA SECURITIES, INC.	30,000
GLOBALINKS SECURITIES & STOCKS, INC.	1,384,000
JSG SECURITIES, INC.	785,000
GOLDSTAR SECURITIES, INC.	3,019,000
HDI SECURITIES, INC.	307,000
I. B. GIMENEZ SECURITIES, INC.	105,000
INVESTORS SECURITIES, INC,	1,640,000

IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	950,000
INTRA-INVEST SECURITIES, INC.	164,000
VALUE QUEST SECURITIES CORPORATION	459,000
STRATEGIC EQUITIES CORP.	4,597,000
LITONJUA SECURITIES, INC.	160,000
LOPEZ, LOCSIN, LEDESMA & CO., INC.	73,000
LUCKY SECURITIES, INC.	665,000
LUYS SECURITIES COMPANY, INC.	120,000
MANDARIN SECURITIES CORPORATION	1,343,000
COL Financial Group, Inc.	90,278,583
DA MARKET SECURITIES, INC.	1,025,000
MERCANTILE SECURITIES CORP.	490,000
MERIDIAN SECURITIES, INC.	1,042,000
MDR SECURITIES, INC.	2,300,000
NEW WORLD SECURITIES CO., INC.	2,364,000
OPTIMUM SECURITIES CORPORATION	880,000
RCBC SECURITIES, INC.	2,970,000
PAN ASIA SECURITIES CORP.	1,726,000
PAPA SECURITIES CORPORATION	205,000
MAYBANK SECURITIES, INC.	1,425,000
PNB SECURITIES, INC.	4,992,000
PREMIUM SECURITIES, INC.	123,000
SALISBURY SECURITIES CORPORATION	2,038,000
QUALITY INVESTMENTS & SECURITIES CORPORATION	15,633,000
ALAKOR SECURITIES CORPORATION	25,000
R. COYIUTO SECURITIES, INC.	1,846,000
REGINA CAPITAL DEVELOPMENT CORPORATION	3,080,000
R. NUBLA SECURITIES, INC.	1,951,414
AAA SOUTHEAST EQUITIES, INCORPORATED	6,172,000
R. S. LIM & CO., INC.	215,000
RTG & COMPANY, INC.	586,000
S.J. ROXAS & CO., INC.	491,000
SECURITIES SPECIALISTS, INC.	626,000
FIDELITY SECURITIES, INC.	445,000
SUMMIT SECURITIES, INC.	2,486,091
STANDARD SECURITIES CORPORATION	1,817,000
TANSENGCO & CO., INC.	1,715,000
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	38,000
TOWER SECURITIES, INC.	2,045,010
APEX PHILIPPINES EQUITIES CORPORATION	69,000
DRAGONFI SECURITIES, INC.	492,979
LANDBANK SECURITIES, INC.	3,416,000
VENTURE SECURITIES, INC.	385,000
FIRST METRO SECURITIES BROKERAGE CORP.	1,211,598,070

WEALTH SECURITIES, INC.	1,338,000
WESTLINK GLOBAL EQUITIES, INC.	2,337,000
YAO & ZIALCITA, INC.	1,790,000
YU & COMPANY, INC.	866,000
BDO SECURITIES CORPORATION	47,569,706
EAGLE EQUITIES, INC.	1,461,000
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	412,000
SOLAR SECURITIES, INC.	345,000
G.D. TAN & COMPANY, INC.	2,874,000
PHILIPPINE EQUITY PARTNERS, INC.	12,728,000
UNICAPITAL SECURITIES INC.	4,872,096
SunSecurities, Inc.	6,527,000
TIMSON SECURITIES, INC.	1,398,000
VC SECURITIES CORPORATION	6,000
STANDARD CHARTERED BANK	222,000
CITIBANK N.A.	200,000
DEUTSCHE BANK MANILA-CLIENTS A/C	2,000,000
AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	57,000
SOCIAL SECURITY SYSTEM	7,336,900
SEEDBOX SECURITIES, INC.	11,215,000
<b>Total Lodged Shares</b>	<b>2,131,016,992</b>



**Annex C to the SEC Form 17-A:**

**FRUITAS HOLDINGS INC.  
SUSTAINABILITY REPORT**

## Contextual Information

Company Details	
<b>Name of Organization</b>	Fruitas Holdings, Inc. (FHI or FRUIT)
<b>Location of Headquarters</b>	68 Data Street, Don Manuel Quezon City formerly 60 Cordillera St. corner E. Rodriguez Sr. Ave., Brgy. Doña Josefa, Quezon City
<b>Location of Operations</b>	Philippines
<b>Report Boundary: Legal entities (e.g. subsidiaries) included in this report*</b>	This report mainly covers FHI's business as a Holding Company and its investment to its six 100% owned subsidiaries namely Fruitasgroup, Inc. (FGI), Negril Trading, Inc. (NTI), Soykingdom, Inc. (SKI), CocoDelivery, Inc. (CDI) and Flykitchen Inc.(FKI) with the 75% owned subsidiary FRUIT Ni Fruitas, Inc. (BNFI).
<b>Business Model, including Primary Activities, Brands, Products, and Services</b>	FHI, as a holding company, own investments in shares of stocks of FGI, NTI, BNFI, SKI, CDI, FKI and in various shares of stocks of companies listed in the Philippine Stock Exchange. The Company also serves as a consultant to its subsidiaries to further improve the businesses.
<b>Reporting Period</b>	January 1 to December 31, 2024
<b>Highest Ranking Person responsible for this report</b>	Lester C. Yu – President and Chief Executive Officer  Ralf F. Sarmiento- Compliance Officer



## Materiality Process

Fruitas Holdings, Inc. (FHI), as a holding company, primarily focuses on strategic investments in its subsidiaries, publicly listed companies through the Philippine Stock Exchange, and various financial instruments via reputable financial institutions. Given its investment-driven nature, the company's sustainability is anchored in the strength and performance of its subsidiaries and capital market engagements, ensuring long-term value creation for its shareholders.

This report highlights material topics related to macroeconomic impacts and outlines the company's proactive measures in mitigating risks while leveraging potential growth opportunities. As part of its evolving sustainability framework, Fruitas Holdings will adopt the 3P's principles in future Sustainability Reports to identify and address other material topics that influence its long-term strategy:

**People** – Encompasses employees, stakeholders, customers, and other key individuals directly or indirectly engaged with the company and its subsidiaries. This includes efforts to foster a positive workplace culture, maintain strong stakeholder relationships, and enhance customer satisfaction.

**Planet** – Covers the environmental impact of the company's operations, both direct and indirect. This includes sustainability initiatives, waste management strategies, resource conservation efforts, and compliance with environmental regulations to minimize the ecological footprint.

**Profit** – Focuses on the company's financial health and performance to ensure long-term operational sustainability. This includes revenue growth, investment returns, financial resilience, and strategic initiatives to maximize shareholder value.

## ECONOMIC

### Economic Performance

#### Direct Economic Value Generated and Distributed

Disclosure	2024	2023	Units
Direct economic value generated (revenue)	2,903,454,769	2,469,098,397	PhP
Direct economic value distributed:			
a. Operating costs	1,563,079,794	1,342,836,736	PhP
b. Payments to suppliers (direct cost)	1,163,931,093	975,545,191	PhP
c. Taxes given to government	53,012,513	44,881,288	PhP
d. Interest payments to loan providers	35,303,165	27,600,379	PhP
e. Dividends given to stockholders	23,899,385	21,503,467	PhP

## **Direct Economic Value**

### **Discussion on Impact, Risks, and Management Approach**

Fruitas Holdings, Inc. (FHI) began as a single-store operation under Lush Enterprises Corporation (LEC), founded by Mr. Lester Yu in 2000. What started with the launch of Fruitas Fresh from Babot's Farm at SM Manila in 2002 has since expanded into a nationwide network of over 780 stores strategically located in high-footfall commercial areas. Over the years, FHI has strengthened its market presence through organic growth, acquisitions, and business diversification. Its brand portfolio has evolved to include a variety of food and beverage concepts such as Buko Loco, Juice Avenue, Johnn Lemon, Black Pearl, Tea Rex, De Original Jamaican Pattie Shop and Juice Bar, The Mango Farm, Sabroso Lechon, FRUIT Pandesal, Soy & Bean, and Ling Nam. In addition, through its subsidiary Fruitasgroup Incorporated (FGI), FHI operates a food park in Quezon City, further expanding its business model.

The company continues to make a significant impact on the economy by generating employment, sourcing from domestic suppliers, fostering local entrepreneurship, and contributing to economic activity in the food and beverage industry. Its expansion strategy is rooted in identifying profitable locations, optimizing store operations, and launching innovative food service formats.

#### **1. Macro-Environmental Risks in the Philippines**

As a company operating in the Philippine market, FHI is exposed to various macro-environmental risks, including political, economic, social, and technological factors. The volatility of the Philippine Peso, rising interest rates, inflationary pressures, and fluctuations in the stock market can impact business costs and consumer purchasing power. Economic downturns can lead to lower consumer spending, affecting revenue performance across FHI's brands. Additionally, political and regulatory changes may influence business operations, while evolving technological trends shape market demand and customer preferences.

To navigate these challenges, FHI continuously monitors macroeconomic trends and engages with key industry stakeholders to stay ahead of regulatory changes. The company adopts a flexible business model that allows it to adjust pricing strategies, supply chain processes, and customer engagement approaches in response to economic shifts. By leveraging digital tools and e-commerce solutions, FHI strengthens its resilience against market uncertainties and ensures business continuity despite external disruptions.

#### **2. Investment Risks in Subsidiaries**

FHI derives a significant portion of its revenue from its subsidiaries, which include Fruitasgroup, Inc., Negril Trading, Inc., FRUIT ni Fruitas, Inc., Soykingdom Inc., Cocodelivery Inc., and Flykitchen Inc. The financial health and operational efficiency of these subsidiaries directly impact the overall performance of the company. Any decline in profitability, operational disruptions, or unfavorable market conditions affecting these subsidiaries could lead to lower dividend payouts to FHI, subsequently affecting its financial standing.

To mitigate these risks, FHI takes an active role in overseeing the management and financial performance of its subsidiaries. The company provides strategic guidance to ensure operational excellence, cost efficiency, and market competitiveness. It also continuously evaluates business expansion opportunities and acquisitions to strengthen the

portfolio and drive long-term revenue growth. By optimizing its subsidiaries' performance, FHI enhances its ability to generate sustained value for its shareholders.

### 3. Financial Risks and Management Strategies

As a holding company, FHI is exposed to financial risks such as liquidity risk, market risk, and interest rate fluctuations. Liquidity risk arises from the challenge of converting subsidiary investments into liquid assets to meet urgent financial obligations. Market risk is influenced by price fluctuations in financial instruments, interest rate changes, and currency exchange rates, which may impact the value of the company's investments. Additionally, interest rate fluctuations can affect the profitability of money market placements and debt securities.

To manage these risks effectively, FHI closely monitors its cash position and maintains sufficient liquidity to ensure the smooth operation of its businesses. The company employs a disciplined approach to financial planning, ensuring it can respond to market changes while safeguarding its investment portfolio. Regular assessments of stock market trends and financial instruments allow FHI to make informed decisions on asset allocation and risk exposure. By adopting a proactive financial risk management strategy, the company reinforces its financial stability and long-term sustainability.

### 4. Opportunities for Growth

Despite the challenges posed by macroeconomic conditions and financial risks, FHI continues to explore growth opportunities. The company's strong reputation as a food and beverage holding firm, backed by a diverse and profitable brand portfolio, positions it favorably for further expansion. It remains focused on identifying high-growth areas for store openings, pursuing strategic acquisitions, and developing new business concepts that align with evolving consumer trends.

The company is also leveraging advancements in technology to improve customer engagement and streamline operations. Digital transformation initiatives, such as online ordering platforms and delivery services, enhance FHI's market reach and adaptability in the rapidly changing food service industry. By continuously innovating and expanding its business model, FHI is well-positioned to capture emerging opportunities and sustain long-term growth.

### 5. Climate-Related Risks and Sustainability Considerations

As a holding company, FHI does not have direct exposure to climate-related risks, as its operations primarily involve investments rather than manufacturing or production. However, the company acknowledges the growing importance of sustainability in today's business landscape. While FHI currently does not have a formal climate risk management framework at the corporate level, it recognizes the need for long-term environmental strategies and responsible business practices.

The climate-related policies and sustainability initiatives are implemented at the subsidiary level, where operational activities such as food production, sourcing, and logistics have a direct environmental impact. The Board of Directors actively evaluates potential climate-related risks and opportunities and is considering the adoption of an enterprise risk management program to integrate sustainability into the company's overall strategy.

FHI and its subsidiaries aims to implement eco-friendly initiatives, such as sustainable sourcing of raw materials, waste reduction efforts, and energy-efficient store operations. As the company continues to expand, it remains committed to balancing growth with environmental responsibility.

## **Discussion of Opportunities**

Fruitas Holdings Inc. (FHI) remains committed to identifying and pursuing strategic opportunities to strengthen its presence in the capital market. FHI leverages the consistent profitability of its subsidiaries and the successful integration of past acquisitions to drive growth and enhance shareholder value.

The Company continues to explore potential avenues for expansion, capital raising, and portfolio diversification. These initiatives are aligned with FHI's long-term vision of sustainable growth, operational excellence, and increased market presence across various segments of the food and beverage industry.

### Climate-related risks and opportunities

Fruitas Holdings Inc. (FHI) acknowledges that climate change poses both challenges and opportunities for its operations. Extreme weather events, shifting climate patterns, and resource constraints can impact supply chains, raw material sourcing, and store operations. Additionally, evolving environmental regulations may require adjustments in compliance and reporting.

Despite these risks, FHI sees climate change as a catalyst for innovation and improvement. The Company is actively exploring sustainable practices such as energy efficiency, waste reduction, and eco-friendly packaging. It also seeks to collaborate with partners who prioritize sustainability, aligning with growing consumer demand for responsible brands. By embedding climate considerations into its operations, FHI aims to strengthen resilience while contributing to a more sustainable future.

## **Procurement Practices**

### Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100	%

Fruitas Holdings Inc. as a group maintains a strong commitment to supporting local economies through its procurement strategy. In 2024, 100% of the procurement budget for significant locations of operations was spent on local suppliers. This reflects the company's dedication to fostering inclusive and sustainable economic growth by prioritizing partnerships with domestic vendors.

By sourcing entirely from local suppliers, Fruitas not only strengthens supply chain resilience but also promotes community development and reduces its environmental footprint through minimized transportation requirements. This practice aligns with the company's broader sustainability goals and underscores its role as a responsible corporate citizen.

Fruitas continues to evaluate its supplier base to ensure that partnerships are not only locally anchored but also compliant with ethical standards, food safety regulations, and quality benchmarks. The company believes that investing in local enterprises creates shared value, enabling both Fruitas and its suppliers to thrive in a mutually beneficial ecosystem.

## **Anti-corruption**

### **Training on Anti-corruption Policies and Procedures**

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	N/A	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	N/A	%
Percentage of directors and management that have received anti-corruption training	N/A	%
Percentage of employees that have received anti-corruption training	N/A	%

### **Incidents of Corruption**

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

Currently, the Company does not have a specific program on Anti-corruption aside from the Whistle- Blowing Policy and Insider Trading Policy in which each employee in the organization is made aware of including the directors and officers. Over the years until the end of 2024, the Company did not have any instances of corruption within the organization. Despite the clean record on corruption, the Company will consider to craft a specific program on Anti-corruption within the organization and with business partners to prevent this bad practice from happening.

# ENVIRONMENT

## Resource Management

FHI's subsidiaries follow best practices in environmental management to manage and mitigate impacts in the environment. They implement waste reduction and proper disposal protocols to minimize adverse effects in their respective territories. Subsidiaries also encourage and welcome ideas and collaborations to further decrease the impact of operations in the environment.

FHI is set to consolidate the data on resource and environmental management of the subsidiaries and will report on these in the succeeding Sustainability Reports.

### Energy consumption within the organization:

Disclosure	Quantity	Units	Reduction
Energy consumption (renewable sources)	No Available Information	GJ	-
Energy consumption (gasoline)	No Available Information	GJ	-
Energy consumption (LPG)	5,203.35	KG	-
Energy consumption (diesel)	262,473.30	Liters	-
Energy consumption (electricity)	3,984,960.64	kWh	-

*\*Consumption data gathered were based on the total payment over average rate per unit. Diesel and Gasoline consumption were consolidated data.*

During the reporting period, Fruitas Holdings Inc. recorded significant energy consumption across its operations. The company used liquefied petroleum gas (LPG), diesel, and electricity as its primary energy sources. The energy consumed from each source was as follows:

- LPG: 5,203.35 kg
- Diesel: 262,473.30 liters
- Electricity: 3,984,960.64 kWh

To better understand its energy footprint, Fruitas converted these quantities into gigajoules (GJ) as follows:

- The 5,203.35 kg of LPG consumed is equivalent to approximately 73.61 GJ.
- The 262,473.30 liters of diesel used is equivalent to approximately 9,051.68 GJ.
- The 3,984,960.64 kWh of electricity consumed is equivalent to approximately 14,347.46 GJ.

This brings the total energy consumption for the reporting period to 23,472.75 GJ.

While Fruitas does not currently utilize renewable energy sources, nor has it tracked gasoline consumption, it remains committed to reducing its environmental impact. The company continues to monitor its energy use and is actively exploring opportunities to integrate renewable energy into its operations moving forward. Additionally, Fruitas is working to enhance its energy efficiency and align with sustainability goals in the future.

### Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	52,470.16	Cubic meters
Water consumption	52,470.16	Cubic meters
Water recycled and reused	No Available Information	Cubic meters

During the reporting period, Fruitas Holdings Inc. recorded a total water consumption of 52,470.16 cubic meters across its operations. This figure represents the total water withdrawn and consumed by the company during the period. However, no data is available on water recycling and reuse, as the company did not recycle or reuse any of the water used.

Fruitas acknowledges the importance of water conservation in light of increasing environmental pressures. While water recycling systems are not currently in place, the company is actively exploring opportunities to implement water-saving initiatives and increase operational efficiency. Moving forward, Fruitas plans to prioritize water management strategies and explore sustainable solutions to minimize its water consumption

#### Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	No Available Information	kg/liters
• non-renewable	No Available Information	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	No Available Information	%

During the reporting period, Fruitas Holdings Inc. did not have data available for the materials used, both renewable and non-renewable, in terms of weight or volume. Additionally, the percentage of recycled input materials used to manufacture the company's primary products and services is not currently available.

#### Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	
Habitats protected or restored	N/A	ha
IUCN <sup>1</sup> Red List species and national conservation list species with habitats in areas affected by operations	N/A	

<sup>1</sup> International Union for Conservation of Nature

Regarding ecosystems and biodiversity, Fruitas Holdings Inc. did not operate in or adjacent to protected areas or areas of high biodiversity value during the reporting period. Furthermore, no habitats were specifically protected or restored by the company, nor were there any IUCN Red List species or national conservation list species identified within the areas affected by operations.

Fruitas recognizes the importance of sustainable resource management and biodiversity conservation and is committed to evaluating its impact on ecosystems. The company is working towards improving its data collection and resource utilization practices, as well as exploring future opportunities to enhance its contributions to environmental stewardship

## Air Emissions

### GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	N/A	Tonnes CO <sub>2</sub> e
Energy indirect (Scope 2) GHG Emissions	N/A	Tonnes CO <sub>2</sub> e
Emissions of ozone-depleting substances (ODS)	N/A	Tonnes

During the reporting period, Fruitas Holdings Inc. did not report any direct (Scope 1) greenhouse gas (GHG) emissions, energy indirect (Scope 2) GHG emissions, or emissions of ozone-depleting substances (ODS).

### Air pollutants

Disclosure	Quantity	Units
NO <sub>x</sub>	N/A	kg
SO <sub>x</sub>	N/A	kg
Persistent organic pollutants (POPs)	N/A	kg
Volatile organic compounds (VOCs)	N/A	kg
Hazardous air pollutants (HAPs)	N/A	kg
Particulate matter (PM)	N/A	kg

Similarly, the company did not report emissions for air pollutants such as nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), persistent organic pollutants (POPs), volatile organic compounds (VOCs), hazardous air pollutants (HAPs), or particulate matter (PM).

While no specific data was available for these emissions, Fruitas Holdings Inc. is committed to assessing its environmental footprint and working towards reducing air emissions in its operations. The company recognizes the importance of addressing air quality and climate change and will continue to improve its reporting practices and explore initiatives to minimize its impact on air quality moving forward.

## Solid and Hazardous Wastes

### Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	No Available Information	kg
Reusable	No Available Information	kg
Recyclable	No Available Information	kg



Composted	No Available Information	kg
Incinerated	No Available Information	kg
Residuals/Landfilled	No Available Information	kg

#### Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	No Available Information	kg
Total weight of hazardous waste transported	No Available Information	kg

#### Effluents

Disclosure	Quantity	Units
Total volume of water discharges	No Available Information	Cubic meters
Percent of wastewater recycled	No Available Information	%

During the reporting period, Fruitas Holdings Inc. did not report specific data on the total solid waste generated, nor on the breakdown of waste categories such as reusable, recyclable, composted, incinerated, or residual/landfilled waste. Similarly, there was no available information on the total weight of hazardous waste generated or transported.

The company also did not provide data on the total volume of water discharges or the percentage of wastewater recycled during the reporting period.

Fruitas Holdings Inc. acknowledges the importance of waste management and water conservation, and it is actively working to improve its waste tracking and recycling practices. Moving forward, the company is committed to enhancing its data collection systems and implementing sustainable waste management and water recycling initiatives to minimize its environmental impact

### **Environmental compliance**

#### Non-compliance with Environmental Laws and Regulations

During the reporting period, Fruitas Holdings Inc. complied with all relevant environmental laws and regulations. The company incurred no monetary fines for non-compliance, and there were no non-monetary sanctions for violations. Fruitas is committed to maintaining strict adherence to environmental regulations and continuously improving its sustainability practices to ensure ongoing compliance and minimize any potential environmental impact

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#

## SOCIAL

### **Corporate Social Responsibility**

At Fruitas Holdings Inc., Corporate Social Responsibility (CSR) is deeply embedded in its values, with a strong focus on education, community development, and workforce empowerment. In collaboration with its subsidiaries, including FRUIT ni Fruitas Inc., the company continues to build meaningful partnerships and programs that positively impact Filipino communities.

### **Build A Classroom Project with Hope in a Bottle**

Fruitas, together with its subsidiaries, proudly supports the Build a Classroom Project by Hope in a Bottle, a long-standing initiative aimed at enhancing educational infrastructure for students in underserved areas.

As part of this initiative, Fruitas participated in the groundbreaking ceremony for a new classroom on September 23, 2024, with the official opening set for March 18, 2025. The project exemplifies Fruitas' commitment to building brighter futures by ensuring students have access to safe, well-equipped, and conducive learning environments.

### **Investing in Skills: Workforce Readiness and Technical Training**

In line with its mission to empower individuals through employment and continuous development, Fruitas, through FRUIT, has forged strategic partnerships with educational and vocational institutions to support skills development and career readiness.

- In October 2024, Fruitas partnered with the Philippine Business Education (PBE) and USAID to support workforce readiness programs. These aim to equip individuals—especially youth—with essential skills for employment and long-term success in the food and service industries.
- In November 2024, the company expanded its development initiatives through collaborations with Dualtech and TESDA, focusing on technical training and hands-on learning. This effort is designed to close the gap between education and employment, ensuring that employees are equipped with practical skills aligned with industry needs.

Through these impactful initiatives, Fruitas Holdings Inc. reaffirms its dedication to creating a lasting positive impact—not only by serving customers, but by enriching communities, supporting education, and nurturing a competent and empowered workforce.

## **Employee Management**

### **Employee Hiring and Benefits**

#### **Employee data**

<b>Disclosure</b>	<b>2024</b>	<b>2023</b>	<b>Units</b>
Total number of employees <sup>2</sup>	2,270	2,107	count
a. Number of female employees	1,406	1,239	count
b. Number of male employees	864	868	count
Attrition rate <sup>3</sup>	11.6	38.32	rate
Ratio of lowest paid employee against minimum wage	1:1	1:1	ratio

At the heart of our operations is a strong and growing workforce committed to delivering quality products and services to our customers. We aim to foster a safe, inclusive, and empowering work environment that promotes employee engagement, professional development, and long-term career growth. As of end-2024, we employ 2,270 individuals, reflecting a 7.7% growth from the previous year. This increase supports our business expansion while ensuring operational efficiency.

Our workforce is composed of 1,406 female employees (62%) and 864 male employees (38%), reflecting our commitment to gender diversity and equal opportunity employment. Notably, we achieved a significantly improved employee attrition rate of 11.6% in 2024, compared to 38.32% in 2023—demonstrating the positive impact of our enhanced retention efforts and employee engagement programs.

We are also committed to fair compensation. The ratio of our lowest-paid employees against the prevailing minimum wage remains at 1:1, ensuring compliance and equitable pay practices across all locations of operation.

#### **Employee benefits**

<b>List of Benefits</b>	<b>Y/N</b>	<b>% of female employees who availed for the year</b>	<b>% of male employees who availed for the year</b>
SSS			
Maternity	Y	0%	7%
Sickness	Y	3%	2%
Salary Loan	Y	17%	18%
Calamity Loan	Y	6%	7%
PhilHealth	Y	2%	4%
Pag-ibig	Y	23%	20%
Parental leaves	Y	0%	5%
Vacation leaves	Y	89%	77%

<sup>2</sup> Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

<sup>3</sup> Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Sick leaves	Y	80%	76%
Medical benefits (aside from PhilHealth))	Y	13%	12%
Housing assistance (aside from Pag-ibig)	N		
Retirement fund (aside from SSS)	Y	0%	0.04%
Further education support	Y	0%	0%
Company stock options	N		
Telecommuting	N		
Flexible-working Hours	N		
(Others)			

Our recruitment practices are guided by merit-based selection, diversity, and inclusion. We continuously assess and strengthen our hiring process to attract qualified candidates and support operational needs while nurturing long-term careers. We provide government-mandated benefits such as SSS, PhilHealth, and Pag-IBIG, with additional support through salary and calamity loans, parental leaves, vacation, and sick leaves. In 2024, benefit utilization highlights include:

In 2024, employee benefit utilization reflected strong engagement across both male and female team members. Vacation leaves were widely availed, with 89% of female employees and 77% of male employees taking time off to rest and recharge. Sick leaves were also consistently used, accessed by 80% of female employees and 76% of male employees, highlighting the Company's support for employee health and wellness. Among government-mandated financial benefits, Pag-IBIG services were accessed by 23% of female and 20% of male employees, while salary loans were utilized almost equally by both genders—17% of females and 18% of males—indicating balanced access to financial support across the workforce. Other medical benefits include a subsidized HMO which provide access to medical facilities and consultations on top of the Government mandated medical benefits.

While we currently do not provide extended benefits, we continue to review and evaluate options that enhance overall employee well-being and work-life balance, in alignment with business sustainability.

### Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	93,960	hours
b. Male employees	57,840	hours
Average training hours provided to employees		
a. Female employees	120	hours/employee
b. Male employees	120	hours/employee

In our continuous commitment to building a highly skilled and engaged workforce, several training initiatives were conducted across various employee levels. A total of 2,528 individuals participated in training programs aimed at onboarding, skill enhancement, leadership development, and ethical workplace conduct.

- New Employee Orientation was the most attended program, with 2,210 employees undergoing the onboarding process. This included a significant number from the Service Crew (1,018) and Service Staff (411), ensuring that new hires are well-equipped with foundational knowledge and aligned with the company's culture and expectations.
- To reinforce and refresh essential skills, a Refresher Course was attended by 116 employees, with a notable concentration from the Ling Nam group (44) and Area Supervisors/OICs (72).
- The 4 E's: Empower Managers for Effective Employee Engagement program focused on leadership development and was attended by 39 employees, including Corporate leaders (36) and Area Managers (3). This program was pivotal in strengthening management's ability to foster engagement and motivate teams effectively.
- Ethical conduct and positive workplace culture remain a top priority, with 105 Corporate employees participating in the Workplace Culture & Ethics training.
- Lastly, to bolster training capabilities within the stores, 58 individuals were accredited under the Certified Store Trainer program, predominantly from the Service Crew (55), ensuring a robust internal training structure to support continuous learning on the ground.

These initiatives underscore our strategic focus on professional development, leadership empowerment, and values-driven culture as key drivers of organizational success.

#### Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	255	count

The organization continues to uphold open and transparent communication between management and employees, fostering a collaborative and responsive work environment.

As of the reporting period, 0% of employees are covered by Collective Bargaining Agreements (CBAs). Despite the absence of formal CBAs, the company actively engages its workforce through consistent and meaningful dialogue.

A total of 255 consultations were conducted with employees regarding various employee-related policies. These discussions serve as a platform for two-way communication, ensuring that employee feedback is considered in shaping workplace practices and fostering a culture of inclusion and mutual respect.

This proactive approach to labor-management relations demonstrates our commitment to employee engagement, transparency, and maintaining a positive workplace climate.

## Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	61.94	%
% of male workers in the workforce	38.06	%
Number of employees from indigenous communities and/or vulnerable sector*	1.10	%

*\*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

The company remains committed to fostering a diverse and inclusive workplace that provides equal opportunities for all, regardless of gender, background, or personal circumstances.

As of the reporting period, 61.94% of the workforce is composed of female employees, while 38.06% are male. This gender distribution reflects the organization's dedication to promoting gender inclusivity and empowering women across various roles and levels within the organization.

Although low, 1.10% of employees identify as Persons with Disabilities (PWDs), demonstrating the company's active efforts to create accessible and inclusive employment opportunities. This initiative underscores our commitment to breaking barriers and supporting individuals from all walks of life.

## Workplace Conditions, Labor Standards, and Human Rights

### Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	423,811,860	Man-hours
No. of work-related injuries	18	count
No. of work-related fatalities	N/A	#
No. of work related ill-health	N/A	#
No. of safety drills	2	count

*The 18 work-related injuries pertain to minor injuries related to (i) equipment use during operation of the unit, (ii) vehicle sustained injuries of a delivery rider, and (iii) slip/fall accident.*

The company places a high priority on the health, safety, and well-being of its employees by maintaining safe working environments and promoting a strong safety culture across all operations.

During the reporting period, the company recorded 18 work-related injuries, with no reported work-related fatalities or cases of work-related ill-health. While injuries were noted, continued efforts are being made to reduce risks through strict compliance with occupational safety standards and the improvement of hazard control measures.

A total of 2 safety drills were conducted to ensure emergency preparedness and reinforce safety protocols among employees. These drills are part of the organization's ongoing commitment to building awareness and responsiveness in the face of potential workplace hazards.

Moving forward, the company aims to enhance its safety programs and training, minimize workplace incidents, and ensure full alignment with labor standards and human rights principles.

## Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	POLICY AND DATA RELATION TO HEALTH, SAFETY, AND WELFARE OF EMPLOYEES INCLUDING COMPANY SPONSORED TRAININGS
Child labor	N	
Human Rights	Y	POLICY AND DATA RELATION TO HEALTH, SAFETY, AND WELFARE OF EMPLOYEES INCLUDING COMPANY SPONSORED TRAININGS

The Company values the importance of a secure and safe working environment which is reflected in the Company policies. The company recorded zero incidents of legal actions or grievances related to forced or child labor during the reporting period. Policies explicitly prohibit forced labor and uphold human rights, as stated in the Policy and Data Relating to Health, Safety, and Welfare of Employees Including Company-Sponsored Trainings.

## Supply Chain Management

FHI does not engage with direct suppliers due to the nature of its business. However, it encourages its subsidiaries to consider sustainability factors in their dealings with suppliers and recognizes the importance of responsible supply chain practices.

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N/A	
Forced labor	N/A	
Child labor	N/A	
Human rights	N/A	
Bribery and corruption	Y	Business Integrity and Ethics Agreement

While current tracking of supplier adherence to environmental performance, labor standards, and human rights is not yet available, FHI enforces a policy against bribery and corruption through its Business Integrity and Ethics Agreement.

To strengthen supplier accountability, a Vendor Code of Ethics will be released in the succeeding year, which will cover Environmental Performance, Forced Labor, Child Labor, and Human Rights.

## Relationship with Community

### Significant Impacts on Local Communities

Operations with significant (positive or negative)	Location	Vulnerable groups (if applicable)*	Does the particular operation have	Collective or individual rights that have been identified that	Mitigating measures (if negative) or enhancement
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impacts on local communities (exclude CSR projects; this has to be business operations)			impacts on indigenous people (Y/N)?	or particular concern for the community	measures (if positive)
Manpower for Retail Store Expansion	Luzon, NCR, Visayas and Mindanao	Low-income workers, women, persons with disabilities (PWDs)	N	Right to fair wages, safe working conditions, equal employment opportunities	Provide competitive wages, ensure safe work environments, offer inclusive hiring policies, and provide skills training programs
Sourcing Suppliers from different locations	Laguna, Cavite, Cebu and majority in Metro Manila	Small-scale suppliers, farmers, etc.	N	Fair trade practices	Implement ethical sourcing policies, and provide fair payment terms

*\*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

The company's core operations contribute meaningfully to local communities through employment generation and support for small-scale suppliers, creating positive socio-economic impacts beyond its CSR initiatives.

The expansion of retail stores across Luzon, NCR, Visayas, and Mindanao has created job opportunities for low-income workers, women, and persons with disabilities (PWDs). While there are no identified impacts on indigenous peoples, the company supports fair wages, safe working conditions, and equal employment opportunities by offering competitive compensation, inclusive hiring practices, and skills training programs.

Additionally, by sourcing from various local suppliers in Laguna, Cavite, Cebu, and Metro Manila, the company uplifts small-scale suppliers and farmers through the promotion of fair trade practices. These are strengthened through the implementation of ethical sourcing policies and the provision of fair payment terms. Through these efforts, the company ensures that its business operations positively contribute to the development and empowerment of the communities where it operates.

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

Certificates	Quantity	Units
FPIC process is still undergoing	N/A	#
CP secured	N/A	#



For the reporting period, the company does not have operations that directly affect Indigenous Peoples (IPs). As such, there are no ongoing FPIC consultations and no Certification Preconditions (CPs) have been secured.

Should future operations involve areas inhabited or claimed by IP communities, the company commits to strict compliance with the FPIC process and other legal requirements to uphold the rights and welfare of Indigenous Peoples.

## **Customer Management**

### **Customer Satisfaction**

<b>Disclosure</b>	<b>Score</b>	<b>Did a third party conduct the customer satisfaction study (Y/N)?</b>
Customer satisfaction	N/A	N

Fruitas Holdings Inc. (FHI) ensures quality customer service through consistent product excellence and active customer engagement. Key initiatives include a Mystery Shopper Program to assess in-store experience, regular store audits to maintain food and service standards, social media monitoring for real-time feedback, and a customer service hotline for prompt response to inquiries and complaints.

At Fruitas, customer satisfaction is a core pillar of our sustainability commitment. As proof of this, Johnn Lemon—one of the brands under Fruitas—was awarded Best Lemonade in the 2023 SunStar Best of Cebu Awards, announced in October 2024.

This recognition reflects our holistic approach to sustainability, which includes promoting health and wellness through the use of real, all-natural ingredients, upholding strict food safety standards, minimizing waste, and consistently delivering refreshing, high-quality beverages that our customers trust and enjoy.

### **Health and Safety**

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
No. of substantiated complaints on product or service health and safety*	0	instances
No. of complaints addressed	0	instances

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Fruitas Holdings Inc. (FHI) is committed to maintaining high standards of product and service health and safety. For the reporting period, no substantiated complaints were recorded, and no complaints required resolution.

FHI's brands are also recognized for promoting healthier options. Notably, Johnn Lemon was awarded Best Lemonade in the 2023 SunStar Best of Cebu Awards, announced in October 2024—underscoring both the quality and safety of the product as valued by customers.

### Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	count
No. of complaints addressed	0	count

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

During the reporting period, the company did not receive any substantiated complaints related to marketing or labeling. The company continues to monitor customer feedback and remains proactive in addressing any potential concerns to maintain consumer trust and satisfaction.

### Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	count
No. of complaints addressed	0	count
No. of customers, users and account holders whose information is used for secondary purposes	0	count

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Fruitas Holdings Inc. (FHI) is committed to upholding high standards of product and service health and safety. The company is fully committed to upholding customer privacy and data protection in accordance with the Data Privacy Act of 2012 and its Implementing Rules and Regulations. The company has officially registered with the National Privacy Commission (NPC), as evidenced by its Certificate of Registration (NPC Registration No. PIC-007-062-2024), which is valid until September 22, 2025.

During the reporting period, no substantiated complaints were recorded. In the event of concerns, FHI utilizes its customer service hotline and active social media monitoring to receive and respond to feedback. All inputs are carefully reviewed, and corrective actions are taken as needed to support continuous improvement and customer satisfaction.

### Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	count

Fruitas Holdings Inc. (FHI) is committed to respecting individual rights to privacy and data protection. The company ensures that customer and partner information is used solely for legitimate business purposes and is safeguarded against misuse that could result in harm, including discrimination, reputational damage, fraud, or identity theft.

FHI strictly enforces its Data Privacy Policy, which is fully integrated into its operations—including online ordering and delivery platforms—to ensure ongoing compliance with data privacy laws and regulations.

## UN SUSTAINABLE DEVELOPMENT GOALS

### Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Fresh and healthy food and beverage	FRUIT manufactures and serves fresh and nutritious products, supporting SDG 2 (Zero Hunger) and SDG 3 (Good Health and Well-being) by promoting healthy eating habits.	Mismanagement of fresh and healthy products may lead to food spoilage, contamination, or foodborne illnesses.	FRUIT ensures strict quality control, proper food handling, nutritional transparency, and adherence to food safety standards to maintain product integrity.
Sourcing from local farmers and small-scale suppliers	Supporting local farmers aligns with SDG 8 (Decent Work and Economic Growth) and SDG 12 (Responsible Consumption and Production) by fostering sustainable agriculture and fair trade.	Over-reliance on small suppliers may pose supply chain risks and affect business continuity.	FRUIT diversifies its supplier base, provides capacity-building programs, and implements fair trade policies to strengthen supplier resilience.
Eco-friendly packaging initiatives	Reducing plastic waste contributes to SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action) by minimizing environmental impact.	Improper disposal of packaging materials may still contribute to pollution.	FRUIT promotes the use of biodegradable, recyclable, or reusable packaging and educates consumers on proper disposal methods.
Retail store expansion and job creation	Creating job opportunities contributes to SDG 8 (Decent Work and Economic Growth) by providing employment and livelihood for various communities.	Expansion may lead to increased energy consumption and higher carbon footprint.	FRUIT incorporates energy-efficient practices in its stores, implements sustainable building designs, and promotes employee awareness on environmental responsibility.
Digitalization and online ordering platforms	Enhancing customer access to fresh food through digital platforms supports SDG 9 (Industry, Innovation, and Infrastructure) by leveraging technology for better service efficiency.	Increased reliance on technology may contribute to electronic waste and cybersecurity risks.	FRUIT ensures responsible e-waste management, invests in secure IT infrastructure, and implements data privacy safeguards.

*\* None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

# ANNEX C

July 23, 2024

## THE SECURITIES AND EXCHANGE COMMISSION

Markets and Securities Regulation Department  
17/F SEC Headquarters  
7907 Makati Avenue, Salcedo Village,  
Barangay Bel-Air, Makati City, 1209

Attention: **Director Vicente Graciano P. Felizmenio, Jr.**  
Markets and Securities Regulation Department

## THE PHILIPPINE STOCK EXCHANGE

3rd Floor, Philippines Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue, Makati City

Attention: **Ms. Alexandra D. Tom Wong**  
Officer-in-Charge, Disclosure Department

Subject: **FRUIT- SEC Form 17-C Results of 2024 Annual Stockholders Meeting**

Gentlemen:

Please see attached the SEC Form 17-C (Current Report) of **Fruititas Holdings, Inc.** for the Results of the 2024 Annual Stockholders Meeting on July 23, 2024 filed in compliance with the Securities Regulation Code, its 2015 Implementing Rules and Regulations and the Revised Disclosure Rules of the Philippine Stock Exchange (PSE).

Thank you.

Very truly yours,

## FRUITAS HOLDINGS, INC.

By:



Ralf F. Sarmiento  
Compliance Officer



COVER SHEET

C S 2 0 1 5 0 3 0 1 4  
SEC Registration Number

F R U I T A S H O L D I N G S , I N C .

(Company's Full Name)

N O . 6 0 C O R D I L L E R A S T .

B R G Y . D O N A J O S E F A Q U E Z O N C I T Y

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

RUSHELL A. SALVADOR

Contact Person

+(632) 8731-8886

Company Telephone Number

SEC FORM 17-C

1 2

Month

3 1

Day

Fiscal Year

Results of 2024 Annual Stockholders Meeting

FORM TYPE

0 7

Month

2 3

Day

Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc  
Section

Second Article

Amended Articles Number /

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. July 23, 2024  
Date of Report (Date of earliest event reported)
2. SEC Identification Number- CS201503014
3. BIR Tax Identification No. - 008-961-476-000
4. **FRUITAS HOLDINGS, INC.**  
Exact name of issuer as specified in its charter
5. PHILIPPINES  
Province, country or other jurisdiction  
of incorporation
6.  (SEC Use Only)  
Industry Classification Code
7. 60 CORDILLERA ST. COR. E. RODRIGUEZ SR. AVE., QUEZON CITY 1113  
Address of principal office Postal Code:
8. (02)8243-1741  
Issuer's telephone number, including area code
9. N/A  
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common and Preferred Stock Outstanding and Amount of Debt Outstanding
<u>Common</u>	<u>2,133,680,000</u>

11. Indicate the item numbers reported herein:

Item 4: Resignation, Removal or Election of Registrant's Directors or Officers  
Item 9: Other Events

SIGNATURES

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

**FRUITAS HOLDINGS INC.**

Issuer

Date  
23 July 2024

  
\_\_\_\_\_  
**RALE F. SARMIENTO**  
Compliance Officer

**PSE Disclosure Form 4-24 Results of Annual Stockholders' Meeting**

References: SRC Rule 17 (SEC Form 17-C) and  
Sections 6 and 4.4 of the Revised Disclosure Rules

**FRUITAS HOLDINGS, INC.'S DISCLOSURE**

Subject of the Disclosure:

Results of the 2024 Annual Stockholders’ Meeting			
Background/Description of the Disclosure			
Results of the 2024 Annual Stockholders’ Meeting, resolutions and approval on various matters by the stockholders			
List of elected directors for the ensuing year with their corresponding shareholdings in the Issuer			
Name of Person	Shareholdings in the Listed Company		Nature of Indirect Ownership
	Direct	Indirect	
ROGELIO M. GUADALQUIVER	500,000-	-	N/A
LESTER C. YU	126,117,000-	1,127,500,010-	i) held by members of a person’s immediate family sharing the same household; ii) held by a corporation of which he is a controlling shareholder
CALVIN F. CHUA	4,150,000-	59,000-	i) held by members of a person’s immediate family sharing the same household;
MADELENE T. SAYSON	1,500,000-	-	N/A
DENNIS T. BENG HUI	10,000-	-	N/A
SHIRLEY O. TAN	10,000-	90,000-	i) held by members of a person’s immediate family sharing the same household;
BAMBI MAUREEN E. DONATO	10,000-	-	N/A

<i>External Auditor</i>	:	Reyes, Tacandong & Co.
<i>List of Other Material Resolutions, Transactions and Corporate Actions Approved by the Stockholders</i>		
<ol style="list-style-type: none"><li>1. Call to Order</li><li>2. Certification of the Notice of the of Meeting and Quorum</li><li>3. Approval of the minutes of the last Annual Meeting of Stockholders held on July 25, 2023</li><li>4. Amendment of Article III of the Articles of Incorporation</li><li>5. Ratification of all acts and resolutions of the Board of Directors and Management from the last Annual Stockholders Meeting up to July 23, 2024</li><li>6. Presentation of President's Report</li><li>7. Management Report and Approval of Audited Financial Statements for the year 2023</li><li>8. Approval of the nominees for the Election of the members of the Board of Directors, including the Independent Directors, for the year 2024</li><li>9. Appointment of Reyes, Tacandong &amp; Co. as the Company's external auditor for the year 2024</li></ol>		
<i>Other Relevant Information</i>	:	Please refer to attached Minutes on the Annual Stockholder's Meeting of Frutas Holdings, Inc.

**MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS**  
**FRUITAS HOLDINGS, INC. (FHI)**  
**Conducted via remote communication through Zoom**  
**July 23, 2024**  
**2:00 P.M.**

<b><u>TOTAL NUMBER OF SHARES OUTSTANDING</u></b>	<b>4,133,680,000</b>
<b>Total No. of Shares of Stockholders Participating Remotely or in Absentia</b>	3,232,699,000
Percentage	78.20%
<b>Total Shares Not Represented</b>	900,981,000
Percentage	21.80%

**Directors in Attendance:**

1. Rogelio M. Guadalquiver	Chairman
2. Lester C. Yu	President and Chief Executive Officer
3. Calvin F. Chua	Chief Financial Adviser
4. Madelene T. Sayson	Chief Operations Officer
5. Dennis T. Beng Hui	Independent Director
6. Bambi Maureen E. Donato	Independent Director
7. Shirley O. Tan	Independent Director

**Corporate Officers in Attendance:**

1. Roselyn A. Legaspi	Managing Director – Visayas and Mindanao
2. Rushell A. Salvador	Chief Financial Officer and Treasurer
3. Lerma C. Fajardo	Deputy Chief Financial Officer and Comptroller
4. Shaun Aldrich G. Si	Investor Relations Officer
5. Ralf F. Sarmiento	Compliance Officer
6. Marvin C. Yu	Corporate Secretary

**I. CALL TO ORDER**

The Chairman opened the meeting by welcoming the shareholders to the 2024 Annual Stockholders Meeting of the company and calling the same to order after, indicating that the meeting was held via remote communication using Zoom Platform.

**II. CERTIFICATION OF NOTICE OF MEETING AND QUORUM**

Upon request of The Chairman of the Board, Mr. Rogelio M. Guadalquiver, the Corporate Secretary, Mr. Marvin C. Yu, announced that the notices for the meeting were distributed to the stockholders through the following:

1. Publication of the Notice of the ASM in the Business Sections of the Manila Standard and the Business Mirror, both newspapers of general circulation in the Philippines, in both print and online format on July 1 and July 2, 2024;
2. Disclosure of the ASM Notice on the Philippine Stock Exchange Edge portal; and,
3. Posting on the Corporation's website at [www.fruitasholdings.com](http://www.fruitasholdings.com).



These alternative modes of notification to stockholders are in compliance with the guidelines of the SEC per its Notice dated February 23, 2024.

In addition, aside from the Notice of the ASM which contained the guidelines on how to participate and vote in absentia, the Corporation's Definitive Information Statement for the year 2024 was made available to the stockholders through:

1. The PSE Edge portal; and
2. The Corporation's website at [www.fruitasholdings.com](http://www.fruitasholdings.com).

#### *Meeting Rules and Voting procedures*

- Only stockholders of record as of record date, June 25, 2024 shall be entitled to vote in the 2024 ASM via remote communication and voting in absentia, subject to validation procedures.
- Proxy forms must be submitted to the Company's Corporate Secretary at [IPO.Compliance@fruitasholdings.com](mailto:IPO.Compliance@fruitasholdings.com) not later than 16 July 2024. The proxies shall be validated by 17 July 2024.
- Those who successfully registered with complete documents and accomplished voting as of July 19, 2024 shall be the basis of the votes for each of the agenda.
- Stockholders who have sent their questions about the ASM and the Company to [IPO.Compliance@fruitasholdings.com](mailto:IPO.Compliance@fruitasholdings.com), if any, shall be answered this afternoon.
- All votes cast were validated by the Stock and Transfer Agent, BDO Unibank, Inc.

The Definitive Information Statement contains detailed steps and procedures for participating via remote communication and voting in absentia.

He reported the computation of FHI's Stock Transfer Agent (BDO), that out of 2,133,680,000 common shares and 2,000,000,000 preferred shares stock outstanding, and entitled to vote, **3,232,699,000** total outstanding shares, representing **78.20%** of the total outstanding common and preferred shares were represented at the meeting, by stockholders participating remotely or in absentia or represented by proxies. The Corporate Secretary then certified the existence of a quorum, with more than 2/3 of the outstanding shares of the corporation, for the approval of all the matters on the agenda.

### III. **APPROVAL OF THE MINUTES OF THE LAST ANNUAL MEETING OF THE STOCKHOLDERS**

The Chairman proceeded to the next item in the agenda, which was the approval of the minutes of the annual meeting of the stockholders held last July 25, 2023. It was manifested by the Corporate Secretary that the minutes of the said meeting were provided through posting in the Corporation's website.

On motion duly made and seconded, the stockholders dispensed with the reading of the minutes of the last stockholders' meeting of the Corporation held on July 25, 2023 and submitted the same for approval as recorded. Accordingly, the following resolution was thus adopted and approved:

**"RESOLVED**, that the stockholders of Fruitas Holdings, Inc. hereby approve the Minutes of the Annual Stockholders' Meeting held on July 25, 2023 as recorded."

The Chairman requested the Corporate Secretary to record the votes for this agenda item. The above resolution was approved by more than a majority of the total outstanding shares entitled to vote, **2,232,699,000** shares, representing **78.20%**

Based on the existing process, votes were casted through an online portal which was accessed by eligible shareholders upon successful registration to the 2024 Annual Stockholders Meeting and were validated by the corporation's Stock and Transfer Agent, BDO Unibank, Inc.

#### IV. **AMENDMENT OF ARTICLE III OF THE ARTICLES OF INCORPORATION**

The next item taken up was for the approval of the Amendment of Article III of the Articles of Incorporation. On May 22, 2024, the board of directors approved the Amendment of the Third Article of the Articles of Incorporation of FRUITAS HOLDINGS INC., to update and change the place of the principal office of the Corporation. The said amendment is hereby presented for stockholders' approval as follows:

**"RESOLVED, AS IT HEREBY RESOLVED,** that the stockholders of **FRUITAS HOLDINGS, INC. ("the Corporation")** approve, as it hereby approves the amendment of the Third Article of the Corporation's Articles of Incorporation to read as follows:

**THIRD:** That the place of the principal office of the Corporation is to be established at 68 Data St. Brgy., Don Manuel, Quezon City.

**RESOLVED FURTHER,** to authorize the Corporation to make such modifications or revisions to the foregoing amendments may be required by the Securities and Exchange Commission ("SEC") or the Philippine Stock Exchange ("PSE") or extent necessary to comply with the requirements of SEC & PSE."

On motion duly made and seconded, 3,232,699,000 votes representing 78.20% of the total outstanding common and preferred shares of the Corporation, have voted in favor of amending the Article III of the Articles of Incorporation.

#### V. **RATIFICATION OF ALL ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND MANAGEMENT FROM THE DATE OF THE LAST ANNUAL STOCKHOLDERS' MEETING UNTIL THE DATE OF THIS MEETING**

The next item on the agenda was the ratification of all acts and resolutions of the Board of Directors and Management from the day of the last Annual Stockholders Meeting up to the date of this meeting. On motion duly made and seconded, the stockholders approved the following resolution:

**"RESOLVED,** that the stockholders of Fruitas Holdings, Inc., hereby approve and ratify all the actions taken by the Corporation's Board of Directors and Management for the year 2023 and up to the present."

The Chairman requested the Corporate Secretary to record the votes for this agenda item. The stockholders owning more than a majority of the total outstanding shares entitled to vote ratified all acts of the Corporation, its Board of Directors and Management from the last annual stockholders' meeting to the present. Of the 3,232,699,000 total outstanding common and preferred shares entitled to vote at this meeting, 3,232,699,000 shares, representing 78.20% of the total outstanding common and preferred shares of the Corporation, have voted in favor of ratifying all acts and resolutions of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting until the date of this meeting.

Based on the existing process, votes were casted through an online portal which was accessed by eligible shareholders upon successful registration to the 2024 Annual Stockholders Meeting and were validated by the corporation's Stock and Transfer Agent, BDO Unibank, Inc.

**VI. PRESENTATION OF THE PRESIDENT'S REPORT**

The Chairman of the Meeting then gave the floor to the President of the Corporation, Mr. Lester C. Yu, for the latter's report on the Corporation's achievements and milestones throughout the year 2023 and 2024.

The President reported Achieving New Records for a Fruitful Future and significant business transaction undertaken by Management and achievements for the year 2023 and 2024.

**VII. MANAGEMENT REPORT AND APPROVAL OF AUDITED FINANCIAL STATEMENT FOR THE YEAR 2023**

The Chairman of the Meeting then gave the floor to the Chief Financial Adviser of the Corporation, Mr. Calvin F. Chua, for the latter's report on the Corporation's results of operations and financial condition for year 2023 and 2024.

After Mr. Chua's presentation, the Chairman opened the floor for questions. On motion duly made and seconded, the stockholders approved the following resolution:

**"RESOLVED**, that the stockholders of Fruitas Holdings, Inc. hereby approve the 2023 Annual Report and the Audited Consolidated Financial Statements of Fruitas Holdings, Inc. for the year ended December 31, 2023."

The Chairman requested the Corporate Secretary to record the votes for this agenda item. The stockholders owning more than a majority of the total outstanding shares entitled to vote approved the annual report for the year 2023 and the audited financial statements for year ended December 31, 2023. Of the 3,232,699,000 total outstanding common shares entitled to vote at this meeting, **3,232,699,000** shares voted, representing **78.20%** of the total outstanding common and preferred shares of the Corporation, have voted in favor of approving the Audited Financial Statements for the year 2023.

Based on the existing process, votes were casted through an online portal which was accessed by eligible shareholders upon successful registration to the 2024 Annual Stockholders Meeting.

**VIII. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS, INCLUDING INDEPENDENT DIRECTORS, FOR THE YEAR 2024**

The Articles of Incorporation of the Corporation provide for 7 directors, with 3 being Independent Directors. The Corporate Secretary announced the names of the persons nominated for election as directors and independent directors of Fruitas Holdings, Inc. as follows:

1. Rogelio M. Guadalquiver
2. Lester C. Yu

3. Calvin F. Chua
4. Madelene T. Sayson
5. Bambi Maureen E. Donato (Independent Director)
6. Dennis T. Beng Hui (Independent Director)
7. Shirley O. Tan (Independent Director)

On motion duly made and seconded, the above-named nominees were nominated and elected as directors and independent directors of the Corporation. There was no objection, the nomination was closed.

Since no objection was made, the motion was carried and all the seven (7) nominees were elected as directors based on votes of stockholders participating remotely or in absentia and by proxy. The Chairman requested the Corporate Secretary to record the votes for this agenda item. The stockholders owning more than a majority of the total outstanding shares entitled to vote casted the votes via the online portal and results were shown to the stockholders, as detailed below:

AGENDA	VOTES	
	NO. OF SHARES	%
Election of Directors		
1. Rogelio M. Guadalquiver	3,232,699,000	78.20%
2. Lester C. Yu	3,232,699,000	78.20%
3. Calvin F. Chua	3,232,699,000	78.20%
4. Madelene T. Sayson	3,232,699,000	78.20%
5. Bambi Maureen E. Donato	3,227,449,000	78.08%
6. Dennis T. Beng Hui	3,229,599,000	78.13%
7. Shirley O. Tan	3,229,599,000	78.13%

#### IX. APPOINTMENT OF EXTERNAL AUDITORS

The stockholders were informed that present auditor, Reyes Tacandong & Co. (RTC), was appointed as Company auditor since 2015. The Audit Committee, headed by Mr. Dennis T. Beng Hui and the management recommend the re-appointment of RTC and RTC has accepted the invitation to stand for re-appointment this year. The Company is in compliance with Rule 68 of the Securities Regulation Code requiring the rotation of external auditors or engagement partners who have been engaged by the company.

There being no other questions, on motion duly made and seconded, the following resolution was adopted and approved:

**“RESOLVED**, that the stockholders of Fruitas Holdings, Inc. (the “Corporation”) hereby approve and ratify the appointment of Reyes Tacandong & Co. (RTC) as the external auditor of the Corporation for the year 2024.”

The Chairman requested the Corporate Secretary to record the votes for this agenda item. The stockholders owning more than a majority of the total outstanding shares entitled to vote approved the re-appointment of Reyes Tacandong & Co. as the external auditor of the Corporation for the year 2024. Of the **3,232,699,000** total outstanding common and preferred shares entitled to vote at this meeting, **3,232,699,000** shares, representing **78.20%** of the total

outstanding common shares of the Corporation, have voted in favor approving the appointment of Reyes Tacandong & Co.

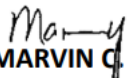
Based on the existing process, votes were casted through an online portal which was accessed by eligible shareholders upon successful registration to the 2024 Annual Stockholders Meeting.

**X. OTHER MATTERS AND ADJOURNMENT**

The stockholders were given an opportunity to ask questions by sending their queries about the ASM and the Company to [IPO.Compliance@fruitasholdings.com](mailto:IPO.Compliance@fruitasholdings.com) and through zoom chat box.

There being no questions casted by present eligible shareholders and no further business to transact, on motion duly made and seconded, the Chairman adjourned the meeting. The Chairman thanked all the stockholders for their attendance and participation remotely.

Certified Correct:

  
**MARVIN C. YU**  
Corporate Secretary

COVER SHEET

C S 2 0 1 5 0 3 0 1 4  
SEC Registration Number

F R U I T A S H O L D I N G S , I N C .  
  
  
  
  
(Company's Full Name)

N O . 6 0 C O R D I L L E R A S T .  
B R G Y . D O N A J O S E F A Q U E Z O N C I T Y  
(Business Address: No., Street City / Town / Province)

RUSHELL A. SALVADOR  
Contact Person  
+(632) 8731-8886  
Company Telephone Number

1 2 3 1  
Month Day  
Fiscal Year  
SEC FORM 17-C  
REPORT ON NUMBER OF STOCKHOLDERS April 30, 2025  
FORM TYPE  
0 7 2 5  
Month Day  
Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc  
  
Amended Articles Number / Section

Total No. of Stockholders  
Total Amount of Borrowings  
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number  
  
LCU  
  
Document ID  
  
Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

May 5, 2025



**THE SECURITIES AND EXCHANGE COMMISSION**

Markets and Securities Regulation Department  
17/F SEC Headquarters  
7907 Makati Avenue, Salcedo Village,  
Barangay Bel-Air, Makati City, 1209

Attention : **Director Vicente Graciano P. Felizmenio, Jr.**  
Markets and Securities Regulation Department

**THE PHILIPPINE STOCK EXCHANGE**

3rd Floor, Philippines Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue, Makati City

Attention : **Atty. Johanne Daniel M. Negre**  
Officer-in-Charge, Disclosure Department

Gentlemen:

We report to you herewith the number of stockholders owning at least one board lot each of FRUITAS HOLDINGS, INC., as of April 30, 2025:

Total Issued and Outstanding Shares (Net of Treasury Shares Common	:	2,132,582,000
Total Number of Stockholders Common	:	21
Number of Shares per Board Lot Common	:	1000
Total Number of Stockholders Owning at least 1 Board Lot Common	:	20
Closing market Price	:	0.64
Last trading date	:	April 30, 2025

Very truly yours,

FRUITAS HOLDINGS INC.

By:   
Ralf E. Sarmiento  
Compliance Officer

SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-C  
CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. April 30, 2025  
Date of Report (Date of earliest event reported)
2. SEC Identification Number- CS201503014
3. BIR Tax Identification No.- 008-961-476-000
4. **FRUITASHOLDINGS INC**  
Exact name of issuer as specified in its charter
5. PHILIPPINES  
Province, country or other jurisdiction  
of incorporation
6.  (SEC Use Only)  
Industry Classification Code
7. 60 CORDILLERA ST. BRGY. DONA JOSEFA, QUEZON CITY  
Address of principal office
8. (02)8243-1741  
Issuer's telephone number, including area code
9. N/A  
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA

1113  
Postal Code:

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<u>Common</u>	<u>2,132,582,000</u>

11. Indicate the item numbers reported herein: ITEM 9- OTHER EVENTS

We hereby submit the SEC Form 17C for the Report on Number of Shareholders of Frutas Holdings Inc. for the month ended April 30, 2025. There are 20 stockholders owning at least one board lot (1,000 shares) in the 2,132,582,000 outstanding common shares of FRUIT at a closing price of P0.64 on the last trading on April 30, 2025. Attached is the list of all shareholders as of April 30, 2025 for your reference.

**SIGNATURES**

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

**FRUITAS HOLDINGS INC.**

Issuer

Date

  
Ralf F Sarmiento  
Compliance Officer

05 May 2025





COMPANY NAME : FRUITAS HOLDINGS, INC.

LIST OF ALL STOCKHOLDERS  
As Of April 30, 2025

STOCKHOLDER'S NAME	OUTSTANDING & ISSUED SHARES (FULLY PAID)	OUTSTANDING & ISSUED SHARES (PARTIALLY PAID)	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL
PCD NOMINEE CORP. (FILIPINO)	2,113,786,711	0	2,113,786,711	99.068
PCD NOMINEE CORP. (NON-FILIPINO)	17,230,281	0	17,230,281	0.808
NECISTO UY SYTENGCO	2,500,000	0	2,500,000	0.117
MYRA P. VILLANUEVA	59,000	0	59,000	0.003
MILAGROS P. VILLANUEVA	20,000	0	20,000	0.001
MYRNA P. VILLANUEVA	20,000	0	20,000	0.001
MYRA P. VILLANUEVA	11,000	0	11,000	0.001
JUAN CARLOS V. CABREZA	10,000	0	10,000	0.000
MARIETTA V. CABREZA	10,000	0	10,000	0.000
IRENE CHUA	10,000	0	10,000	0.000
MA. CHRISTMAS R. NOLASCO	10,000	0	10,000	0.000
MYLENE C. ARNIGO	5,000	0	5,000	0.000
DENNIS T. BENG HUI	1,000	0	1,000	0.000
CALVIN FENIX CHUA	1,000	0	1,000	0.000
VINCENT RICARDO CUEVAS	1,000	0	1,000	0.000
BAMBI MAUREEN ENRIQUEZ DONATO	1,000	0	1,000	0.000
ROGELIO MESINA GUADALQUIVER	1,000	0	1,000	0.000
MADELENE TIMBAS SAYSON	1,000	0	1,000	0.000
SHIRLEY O YEK TAN	1,000	0	1,000	0.000
LESTER C. YU	1,000	0	1,000	0.000
GERARDO L. SALGADO	8	0	8	0.000
GRAND TOTAL (21)	2,133,680,000	0	2,133,680,000	100.000

# ANNEX E

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **DENNIS T. BENG HUI**, Filipino, of legal age and a resident of **104A VALENCIA HILLS CONDOMINIUM, N. DOMINGO ST., VALENCIA, QUEZON CITY**, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **FRUITAS HOLDINGS, INC.** and have been its independent director since 2019.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Technopoly Inc.	Managing Director and Co-Founder	2013 to Present


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **FRUITAS HOLDINGS, INC.**, 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 director/ officer/ substantial shareholder of **FRUITAS HOLDINGS, INC. and any of its subsidiaries** other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **FRUITAS HOLDINGS, INC.** of any changes in the abovementioned information within five days from its occurrence.

Done, this MAY 22 2025 day of QUEZON CITY

  
DENNIS T. BENG HUI

SUBSCRIBED AND SWORN to before me this MAY 22 2025 day of QUEZON CITY  
affiant personally appeared before me and exhibited to me his/her \_\_\_\_\_  
issued at \_\_\_\_\_ on \_\_\_\_\_

Doc. No. 97;  
Page No. 20;  
Book No. 11-P;  
Series of WV

  
**ATTY. FELIZARDO M. IBARRA**  
Notary Public for Q.C/Until Dec. 31, 2025  
Roll No. 80835  
PTR No. 6986788D/Jan. 07, 2025/ Q.C.  
IBP No. 331161(2024-2025)/Q.C  
MCLE Comp. No. VIII-0000973(04/15/2022-04/14/2025)  
Admin. Matter No. NP. 088(2025-2026)  
Quirino Highway Brgy., Kaligayahan Q.C.

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **SHIRLEY O. TAN**, Filipino, of legal age and a resident of **4 MADELAINE ST., PARKWAY VILLAGE, BRGY. APOLONIO SAMSON, QUEZON CITY**, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **FRUITAS HOLDINGS, INC.** and have been its independent director since 2019.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Bank of Makati Inc.	Corporate Treasurer	Jan. 2003 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **FRUITAS HOLDINGS, INC.**, 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 director/ officer/ substantial shareholder of **FRUITAS HOLDINGS, INC. and any of its subsidiaries** other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **FRUITAS HOLDINGS, INC.** of any changes in the abovementioned information within five days from its occurrence.


Done, this \_\_\_\_\_ day of MAY 22 2025 at QUEZON CITY.



**SHIRLEY O. TAN**

SUBSCRIBED AND SWORN to before me this MAY 22 2025 day of \_\_\_\_\_ at QUEZON CITY  
affiant personally appeared before me and exhibited to me his/her \_\_\_\_\_  
issued at \_\_\_\_\_ on \_\_\_\_\_.

Doc. No. 98 ;  
Page No. 10 ;  
Book No. C-P ;  
Series of WA

  
**ATTY. FELIZARDO M. IBARRA**  
Notary Public for Q.C./Until Dec. 31, 2025  
Roll No. 80835  
PTR No. 6986788D/Jan. 07, 2025/ Q.C.  
IBP No. 331161(2024-2025)/Q.C  
MCLE Comp. No. VIII-0000973(04/15/2022-04/14/2025)  
Admin. Matter No. NP. 088(2025-2026)  
Quirino Highway Brgy., Kaligayahan Q.C.



## CERTIFICATION OF INDEPENDENT DIRECTOR

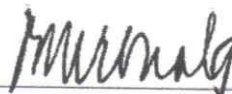
I, **BAMBI MAUREEN E. DONATO**, Filipino, of legal age and a resident of **1 VERDE DE PASADENA TOWNHOMES, PASADENA DRIVE, SAN JUAN**, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **FRUITAS HOLDINGS, INC.** and have been its independent director since 2019.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Linq Academy Education Services, Inc.	Program and Marketing Manager	May 2015 to Present
Center for Family Ministries, Inc. (CEFAM)	Pastoral Counselor	June 2023 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **FRUITAS HOLDINGS, INC.**, 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 director/ officer/ substantial shareholder of **FRUITAS HOLDINGS, INC. and any of its subsidiaries** other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **FRUITAS HOLDINGS, INC.** of any changes in the abovementioned information within five days from its occurrence.

Done, this MAY 22 day of 2025 at QUEZON CITY.



**BAMBI MAUREEN E. DONATO**

SUBSCRIBED AND SWORN to before me this MAY 22 day of 2025 at QUEZON CITY  
affiant personally appeared before me and exhibited to me his/her \_\_\_\_\_  
issued at \_\_\_\_\_ on \_\_\_\_\_.

Doc. No. 96;  
Page No. 20;  
Book No. 11-D;  
Series of 2025.



**ATTY. FELIZARDO M. IBARRA**

Notary Public for Q.C./Until Dec. 31, 2025  
Roll No. 80835

PTR No. 6986788D/Jan. 07, 2025/Q.C.

IBP No. 331161(2024-2025)/Q.C.

MCLE Comp. No. VIII-0000973(04/15/2022-04/14/2025)

Admin. Matter No. NP. 088(2025-2026)

Quirino Highway Brgy., Kaligayahan Q.C.

# ANNEX F

## FRUITAS HOLDINGS, INC.

No. 60 Cordillera St., Brgy. Dona Josefa  
Quezon City, Philippines 1113

### SECRETARY'S CERTIFICATE

I, **MARVIN C. YU**, of legal age, Filipino and with office address at 68 Data St., Brgy. Don Manuel, Quezon City, Philippines 1113, after having been duly sworn in accordance with law, hereby certify that:

1. I am the duly elected and incumbent Corporate Secretary of **FRUITAS HOLDINGS, INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal address at No. 60 Cordillera St., Brgy. Dona Josefa, Quezon City, Philippines 1113;
2. None of the following Directors or Officers of the Corporation are connected with any government agencies or its instrumentalities:

Name	Position
Rogelio M. Guadalquivir	Chairman
Lester C. Yu	Director, President, and Chief Executive Officer
Calvin F. Chua	Director and Chief Financial Adviser
Bambi Maureen E. Donato	Independent Director
Dennis T. Beng Hui	Independent Director
Shirley O. Tan	Independent Director
Madelene T. Sayson	Chief Operating Officer
Rushell A. Salvador	Chief Financial Officer and Treasurer
Roselyn A. Legaspi	Managing Director – Visayas and Mindanao
Ralf F. Sarmiento	Compliance Officer
Shaun Aldrich G. Si	Investor Relations Associate
Lerma C. Fajardo	Deputy Chief Financial Officer and Comptroller
Marvin C. Yu	Corporate Secretary

3. This certification is being issued to attest to the truth of the foregoing statements and for whatever legal purpose it may serve.

**MAY 22 2025**

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ in

**QUEZON CITY**

**MARVIN C. YU**

Corporate Secretary

**MAY 22 2025**

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ in **QUEZON CITY** affiant  
exhibiting and presenting to me competent evidence of identity, \_\_\_\_\_  
issued by the \_\_\_\_\_ on \_\_\_\_\_ valid until \_\_\_\_\_.

Doc. No. 95;  
Page No. 19;  
Book No. 12-D;  
Series of 2025

**ATTY. FELIZARDO M. IBARRA**

Notary Public for Q.C./Until Dec. 31, 2025

Roll No. 80835

PTR No. 6986788D/Jan. 07, 2025/ Q.C.

IBP No. 331161(2024-2025)/Q.C

MCLE Comp. No. VIII-0000973(04/15/2022-04/14/2025)

Admin. Matter No. NP. 088(2025-2026)

Quirino Highway Brgy., Kaligayahan Q.C.

ANNEX G

May 15, 2025

**THE SECURITIES AND EXCHANGE COMMISSION**

Markets and Securities Regulation Department  
17/F SEC Headquarters  
7907 Makati Avenue, Salcedo Village,  
Barangay Bel-Air, Makati City, 1209

Attention: **Mr. Vicente Graciano P. Felizmenio, Jr.**  
Director, Securities and Exchange Commission

**PHILIPPINE STOCK EXCHANGE**

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

Attention: **Atty. Johanne Daniel M. Negre**  
Officer-in-Charge, Disclosure Department

Subject: **FRUIT' SEC Form 17Q-Quarter Report 2025**

Dear Sir/Madam:

We hereby submit the SEC Form 17Q for the Amended Quarter Report ending March 31, 2025 of Frutas Holdings Inc. (FRUIT).

Attached here is the Unaudited Financial Statement as of March 31, 2025

Hope you find everything in order.

Thank you.

Very truly yours,

**FRUITAS HOLDINGS INC.**

By:

  
**Rushell A. Salvador**  
Chief Financial Officer & Treasurer

COVER SHEET

C S 2 0 1 5 0 3 0 1 4

SEC Registration Number

F R U I T A S H O L D I N G S , I N C .

(Company's Full Name)

N O . 6 0 C O D I L L E R A S T . B R G Y .

D O N A J O S E F A Q U E Z O N C I T Y

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

CONTACT PERSON INFORMATION

RUSHELL A. SALVADOR

Contact Person

+(632) 8731-8886

Company Telephone Number

1 2 3 1

Month Day

Fiscal Year

SEC FORM 17-Q

For the Quarter Ended March 2025

FORM TYPE

0 7 2 3

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc

Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended- 31 March 2025
2. SEC Identification Number- CS201503014
3. BIR Tax Identification No.- 008-961-476-000
4. FRUITASHOLDINGS INC  
Exact name of issuer as specified in its charter
5. PHILIPPINES  
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)  
Industry Classification Code
7. 60 CORDILLERA ST. BRGY. DONA JOSEFA, QUEZON CITY, METRO MANILA, PHILIPPINES  
Address of principal office
- 1113  
Postal Code:
8. (02)8243-1741  
Issuer's telephone number, including area code
9. N/A  
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA

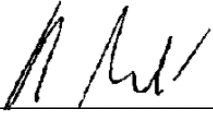
Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	2,133,397,000
11. Are any or all of the securities listed on a Stock Exchange?  
Yes [ ✓ ] No [ ]  
  
If yes, state the name of such Stock Exchange and the class/es of securities listed therein:  
  
PHILIPPINE STOCK EXCHANGE/COMMON SECURITIES
12. Indicate by check mark whether the registrant:  
  
(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)  
Yes [ ✓ ] No [ ]  
  
(b) has been subject to such filing requirements for the past ninety (90) days.  
Yes [ ] No [ ✓ ]



## SIGNATURES

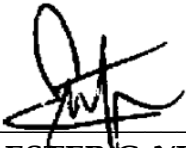
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**FRUITAS HOLDINGS, INC.**



---

**ROGELIO M. GUADALQUIVER**  
Chairman of the Board



---

**LESTER C. YU**  
President and Chief Executive Officer



---

**RUSHELL A. SALVADOR**  
Chief Finance Officer and Treasurer

May 15, 2025



## COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 1 5 0 3 0 1 4

COMPANY NAME

F	R	U	I	T	A	S		H	O	L	D	I	N	G	S	,		I	N	C	.		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S	
(	A		S	u	b	s	i	d	i	a	r	y		o	f		L	U	S	H		P	R	O	P	E	R	T	I	E	S	,		I	N	C	.	)	

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

N	o	.		6	0		C	o	r	d	i	l	l	e	r	a		S	t	.	,		B	r	g	y	.		D	o	n	a		J	o	s	e	f	
a	,		Q	u	e	z	o	n		C	i	t	y	,		1	1	1	3																				

Form Type

A A C F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N / A

## COMPANY INFORMATION

Company's Email Address

ipo.compliance@fruitasholdings.com

Company's Telephone Number/s

(02) 8 243-1741

Mobile Number

0967 7824 286

No. of Stockholders

121

Annual Meeting (Month / Day)

Every Second Monday of June

Calendar Year (Month / Day)

December 31

## CONTACT PERSON INFORMATION

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

Name of Contact Person

Madelene T. Sayson

Email Address

madelene.sayson@fruitasholdings.com

Telephone Number/s

(02) 8 243-1741

Mobile Number

09420711576

## CONTACT PERSON'S ADDRESS

No. 60 Cordillera St., Brgy. Dona Josefa, Quezon City, 1113

**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.

**NOTE 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 shall not excuse the corporation from liability for its deficiencies.

**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES**  
(A Subsidiary of LUSH PROPERTIES, INC.)

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	Mar 2025	Dec 2024
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	₱ 570,664,336	₱585,269,977
Financial assets at fair value through profit or loss (FVPL)	6	48,334,583	47,542,019
Trade receivables	7	105,448,536	110,243,597
Due from related parties	16	97,046,318	93,140,843
Merchandise inventories	8	74,151,978	71,688,320
Advance rentals		8,759,229	9,920,660
Other current assets	9	102,076,900	60,262,755
Total Current Assets		1,006,481,880	978,068,171
<b>Noncurrent Assets</b>			
Financial assets at fair value through other comprehensive income (FVOCI)	6	1,725,000	1,725,000
Investment properties	10	273,150,325	273,150,325
Property and equipment	11	846,023,231	857,886,371
Right-of-use (ROU) assets	24	33,671,772	42,591,399
Intangible assets	12	260,184,731	260,184,731
Rental deposits		108,293,294	106,125,692
Deferred tax assets		64,035,796	64,035,796
Total Noncurrent Assets		1,587,084,149	1,605,699,314
		<b>₱2,593,566,029</b>	<b>₱2,583,767,485</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	13	₱141,559,592	₱143,170,904
Current portion of:			
Notes payable	14	577,550,001	599,466,667
Lease liabilities	24	26,702,703	26,702,703
Mortgage payable	15	1,424,422	1,424,422
Income tax payable		41,592,387	29,376,532
Total Current Liabilities		788,829,105	800,141,228

(Forward)

	Note	Mar 2025	Dec 2024
<b>Noncurrent Liabilities</b>			
Noncurrent portion of:			
Notes payable	14	<b>₱ 4,583,333</b>	₱5,833,333
Lease liabilities	24	<b>6,424,526</b>	17,387,823
Mortgage payable	15	<b>1,618,880</b>	2,464,623
Security deposits	24	<b>635,143</b>	635,143
Retirement benefits liability	17	<b>19,686,613</b>	18,591,613
Deferred tax liabilities		<b>13,003,357</b>	13,003,357
Total Noncurrent Liabilities		<b>45,951,852</b>	57,915,892
Total Liabilities		<b>834,780,957</b>	858,057,120
<b>Equity</b>			
Capital stock	18		
Preferred stock		<b>20,000,000</b>	20,000,000
Common stock		<b>213,368,000</b>	213,368,000
Additional paid-in capital	18	<b>777,837,044</b>	777,837,044
Retained earnings	18	<b>417,983,198</b>	384,728,091
Other equity reserves	4	<b>195,207,311</b>	195,207,311
Other comprehensive income		<b>1,772,342</b>	1,772,342
Treasury shares		<b>(180,400)</b>	-
Equity Attributable to Equity Holders of the Parent			
Company		<b>1,625,987,495</b>	1,592,912,788
Non-controlling interests	18	<b>132,797,577</b>	132,797,577
Total Equity		<b>1,758,785,072</b>	1,725,710,365
		<b>₱2,593,566,029</b>	₱2,583,767,485

See accompanying Notes to Consolidated Financial Statements.

**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES**  
(A Subsidiary of LUSH PROPERTIES, INC.)

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Note	Mar 2025	Mar 2024
REVENUE	19	<b>₱ 679,350,030</b>	₱639,807,919
DIRECT COSTS	20	<b>(275,132,229)</b>	(263,082,247)
GROSS PROFIT		<b>404,217,801</b>	376,725,672
SELLING AND DISTRIBUTION EXPENSES	21	<b>(298,684,916)</b>	(284,938,119)
GENERAL AND ADMINISTRATIVE EXPENSES	22	<b>(50,940,098)</b>	(45,553,473)
INTEREST EXPENSE		<b>(10,064,878)</b>	(6,820,304)
OTHER INCOME - Net	23	<b>943,050</b>	2,002,371
INCOME BEFORE INCOME TAX		<b>45,470,960</b>	41,416,147
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current		<b>12,215,853</b>	11,597,850
Deferred		-	-
		<b>12,215,853</b>	11,597,850
NET INCOME		<b>33,255,107</b>	29,818,297
OTHER COMPREHENSIVE INCOME			
Remeasurement gain on retirement benefits liability (net of deferred tax)		-	-
TOTAL COMPREHENSIVE INCOME		<b>₱ 33,255,107</b>	₱29,818,297
Basic and Diluted Earnings per Share		<b>₱0.016</b>	₱0.014

*See accompanying Notes to Consolidated Financial Statements.*

**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES**  
(A Subsidiary of LUSH PROPERTIES, INC.)

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Note	Mar 2025	Mar 2024
<b>Capital Stock</b>	18		
Preferred stock		₱20,000,000	₱20,000,000
Common stock		213,368,000	213,368,000
		<b>233,368,000</b>	233,368,000
<b>Additional Paid-in Capital</b>	18		
Balance at beginning and end of year		<b>777,837,044</b>	777,837,044
<b>Retained Earnings</b>	18		
Balance at beginning of year		<b>384,728,091</b>	313,244,657
Net income		<b>33,255,107</b>	29,818,297
Cash dividends		—	—
Balance at end of year		<b>417,983,198</b>	343,062,954
<b>Other Equity Reserves</b>	4		
Balance at beginning of year		<b>195,207,311</b>	192,818,000
Acquisition of non-controlling interests		—	—
Equity transaction resulting from the listing of a subsidiary		—	—
Balance at end of year		<b>195,207,311</b>	192,818,000
<b>Other Comprehensive Income (Loss)</b>			
Balance at beginning of year		<b>1,772,342</b>	1,772,342
Remeasurement gain on retirement benefits liability, net of deferred tax		—	—
Balance at end of year		<b>1,772,342</b>	1,772,342
<b>Treasury Shares</b>			
Balance at beginning of year		—	—
Acquisitions		<b>(180,400)</b>	—
<b>Balance at end of year</b>		<b>(180,400)</b>	—
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>		<b>1,625,987,495</b>	1,548,858,340
<b>NON-CONTROLLING INTERESTS</b>	18		
Balance at beginning of year		<b>132,797,577</b>	117,229,980
Total comprehensive income		—	—
Share of non-controlling interests from listing of a subsidiary	4	—	—
Acquisition of non-controlling interests	4	—	—
Balance at end of year		<b>132,797,577</b>	117,229,980
		<b>₱1,758,785,072</b>	₱1,666,088,320

See accompanying Notes to Consolidated Financial Statements.

**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES**  
(A Subsidiary of LUSH PROPERTIES, INC.)

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Note	Mar 2025	Mar 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax		<b>₱ 45,470,960</b>	₱41,416,147
Adjustments for:			
Depreciation and amortization	11	<b>49,413,752</b>	50,774,223
Interest expense	14	<b>10,064,788</b>	6,820,304
Interest income		<b>(601,913)</b>	(1,440,504)
Retirement benefits cost	17	<b>1,095,000</b>	1,095,000
Operating income before working capital changes		<b>105,442,586</b>	98,665,170
Decrease (increase) in:			
Trade receivables		<b>4,795,061</b>	(1,370,926)
Merchandise inventories		<b>(2,463,658)</b>	(1,241,737)
Deposits and advance rentals		<b>(1,006,171)</b>	(4,019,929)
Other current assets		<b>(41,814,145)</b>	(17,685,865)
Financial assets carried at FVPL		<b>(792,564)</b>	—
Increase (decrease) in:			
Trade and other payables		<b>(1,611,312)</b>	(5,624,131)
Security deposits		<b>—</b>	—
Net cash generated from operations		<b>62,549,797</b>	68,722,582
Income taxes paid		<b>—</b>	—
Interest paid		<b>(8,945,281)</b>	(5,520,234)
Interest received		<b>601,913</b>	1,440,504
Retirement benefits paid	17	<b>—</b>	—
Net cash provided by operating activities		<b>54,206,429</b>	64,642,853
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of:			
Property and equipment	11	<b>(28,630,984)</b>	(49,644,899)
Investment properties	10	<b>—</b>	—
Intangible assets	12	<b>—</b>	(3,194,716)
Collections from (advances to) related parties	16	<b>(3,905,475)</b>	1,960,057
Dividends received		<b>—</b>	—
Advances for asset acquisition		<b>—</b>	—
Net cash used in investing activities		<b>(32,536,459)</b>	(50,879,557)

(Forward)



	Note	Mar 2025	Mar 2024
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from:			
Availments of loans	14	<b>P 210,000,000</b>	P 43,500,000
Availments of mortgage	15	—	—
Issuances of preferred shares		—	—
Issuances of shares to non-controlling interests	4	—	—
Payments of:			
Notes payable	14	<b>(233,166,666)</b>	(34,459,344)
Lease liabilities	24	<b>(12,082,803)</b>	(15,497,578)
Mortgage payable	15	<b>(845,743)</b>	—
Treasury shares		<b>(180,400)</b>	
Net cash provided by (used in) financing activities		<b>(36,275,612)</b>	(6,456,922)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(14,605,641)</b>	7,306,373
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>585,269,977</b>	581,573,621
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>P 570,664,336</b>	P588,879,993

*See accompanying Notes to Consolidated Financial Statements.*

**FRUITAS HOLDINGS, INC. AND SUBSIDIARIES**  
(A Subsidiary of LUSH PROPERTIES, INC.)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

AS AT MARCH 31, 2025 AND 2024

AND FOR THE YEARS ENDED MARCH 31, 2025 AND DECEMBER 31, 2024

**1. Corporate Information**

FRUITAS HOLDINGS, INC. (herein referred to as FHI or the “Parent Company”) and its subsidiaries, collectively referred to as the “Group”, were incorporated in the Philippines [except for Green Empire International Limited (GEIL) and Oceanic Luck Limited (OLL)] and registered with the Securities and Exchange Commission (SEC) on the following dates:

Name of Companies	Date of Incorporation
Parent Company	February 18, 2015
Subsidiaries with direct ownership:	
Fruitasgroup Incorporated (FGI)	July 13, 2010
Balai Ni Fruitas, Inc. (BNFI)	May 17, 2005
Negril Trading, Inc (NTI)	June 20, 1990
SoyKingdom, Inc. (SKI)	August 28, 2006
Fly Kitchen Inc. (FKI)	October 1, 2019
CocoDelivery, Inc. (CDI)	September 6, 2018
Subsidiaries with indirect ownership:	
Lingnam Food Inc. (LFI)*	November 4, 2022
Green Empire International Limited (GEIL)**	May 10, 2017
Oceanic Luck Limited (OLL)***	April 25, 2016
Bigboks Enterprises, Inc. (BEI)****	November 05, 2024

*\*ownership through SKI*

*\*\*ownership through FGI*

*\*\*\*ownership through GEIL*

*\*\*\*\*ownership through NTI*

The Parent Company is engaged in investment activities. On November 29, 2019, the common shares of the Parent Company were listed and traded in the Philippine Stock Exchange (PSE) through an initial public offering (IPO) under the trading name “FRUIT”.

The principal activities and percentage of ownership of the Parent Company’s subsidiaries as at March 31, 2025 and December 31, 2024 and 2023 are presented below.

Subsidiaries	Principal Activities	Principal Place of Business	Percentage of Ownership (%)	
			2025	2024
Direct:				
FGI	Trading of goods	Philippines	100	100
BNFI	Trading of goods	Philippines	74.92	74.92
NTI	Trading of goods	Philippines	100	100
SKI	Trading of goods	Philippines	100	100
CDI	Trading of goods	Philippines	100	100
FKI	Trading of goods	Philippines	100	100
Indirect:				
BEI	Restaurant	Philippines	60	60
LNI	Restaurant	Philippines	100	100
GEIL	Holding company	British Virgin Islands	100	100
OLL	Holding company	Samoan Islands	100	100

As at March 31, 2025, the Parent Company is 53.07% owned by LUSH PROPERTIES, INC. (LPI or the Ultimate Parent), a company incorporated and domiciled in the Philippines. LPI is engaged in leasing/real estate activities.

In May 2024, the Group acquired the assets and the brand name Sugarhouse from Golden Spatula Corporation (GSC) for a total consideration of 9.0 million.

On November 19, 2024, the Group subscribed to shares of Bigboks Enterprises Inc., for a value of for a total subscription price of 8.9 million. The Company paid 2.2 million for the said subscription.

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## 2. Summary of Material Accounting and Reporting Policies

The material accounting policies used in the presentation of the consolidated financial statements have been consistently applied to all the years presented, unless otherwise stated.

### **Basis of Preparation and Statement of Compliance**

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

### **Bases of Measurement**

The consolidated financial statements of the Group have been prepared on a historical cost basis except for financial assets at fair value through profit or loss (FVPL), financial assets at fair value through other comprehensive income (FVOCI), investment properties which are measured at fair value and retirement benefits and lease liabilities measured at present value. The consolidated financial statements are presented in Philippine Peso (Peso), the Group's functional currency. All amounts are rounded to the nearest Peso, unless otherwise indicated.

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability.

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 Group uses observable market data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- 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.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions used in measuring fair values is included in Notes 10 and 29 to the consolidated financial statements.

#### **Adoption of Amendments to PFRS Accounting Standards**

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS Accounting Standards effective January 1, 2024 –

- Amendments to PAS 1, *Presentation of Financial Statements - Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements.

The adoption of the amendments to PFRS Accounting Standards did not materially affect the consolidated financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

#### **Amendments to PFRS Accounting Standards in Issue But Not Yet Effective or Adopted**

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and have not been applied in preparing the financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.

Annual Improvements to PFRS Accounting Standards Volume 11:

- Amendments to PFRS 1, *Hedge Accounting by First-time Adoption of PFRS Accounting Standards* – The amendments update certain language used in PFRS 1 and include cross references to the qualifying criteria for hedge accounting in PFRS 9, Financial Instruments, which are intended to address inconsistencies in certain wordings used between these standards. Earlier application is permitted.
- Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.
- Amendments to PFRS 9, *Financial Instruments – Transaction Price and Lessee Derecognition of Lease Liabilities* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to ‘transaction price as defined by PFRS 15, Revenue from Contracts with Customers’ to ‘the amount determined by applying PFRS 15’ to remove potential confusion. Earlier application is permitted.
- Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments replace the term ‘cost method’ with ‘at cost’ following the deletion of the definition of ‘cost method’. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027:

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, Presentation of Financial Statements, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity’s assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.
- PFRS 19, *Subsidiaries without Public Accountability: Disclosures* – This standard specifies reduced disclosure requirements that eligible subsidiaries are permitted to apply, instead of the disclosure requirements in other PFRS Accounting Standards. An entity is eligible to apply PFRS 19 when it does not have public accountability and its parent prepares consolidated financial statements available for public use that complies with PFRS Accounting Standards disclosure requirements. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRS Accounting Standards is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

### **Basis of Consolidation**

The consolidated financial statements include the accounts of the Parent Company and its subsidiaries.

### **Subsidiaries**

A subsidiary is an entity that is controlled by the Parent Company. A subsidiary is consolidated from the date when control is transferred to the Parent Company directly or through a holding company. Control is achieved when the Parent Company is exposed or has rights to variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee. A subsidiary is deconsolidated from the date when control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as that of the Parent Company using uniform accounting policies. Significant intercompany transactions and balances, including intercompany profits, dividends and unrealized profits and losses, are eliminated in full.

### **Non-controlling interests**

Non-controlling interests represent the portion of net results and net assets not held by the Parent Company. They are presented in the consolidated statements of financial position within equity, apart from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statements of comprehensive income. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

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

If the Parent Company loses control over a subsidiary, the Group: (a) derecognizes the assets and liabilities of the subsidiary; (b) derecognizes the carrying amounts of any non-controlling interest; (c) derecognizes the cumulative translation differences recorded in equity; (d) recognizes the fair value of consideration received; (e) recognizes the fair value of any investment retained; (f) recognizes any surplus or deficit in profit or loss; and (g) reclassifies the Parent Company's share of components previously recognized in other comprehensive income in relation to that subsidiary on same basis as would be required if the Parent Company had directly disposed of the related assets and liabilities.

A change in the ownership interest of a subsidiary, without a change in control, is accounted for as an equity transaction. Upon the loss of control, the Group derecognizes the assets (including goodwill) and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Gain or loss arising from the loss of control is recognized in profit or loss. If the Group retains an interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as financial assets at FVOCI depending on the level of interest retained.

Non-controlling interests represent the interests of minority shareholders of BNFI and BEI.

### **Business Combination and Goodwill**

Business combination is accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. Acquisition-related costs incurred are expensed and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date, including the separation of embedded derivatives in host contracts by the acquiree, if any.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PFRS 9 either in the consolidated statements of comprehensive income or as a change to other comprehensive income. If the contingent consideration is not within the scope of PFRS 9, it is measured in accordance with appropriate PFRS Accounting Standards. Contingent consideration that is classified as equity is not remeasured until it is finally settled and accounted for within equity.

If necessary information, such as the fair value of assets and liabilities acquired, is not available by the end of the reporting period in which the business combination occurs, provisional amounts are used for a period not exceeding one year from the date of acquisition or the measurement period. During this period, provisional amounts recognized for a business combination may be retrospectively adjusted if relevant information has been obtained or becomes available.

The Group also considers whether the acquisition represents an acquisition of a business or a group of assets. The Group accounts for an acquisition as a business if it acquires an integrated set of business processes in addition to the group of assets acquired.

A gain from bargain purchase is generated when the fair value of the net assets acquired by the Group exceeds the acquisition price, and is recognized in the consolidated statements of comprehensive income in the year of acquisition.

Business combination arising from transfers of interest involving entities under common control is accounted for using book values. Any difference between the purchase price and the net assets of acquired entity is presented separately within equity on consolidation. Any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities. The acquiree's assets and liabilities are recognized at book values and results of operations are included in the consolidated financial statements as at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for NCI and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in consolidated statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units (CGUs), or group of cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or group of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than an operating segment or determined in accordance with PFRS 8, *Operating Segment*.

Goodwill is tested for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the CGU or group of CGUs, to which the goodwill relates. When the recoverable amount of the CGU or group of CGUs is less than the carrying amount, an impairment loss is recognized. Impairment loss with respect to goodwill cannot be reversed in future periods.

When goodwill has been allocated to a CGU or group of CGUs and part of the operations within the unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed and the portion of the CGU retained.

## **Financial Assets and Liabilities**

### **Recognition and Measurement**

*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 a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

*Initial Recognition and Measurement.* Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments is at fair value plus transaction costs, unless it is carried at FVPL, in which case transaction costs are immediately expensed.

*"Day 1" Difference.* Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.



### **Classification**

The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model and its contractual cash flow characteristics.

As at March 31, 2025 and December 31, 2024 the Group has no financial instruments classified as financial liabilities at FVPL.

*Financial Assets at Amortized Cost.* Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at March 31, 2025 and December 31, 2024, the Group's cash and cash equivalents, trade receivables, due from related parties and construction bond (presented under "Other current assets") are classified under this category.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of placement and which is subject to an insignificant risk of change in value.

*Financial Assets at FVPL.* Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if these are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless these are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are measured at fair value at each reporting date, with any fair value gains or losses recognized in profit or loss to the extent these are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the "Gain (loss) on change in fair value at FVPL" under "Other income (loss)" account in the consolidated statements of comprehensive income.

The Group's investments in Unit Investment Trust Funds (UITF) which are held for trading are included in this category.

*Financial Assets at FVOCI.* For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets; and,
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Group may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in other comprehensive income and presented in the equity section of the consolidated statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As at March 31, 2025 and December 31, 2024, the Group has classified its investments in club shares as financial assets at FVOCI.

*Financial Liabilities at Amortized Cost.* Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As at March 31, 2025 and December 31, 2024, the Group's trade and other payables (excluding nonfinancial liabilities), notes payable, mortgage payable, lease liabilities and security deposits are classified under this category.

### **Reclassification**

The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

### **Impairment**

The Group records an allowance for expected credit losses (ECL) based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables, the Group has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets at amortized cost, the Group has applied the general approach and ECL computation is based on the 12-month ECL, which pertains to the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition

## **Derecognition**

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

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

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group’s continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

*Financial Liabilities.* A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Group could raise debt with similar terms and conditions in the market. The difference between the carrying amount of the original liability and fair value of the new liability is recognized in the consolidated statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

## **Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.

**Classification of Financial Instrument between Liability and Equity**

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

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

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

**Merchandise Inventories**

Merchandise inventories are carried at the lower of cost and net realizable value (NRV). The cost of merchandise inventories includes all costs of purchase and other costs incurred to bring the merchandise inventories to their present location and condition. The NRV of merchandise inventories is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale. Cost is determined using first-in, first-out method.

At each reporting date, merchandise inventories are assessed for impairment. If merchandise inventories are impaired, the carrying amount is reduced to its NRV. Impairment loss is recognized immediately in profit or loss.

When merchandise inventories are sold, the carrying amount of those merchandise inventories is recognized to profit or loss in the year when the related revenue is recognized.

**Deposits and Advance Rentals**

Deposits and advance rentals represent payments for security, utilities and other deposits made in relation to the lease agreements entered into by the Group. These are carried at face amounts and will generally be applied as lease payments toward the end of the lease terms. Deposits and advances expected to be realized for no more than 12 months after the financial reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

**Investment Properties**

Investment properties represent a parcel of land, land improvements, and building and building improvements, which are held to earn rental and are not for sale in the ordinary course of business or for administrative purposes.

The investment properties are initially measured at cost. Cost comprises its purchase price, after deducting discounts and rebates, and other directly attributable costs to its working condition and location for its intended use. Subsequent to initial recognition, investment properties are stated at fair value. Any gain or loss resulting from a change in the fair value of the investment properties is recognized in profit or loss as "Gain from change in fair value of investment properties" presented in the consolidated statements of comprehensive income. Fair value is determined by independent appraisers with sufficient experience with respect to both the location and the nature of the investment properties.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by the end of owner-occupation or commencement of an operating lease to another party or ending of the construction or development. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

Investment properties are derecognized when either these have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in profit or loss in the year of retirement or disposal.

For tax purposes, the Group's investment properties are carried at cost less accumulated depreciation computed on a straight-line basis over the estimated useful lives of the investment properties:

Asset Type	Useful Life (in years)
Land improvements	5
Building and building improvements	5 - 20

#### **Property and Equipment**

Property and equipment, except for land, are stated at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost less impairment in value, if any.

Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to operations 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 property and equipment.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

Asset Type	Number of Years
Leasehold improvements	5 years or term of lease, whichever is shorter
Transportation equipment	5-10
Office furniture, fixtures and equipment	2-5
Store furniture, fixtures and equipment	2-5

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

Fully depreciated and amortized assets are retained in the accounts until these are no longer in use.

When property and equipment are sold or retired, their cost, accumulated depreciation and amortization and any allowance for impairment in value are eliminated and any resulting gain or loss is included in profit or loss.

### **Intangible Assets**

Intangible assets are identifiable non-monetary assets of the Group without physical substance held for use in operations, the production of goods or services and for rental to others. This account includes the following:

*Brand Names.* The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. Subsequently, intangible asset is carried at cost less any accumulated impairment losses.

The Group assessed the useful life of brand names to be indefinite. Based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate cash inflows for the Group.

Brand names with indefinite useful lives are tested for impairment annually, either individually or at the cash-generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The Relief-from-Royalty method was used in the valuation of the brands. Under this method, the value of an intangible asset is determined by reference to the value of the hypothetical royalty payments that would be saved through owning the asset, as compared with licensing the intangible asset from a third party. The hypothetical royalty payments over the life of the intangible asset are adjusted for tax and discounted to present value at the valuation date. Conceptually, the method may also be viewed as a discounted cash flow method applied to the cash flow that the owner of the intangible asset could receive through licensing the intangible asset to third parties.

*Software License.* Software license is measured initially at cost, which is the amount of the purchase consideration. Following initial recognition, software license is carried at cost less accumulated amortization and any accumulated impairment losses. The Group's software license has a term of five years and is amortized over such period using the straight-line method.

The useful life and amortization method for software license are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the software is accounted for by changing the useful life and amortization method, as appropriate, and treated as a change in accounting estimates. The amortization expense on software is recognized in the profit or loss.

Gains or losses arising from the disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

### **Impairment of Nonfinancial Assets**

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Brand names and goodwill with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. When the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an orderly transaction between market participants less the cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax 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 cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charges are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

### **Operating Segments**

The Group operates using different brand names on which operating results are regularly monitored by the chief operating decision-maker (CODM) for the purpose of making decisions regarding resource allocation and performance assessment. The CODM has been identified as the Chief Executive Officer of the Group. However, as permitted by PFRS 8, *Operating Segments*, the Group has aggregated these segments into a single operating segment to which it derives its revenues and incurs expenses as these segments have the same economic characteristics and are similar in the following respects:

- the nature of products and services;
- the nature of production processes;
- the type or class of customer for the products and services; and
- the methods used to distribute their products and services.

### **Equity**

*Common Stock.* Common stock represents the par value of issued common shares. Unpaid subscriptions are recognized as a reduction from subscribed capital.

*Preferred Stock.* Preferred shares are voting, cumulative, nonparticipating and nonconvertible and nonredeemable.

*Additional Paid-in Capital.* Additional paid-in capital represents the excess of proceeds or fair value of consideration received over par value.

*Retained Earnings.* Retained earnings represent the cumulative balance of the results of operations, net of any dividend declaration.

*Dividend Distribution.* Dividends are recognized as a liability and deducted from equity when declared by the BOD and the shareholders of the Group. Dividends for the year that are declared after the reporting date are dealt with as an event after the reporting date.

*Other Equity Reserves.* Other equity reserves arise from business reorganizations within the Group. This represents the difference between the net interest of the Parent Company and the carrying amounts of the assets and liabilities of the combined entities within the Group.

*Other Comprehensive Income.* This pertains to the cumulative remeasurement gain on the Group's retirement benefits liability arising from experience adjustments and changes in financial



assumptions. Remeasurements of retirement benefits liability, and the corresponding deferred tax component, are recognized immediately in other comprehensive loss and are included in equity. These are not reclassified to profit or loss in subsequent periods.

### **Earnings per Share**

Basic earnings per share is calculated by dividing the net income by the weighted average number of common shares outstanding during the year, with retroactive adjustments for any stock dividends declared and stock split.

Diluted earnings per share is computed by adjusting the weighted average number of common shares outstanding to assume conversion of all the potentially dilutive common shares into common shares.

The Parent Company has no potentially dilutive common shares.

### **Revenue Recognition**

#### **Revenue**

The Group generates revenue primarily from sale of goods and franchise revenues.

*Revenue from Contracts with Customers.* Revenue from contracts with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue sources.

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

*Net Sales.* Revenue is recognized, net of sales discounts, at a point in time when the control over the goods has transferred to the customers, which is normally upon delivery to and acceptance of the goods by the buyer.

*Franchise Revenue.* Revenue from franchisees includes continuing royalty and initial franchise revenues. Royalty fees are recognized in the period earned. Initial franchise revenues are recognized upon opening of a store when the Group has performed substantially all of the performance obligations required under the franchise agreement.

*Rental Income.* Rental income is recognized on a straight-line basis over the lease term.

*Service Fees.* Service fees are recognized when the related delivery services are rendered.

## **Other Sources of Income**

*Interest Income.* Interest income is recognized as it accrues, net of final tax, using the effective interest method.

*Dividend Income.* Dividend income is recognized when the right to receive the dividend is established.

*Other Income.* Income from other sources is recognized when earned during the period.

## **Cost and Expense Recognition**

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

*Direct Costs.* Direct costs are costs directly related to the production and sale of goods and are recognized as expense when the related goods are sold or the related services are rendered.

*Selling and Distribution Expenses.* Selling and distribution expenses constitute costs of selling and distribution of the goods to customers that are not qualified as cost of sales. These are recognized in profit or loss in the period when these are incurred.

*General and Administrative Expenses.* General and administrative expenses constitute costs of administering the business. These are recognized in profit or loss in the period when these are incurred.

*Interest Expense.* Interest expense includes interest expense and other finance costs. This is recognized in profit or loss using the effective interest method.

## **Retirement Benefits**

The Group has an unfunded, noncontributory defined benefit plan covering all qualified employees. The retirement benefits cost is determined using the projected unit credit method, which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes current service costs and interest expense on the retirement benefits liability in profit or loss.

The Group determines the interest expense on retirement benefits liability by applying the discount rate to the retirement benefits liability at the beginning of the year, taking into account any changes in the liability during the period as a result of benefit payments.

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

The retirement benefits liability recognized by the Group is the present value of the defined benefits obligation. This is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related retirement benefits liability.

Actuarial valuations are made with sufficient regularity that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

### **Leases**

The Group assesses whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

- i. the right to obtain substantially all of the economic benefits from the use of the identified asset; and
- ii. the right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

*The Group as a Lessee.* At the commencement date, the Group recognizes ROU assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

*ROU Assets.* At commencement date, the Group measures ROU assets at cost. The cost comprises:

- i. the amount of the initial measurement of lease liabilities;
- ii. any lease payments made at or before the commencement date less any lease incentives received;
- iii. any initial direct costs; and
- iv. an estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

The ROU assets are recognized at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. After the commencement date, the ROU assets are carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. The ROU assets are amortized over the shorter of the lease terms or the useful lives of the underlying assets ranging from three to ten years.

*Lease Liabilities.* At commencement date, the Group measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability comprise the following:

- i. fixed payments, including in-substance fixed payments;
- ii. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- iii. amounts expected to be payable by the lessee under residual value guarantees; and
- iv. the exercise price under a purchase option that 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.

A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liability is remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liability is also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

For income tax reporting purposes, payments under operating lease agreements are treated as deductible expense in accordance with the terms of the lease agreements.

*The Group as a Lessor.* Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which these are earned.

### **Income Taxes**

*Current Tax.* Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as at the reporting date.

*Deferred Tax.* Deferred tax is provided 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 tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of net operating loss carryover (NOLCO) and minimum corporate income tax (MCIT), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of NOLCO and MCIT can be utilized.

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

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

Deferred tax is recognized in profit or loss except to the extent that it relates to items directly recognized in OCI.

*Offsetting.* Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to set off the amounts and it can be demonstrated without undue cost or effort that the Group plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### **Related Party Relationships and Transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals who, owning directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on legal form.

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties, regardless of whether a price is charged.

Related party transactions are considered material and/or significant if i) these transactions amount to 10% or higher of the Group's total assets or, ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Group's total assets. Details of transactions entered into by the Group with related parties are reviewed by independent directors in accordance with the Group's related party transactions policy.

#### **Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable 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. 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. These are disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefit is probable.

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### 3. Significant Accounting Judgments and Estimates

The preparation of the Group's consolidated financial statements requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements. The judgments and estimates used in the consolidated financial statements are based on management's evaluation of relevant facts and circumstances as at the reporting date.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

The following are the significant judgments and estimates made by the Group:

*Accounting for the Business Acquisition.* At the time of acquisition, the Group considers whether the acquisition represents an acquisition of a business or a group of assets. The Group accounts for an acquisition as a business combination if it acquires an integrated set of business processes in addition to the group of assets acquired.

The Group accounts for acquired businesses using the acquisition method of accounting, which requires that the assets acquired and the liabilities assumed are recognized at the date of acquisition based on their respective fair values

*Recognizing Gain from Bargain Purchase.* As a result of the business combination completed during 2024, the Group recognized a gain from bargain purchase amounting to ₱6.8 million, which is presented under "Other Income" in the consolidated statement of comprehensive income. The gain arose because the fair value of the identifiable net assets acquired exceeded the total consideration transferred.

The application of the acquisition method requires certain estimates and assumptions concerning the determination of the fair values of acquired intangible assets and property and equipment, as well as liabilities assumed at the acquisition date. Moreover, the useful lives of the acquired intangible assets and property and equipment have to be determined. Accordingly, for significant acquisitions, the Group obtains assistance from valuation specialists. The valuations are based on information available at the acquisition date. The Group's acquisitions that have resulted in the recognition of intangible assets with indefinite lives is disclosed in Note 4.

*Classifying Operating Segments.* The Group is organized into operating segments based on brand names but the Group has aggregated the brand names into a single operating segment as allowed under PFRS 8 due to their similar characteristics. This is evidenced by a consistent range of gross margin across all brand outlets as well as uniformity in sales increase and trending for all outlets, regardless of the brand name. Moreover, all brands have the following business characteristics:

- (a) Similar nature of products/services offered and methods to distribute products and provide services;
- (b) Similar class of target customers; and
- (c) Primary place of operations is in the Philippines.

*Classifying Financial Instruments.* The Group exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

*Classifying Lease Commitments - Group as a Lessee.* The Group has entered into commercial property leases for its stores. For the Group's non-cancellable lease, the Group recognizes ROU assets and lease liabilities measured at the present value of lease payments to be made over the lease term using the Group's incremental borrowing rate. The Group availed exemption for leases with term of 12 months or less. Accordingly, lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

ROU assets and lease liabilities as at March 31, 2025 and December 31, 2024 is disclosed in Note 24.

*Assessing the ECL of Trade Receivables.* The Group estimates ECL using a provision matrix. Depending on the diversity of its debtor's base, the Group uses its historical credit loss experience adjusted for forward-looking factors, as appropriate.

The carrying amounts of the Group's trade receivables as at March 31, 2025 and December 31, 2024 are disclosed in Note 7.

*Assessing the ECL on Other Financial Assets at Amortized Cost.* The Group determines the allowance for ECL using a general approach based on the probability-weighted estimate of the present value of all cash the shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12-months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

No provision for ECL on other financial assets at amortized cost was recognized in 2025 and 2024. The transactions with respect to these financial assets were entered into by the Group only with reputable banks and companies with good credit standing and relatively low risk of defaults.

The carrying amounts of other financial assets at amortized cost are disclosed in Note 5, 9 and 16.

The fair value of the Group's financial assets at FVPL is disclosed in Note 26.

*Estimating the ROU Assets and Lease Liabilities.* The Group's ROU assets and lease liabilities are initially measured at the present value of lease payments. In determining the appropriate discount rate, the Group considered readily available interest rate implicit in the lease agreements, interest rate on its borrowings and the term of each lease commitment. The Group determined that the incremental borrowing rate is readily available and presents the appropriate financing cost in leasing the underlying assets. The incremental borrowing rate is the rate that would cause the present value of the lease payments and unguaranteed residual to equal the sum of the fair value of the underlying assets and initial direct costs incurred.

The carrying amounts of ROU assets and lease liabilities as at March 31, 2025 and December 31, 2024 are disclosed in Note 24.

*Estimating the Fair Value of Investment Properties.* Investment properties are measured at fair value. The Group works closely with external qualified appraisers who performed the valuation using appropriate valuation techniques. The appraiser used a valuation technique based on comparable market data adjusted as necessary to reflect the specific assets' location and condition and, estimated expected future cash flows, yields, occupancy rates, discount rates, replacement costs and remaining economic life. The valuation techniques and inputs used in the fair value measurement of investment properties are disclosed in Note 10.

For the purpose of fair value determination and disclosure, the Group determines the nature, characteristics and risks of the investment properties and the level of the fair value hierarchy.

Details of investment properties are disclosed in Note 10.

*Assessing the Impairment of Brand Names with Indefinite Useful Life.* The Group tests annually whether any impairment in brand names is to be recognized in accordance with the related accounting policy in Note 2. The recoverable amounts of cash-generating units (CGUs) have been determined based on the higher of fair value less costs to sell and value in use calculations, which require the use of estimates. Based on the impairment testing conducted, the recoverable amounts of the CGUs calculated based on value in use as at December 31, 2024 and 2023 are greater than the corresponding carrying amounts of the CGUs as at the same dates.

No impairment loss was recognized in 2025 and 2024. The carrying amount of brand names as at March 31, 2025 and December 31, 2024 is disclosed in Note 12.



*Estimating Impairment of Goodwill.* The Group determines whether goodwill is impaired at least annually. This requires the estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating value in use requires management to make an estimate of the expected future cash flows from the cash-generating units and to choose a suitable discount rate to calculate the present value of cash flows.

The Group recognized impairment loss on goodwill amounting to ₱8.5 million in 2024 (see Note 12).

*Assessing the Impairment of Other Nonfinancial Assets.* The Group assesses impairment of its nonfinancial assets whenever events or changes in circumstances indicate that the carrying amounts of the assets or group of assets may not be recoverable. The relevant factors that the Group considers in deciding whether to perform an asset impairment review include, among others, the following:

- significant underperformance of a business in relation to expectations;
- significant negative industry or economic trends; and
- significant changes or planned changes in the use of the assets.

No impairment was recognized in 2025 and 2024. The carrying amounts of deposits and advance rentals, other current assets (excluding construction bond), investment properties, property and equipment, software license and ROU assets are disclosed in Notes 9, 10, 11, 12 and 24, respectively.

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#### 4. Accounting for Business Acquisition and Group Reorganization

##### Brands and Asset Purchase

The Group accounts for acquisitions of assets as an acquisition of a business when the Group acquires an integrated set of business processes in addition to the group of assets acquired.

##### *LNFI*

In March 2023, the Group acquired the brand name Lingnam and the related assets from LN Banaue Inc. for a consideration amounting to ₱60.0 million. Under the agreement, the Group acquired the trademark, recipes and other technical know-how, leasehold improvements, certain equipment, inventory, among others, from stores located in San Juan City, Quezon City and Manila. The acquisition also includes land and building located in Caloocan City. Consequently, the business combination resulted in a gain from bargain purchase amounting to ₱24.0 million, as the fair values of the assets acquired exceeded the total consideration by the same amount.

##### *Sugarhouse*

In May 2024, the Group acquired the brand name Sugarhouse and the related assets from Golden Spatula Corporation (GSC). The acquisition was completed following the execution of Deeds of Absolute Sale of Assets and the payment of the related consideration amounting to ₱9.0 million.

Under the agreement, the Company acquired the trademark, recipes and other technical know-how relating to Sugarhouse business, leasehold improvements, certain equipment, inventory, among others.

##### Acquisition of a Subsidiary, Brand and Related Assets

*Mang Bok's.* On October 28, 2024, the Group subscribed to 960,000 shares, equivalent to 60% ownership interest in Bigboks Enterprises Inc. for a total subscription price of ₱9.0 million. The Company has partially paid ₱2.2 million for the said subscription.

In November 2024, BEI acquired the the brand name Mang Boks and the related assets from Boksbro Inc. for a total consideration amounting to ₱2.0 million. Under the agreement, the Group acquired leasehold improvements, intellectual property, franchise rights and contractual rights.

The following are the fair values of the identifiable assets acquired and the resulting gain as at acquisition date:

	<u>2024</u>		<u>2023</u>
	<u>Sugarhouse</u>	<u>Mang Boks</u>	<u>LNFI</u>
Intangible asset	<b>₱6,247,150</b>	<b>₱1,564,148</b>	₱27,000,000
Leasehold improvement	<b>5,760,000</b>	—	33,584,244
Merchandise inventories	<b>1,200,000</b>	—	—
Transportation equipment	<b>1,000,000</b>	—	2,750,000
Store equipment, furniture and fixtures	—	—	15,757,006
Land	—	—	4,908,750
Property and equipment	—	<b>2,000,000</b>	—
Fair value of identifiable assets	<b>14,207,150</b>	<b>3,564,148</b>	84,000,000
Total consideration	<b>8,960,000</b>	<b>2,000,000</b>	60,000,000
Gain from bargain purchase	<b>₱5,247,150</b>	<b>₱1,564,148</b>	₱24,000,000

#### Business Combination

*FKI*. In June 2023, the Group acquired 100% of the outstanding shares of FKI for a total consideration of ₱14.7 million. The effect of the acquisition initially resulted to a reduction in “other equity reserves” of ₱2.3 million. In 2024, the valuation of the net assets and liabilities of SKI was finalized and the acquisition resulted to a goodwill amounting to ₱18.7 million (see Note 12). As such, the amount of “other equity reserve” was adjusted in 2024.

The following are the fair values of the identifiable net liabilities acquired and the resulting goodwill as at acquisition date:

	<u>Amount</u>
Property and equipment	₱1,679,536
Trade and other receivables	1,395,563
Inventories	877,426
Cash	478,903
Security deposit	26,280
Trade and other payables	(8,471,973)
Fair value of identifiable net liabilities	(4,014,265)
Total consideration	14,680,000
Goodwill	(₱18,694,265)

#### Equity Transaction Resulting from the Listing of a Subsidiary

In 2021, the common shares of BNFI were listed in the PSE and 325.0 million new common shares were issued at an offer price of ₱0.70 a share in 2021. Expenses incurred during the listing process amounted to ₱23.7 million. This resulted to a decrease in ownership interest of the Parent Company from 100% to 78.26% and the effect is as follows:

Gross proceeds	₱227,500,000
Less expenses charged to APIC of BNFI	20,939,319
Net proceeds	206,560,681
Share of non-controlling interests	(84,779,540)
Other equity reserve	₱121,781,141

On the same day, the Parent Company disposed 87.5 million common shares of BNFI for a total consideration amounting to ₱61.3 million. Thus, further reducing the ownership interest to 72.41% and the effect is as follows:

Net proceeds	₱61,250,000
Share of non-controlling interests	(22,824,067)
Other equity reserve	₱38,425,933

Subsequently in November 2022, the Parent Company acquired ₱37.5 million common shares of BNFI through the PSE for a total consideration of ₱26.5 million. Accordingly, the acquisition increased the ownership interest to 74.92% and the effect is as follows:

Carrying amount of non-controlling interest acquired	₱10,247,458
Acquisition costs	(26,500,000)
Other equity reserve	(₱16,252,542)

The change in the Parent Company's ownership does not result to losing of control. Accordingly, no gain or loss was recognized on the consolidated statements of comprehensive income.

Details of other equity reserves follows:

	Mar 2025	Dec 2024
Group reorganization		
FGI, BNFI and NTI	₱55,192,582	₱55,192,582
CDI	(3,939,803)	(3,939,803)
Changes in ownership interest without loss of control -		
BNFI	143,954,532	143,954,532
Business acquisition	—	—
	₱195,207,311	₱195,207,311

## 5. Cash and Cash Equivalents

This account consists of:

	Mar 2025	Dec 2024
Cash on hand	₱2,493,440	₱17,664,230
Cash in banks	502,789,523	427,613,236
Short-term placements	65,381,373	139,992,511
	₱570,664,336	₱585,269,977

Cash in banks earn interest at the prevailing bank deposit rates.

Short-term placements are made for three months depending on the immediate cash requirement of the Group and earn interest at the prevailing short-term placement rates.

## 6. Financial Assets at FVPL and FVOCI

### Financial Assets at FVPL

Investments in unit investment trust funds (UITF) are held for trading. Hence, these have been classified as financial assets at FVPL.

Movements in investments at FVPL are as follows:

	Note	Mar 2025	Dec 2024
Balance at beginning of year		<b>₱47,542,019</b>	₱61,316,952
Additions		—	—
Disposals		—	(16,602,865)
Unrealized gain on changes in fair value	23	<b>792,564</b>	2,827,932
Balance at end of year		<b>₱48,334,583</b>	₱47,542,019

### Financial Assets at FVOCI

Financial asset at FVOCI pertains to the investment in club shares amounting to ₱1.7 million.

The Group designated its investment in club shares as financial asset at FVOCI because the Group intends to hold this investment for the long term and for strategic purposes. The Group has assessed that the cost of the recently acquired investment approximates its fair value as at March 31, 2025 and December 31, 2024.

## 7. Trade Receivables

This account consists of:

	Mar 2025	Dec 2024
Trade receivables	<b>₱108,686,536</b>	₱113,481,597
Less allowance for ECL	<b>3,238,000</b>	3,238,000
	<b>₱105,448,536</b>	₱110,243,597

Trade receivables represent mainly outstanding receivables from franchisees. These are unsecured, noninterest-bearing and are normally collected on a 30-day term.

Below is the aging of receivables;

As at March 31, 2025					
	Total	Neither past Due of impaired	Less than one year	One year and over	Past Due and Impaired
Trade:					
Third Party	108,686,536	46,405,427	47,230,897	15,050,213	-
Allowance for doubtful accounts	- 3,238,000	-	-	-	3,238,000
	105,448,536	46,405,427	47,230,897	15,050,213	- 3,238,000

As at December 31, 2024					
	Total	Neither past Due of impaired	Less than one year	One year and over	Past Due and Impaired
Trade:					
Third Party	113,481,597	49,314,642	48,452,753	15,714,202	-
Allowance for doubtful accounts	- 3,238,000	-	-	-	3,238,000
	110,243,597	49,314,642	48,452,753	15,714,202	- 3,238,000

## 8. Merchandise Inventories

This account consists of:

	Mar 2025	Dec 2024
At cost:		
Food and beverages	₱47,281,418	₱45,710,521
Store supplies and others	26,870,560	25,977,799
	₱ 74,151,978	₱71,688,320

Cost of merchandise inventories charged to "Direct costs" is disclosed in Note 20.

## 9. Other Current Assets

This account consists of:

	Mar 2025	Dec 2024
Advances to suppliers	<b>₱34,510,000</b>	₱35,431,459
Construction bond	<b>4,934,870</b>	6,793,747
Spare parts, materials and supplies	<b>5,864,513</b>	6,172,029
Advances to officers and employees	<b>24,618,827</b>	5,153,715
CWTs	<b>4,062,559</b>	3,205,855
Input VAT	<b>10,416,405</b>	3,050,069
Prepayments	<b>17,669,726</b>	455,881
	<b>₱ 102,076,900</b>	₱60,262,755

Advances to suppliers were payments for goods pending delivery as at year-end.

Construction bond is collectible once the improvement is completed and transferred by the Group to the lessor.

Advances to officers and employees pertain to cash advances and are settled through liquidation.

Prepayments mainly consist of insurance, taxes and licenses and advertising.

## 10. Investment Properties

The composition of and movements in this account are as follows:

	Mar 2025			
	Land	Land Improvements	Building and Building Improvements	Total
<b>Cost</b>				
Balance at beginning of year	<b>₱148,962,158</b>	<b>₱697,250</b>	<b>₱75,440,467</b>	<b>₱225,099,875</b>
Additions	-	-	-	-
Balance at end of the year	<b>148,962,158</b>	<b>697,250</b>	<b>75,440,467</b>	<b>225,099,875</b>
<b>Cumulative Fair Value Changes</b>				
Balance at beginning of year	<b>52,855,453</b>	<b>(213,500)</b>	<b>(4,591,503)</b>	<b>48,050,450</b>
Gain (loss) from changes in fair value	-	-	-	-
Balances at end of year	<b>52,855,453</b>	<b>(213,500)</b>	<b>(4,591,503)</b>	<b>48,050,450</b>
<b>Carrying Amount</b>	<b>₱201,817,611</b>	<b>₱483,750</b>	<b>₱70,848,964</b>	<b>₱273,150,325</b>

	Dec 2024			
	Land	Land Improvements	Building and Building Improvements	Total
<b>Cost</b>				
Balance at beginning of year	₱95,393,047	₱577,500	₱31,984,503	₱127,955,050
Additions	53,569,111	119,750	43,455,964	97,144,825
Balance at end of the year	148,962,158	697,250	75,440,467	225,099,875
<b>Cumulative Fair Value Changes</b>				
Balance at beginning of year	44,669,953	(201,500)	(3,086,503)	41,381,950
Gain (loss) from changes in fair value	8,185,500	(12,000)	(1,505,000)	6,668,500
Balances at end of year	52,855,453	(213,500)	(4,591,503)	48,050,450
<b>Carrying Amount</b>	<b>₱201,817,611</b>	<b>₱483,750</b>	<b>₱70,848,964</b>	<b>₱273,150,325</b>

#### Fair Value

*Land.* The fair value of the Group's land is ₱201.8 million as at March 31, 2025 and December 31, 2024. The fair value of the land was determined by an independent property appraiser in 2024. The inputs used to determine the market value of the investment properties using the sales comparison approach include location characteristics, size, time element, quality and marketability. Accordingly, the fair value measurement used is classified as Level 3 in 2025 and 2024, respectively.

*Land Improvements, Building and Building Improvements.* The fair value of land improvements, building and building improvements is categorized under Level 3 using the cost approach wherein the appraised value was based on the cost of constructing an equivalent new structure less depreciation adjustments.

The fair value of the land improvements, building and building improvements was determined by an independent firm of appraisers as at December 31, 2024.

Description of key inputs to valuation on land follows:

Location	Significant unobservable Inputs	Range (weighted average)	
		2024	2023
Sampaloc District, City of Manila	Selling price per square meter Value adjustments	<b>₱163,000/sq. m. 4% to 10%</b>	₱154,000/sq. m. 1% to 15%

The significant unobservable inputs to fair valuation are as follows:

*Price per square meter:* Estimated value prevailing in the real estate market depending on the location, area, shape and time element.

*Value adjustments:* Adjustments are made to bring the comparative values in approximation to the investment properties taking into account external factors (market conditions, competitiveness, economic condition/demand/growth, time element) and internal factors (location, size/shape/terrain and development).

In valuing the land using sales comparison approach, records of recent sales and offerings of similar land are analyzed and comparisons were made for such factors as size, characteristic of the lot, location, quality and prospective use.

*Sensitivity Analysis.* Generally, significant increases (decreases) in useful life of assets (excluding land) would result in a significantly higher (lower) fair value measurement. Significant increases (decreases) in factors that contributed in the physical deterioration and all relevant forms of obsolescence in isolation would result in a significantly lower (higher) fair value measurement.

## 11. Property and Equipment

The composition of and movements in this account follows:

2025						
	Land	Leasehold Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Store Furniture, Fixtures and Equipment	Total
<b>Cost</b>						
Balance at beginning of year	₱492,788,008	P395,151,540	P 130,894,750	P63,377,097	P520,511,899	P1,602,723,294
Additions	-	6,033,264	3,372,002	1,763,421	17,462,297	28,630,984
Balance at end of year	492,788,008	401,184,804	134,266,752	65,140,518	537,974,196	1,631,354,278
<b>Accumulated Depreciation and Amortization</b>						
Balance at beginning of year	-	247,985,505	67,116,162	58,768,572	370,966,684	744,836,923
Depreciation and amortization	-	11,538,955	5,431,876	2,097,406	21,425,887	40,494,124
Balance at end of year	-	259,524,460	72,548,038	60,865,978	392,392,571	785,331,047
<b>Carrying Amount</b>	<b>P=492,788,008</b>	<b>P141,660,344</b>	<b>P 61,718,714</b>	<b>P 4,274,540</b>	<b>₱145,581,625</b>	<b>₱ 846,023,231</b>

2024						
	Land	Leasehold Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Store Furniture, Fixtures and Equipment	Total
<b>Cost</b>						
Balance at beginning of year	P148,842,350	P=340,174,436	P=96,863,406	P=49,348,028	₱451,349,077	₱1,086,577,297
Additions	343,945,658	54,977,104	34,031,344	14,029,069	69,162,822	516,145,997
Disposals	-	-	-	-	-	-
Balance at end of year	492,788,008	395,151,540	130,894,750	63,377,097	520,511,899	1,602,723,294
<b>Accumulated Depreciation and Amortization</b>						
Balance at beginning of year	-	190,626,785	47,426,441	37,213,801	296,993,858	572,260,885
Depreciation and amortization	-	57,358,720	19,689,721	21,554,771	73,972,826	172,576,038
Balance at end of year	-	247,985,505	67,116,162	58,768,572	370,966,684	744,836,923
<b>Carrying Amount</b>	<b>P492,788,008</b>	<b>=P147,166,035</b>	<b>P=63,778,588</b>	<b>P=4,608,525</b>	<b>P=149,545,215</b>	<b>₱857,886,371</b>



Depreciation and amortization are summarized as follows:

	Note	Mar 2025	Mar 2024
Property and equipment		<b>₱ 40,494,124</b>	₱ 38,735,098
ROU assets	24	<b>8,919,628</b>	11,954,550
Intangible assets	12	–	84,576
		<b>₱ 49,413,752</b>	₱50,774,224

Depreciation and amortization are charged to the following:

	Note	Mar 2025	Mar 2024
Selling and distribution expenses	21	<b>₱43,444,875</b>	₱45,522,341
General and administrative expenses	22	<b>2,877,294</b>	2,546,768
Direct costs	20	<b>3,091,583</b>	2,705,114
		<b>₱49,413,752</b>	₱50,774,224

## 12. Intangible Assets

This account consists of:

2025					
	Note	Brand Names	Goodwill	Software License	Total
<b>Cost</b>					
Balance at beginning of year		<b>₱249,159,746</b>	<b>₱ 18,694,265</b>	<b>₱6,008,402</b>	<b>₱273,862,413</b>
Additions	4	–	–	–	–
Balance at end of year		<b>249,159,746</b>	<b>18,694,265</b>	<b>6,008,402</b>	<b>273,862,413</b>
<b>Accumulated Amortization and Impairment Loss</b>					
Balance at beginning of year		–	<b>8,483,852</b>	<b>5,193,830</b>	<b>13,677,682</b>
Impairment loss		–	–	–	–
Balance at end of year		–	<b>8,483,852</b>	<b>5,193,830</b>	<b>13,677,682</b>
<b>Carrying Amount</b>		<b>₱249,159,746</b>	<b>₱10,210,413</b>	<b>₱814,572</b>	<b>₱260,184,731</b>

2024					
	Note	Brand Names	Goodwill	Software License	Total
<b>Cost</b>					
Balance at beginning of year		<b>₱241,348,448</b>	<b>₱ –</b>	<b>₱5,193,830</b>	<b>₱246,542,278</b>
Additions	4	<b>7,811,298</b>	<b>18,694,265</b>	<b>814,572</b>	<b>27,320,135</b>
Balance at end of year		<b>249,159,746</b>	<b>18,694,265</b>	<b>6,008,402</b>	<b>273,862,413</b>
<b>Accumulated Amortization</b>					
Balance at beginning of year		–	–	<b>5,193,830</b>	<b>5,193,830</b>
Amortization	11	–	<b>8,483,852</b>	–	<b>8,483,852</b>
Balance at end of year		–	<b>8,483,852</b>	<b>5,193,830</b>	<b>13,677,682</b>
<b>Carrying Amount</b>		<b>₱249,159,746</b>	<b>₱10,210,413</b>	<b>₱814,572</b>	<b>₱260,184,731</b>

In 2024, the Group recognized an impairment loss on goodwill amounting to ₱8.5 million, based on the annual impairment test. The impairment loss was recorded under “Other Income (Charges)” in the 2024 consolidated statement of comprehensive income.

#### Brand Names

Details of the Group’s brand names are as follows:

Brand Name	Year Acquired	Mar 2025	Dec 2024
Fruitas, The Mango Farm, Shou, Black Pearl, Friends Fries and Juice Avenue	2017	<b>₱200,160,050</b>	₱200,160,050
Sabroso Lechon	2018	<b>11,188,398</b>	11,188,398
Balai Pandesal	2021	<b>3,000,000</b>	3,000,000
Ling Nam	2023	<b>27,000,000</b>	27,000,000
Sugarhouse	2024	<b>6,247,150</b>	6,247,150
Mang Bok’s	2024	<b>1,564,148</b>	1,564,148
		<b>₱249,159,746</b>	₱249,159,746

#### Valuation of Brands

The Relief-from-Royalty method was used in the valuation of the brands. Under this method, the value of brands is determined by reference to the value of the hypothetical royalty payments that would be saved through owning the asset, as compared with licensing the brands from a third party. The hypothetical royalty payments over the life of the brands are adjusted for tax and discounted to present value at the valuation date.

The fair values of the brand names were determined based on a valuation using cash flow projections (value-in-use) covering a five-year period based on long-range plans approved by management. Cash flows beyond the five-year period are extrapolated using a determined constant growth rate to arrive at its terminal value. The growth rates are consistent with the long-term average growth rate for the industry which ranges from 2% to 8%.

The Group used the weighted average cost of capital as the discount rate, which reflected management’s estimate of the risk. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. The recoverable amount of each CGU, calculated using value in use, exceeded the carrying amount of the CGU as at December 31, 2024 and 2023.

Management believes that any reasonably possible change in the key assumptions on which the Group’s recoverable amount is based would not result to the Group’s carrying amount to exceed its recoverable amount.

#### Valuation of Goodwill

*FKI.* In 2023, the Group acquired 100% of the outstanding shares of FKI for a total consideration of ₱14.7 million. The acquisition resulted in the recognition of goodwill amounting to ₱18.7 million (see Note 4).

Goodwill is subject to an annual impairment assessment. The recoverable amounts of this asset have been determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by management. The cash flow projections cover five years, taking into consideration the effect of significant events on the macroeconomic factors used in developing the assumptions. In 2024, the Group recognized impairment of its goodwill amounting to ₱8.5 million.

*Sensitivity Analysis.* Generally, an increase (decrease) in the incremental after-tax cash flows will result in an increase (decrease) in the fair value of intangible assets. An increase (decrease) in discount rate will result in a decrease (increase) in the fair value of intangible assets.

### 13. Trade and Other Payables

This account consists of:

	Note	Mar 2025	Dec 2024
Trade payables		<b>₱96,687,600</b>	₱84,096,975
Statutory payables		<b>33,960,254</b>	41,535,274
Accrued expenses		<b>10,411,738</b>	17,015,813
Dividend payable	18	<b>500,000</b>	522,842
		<b>₱141,559,592</b>	₱143,170,904

Trade payables are unsecured, noninterest-bearing and generally settled on a 15 to 60-day term.

Statutory payables pertain to obligations to government agencies which are normally settled in the following month.

Accrued expenses consist mainly of rentals, unpaid salaries and professional fees which are noninterest-bearing and are normally settled in the next financial year.

### 14. Notes Payable

Balances and movements in this account are as follows:

	Mar 2025	Dec 2024
Balance at beginning of year	<b>₱605,300,000</b>	₱252,451,500
Availments	<b>210,000,000</b>	873,500,000
Payments	<b>(233,166,667)</b>	(520,651,500)
Balance at end of year	<b>582,133,334</b>	605,300,000
Less current portion	<b>577,550,001</b>	599,466,667
Noncurrent portion	<b>₱4,583,333</b>	₱5,833,333

In 2025 and 2024, the Group availed of short and long-term loans from various local banks which bear interest at rates ranging from 6% per annum to 8% per annum. The purpose of the loans is to support the Group's working capital requirements. Long-term notes payable will mature in February 2027.

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**15. Mortgage Payable**

Balances and movements in this account are as follows:

	<b>Mar 2025</b>	<b>Dec 2024</b>
Balance at beginning of year	<b>₱ 3,889,045</b>	<b>₱ –</b>
Availments	<b>–</b>	<b>4,533,538</b>
Payments	<b>(845,743)</b>	<b>(644,493)</b>
Balance at end of year	<b>3,043,302</b>	<b>3,889,045</b>
Less current portion	<b>1,424,422</b>	<b>1,424,422</b>
Noncurrent portion	<b>₱1,618,880</b>	<b>₱2,464,623</b>

In 2024, the Group obtained loans from a local commercial bank to finance its acquisition of transportation equipment. The loans are payable in monthly installments up to July 2027 with interest rates ranging from 7.70% to 13.63% per annum. Interest expense is disclosed in Note 14.

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**16. Related Party Transactions**

The Group, in the normal course of business, has outstanding advances with the Parent Company for working capital amounting to ₱97.0 million and ₱93.1 million as at March 31, 2025 and December 31, 2024, respectively.

**Terms and Conditions of Transactions with Related Parties**

Outstanding balances are unsecured, noninterest-bearing and settled in cash upon demand. Management makes an annual assessment of the financial position of the related parties and the market in which the related parties operate. There were no impairment losses recognized in 2025 and 2024.

## 17. Retirement Benefits Liability

The Group's retirement plan is unfunded, noncontributory defined benefit plan with a single lump-sum payment covering retirement based on Republic Act No. 7641. The retirement benefits are based on years of service and compensation on the last year of employment as determined by an external actuary using the projected credit unit method. The most recent actuarial valuation was made by an independent actuary as at December 31, 2023.

The table below summarizes the components of retirement benefits cost recognized in the consolidated statements of comprehensive income (see Note 22).

	Mar 2025	Mar 2024
Current service cost	<b>₱ 1,095,000</b>	₱ 1,095,000
Interest cost	-	-
	<b>₱ 1,095,000</b>	₱ 1,095,000

Movements in the retirement benefits liability are as follows:

	Mar 2025	Mar 2024
Balance at beginning of year	<b>₱18,591,613</b>	₱14,327,522
Current service cost	<b>1,095,000</b>	1,095,000
Interest cost	-	-
Benefits paid	-	-
Actuarial gain	-	-
Balance at end of year	<b>₱19,686,613</b>	₱15,422,522

The principal assumptions used in determining the retirement benefits liability as at December 31, 2024 and 2023 are as follows:

	2024	2023
Discount rate	<b>6.12%</b>	6.12%
Future salary increases	<b>3.00%</b>	3.00%

The projected unit credit method was applied to all the benefits without using one-year term cost.

This sensitivity analysis shows the impact of changes in key actuarial assumptions in 2024 and 2023.

	Basis Points	2024	2023
Discount rate	+1%	<b>(₱2,631,877)</b>	(₱2,227,576)
	-1%	<b>3,287,508</b>	2,797,163
Salary increase rate	+1%	<b>3,150,026</b>	2,940,008
	-1%	<b>(2,485,895)</b>	(2,362,810)

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the retirement benefits liability at the reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remain unchanged.

The Group does not maintain a fund for its retirement liability. While funding is not a requirement of the law, there is a risk that the Group may not have the cash if several employees retire within the same year.

The average duration of the retirement benefits liability as at December 31, 2024 is 23.4 years.

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## 18. Equity

### Capital Stock

The composition of and movements in this account are as follows:

	Mar 2025		Dec 2024	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorized</b>				
<b>Common Stock</b> - ₱0.10 par value	<b>4,700,000,000</b>	<b>₱470,000,000</b>	4,700,000,000	₱470,000,000
<b>Preferred Stock</b> - ₱0.01 par value	<b>3,000,000,000</b>	<b>30,000,000</b>	3,000,000,000	30,000,000

	Mar 2025		Dec 2024	
	Number of Shares	Amount	Number of shares	Amount
<b>Issued and Outstanding</b>				
<b>Common Stock - ₱0.10 par value</b>				
Balance at beginning and end of year	2,133,680,000	₱213,368,000	2,133,680,000	₱213,368,000
<b>Preferred Stock - ₱0.01 par value</b>				
Issued and balance at end of year	2,000,000,000	20,000,000	2,000,000,000	20,000,000
	4,133,680,000	₱233,368,000	4,133,680,000	₱233,368,000

#### Common Shares

On November 29, 2019, the Parent Company's common shares were listed on the PSE. As at March 31, 2025 and December 31, 2024, 2,133,680,000 common shares are listed in the PSE.

#### Preferred Shares

The salient features of the preferred shares are as follows:

- guaranteed dividend yield of 2.5% per annum;
- voting, cumulative and non-participating; and
- shall not be convertible into common share.

#### Additional Paid-in Capital

Additional paid-in capital represents the excess of the amounts received over the par value of the shares issued, net of directly attributable transaction costs on the Parent Company's IPO amounting to ₱777.8 million.

#### Retained Earnings

The Group declared dividends from available retained earnings as follows:

Date of Declaration	Type	Stockholders of Record	Date of Payment	Amounts Declared	
				Per Share	Total
<b>2024</b>					
October 25	Common	November 11, 2024	November 29, 2024	₱0.01	₱21,336,800
December 31	Preferred	December 31, 2024	Unpaid as of December 31,2024	-	500,000
					₱21,836,800
<b>2023</b>					
October 13	Common	November 8, 2023	November 29, 2023	₱0.01	₱21,336,800
December 31	Preferred	December 31, 2023	August 2, 2024		166,667
					₱21,503,467

#### Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit standing and stable capital ratios in order to support its business and maximize shareholder value. The Group maintains its current capital structure and will make adjustments, if necessary, in order to generate a reasonable level of returns to stockholders over the long term. No changes were made in the objectives, policies or processes during the year.

The Group considers the equity presented in the consolidated statements of financial position as its core capital.

The Group manages its capital structure and makes adjustments when there are changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using debt-to-equity ratio, which is total debt divided by total equity.

The debt-to-equity ratios are as follows:

	Mar 2025	Dec 2024
Total debt	<b>₱834,780,956</b>	₱858,057,120
Total equity	<b>1,758,785,072</b>	1,725,710,365
Debt-to-equity ratio	<b>0.47:1</b>	0.50:1

The public ownership of the Group is 40.51% as at March 31, 2025 and 40.75% December 31, 2024. As at March 31, 2025 and December 31, 2024 and 2023, the Company has 121 stockholders, respectively.

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## 19. Revenue

This account consists of:

	Note	Mar 2025	Mar 2024
Net sales		<b>₱653,298,722</b>	₱625,390,894
Franchise revenue	24	<b>26,051,308</b>	13,340,129
Rental income	24	-	1,076,896
		<b>₱679,350,030</b>	₱ 639,807,919

The Group recognizes revenue from sales of goods and services upon delivery to customers or at a point in time when the Group has no more obligations that could affect the acceptance of goods by the customers.



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**20. Direct Costs**

This account consists of:

	Note	Mar 2025	Mar 2024
Direct materials	8	<b>₱252,751,605</b>	₱242,537,305
Salaries, wages and other employee benefits		<b>17,815,396</b>	16,633,650
Utilities		<b>1,473,645</b>	1,206,178
Depreciation and amortization	11	<b>3,091,583</b>	2,705,114
		<b>₱ 275,132,229</b>	₱263,082,247

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**21. Selling and Distribution Expenses**

This account consists of:

	Note	Mar 2025	Mar 2024
Salaries, wages and other employees' benefits		<b>₱ 89,815,761</b>	₱86,229,443
Rental	24	<b>54,519,508</b>	52,129,288
Outside services		<b>28,766,396</b>	27,081,698
Depreciation and amortization	11	<b>43,444,875</b>	45,522,341
Utilities		<b>25,890,838</b>	24,960,996
Service fees		<b>15,292,965</b>	14,899,367
Advertisement		<b>11,072,101</b>	10,062,566
Transportation and travel		<b>13,968,118</b>	12,219,164
Repairs and maintenance		<b>4,070,149</b>	4,195,419
Management fees		<b>3,712,157</b>	2,150,032
Distribution supplies		<b>6,674,724</b>	3,981,380
Insurance		<b>1,245,227</b>	1,290,358
Others		<b>212,097</b>	216,065
		<b>₱ 298,684,916</b>	₱ 284,938,119

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**22. General and Administrative Expenses**

This account consists of:

	Note	2024	Mar 2024
Salaries, wages and other employees' benefits		<b>₱ 10,780,645</b>	<b>₱9,148,125</b>
Taxes and licenses		<b>10,912,592</b>	<b>10,524,547</b>
Depreciation and amortization	11	<b>2,877,294</b>	<b>2,546,768</b>
Rental	24	<b>2,474,650</b>	<b>2,045,138</b>
Representation		<b>4,391,433</b>	<b>3,659,163</b>
Outside services		<b>2,858,408</b>	<b>2,954,195</b>
Professional fees		<b>1,694,102</b>	<b>2,548,291</b>
Utilities		<b>3,120,476</b>	<b>2,608,036</b>
Retirement benefits cost	17	<b>1,095,000</b>	<b>1,095,000</b>
Others		<b>10,735,498</b>	<b>8,424,210</b>
		<b>₱50,940,098</b>	<b>₱45,553,473</b>

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**23. Other Income (Charges) - Net**

This account consists of:

	Note	Mar 2025	Mar 2024
Interest income	5	<b>601,913</b>	<b>1,440,504</b>
Others		<b>341,137</b>	<b>561,867</b>
		<b>₱943,050</b>	<b>₱ 2,002,371</b>

Others consist mainly of outlets' reimbursable income, cash overages and fees charged to lessees for utilities incurred on leased spaces on food parks.

## 24. Significant Agreements

### Group as Lessee - Short-term Lease

The Group entered into several lease agreements with third parties for its store spaces for varying periods of up to one year and renewable annually. The lease contracts for the stores provide for a monthly rental based on a certain percentage of gross sales and a monthly fixed rental or an agreed minimum rental, whichever is higher. Lease agreements are generally renewable through a notice of lease renewal and upon mutual agreement with the lessors.

### Group as Lessee - Long-term Lease

The Group entered into noncancellable leases on outlets spaces, land and building with lease terms ranging from three to ten years subject to renewal. These leases have a fixed monthly rental subject to escalation clause.

The rental deposits will be applied against any unpaid rentals and other expenses related to the lease upon termination amounting to ₱108.3 million and ₱106.1 million as at March 31, 2025 and December 31, 2024, respectively.

The balance and movements in ROU assets are as follows:

		2025		
	Note	Outlets Spaces	Land and Building	Total
<b>Cost</b>				
Balance at beginning of year		₱64,897,512	₱99,894,214	₱164,791,726
Additions		—	—	—
Termination of lease		—	—	—
Retirement of lease		—	—	—
Balance at end of year		64,897,512	99,894,214	164,791,726
<b>Accumulated Amortization</b>				
Balance at beginning of year		35,564,795	86,635,532	122,200,327
Amortization	11	6,959,025	1,960,602	8,919,627
Termination of lease		—	—	—
Retirement of lease		—	—	—
Balance at end of year		42,523,820	88,596,134	131,119,954
<b>Carrying Amount</b>		<b>₱22,373,692</b>	<b>₱11,298,080</b>	<b>₱33,671,772</b>

		2024		
	Note	Outlets Spaces	Land and Building	Total
Cost				
Balance at beginning of year		₱102,399,301	₱139,100,805	₱241,500,106
Additions		11,511,421	–	11,511,421
Termination of lease		(36,865,500)	(10,069,601)	(46,935,101)
Retirement of lease		(12,147,710)	(29,136,990)	(41,284,700)
Balance at end of year		64,897,512	99,894,214	164,791,726
Accumulated Amortization				
Balance at beginning of year		68,164,296	93,965,724	162,130,020
Amortization	11	6,382,906	29,720,207	36,103,113
Termination of lease		(26,834,697)	(7,913,409)	(34,748,106)
Retirement of lease		(12,147,710)	(29,136,990)	(41,284,700)
Balance at end of year		35,564,795	86,635,532	122,200,327
Carrying Amount		₱29,332,717	₱13,258,682	₱42,591,399

The balance of and movements in lease liabilities are as follows:

		2025		
	Note	Outlets Spaces	Land and Building	Total
Balance at beginning of year		₱8,144,185	₱35,946,341	₱44,090,526
Additions		—	—	—
Rental payments		(3,492,118)	(8,590,776)	(12,082,894)
Termination of lease		—	—	—
Interest	14	645,873	473,724	1,119,597
Balance at end of year		5,297,940	27,829,289	33,127,229
Less current portion		5,297,940	21,404,763	26,702,703
Noncurrent portion		₱-	₱6,424,526	₱6,424,526

	2024			
	Note	Outlets Spaces	Land and Building	Total
Balance at beginning of year		₱31,829,767	₱65,463,294	₱97,293,061
Additions		11,511,421	–	11,511,421
Rental payments		(29,266,484)	(30,797,886)	(60,064,370)
Termination of lease		(8,344,196)	(3,021,650)	(11,365,846)
Interest	14	2,413,677	4,302,583	6,716,260
Balance at end of year		8,144,185	35,946,341	44,090,526
Less current portion		7,263,738	19,438,965	26,702,703
Noncurrent portion		₱880,447	₱16,507,376	₱17,387,823

The incremental borrowing rates applied to the lease liabilities range from 10.87% to 11.00% per annum, depending on the lease term. ROU assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments.

Group as Lessor

The Group entered into several sublease agreements with third parties for the lease of spaces in food parks for varying periods up to one year.

In 2021, the Group leased out certain commercial spaces of its building to several parties under various noncancellable operating lease agreements with a term of one year to five years, renewable upon mutual agreement by the parties.

Security deposits amounting to ₱635,143 as at March 31, 2025 and December 31, 2024, respectively, are noninterest-bearing and will be refunded at the end of the lease term.

Rental income is disclosed in Note 19.

Franchise Agreements

The Group has granted its franchisees the right to operate outlets under various brands for acquired periods and subject to the terms and conditions specified in the franchise agreements. The agreements are renewable at the option of the Group. The agreements provide for an initial franchise fee payable upon execution of the agreements. The non-refundable initial franchise fee payment covers the renovation of franchisee's unit, signage, promotional materials and equipment.

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**25. Financial Instruments Risk Management Objectives and Policies**

The Group's financial instruments comprise cash and cash equivalents, financial assets at FVPL, trade receivables, due from related parties, construction bond, trade and other payables (excluding non financial liabilities), notes payable, mortgage payable, lease liabilities and due to related parties. The main purpose of these financial liabilities is to finance the Group's operations.

The Group is exposed to credit risk, interest rate risk and liquidity risk. The Group's management oversees the management of these risks. The Group's BOD reviews and approves policies for managing each of these risks as summarized below.

**Credit Risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its deposits with banks and financial institutions.

The table below shows the gross maximum exposure of the Group to credit risk before taking into consideration collateral and other credit enhancements:

	Mar 2025	Dec 2024
Cash and cash equivalents	<b>₱570,664,336</b>	₱585,269,977
Financial assets at FVPL	<b>48,334,583</b>	47,542,019
Financial assets at FVOCI	<b>1,725,000</b>	1,725,000
Trade receivables	<b>105,448,536</b>	110,243,597
Due from related parties	<b>97,046,318</b>	93,140,843
Construction bond*	<b>4,934,869</b>	6,793,747
	<b>₱828,153,642</b>	₱844,715,183

\*Presented under "Other current assets"

The Group deals only with reputable banks and customer to limit this risk. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The compliance with credit limits by customers is regularly monitored by management.

The tables below show the credit quality of financial assets:

2025					
	Neither Past Due nor Impaired		Past Due but Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Cash and cash equivalents	<b>₱570,664,336</b>	₱ –	₱ –	₱ –	<b>₱570,664,336</b>
Financial assets at FVPL	<b>48,334,583</b>	–	–	–	<b>48,334,583</b>
Financial assets at FVOCI	<b>1,725,000</b>	–	–	–	<b>1,725,000</b>
Trade receivables	–	<b>105,448,536</b>	–	<b>3,238,000</b>	<b>108,686,536</b>
Due from related parties	–	<b>97,046,318</b>	–	–	<b>97,046,318</b>
Construction bond*	–	<b>4,934,869</b>	–	–	<b>4,934,869</b>
	<b>₱620,723,919</b>	<b>₱207,429,723</b>	<b>₱ –</b>	<b>₱3,238,000</b>	<b>₱831,391,642</b>

\*Presented under "Other current assets"

2024					
	Neither Past Due nor Impaired		Past Due but Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Cash and cash equivalents	₱585,269,977	₱ –	₱ –	₱ –	₱585,269,977
Financial assets at FVPL	47,542,019	–	–	–	47,542,019
Financial assets at FVOCI	1,725,000	–	–	–	1,725,000
Trade receivables	–	110,243,597	–	3,238,000	113,481,597
Due from related parties	–	93,140,843	–	–	93,140,843
Construction bond*	–	6,793,747	–	–	6,793,747
	<b>₱634,536,996</b>	<b>₱210,178,187</b>	<b>₱ –</b>	<b>₱3,238,000</b>	<b>₱847,953,183</b>

\*Presented under "Other current assets"

The credit quality of such financial assets at amortized cost is managed by the Group using the internal credit quality ratings as follows:

- *High Grade.* Pertains to counterparty who is not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions and companies. Credit quality was determined based on the credit standing of the counterparty.
- *Standard Grade.* Other financial assets not belonging to high grade financial assets are included in this category.

*Impairment.* An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and other forms of credit insurance). The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

Trade receivables arise mainly from transactions with its approved franchisees. Franchisees are subject to stringent financial, credit, and legal verification process. In addition, trade receivable balances are monitored on an on-going basis to ensure timely collections. Allowance for expected credit loss for trade receivables amounted to ₱3.2 million as at March 31, 2025 and December 31, 2024, respectively. Management assessed that the allowance is sufficient to cover the ECL of trade receivables of the Group.

The Group's franchise agreement provides that in case of breach of agreement which includes significant delay or non-payment of obligations, the franchise will be terminated and the Group will be given the rights to take-over the franchised outlets. Accordingly, this will allow the Group to have the earning rights over the outlets' assets and this credit enhancement allows the Group to reduce its exposure to credit risk.

For other financial assets at amortized cost which is mainly comprised of cash and cash equivalents, due from related parties, and construction bond, the PFRS 9 impairment requirements do not result in significant ECL. The following are considered in the assessment:

- Cash and cash equivalents are deposited with reputable counterparty banks that possess good credit ratings.
- For construction bond and due from related parties, the Group considered the available liquid assets of the related parties and financial capacity of the third party service provider to refund the construction bond once the construction contract is completed.

#### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to its note payable and mortgage payable. The Group obtains additional financing through bank borrowings. The Group's policy is to obtain the most favorable interest rates available.



The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's note payable and mortgage payable with variable interest rates as disclosed in Notes 14 and 15, respectively.

The management has assessed that any variation in the interest rate will not have a material impact on the net profit or loss of the Group.

**Liquidity Risk**

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet commitments from financial instruments. It may result from either the inability to sell assets quickly at fair values or failure to collect from counterparty.

The Group's objective is to maintain a balance between continuity of funding and flexibility through bank borrowings and related party advances and aims to manage liquidity as follows:

- a. To ensure that adequate funding is available at all times;
- b. To meet commitments as they arise without incurring unnecessary costs; and
- c. To be able to assess funding when needed at the least possible cost.

## 26. Fair Value Measurement

The table below presents the carrying amounts and fair values of the Group's financial instruments as follows:

	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets at Amortized Cost</b>				
Cash and cash equivalents	₱570,664,336	₱570,664,336	₱585,269,977	₱585,269,977
Trade receivables	105,448,536	105,448,536	110,243,597	110,243,597
Due from related parties	97,046,318	97,046,318	93,140,843	93,140,843
Construction bond	4,934,869	4,934,869	6,793,747	6,793,747
<b>Financial Assets at FVPL</b>	<b>48,334,583</b>	<b>48,334,583</b>	47,542,019	47,542,019
<b>Financial Assets at FVOCI</b>	<b>1,725,000</b>	<b>1,725,000</b>	1,725,000	1,725,000
	<b>₱828,153,642</b>	<b>₱828,153,642</b>	₱844,715,183	₱844,715,183
<b>Financial Liabilities at Amortized Cost</b>				
Trade and other payables*	₱107,599,338	₱107,599,338	₱101,635,630	₱101,635,630
Notes payable	582,133,333	582,133,333	605,300,000	605,300,000
Mortgage payable	3,043,302	3,043,302	3,889,045	3,889,045
	<b>₱692,775,973</b>	<b>₱692,775,973</b>	₱710,824,675	₱710,824,675

\* Excluding statutory payables

The following methods and assumptions were used to estimate the fair values of each class of financial instruments.

*Cash and Cash Equivalents, Trade Receivables, Due from Related Parties, Construction Bond, Trade and Other Payables (Excluding Statutory Payables) and Notes Payable.* The carrying amounts of these financial instruments approximate their fair values due to the relatively short-term maturity and demand features of these financial instruments.

*Financial Assets at FVPL.* The fair value of investments at FVPL classified as Level 1 was determined using the quoted market prices as published by the trust company.

*Financial Assets at FVOCI.* The fair value of investment in club shares designated as financial assets at FVOCI is classified under Level 3 of the fair value hierarchy.

*Notes Payable and Mortgage Payable.* Fair value is determined based on the discounted cash flow analysis using effective interest rates for similar types of instruments. These financial instruments are classified under Level 2 of the fair value hierarchy groups of the financial statements (significant observable inputs). The rates applied to long-term notes payable and mortgage payable range from 2.42% to 3.76%.

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**27. Operating Segment Information**

For management purposes, the Group is organized into operating segments based on brand names. However, due to the similarity in the economic characteristics, such segments have been aggregated into a single operating segment for external reporting purposes.

Outlet stores sales reflected in the consolidated statements of comprehensive income are all from external customers and within the Philippines, which is the Group's domicile and primary place of operations. Additionally, the Group's noncurrent assets are also primarily acquired, located and used within the Philippines.

Outlet stores sales are attributable to revenue from the general public, which are generated through the Group's store outlets. Consequently, the Group has no concentrations of revenue from a single customer in 2025 and 2024.







## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion should be read in conjunction with the Group's consolidated financial statements and notes thereto, which form part of this SEC Form 17-Q as "Annex A". The consolidated financial statements and notes thereto have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

### ***Results of Operations for period ending March 31, 2025 vs March 31, 2024***

#### ***Key Highlights***

##### ***Revenues***

The Group generated revenues of ₱679.4 million for the three months ended March 31, 2025, reflecting a 6.2% increase or ₱39.5 million growth compared to ₱639.8 million in the same period of 2024. This growth was primarily driven by the continued expansion of the store network and the improved performance of existing stores.

##### ***Cost of Sales***

Cost of sales for the three months ended March 31, 2025 closed at ₱275.1 million, 4.6% or ₱12.0 million increase from the same period in 2024 which closed at ₱263.1 million. The increase is attributable mainly to the increase in revenues and the continuous rise of raw material prices due to inflation. The Company continues to implement efficient purchasing strategies and tactical price increases to mitigate the effects of inflationary pressures.

##### ***Operating Expenses***

The Group's operating expenses settled at ₱349.6 million as of March 31, 2025, a 5.8 % or ₱19.1 million increase from the same period in 2024 which settled at ₱330.5 million. The increase was mainly attributed to the increased business volume during the first three months of 2025 and expansion undertaken by the Group.

##### ***Income Tax Expense/ Benefits***

From ₱11.6 million current income tax last 2024 to ₱12.2 million income tax for the same period in 2025. Income tax for the first quarter of 2025 was primarily due to the increase in taxable operating income.

##### ***Net income/(loss)***

Consolidated net income reached ₱33.3 million as of March 31, 2025, representing an 11.5% increase from ₱29.8 million in the same period of 2024.

### ***Financial Condition as of MARCH 31, 2025 versus DECEMBER 31, 2024***

FRUIT had consolidated total assets of ₱2,593.6 million as of March 31, 2025, a slight increase from the total assets from ₱2,583.8 million last December 2024.

#### ***Cash and cash equivalents***

As of end March 2025, cash and cash equivalents totaled ₱570.7 million, a decreased from ₱585.3 million as of end-2024 primarily as a result of increased store expansions and improvements. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash.

### ***Trade and other receivables***

Trade and other receivables stood at ₱105.4 million as of March 2025, 4.3% lower than the ₱110.2 million reported at the end of 2024. The decrease is primarily attributed to improved collection efforts from third-party customers.

### ***Inventories***

As of March 2025, inventories increased to ₱74.2 million from ₱71.7 million as of end-2024. The slight increase is primarily attributed to the increase in raw material prices.

### ***Property and Equipment***

Consolidated net property and equipment stood at ₱846.0 million as of March 31, 2025. Acquisition of property and equipment for the first quarter of the year reached ₱28.6 million, which was invested in the building of new stores, additional transportation equipment, office and commissary improvements.

### ***Intangible assets***

Intangible assets remain at ₱260.2 million for the period ending March 31, 2025.

### ***Trade and other payables***

Trade and other payables decreased by 1.1% for the three months ending March 31, 2025 to ₱141.6 driven by the payment of statutory payables for the towards the end of 2024.

### ***Equity***

As of March 31, 2025, the Group's consolidated equity increased to ₱1,758.8 million from ₱1,725.7 million as of end-2024.

### **Cash Flow Summary**

Net cash provided by operating activities amounted to ₱54.2 million for the first three months of 2025.

Net cash used for investing activities was ₱32.5 million during first three months of 2025, driven by CAPEX.

Net cash used in financing activities amounted to ₱36.3 million for the first quarter of 2025, primarily due to the settlement of notes payable.

	<b>Interim Three Months Ended March 31, 2025</b>	<b>Interim Three Months Ended March 31, 2024</b>
Revenue Growth	6.2%	24.2%
Gross Profit Margin	59.5%	59.0%
Net Income/(loss) (in million)	33.3	29.8
	<b>As of March 31, 2025</b>	<b>As of December 31, 2024</b>
Current Ratio	1.28x	1.22x
Debt to Equity Ratio	47.5%	50.0%