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Company Information

SEC Registration No.: A200117595
Company Name: EMPERADOR INC.
Industry Classification: K70110
Company Type: Stock Corporation

Document Information

Document ID: OST10415202583171441
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2024
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET
for
Audited Financial Statements

SEC Registration Number

A	2	0	0	1	-	1	7	5	9	5

COMPANY NAME

EMPERADOR INC.

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

7TH FLOOR, 1880 EASTWOOD AVENUE, EASTWOOD CITY CYBERPARK, 188 E. RODRIGUEZ, JR. AVENUE, BAGUMBAYAN QUEZON CITY, METRO MANILA

Form Type	Department requiring the report	Secondary License Type, If Applicable
AFS	SEC	Certificate of Permit to Offer Securities for Sale
(For December 31, 2024)		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
dinainting@emperadorinc.com	8709-2038 to 41	N/A

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
131	3rd Monday of May	DECEMBER 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
DINA INTING	dinainting@emperadorinc.com	8709-2038 to 41	N/A

Contact Person's Address

7th Floor, 1880 Eastwood Avenue, Eastwood City Cyberpark, 188 E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City

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

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

Outlook

Your BIR AFS eSubmission uploads were received

From eafs@bir.gov.ph <eafs@bir.gov.ph>
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Submission Date/Time: **Apr 14, 2025 11:33 AM**
Company TIN: **214-815-715**

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- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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EMPERADOR INC.
7F 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez Jr. Avenue,
Bagumbayan 1110, Quezon City, Philippines Tel: 8709-2038 to 41 Fax: 8709-1966

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

In preparing the financial statements, management is responsible for assessing 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 to do so.

The Board of Directors is responsible for 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.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audits.

ANDREW L. TAN
Chairman of the Board

WINSTON S. CO
President/ Chief Executive Officer

DINA D.R. INTING
Chief Financial Officer

Signed this 28th day of March 2025

SUBSCRIBED AND SWORN to before me this , affiants exhibiting to me their Passport/ SSS No., as follows:

Names	PassportNo./ SSS No./ DL No	Date	Place of Issue
Andrew L. Tan	P9281984A	Oct 24,2018 to Oct 23,2028	Manila
Winston S. Co	N01-80-016240	valid until Jan. 31, 2033	Manila
Dina D.R. Inting	SSS 03-5204775-3		

Doc. No. 155
Page No. 32
Book No. I
Series of 2025

ATTY. MA. JESSICA A. GUEVARRA
NOTARY PUBLIC
ROLL NO. 85934
QUEZON CITY, PHILIPPINES

ATTY. MA. JESSICA AMURAO GUEVARRA
Notary Public for Quezon City
Until December 31, 2025
Adm Matter No. NP. 201 I Roll No.: 85934
IBP No.: 496810, 01/03/2025, Quezon City
PTR No.: 6782632, 01/03/2025, Quezon City
MCLE Compliance No. VIII-0019088, valid until 14 April 2028

P&A Grant Thornton

FOR SEC FILING

Financial Statements and Independent Auditors' Report

Emperador Inc.

December 31, 2024, 2023 and 2022

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors and Stockholders
Emperador Inc.
(A Subsidiary of Alliance Global Group, Inc.)
7th Floor, 1880 Eastwood Avenue
Eastwood City CyberPark
188 E. Rodriguez, Jr. Avenue
Bagumbayan, Quezon City

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Emperador Inc. (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's Securities and Exchange Commission (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 financial statements and our auditors' report thereon. The SEC Form 20-IS, 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 financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the 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 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 Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.

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

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 audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. As discussed in Note 8.2 to the financial statements, the supplementary information for the year ended December 31, 2024 required by the Bureau of Internal Revenue (BIR) is presented by management of the Company in a supplementary schedule filed separately from the basic financial statements. The BIR requires the information to be presented in the notes to financial statements. The supplementary information is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards; it is also not a required disclosure under the Revised Securities Regulation Code Rule 68 of the Philippine SEC. Such supplementary information is the responsibility of management. Our opinion on the basic financial statements is not affected by the presentation of the information in a separate schedule.

The engagement partner on the audit resulting in this independent auditors' report is Ramilito L. Nañola.

PUNONGBAYAN & ARAULLO

By: Ramilito L. Nañola
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 10465911, January 2, 2025, Makati City
BIR AN 08-002511-019-2023 (until December 10, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-009 (until August 12, 2027)

March 28, 2025

EMPERADOR INC.

(A Subsidiary of Alliance Global Group, Inc.)

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

(Amounts in Philippine Pesos)

	Notes	2024	2023
A S S E T S			
CURRENT ASSETS			
Cash and cash equivalents	4	**P 1,187,942,890**	P 1,002,751,428
Receivables	4, 6	**2,753,364,689**	2,195,968
Financial assets at fair value through profit or loss	5.1	**385,564,686**	355,505,670
Prepaid taxes	5.2	**6,657,999**	6,104,677
Total Current Assets		**4,333,530,264**	1,366,557,743
NON-CURRENT ASSETS			
Investments in subsidiaries	6	**43,227,163,666**	43,140,201,841
TOTAL ASSETS		**P 47,560,693,930**	P 44,506,759,584
LIABILITY AND EQUITY			
CURRENT LIABILITY			
Other payables	9.1	**P 1,193,823,200**	P 1,217,925,186
Total Liability	16	**1,193,823,200**	1,217,925,186
EQUITY			
Capital stock	10.1	**16,242,391,176**	16,242,391,176
Additional paid-in capital	10.1	**23,126,856,086**	23,106,377,832
Deposit for future stock subscription - equity-linked securities	10.2	**3,443,750,000**	3,443,750,000
Treasury shares, at cost	10.3	**(4,280,113,441)**	(4,280,113,441)
Share options	10.5	**385,193,968**	318,710,397
Conversion options	10.2	**88,498,401**	88,498,401
Retained earnings	10.4	**7,360,294,540**	4,369,220,033
Total Equity	16	**46,366,870,730**	43,288,834,398
TOTAL LIABILITY AND EQUITY		**P 47,560,693,930**	P 44,506,759,584

See Notes to Financial Statements.

EMPERADOR INC.
(A Subsidiary of Alliance Global Group, Inc.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023	2022
REVENUES		**P -**	P -	P -
OPERATING EXPENSES				
Professional fees		**6,678,758**	5,707,566	3,091,250
Taxes and licenses		**2,039,879**	2,036,504	2,026,354
Outside services		**996,348**	1,089,512	25,315
Representation		**5,357**	-	310,000
Communications		**1,612**	1,110	1,416
Transportation and travel		**1,500**	1,500	7,401,690
Office supplies		**-**	1,540	13,839
Trading fees	2.4, 5.1	**-**	-	1,217,024
Miscellaneous		**7,546,714**	7,109,758	110,904
		17,270,168	15,947,490	14,197,792
OPERATING LOSS		**(17,270,168)**	(15,947,490)	(14,197,792)
OTHER INCOME (CHARGES)				
Dividend income	5.1, 6	**6,795,983,261**	28,440,454	3,707,063,869
Interest income	4	**92,149,910**	152,481,250	43,948,189
Others	7	**29,394,584**	(63,621,455)	(25,931,848)
		6,917,527,755	117,300,249	3,725,080,210
PROFIT BEFORE TAX		**6,900,257,587**	101,352,759	3,710,882,418
TAX EXPENSE	8.1	**18,429,983**	30,496,249	8,789,638
NET PROFIT	11	**6,881,827,604**	70,856,510	3,702,092,780
OTHER COMPREHENSIVE INCOME		**-**	-	-
TOTAL COMPREHENSIVE INCOME		**P 6,881,827,604**	P 70,856,510	P 3,702,092,780
Earnings Per Share - Basic	11	**P 0.437**	P 0.005	P 0.235
Earnings Per Share - Diluted	11	**P 0.420**	P 0.004	P 0.226

See Notes to Financial Statements.

EMPERADOR INC.
(A Subsidiary of Alliance Global Group, Inc.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	Capital Stock	Additional Paid-in Capital	Deposit for Future Stock Subscription - Equity-linked Securities (DFFS-ELS)	Treasury Shares	Conversion Options	Share Options	Retained Earnings	Equity
Balance at January 1, 2024		P 16,242,391,176	P 23,106,377,832	P 3,443,750,000	(P 4,280,113,441)	P 88,498,401	P 318,710,397	P 4,369,220,033	P 43,288,834,398
Cash dividend declared and paid	10.2, 10.4	-	-	-	-	-	-	(3,890,753,097)	(3,890,753,097)
Option expense during the year	10.5	-	-	-	-	-	86,961,825	-	86,961,825
Option forfeited during the year	10.5	-	20,478,254	-	-	-	(20,478,254)	-	-
Total comprehensive income		-	-	-	-	-	-	6,881,827,604	6,881,827,604
Balance at December 31, 2024		**P 16,242,391,176**	**P 23,126,856,086**	**P 3,443,750,000**	**(P 4,280,113,441)**	**P 88,498,401**	**P 385,193,968**	**P 7,360,294,540**	**P 46,366,870,730**
Balance at January 1, 2023		P 16,242,391,176	P 23,106,377,832	P 3,443,750,000	(P 4,280,113,441)	P 88,498,401	P 260,187,993	P 8,999,690,182	P 47,860,782,143
Cash dividend declared and paid	10.2, 10.4	-	-	-	-	-	-	(4,701,326,659)	(4,701,326,659)
Option expense during the year	10.5	-	-	-	-	-	58,522,404	-	58,522,404
Total comprehensive income		-	-	-	-	-	-	70,856,510	70,856,510
Balance at December 31, 2023		P 16,242,391,176	P 23,106,377,832	P 3,443,750,000	(P 4,280,113,441)	P 88,498,401	P 318,710,397	P 4,369,220,033	P 43,288,834,398
Balance at January 1, 2022		P 16,242,391,176	P 23,106,377,832	P 3,443,750,000	(P 4,280,113,441)	P 88,498,401	P 183,769,572	P 5,297,597,402	P 44,082,270,942
Option expense during the year	10.5	-	-	-	-	-	76,418,421	-	76,418,421
Total comprehensive income		-	-	-	-	-	-	3,702,092,780	3,702,092,780
Balance at December 31, 2022		P 16,242,391,176	P 23,106,377,832	P 3,443,750,000	(P 4,280,113,441)	P 88,498,401	P 260,187,993	P 8,999,690,182	P 47,860,782,143

See Notes to Financial Statements.

EMPERADOR INC.
(A Subsidiary of Alliance Global Group, Inc.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		**P 6,900,257,587**	P 101,352,759	P 3,710,882,418
Adjustments for:				
Dividend income	5.1, 6	**(6,795,983,261)**	(28,440,454)	(3,707,063,869)
Interest income	4	**(92,149,910)**	(152,481,250)	(43,948,189)
Interest expense	7	**664,232**	613,133	-
Operating income (loss) before working capital changes		**12,788,648**	(78,955,812)	(40,129,640)
Decrease (increase) in financial assets at fair value through profit or loss		**(30,059,016)**	63,008,322	(418,513,992)
Increase in prepaid taxes		**(553,322)**	(475,963)	(596,420)
Increase (decrease) in other payables		**(24,101,986)**	16,266,745	444,445,240
Cash used in operations		**(41,925,676)**	(156,708)	(14,794,812)
Interest received		**91,464,009**	157,585,950	36,448,955
Cash paid for income taxes		**(18,292,803)**	(31,517,189)	(7,289,791)
Net Cash From Operating Activities		**31,245,530**	125,912,053	14,364,352
CASH FLOWS FROM AN INVESTING ACTIVITY				
Dividends received	5.1, 6	**4,045,363,261**	328,440,454	4,518,563,869
Cash From An Investing Activity		**4,045,363,261**	328,440,454	4,518,563,869
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	10.2, 10.4	**(3,890,753,097)**	(4,701,326,659)	-
Interest paid	7	**(664,232)**	(613,133)	-
Cash Used In Financing Activities		**(3,891,417,329)**	(4,701,939,792)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**185,191,462**	(4,247,587,285)	4,532,928,221
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4	**1,002,751,428**	5,250,338,713	717,410,492
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	**P 1,187,942,890**	P 1,002,751,428	P 5,250,338,713

Supplementary Information on Non-cash Investing Activities:

1) Pursuant to the Company's Employee Share Option Plan, the Company recognized additional investments in a subsidiary and share options under equity amounting to P87.0 million, P58.5 million and P76.4 million in 2024, 2023 and 2022, respectively. In 2024, P20.5 million of these share options had been cancelled due to resignations and were transferred to additional paid-in capital. These share options are granted to certain qualified grantees of Emperador Distillers, Inc., a subsidiary, giving them the right to subscribe to certain number of common shares of the Company at a specific exercise price per share (see Notes 6 and 10.5).

2) In 2024, 2023 and 2022, the Company recognized dividend income with total amount of P6,796.0 million, P28.4 million and P3,707.1 million, respectively, (see Notes 5.1 and 6) of which the P2,753.4 million and P300.0 million remained outstanding as of December 31, 2024 and 2022. The outstanding dividend receivable as of December 31, 2022 was collected in 2023.

See Notes to Financial Statements.

EMPERADOR INC.
(A Subsidiary of Alliance Global Group, Inc.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

Emperador Inc. ("EMI" or "the Company") was incorporated in the Philippines and registered with the Securities and Exchange Commission ("SEC") on November 26, 2001. It presently operates as a holding company of a global conglomerate in the distilled spirits and alcoholic beverages business.

EMI is a subsidiary of Alliance Global Group, Inc. ("AGI" or "the Parent Company"), a publicly-listed domestic holding company with diversified investments in real estate development, food and beverage, quick-service restaurants, and tourism-entertainment and gaming businesses.

The registered principal office of the Company is at 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City, where the registered office of AGI is also presently located.

The common shares of EMI and AGI were first listed for trading in the Philippine Stock Exchange ("PSE") on December 19, 2011 and April 19, 1999, respectively. The EMI shares were secondary listed and started trading in the Singapore Exchange Securities Trading Limited ("SGX-ST") on July 14, 2022.

1.1 Subsidiaries

EMI holds beneficial ownership interests in entities operating in an integrated business of manufacturing, bottling and distributing distilled spirits and other alcoholic beverages from the Philippines and Europe (collectively referred to as the "Group"), as follows:

Names of Subsidiaries	Explanatory Notes	Percentage of Effective Ownership
Direct:		
Emperador Distillers, Inc. ("EDI")	(a), 6	**100%**
Emperador International Ltd. ("EIL")	(h), 6	**100%**
Indirect – wholly owned subsidiaries of EDI:		
Anglo Watsons Glass, Inc. ("AWGI")	(b)	**100%**
Tradewind Estates, Inc. ("TEI")	(c)	**100%**
Alcazar De Bana Holdings Company, Inc. ("Alcazar De Bana")	(d)	**100%**
The Bar Beverage, Inc. ("The Bar")	(e)	**100%**
Cocos Vodka Distillers Philippines, Inc. ("Cocos")	(f)	**100%**
Zabana Rum Company, Inc. ("Zabana")	(g)	**100%**
The World Finest Liquor Inc. ("World Finest")	(i)	**100%**

Explanatory notes:

(a) EDI became a wholly owned subsidiary on August 28, 2013 when EMI acquired it from AGI as a condition to AGI's subscription to EMI shares (see Note 10.1). EDI was incorporated in the Philippines on June 6, 2003 and primarily engaged in the manufacturing and trading of brandy, wine or other similar alcoholic beverage products (see Note 6).

(b) AWGI is a domestic corporation presently engaged in flint glass container manufacturing and primarily supplies EDI's bottle requirements.

(c) TEI is a domestic corporation presently engaged in leasing its land and manufacturing complex in Sta. Rosa, Laguna and providing consultancy and advisory services in relation to the operations, management, development and maintenance of machineries to EDI.

(d) Alcazar De Bana is a domestic holding entity and presently holds investments in shares of stocks of other domestic corporations.

(e) The Bar was incorporated to carry out a general and commercial business of making, manufacturing, processing, importing, exporting, buying and selling any and all kinds of alcohol, wine or liquor products.

(f) Cocos was established to manufacture, import, export, buy, sell, acquire, hold or otherwise dispose of and deal in, any alcohol, wine or liquor products.

(g) Zabana was incorporated to engage in manufacturing, importing, exporting, buying, selling, acquiring, holding or otherwise disposing of and dealing in any alcohol, wine or liquor products, flavoring essences, beverages, softdrinks, foodstuffs, goods, wares, merchandise and commodities of the same kind.

(h) EIL is a foreign entity incorporated in the British Virgin Islands. EIL wholly owns the Group's offshore subsidiaries, namely, Emperador Holdings (GB) Limited ("EGB") and Emperador Asia Pte. Ltd., which wholly owns Grupo Emperador Spain, S.A. ("GES"). EIL is effectively a wholly owned subsidiary of EMI through EMI's 84% direct ownership and EDI's 16% ownership (see Note 6).

(i) World Finest was incorporated in 2022 to engage in among others, the business of retailing, merchandising, marketing, warehousing, trading, e-commerce or otherwise dealing with all kinds of products, services, goods, chattels, wares, merchandise and commodities of all kinds, including but not limited to alcoholic and non-alcoholic beverages.

On October 31, 2014, EGB, through its wholly owned subsidiary, Emperador UK Limited, completed a deal for the acquisition of Whyte and Mackay Group Limited, a manufacturer of Scotch whisky.

On February 29, 2016, GES, through its subsidiary Bodegas Fundador S.L.U, completed the purchase of a Spanish brandy and sherry business in Jerez de la Frontera ("Jerez"). On January 19, 2017, GES, through its wholly owned subsidiary, Complejo Bodeguero San Patricio, S.L.U., acquired certain assets in Jerez, including trademarks of well-known brands. On March 30, 2017, GES, through Bodegas Las Copas, S.L., a Spanish joint venture company, and its two Mexican subsidiaries, completed the acquisition of the Domecq brand portfolio and its related assets. These assets are subsequently transferred to Domecq Bodega Las Copas, S.L., a Spanish subsidiary of GES incorporated in 2017.

1.2 Approval of the Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2024 (including the comparative financial statements as of December 31, 2023 and for the years ended December 31, 2023 and 2022) were authorized for issue by the Company's Board of Directors ("BOD") on March 28, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards ("PFRS") Accounting Standards. PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council ("FSRSC") from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

These financial statements are prepared as the Company's separate financial statements. The Company also prepares consolidated financial statements as required under PFRS Accounting Standards.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard ("PAS") 1, *Presentation of Financial Statements*. The Company presents all items of income, expenses and other comprehensive income or loss in a single statement of comprehensive income.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 Adoption of Amended PFRS Accounting Standards

(a) Effective in 2024 that are Relevant to the Company

The Company adopted for the first time the following amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flow, and Financial Instruments: Disclosures – Supplier Finance Agreements

Discussed below are the relevant information about these pronouncements.

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current.* The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no impact on the Company's financial statements.

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants.* The amendments specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlements exist at the end of the reporting period for the purpose of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date on which they are contractually required to be tested. The application of these amendments had no impact on the Company's financial statements.

(iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements.* The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no impact on the Company's financial statements.

(b) *Effective Subsequent to 2024 but not Relevant to the Company*

Among the amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024, amendments to PFRS 16 – *Lease Liability in a Sale and Leaseback* is not relevant to the Company's financial statements.

(c) *Effective Subsequent to 2024 but not Adopted Early*

There are amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, none of these are expected to have significant impact on the Company's financial statements:

(i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

(ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)

(iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027).

(iv) PFRS 19 *Subsidiaries without Public Accountability: Disclosures* (effective from January 1, 2027).

(v) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associate and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely)

2.3 Investments in Subsidiaries

The Company's investments in subsidiaries are accounted for in these separate financial statements at cost less impairment loss, if any (see Note 6). Impairment loss is provided when there is objective evidence that the investments in subsidiaries will not be recovered [see Note 3.2(c)].

A subsidiary is an entity (including structured entities) over which the Company has control. The Company controls an entity when (i) it has power over the entity, (ii) it is exposed, or has rights to, variable returns from its involvement with the entity, and (iii) it has the ability to affect those returns through its power over the entity.

The Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above.

2.4 Financial Instruments

(a) *Financial Assets*

Regular purchases and sales of financial assets are recognized on their trade date (i.e. the date that the Company commits absolutely to purchase or sell the asset.)

(i) Classification and Measurement of Financial Assets

The Company's financial assets are financial assets at amortized cost and at fair value through profit or loss ("FVTPL").

- *Financial Assets at Amortized Cost*

  The Company's financial assets that are classified at amortized cost are Cash and Cash Equivalents (see Note 4) and Receivables (see Notes 4 and 6).

- *Financial Assets at Fair Value Through Profit or Loss*

  Financial assets at FVTPL are held within a business model whose objective is to realize changes in fair values through the sale of the assets. These include financial assets that are held for trading, which are acquired for the purpose of selling or repurchasing in the near term; designated upon initial recognition as FVTPL; or mandatorily required to be measured at fair value.

  The Company's financial assets at FVTPL as of December 31, 2024 and 2023 (see Note 5.1) are updated to the closing rate as of December 31, 2024 and 2023, as traced on the PSE Edge website.

(ii) Reclassification of Financial Assets

The Company can only reclassify financial assets if the objective of its business model for managing those financial assets changes. A change in the objective of the Company's business model will take effect only at the beginning of the next reporting period following the change in the business model.

There is no reclassification of financial assets in 2024 and 2023.

(iii) Impairment of Financial Assets at Amortized Cost

Since the Company's financial assets have no financing component, the Company applies the simplified approach in measuring expected credit loss ("ECL"), which uses a lifetime ECL allowance for all financial assets at amortized cost. The Company also assesses impairment of receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due (see Note 13.2).

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The Company's financial assets are assessed to be not impaired [see Note 3.2(a)].

(b) Financial Liabilities

The Company's financial liabilities, which pertain to Other payables (excluding tax-related liabilities), are classified at amortized cost.

2.5 Revenue Recognition

The Company's revenues arise mainly from the dividends from subsidiaries (see Note 6) and interest income from cash and cash equivalents (see Note 4).

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

(a) *Dividends* – Revenue is recognized when the Company's right to receive dividends is established, it is probable that economic benefits associated with the dividends will flow to the Company, and the amount of dividend can be measured reliably (see Notes 5.1 and 6).

(b) *Interest income* – This is recognized as the grossed-up interest accrues, taking into account the effective yield on the asset (see Note 4).

2.6 Impairment of Non-financial Assets

The Company's investments in subsidiaries (see Note 6) and other non-financial assets are subject to impairment testing [see Note 3.2(c)] and are assessed to be not impaired.

2.7 Share-based Employee Remuneration

The Company grants share options to qualified employees of the Group eligible under a share option plan (see Note 10.5). The services received in exchange for the grant, and the corresponding share options, are valued by reference to the fair value of the equity instruments granted at grant date. This fair value excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets and performance conditions), if any [see Note 3.2(d)]. In case the recipient of the share options is an employee of a subsidiary of the Company, the share-based remuneration is recognized as an additional cost of the Company's investment in such subsidiary (expense in the profit or loss in the financial statements of the subsidiary) (see Note 6) with a corresponding credit to Share Options account in the Equity section of the Company's statement of financial position.

The share-based remuneration is recognized during the vesting period based on the best available estimate of the number of share options expected to vest. The estimate is subsequently revised, if necessary, such that it equals the number of share options that ultimately vests on vesting date. No subsequent adjustment is made to investment cost after vesting date, even if share options expire or are ultimately not exercised.

Upon exercise of share option, the proceeds received, net of any directly attributable transaction costs up to the nominal value of the shares issued, are allocated to capital stock with any excess being recorded as additional paid-in capital ("APIC"). No share options have been exercised up to date of this report.

Upon expiration of the unexercised share option, the value assigned to the stock option is transferred to APIC.

2.8 Equity

Deposit for future stock subscription – Equity-linked securities represents the remaining portion of equity linked-securities ("ELS") subject for future issuance of shares (see Note 10.2).

Conversion options represent the equity component of ELS. This will eventually be closed to APIC upon conversion of the ELS (see Note 10.2).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) Evaluation of Business Model and Cash Flow Characteristics of Financial Assets

The Company applies the business model test and cash flow characteristics test at a portfolio of financial assets (i.e., group of financial instruments that are managed together to achieve a particular objective) and not on an instrument-by-instrument approach (i.e., not based on intention for each or specific characteristic of individual instrument) as these relate to the Company's investment and trading strategies. The business model assessment is performed on the basis of reasonably expected scenarios (and not on reasonably expected not to occur, such as the so-called 'worst case' or 'stress case' scenarios). A business model for managing financial assets is typically observable through the activities that the Company undertakes to achieve the objective of the business model.

The Company uses judgment when it assesses its business model for managing financial assets and that assessment is not determined by a single factor or activity. Instead, the Company considers all relevant evidence that is available at the date of assessment which includes, but not limited to:

- How the performance of the business model and the financial assets held within the business model are evaluated and reported to key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and,
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

(b) *Determination of ECL on Financial Assets at Amortized Cost*

The Company applies the ECL methodology which requires certain judgments in selecting the appropriate method in determining ECL. Significant portion of the Company's financial assets at amortized cost is dividend receivables in 2024 and 2022. Since the contractual period on these receivables is very short as these are payable when due, management determined that the use of liquidity analysis model is applicable.

Details about the ECL on the Company's financial assets at amortized cost are disclosed in Note 13.2.

(c) *Recognition of Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish the difference between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 12.

3.2 Key Sources of Estimation Uncertainty

Presented below and in the succeeding page are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(a) *Estimation of Allowance for ECL*

In measuring ECL, the Company uses significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of counterparties defaulting and the resulting losses), as further detailed in Note 13.2. Based on management's review, no allowance for ECL is required to be recognized on the Company's financial assets in 2024, 2023 and 2022 [see Notes 2.4(a)(iii), 4 and 6].

(b) *Determination of Realizable Amount of Deferred Tax Asset*

The Company reviews its deferred tax asset at the end of each reporting period. Based on management's assessment, the Company may not have sufficient future taxable profits against which its deferred tax asset can be utilized. Accordingly, the Company did not recognize the related deferred tax asset as of December 31, 2024 and 2023 (see Note 8.1).

(c) *Impairment of Non-financial Assets*

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Based on management's assessment, no impairment loss is required to be recognized on the Company's prepaid taxes and investments in subsidiaries in 2024, 2023 and 2022 (see Notes 5.2 and 6).

(d) Fair Value of Share Options

The Company estimates the fair value of the share options by applying an option valuation model, taking into account the terms and conditions on which the share option was granted. The estimates and assumptions used are presented in Note 10.5 which include, among other things, the option's time of expiration, applicable risk-free interest rate, expected dividend yield, volatility of the Company's share price and fair value of the Company's common shares. Changes in these factors can affect the fair value of share options at grant date.

Details of the share option plan and the amount of fair value (see Note 2.7) recognized as additional investment in EDI are disclosed in Note 10.5.

4. CASH AND CASH EQUIVALENTS

This account consists of the following:

	2024	2023
Cash in banks	**P 13,243,443**	P 64,222,294
Short-term placements	**1,174,699,447**	938,529,134
	P 1,187,942,890	P 1,002,751,428

Cash in banks generally earn interest based on daily bank deposit rates.

Short-term placements are made for varying periods from 30 to 64 days and earn effective annual interest rates ranging from 5.00% to 6.0% in 2024, 5.25% to 6.10% in 2023 and 0.50% to 5.75% in 2022 [see Notes 13.1(a), 13.2 and 15.3]. Gross interest earned and accrued amounted to P92.1 million, P152.5 million and P43.9 million in 2024, 2023 and 2022, respectively, and is presented as Interest Income under the Other Income (Charges) section, while the final tax withheld therefrom is included under Tax Expense account (see Note 8.1), in the statements of comprehensive income. As of December 31, 2024 and 2023, the accrued interest, net of final taxes, amounting to P2.7 million and P2.2 million, respectively, are presented as part of Receivables account in the statements of financial position.

5. OTHER CURRENT ASSETS

5.1 Financial Assets at FVTPL

These pertain to marketable equity securities acquired in 2022, which meet the definition of financial assets at FVTPL classified as held for trading [see Note 2.4(a)(i)]. The related transaction costs amounting to P1.2 million were expensed in 2022 and presented as trading fees under Operating Expenses of the 2022 statement of comprehensive income. There were no similar transactions in 2024 and 2023.

These financial assets at FVTPL do not, and are not required to, undergo impairment testing [see Note 2.4(a)(i)]. The fair values of these financial assets were determined from quoted market prices (see Note 15.2). The change in fair values of these financial assets resulted in a P30.1 million gain in 2024 and P63.0 million and P25.9 million loss in 2023 and 2022, respectively, and are presented as part of Others account under the Other Income (Charges) section of the statements of comprehensive income (see Notes 7 and 15.2). Dividend received in 2024, 2023, and 2022 amounted to P28.6 million, P28.4 million and P7.1 million, respectively, and are presented as part of Dividend Income account under the Other Income (Charges) section of the statements of comprehensive income.

5.2 Prepaid Taxes

This account consists of the following:

	2024	2023
Input value-added tax (VAT)	**P 4,633,241**	P 4,079,919
Creditable withholding tax	**2,024,758**	2,024,758
	P 6,657,999	P 6,104,677

6. INVESTMENTS IN SUBSIDIARIES

The carrying values of investments in subsidiaries, accounted for under the cost method, are as follows:

	Notes	% Interest Directly Held	**2024**	2023
EDI	1.1, 10.5	100%	**P 13,906,114,502**	P 13,819,152,677
EIL	1.1	84%	**29,321,049,164**	29,321,049,164
			P 43,227,163,666	P 43,140,201,841

The registered offices and the places of operations of the Company's direct subsidiaries are summarized below and in the succeeding page.

(a) EDI's registered office, which is also its principal place of business, is located at the 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City.

(b) EIL's registered office, which is also its principal place of business, is at the offices of Portcullis TrustNet (BVI) Limited, which is currently located at Portcullis Trust Net Chambers, 4th Floor Skelton Building, 3076 Drake's Highway, Road Town, Tortola, British Virgin Islands.

Additions to the investment in EDI pertain to amortizations of the fair value of share options during the year (see Notes 2.7 and 10.5).

As of December 31, 2024, and 2023, the management assessed that the Company's investments in subsidiaries are not impaired (see Note 2.6). Dividends declared by EDI amounting to P4.7 billion and P3.7 billion in 2024 and 2022, respectively, (nil in 2023) and dividends declared by EIL amounting to P2.1 billion in 2024 (nil in 2023 and 2022) are presented as part of Dividend Income under the Other Income (Charges) section of statements of comprehensive income. The outstanding dividend receivable from EDI amounting to P2.8 billion as of December 31, 2024 is presented as part of Receivables account in the 2024 statement of financial position. The outstanding dividend receivable from EDI amounting to P0.3 billion as of December 31, 2022 was fully collected in 2023 (see Note 9).

7. OTHER INCOME (CHARGES) – OTHERS

The details of the account are as follows:

	Note	**2024**	2023	2022
Fair value gain (loss) on financial assets at FVTPL	5.1	**P 30,059,016**	(P 63,008,322)	(P 25,931,248)
Interest expense		**(664,232)**	(613,133)	-
Bank charges		**(200)**	-	(600)
		P 29,394,584	(P 63,621,455)	(P 25,931,848)

8. TAXES

8.1 Income Taxes

The tax expense recognized in profit or loss in the statements of comprehensive income represents the final tax withheld on interest income earned from cash and cash equivalents at P18.4 million, P30.5 million and P8.8 million in 2024, 2023 and 2022, respectively (see Note 4).

The Company is subject to regular corporate income tax ("RCIT") on taxable net income or minimum corporate income tax ("MCIT") on gross income, net of allowable deductions as defined under the tax regulations, whichever is higher. The Company opted to claim itemized deductions in computing for its income tax due for the reporting periods. No RCIT or MCIT was reported in 2024, 2023 and 2022 because there were no taxable revenues in these taxable years.

The Company availed of the exemption from income tax of foreign-sourced dividends as provided under the Corporate Recovery and Tax Incentives for Enterprises Act, in relation to the P2.1 billion dividend it received from EIL in 2024 (see Note 6). There were no similar transactions in 2023 and 2022.

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in the profit or loss section of the statements of comprehensive income is as follows:

	2024	2023	2022
Tax on pretax profit	**P1,725,064,397**	P 25,338,190	P 927,720,605
Adjustment for income subjected to lower tax rates	**(4,607,495)**	(7,624,064)	(2,197,409)
Tax effects of:			
Non-taxable income	**(1,706,510,569)**	(7,110,114)	(926,765,967)
Non-deductible expenses	**2,283,123**	17,890,182	8,742,340
Unrecognized net operating loss carry-over (“NOLCO”)	**2,200,527**	2,002,055	1,290,069
Tax expense	**P 18,429,983**	P 30,496,249	P 8,789,638

The Company did not recognize deferred tax asset as of December 31, 2024 and 2023 as management does not expect to have sufficient future taxable profit that will be available against which this deferred tax asset can be utilized [see Note 3.2(b)].

The Company has unrecognized deferred tax asset amounting to P9,254,080 and P7,053,553 as of December 31, 2024 and 2023, respectively, arising from NOLCO amounting to P37,016,318 and P28,214,212, respectively.

The amount of NOLCO, which can be utilized as deduction within the allowed validity period after the year the tax loss was incurred, is presented below. Specifically, the NOLCO incurred in 2021 and 2020 can be claimed as a deduction within five years after the year it was incurred, pursuant to Section 4 (bbbb) of Republic Act No. 11494, *Bayanihan to Recover as One Act* (otherwise known as Bayanihan II) and as implemented under Revenue Regulations (“RR”) No. 25-2020.

Year Incurred	**Original Amount**	**Expired Amount**	**Remaining Balance**	**Valid Until**
2024	P 8,802,106	P -	P 8,802,106	2027
2023	8,008,220	-	8,008,220	2026
2022	5,160,274	-	5,160,274	2025
2021	6,094,831	-	6,094,831	2026
2020	8,950,887	-	8,950,887	2025
	P 37,016,318	**P -**	**P 37,016,318**	

8.2 Supplementary Information Required by the Bureau of Internal Revenue (“BIR”)

The BIR issued RR No. 15-2010, which require certain tax information to be disclosed as part of the notes to financial statements. The Company presented this tax information required by the BIR as a supplemental schedule filed separately from the basic financial statements.

9. RELATED PARTY TRANSACTIONS

The Company's related parties include its parent company, subsidiaries, related parties under common ownership and others. The summary of the Company's transactions with its related parties for the years ended December 31 and related outstanding balances as of the end of the reporting periods is as follows:

Related Party Category	Notes	Amount of Transaction 2024	Amount of Transaction 2023	Amount of Transaction 2022	Outstanding Balance Receivable (Payable) 2024	Outstanding Balance Receivable (Payable) 2023
Parent Company –						
Dividends declared	10.4	**P 3,001,910,544**	P 3,627,308,574	P -	**P -**	P -
Subsidiaries:						
Dividends earned	6	**6,767,418,525**	-	3,700,000,000	**2,750,620,000**	-
Employee share options	6, 10.5	**86,961,825**	58,522,404	76,418,421	**-**	-
Dividends declared	10.4	**15,715,176**	18,989,171	-	**-**	-
Accounts payable/collected	9.1	**-**	-	(444,445,240)	**(1,193,823,200)**	(1,193,823,200)

The Company's outstanding receivables from and payables to related parties arising from the foregoing transactions are unsecured, noninterest-bearing and demandable in cash, unless otherwise stated. All receivables from related parties are considered fully collectible; hence, no impairment loss was recognized.

Details of transactions with related parties are discussed below.

9.1 Payable to Subsidiaries

In 2022, the Company acquired financial assets at FVTPL payable to a subsidiary (see Note 5.1). Outstanding balance, which is unsecured, noninterest-bearing and payable upon demand, as of December 31, 2024 and 2023 is presented as Other Payables in the statements of financial position.

9.2 Guarantee

On November 10, 2023, EIL obtained a €310.0 million syndicated five-year term loan with interest at a rate of 0.825% per annum over EURIBOR payable monthly to semi-annually in arrears, at the option of the borrower. The principal is payable in full at maturity. The loan was used to pay the outstanding principal of EIL's loan obtained in 2019. Both loans were unconditionally and irrevocably guaranteed by the Company with EDI. Outstanding balance of the loan principal as of December 31, 2024 and 2023 amounted to €310.0 million.

9.3 Others

The Company's administrative and accounting functions are being handled by a certain subsidiary.

10. EQUITY

10.1 Capital Stock

Capital stock in 2024 and 2023 consists of:

	Note	Shares	Amount
Common shares – P1 par value			
Authorized – 20.0 billion shares			
Issued		16,242,391,176	P 16,242,391,176
Treasury shares	10.3	(505,919,938)	(4,280,113,441)
Issued and outstanding		**15,736,471,238**	**P 11,962,277,735**

The BOD of the PSE approved the listing of the common shares of the Company on October 16, 2011.

On December 19, 2011, the Company issued through initial public offering ("IPO") an additional 22.0 million shares with an offer price of P4.5 per share. The Company incurred P10.9 million IPO-related costs, P4.2 million of which was charged against APIC and the balance of P6.7 million was recognized as part of other operating expenses. Net proceeds from the IPO amounted to P90.8 million.

On December 27, 2012, the Company issued an additional 6.0 million shares with an offer price of P5.5 per share through a private placement.

On June 19, August 27, and September 5, 2013, the Company's BOD, stockholders, and SEC, respectively, approved the increase in authorized capital stock of the Company from P100.0 million divided into 100.0 million shares to P20.0 billion divided into 20.0 billion shares both with par value of P1.0 per share. On July 4, 2013, the Company's BOD approved the issuance of 6.5 million shares at par value to two foreign investors. On August 28, 2013, AGI and other investors subscribed to an aggregate of 14.9 billion shares. Under the terms of AGI's subscription, the Company acquired all of EDI shares held by AGI at that time (see Note 1.1).

On September 17, 2013, AGI launched an offering of 1.8 billion shares of the Company's shares, which is approximately 12% of the total issued shares. The said offering was priced at P8.98 per share. On September 25, 2013, the settlement date, the amount of P11.2 billion out of the net proceeds was directly remitted to the Company as an additional subscription price from AGI under the terms of the amended agreement with AGI; such amount is recorded as APIC in the Company's books. Costs related to the issuances amounting to P176.3 million were deducted from APIC.

On September 25, 2013, AGI beneficially acquired two minority corporate stockholders of the Company, which held a combined 9.55% of the total issued shares. Thus, AGI beneficially owns 87.55% of EMI as of December 31, 2013.

On November 7, 2014, the Company entered into a subscription agreement for the issuance of 1.1 billion common shares at an offer price of P11.0 per share through a private placement. The subscription price amounting to P12.3 billion was fully paid, and the shares were issued, on December 4, 2014 (see Note 10.2). The excess of the subscription price over the par value amounting to P11.2 billion was added to APIC.

On November 28, 2017, the Company issued 122.4 million common shares at P6.80 per share in consideration of the accrued interest on ELS amounting to P832.3 million (see Note 10.2). The excess of accrued interest over the par value amounting to P709.9 million was recorded as part of APIC.

On February 5, 2020, the Company issued 253.3 million shares for Tranche 1 Conversion of the ELS (see Notes 10.2 and 10.3). Consequently, Conversion Options amounting to P47.7 million was transferred to APIC.

On December 3, 2021, Tranche 2 Conversion of the ELS amounting to P3,443.8 million was transferred into equity with the Tranche 2 Shares to be issued in 2025. Consequently, the ELS is reported as Deposit for Future Stock Subscription – Equity-Linked Securities under the Equity section of the statements of financial position (see Note 10.2).

On July 14, 2022, the Company secondary listed its shares on the Main Board of the SGX-ST.

As of December 31, 2024, and 2023, the quoted closing price per share at the PSE is P18.06 and P20.85, respectively, and there are 131 holders in 2024 and 2023, including nominee accounts, of the Company's total issued and outstanding shares. The percentage shares of stocks owned by the public is 20.10% as of December 31, 2024 and 2023.

10.2 Equity-linked Securities

On November 7, 2014, the Company, as the Issuer, entered into a subscription agreement with Arran Investment Private Limited ("Arran" or the "Holder") for the issuance of 1.1 billion common shares at a total subscription price of P12.3 billion (see Note 10.1) and an ELS amounting to P5.3 billion ("Issue Price"). The shares and the ELS were issued on December 4, 2014 ("Issue Date"). The ELS may be converted into a fixed number of common shares ("Conversion Shares").

The ELS bore fixed interest rate compounded annually, which the parties formally agreed to remove on June 15, 2017. The Accrued Interest Payable amounting to P832.3 million was applied as consideration for 122,391,176 common shares ("Accrued Interest Shares") (see Note 10.1).

On December 23, 2019, the parties formally agreed to the following amendments:

(a) The Holder is given the right to request conversion of:

  (i) P1,836,250,000 into 253,275,862 shares, which shall come from the Company's treasury shares ("Tranche 1 Conversion Shares") ("Tranche 1 Conversion"); and,

  (ii) P3,443,750,000 into 475,000,000 shares ("Tranche 2 Shares") ("Tranche 2 Conversion").

(b) The Holder is allowed to transfer the ELS to an affiliate of the Company.

On February 5, 2020, the Holder exercised its right to Tranche 1 Conversion. Pursuant to this conversion (see Note 10.3), the Company also reclassified a portion of the Conversion Options amounting to P47.7 million to APIC in 2020 (see Note 10.1).

On December 3, 2021, the Holder exercised its right to Tranche 2 Conversion. Pursuant to this, the Company derecognized the financial liability component of the ELS and recognized an equity component amounting to P3.4 billion, which is presented as Deposit for Future Stock Subscription – Equity-linked Securities under the Equity section of the statements of financial position.

The Company and the Holder have mutually agreed to several conversion periods which was last agreed to be until February 12, 2025 [subsequently, August 12, 2025 as of this report date (see Note 17)] or such other date as may be mutually agreed in writing between the Holder and the Company. Upon the actual conversion, the Company will reclassify the remaining portion of the Conversion Options amounting to P88.5 million to APIC.

The ELS also bears variable interest in an amount equal to the dividend rate applied to the number of Conversion Shares and at same time as when dividends were paid to stockholders. Variable interest amounting to P114.0 million and P137.8 million were respectively incurred in 2024 and 2023 (no declaration in 2022) and are presented as part of Cash Dividend Declared and Paid in the Equity section of the statements of financial position.

In 2024 and 2023 the Company and Arran formally agreed and clarified the continuation of Variable Interest on the Tranche 2 Shares effective until end of conversion period or the issuance of the Tranche 2 Shares, whichever comes earlier.

There were no collaterals on the ELS.

10.3 Treasury Shares

A series of buy-back programs were authorized by the Parent Company's BOD that lasted from May 16, 2017 up to December 31, 2021. The last allotment was fully used up by the end of June 30, 2021.

The Company had spent P6.1 billion, including trading charges, to purchase a total of 759.2 million shares under the buy-back program. Out of these, a total of 253.3 million shares had been issued to Arran for Tranche 1 Conversion pursuant to the exercise of its right to convert under ELS (see Note 10.2).

As of December 31, 2024 and 2023, there were 505,919,938 shares costing P4.3 billion that were reported under Treasury Shares account in the statements of changes in equity. These repurchased shares do not form part of the outstanding shares.

Under the Revised Corporation Code of the Philippines, a stock corporation can purchase or acquire its own shares provided that it has unrestricted retained earnings to cover the cost of the shares to be purchased or acquired. Nevertheless, the Company has sufficient retained earnings available for dividend distribution (see Note 10.4).

10.4 Retained Earnings

The amount of retained earnings available for dividend distribution is restricted by the cost of treasury shares that the Company holds (see Note 10.3). The Company's cash dividend declarations in the years reported are as follows:

Date of Declaration	Date of Stockholders' Record	Payable Date	Dividend per Share	Total
April 1, 2024	May 2, 2024	May 24, 2024	P 0.2400	P3,776,753,097
March 30, 2023	May 2, 2023	May 25, 2023	0.2900	4,563,576,659

There were no dividends declared in 2022. There were no unpaid dividends as of December 31, 2024 and 2023.

10.5 Employee Share Options

On November 7, 2014, the Company's BOD approved an employee share options plan ("ESOP") for qualified employees of the Group. The ESOP was adopted by the shareholders on December 15, 2014 ("Plan Adoption Date"). On August 17, 2021, the BOD approved certain amendments to the plan.

The options shall generally vest on the 60th birthday or until the date of retirement of the option holder, whichever is later, provided that the option holder had continuously served as an employee for at least 11 years after the option offer date until his/her 60th birthday or until the date of his retirement from the Company and/or its subsidiary and may be exercised within five years from vesting date. The exercise price shall be at most a 15% discount from the volume weighted average closing price of the Company's shares for nine months immediately preceding the date of grant.

On August 17, 2021, the BOD approved an Amended ESOP that further provided: If the option holder aged 50 years and above, the option shall vest whichever comes earlier of (i) after another 11 years of continuous service, or (ii) when he/she has continuous service of at least 20 years before the offer date, after three years from his/her retirement provided that his/her protégé/disciple has remained as a key employee of the Group for three years from date of the holder's retirement.

On September 25, 2024, the BOD approved the extension of the Amended ESOP, to an additional period of three years, i.e. from December 15, 2024 to December 14, 2027, under the same terms and conditions.

Pursuant to this ESOP, on November 6, 2015, the Company granted share options to certain key executives of EDI to subscribe to 118.0 million common shares of the Company, at an exercise price of P7.00 per share.

On March 15, 2021 and August 25, 2021, share options were granted to certain qualified grantees of EDI to subscribe to 20.0 million and 55.0 million common shares of the Company, at an exercise price of P10.10 and P10.65 per share, respectively.

On February 11, 2022, share options were granted to a qualified employee of EDI to subscribe to 5.0 million common shares of the Company at an exercise price of P13.95 per share.

As of December 31, 2024, a total of 16.0 million shares had been cancelled due to resignations. Consequently, share options amounting to P20.5 million were transferred to APIC in 2024.

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP [see Note 3.2(d)].

The following principal assumptions were used in the valuation:

Average option life	11 - 22 years
Share price at grant date	P8.90 - P22.50
Exercise price at grant date	P7.00 - P13.95
Average fair value of option at grant date	P3.26 - P13.35
Average standard deviation of share price returns	10.24% - 13.13%
Average dividend yield	1.08% - 1.10%
Average risk-free investment rate	4.44% - 5.24%

The underlying expected volatility was determined by reference to historical prices of the Company's shares over a period of one year.

The Company has an obligation to settle the transaction with EDI's employees by providing the Company's own equity instruments. Accordingly, additional investments in EDI amounting to P87.0 million, P58.5 million and P76.4 million were recognized in 2024, 2023 and 2022, respectively, with corresponding credits to Share Options account (see Note 6).

11. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share was computed as follows:

	2024	2023	2022
Net profit for the year	**P 6,881,827,604**	P 70,856,510	P 3,702,092,780
Divided by the weighted average number of outstanding common shares (see Note 10.1)	**15,736,471,238**	15,736,471,238	15,736,471,238
Basic earnings per share	**P 0.437**	P 0.005	P 0.235

Diluted earnings per share was computed as follows:

	2024	2023	2022
Net profit with dilutive effect	**P 6,881,827,604**	P 70,856,510	P 3,702,092,780
Divided by the weighted average number of outstanding common shares and potential dilutive shares	**16,393,471,238**	16,393,471,238	16,399,890,881
Diluted earnings per share	**P 0.420**	P 0.004	P 0.226

In computing for the diluted earnings per share, the Company considered in the weighted average number of issued and outstanding common shares the potential dilutive common shares relating to employee shares options and convertible ELS. The Company granted share options to qualified grantees totaling 118.0 million, 75.0 million and 5.0 million common shares of the Company in 2015, 2021 and 2022, respectively, out of which a total of 16.0 million shares, were cancelled as of December 31, 2024 and 2023 due to resignations (see Note 10.5).

In 2024, 2023 and 2022, the ELS instrument has 475.0 million shares that have not yet been issued (see Note 10.2).

12. COMMITMENTS AND CONTINGENCIES

Except as disclosed in Note 9.2, there are other commitments, guarantees and contingent liabilities that arise in the normal course of the Company's operations that are not reflected in the financial statements. Management is of the opinion that losses, if any, from these items will not have any material effect on the Company's financial statements.

13. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to certain financial risks in relation to financial instruments. The Company's financial assets and financial liabilities by category are discussed in Note 14. The main types of risks are market risk, credit risk and liquidity risk.

There have been no significant changes in the Company's financial risk management objectives and policies during the year.

13.1 Market Risk

The Company is exposed to market risk described below through its use of financial instruments which result from its operating, investing, and financing activities.

(a) Interest Rate Risk

As of December 31, 2024 and 2023, the Company is exposed to changes in market interest rates through its cash in banks and short-term placements, which are subject to 30 to 64 days re-pricing intervals (see Note 4). Due to the short duration of short-term placements, management believes that interest rate sensitivity and its effect on the net results and equity are not significant. There are no other financial assets and financial liabilities that have variable interest rates.

(b) Price Risk

The Company's market price risk arises from its investment carried at FVTPL. The Company manages exposures to price risk by monitoring the changes in the market price of the investment and at some extent, diversifying the investment portfolio in accordance with the limit set by management.

For equity securities listed in the Philippines, an average volatility of 36% and 30% has been observed in 2024 and 2023, respectively. If quoted price for these securities increased or decreased by that amount, Profit before tax and Equity would have changed by P138.8 million and P104.1 million, respectively, in 2024, and P106.7 million and P80.0 million, respectively, in 2023.

13.2 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments arising from placing deposits with banks and dividend receivable from a subsidiary.

Generally, the maximum credit risk exposure of financial assets is the total carrying amount of the financial assets as shown in the statements of financial position, as summarized below.

	Notes	**2024**	2023
Cash and cash equivalents	4	**P 1,187,942,890**	P 1,002,751,428
Receivables	4, 6	**2,753,364,689**	2,195,968
		P 3,941,307,579	P 1,004,947,396

The Company's management considers all of the above unimpaired financial assets to be of good credit quality. None of the financial assets are secured by collateral or other credit enhancements, except for cash and cash equivalents.

For cash and cash equivalents, the credit risk is considered negligible because the counterparties are reputable universal banks with high quality external credit ratings. Moreover, cash and cash equivalents are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution, which was increased to P1.0 million effective March 15, 2025.

For receivables, the lifetime ECL rate is assessed at 0%, as there were no historical credit loss experience [see Note 2.4(a)(iii)]. The counterparty also has a strong financial condition and sufficient liquidity to settle its obligations to the Company once they become due. These consist of dividend receivable from a subsidiary and accrued interest from banks, which are fully collected subsequently in the following year.

13.3 Liquidity Risk

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in short-term placements.

As of December 31, 2024, and 2023, the Company's financial liabilities amounting to P1.2 billion are payable on demand.

14. CATEGORIES AND OFFSETTING OF FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

14.1 Carrying Values and Fair Values of Financial Assets and Financial Liabilities

The Company has no financial assets carried at fair value whose fair value is required to be disclosed, except for financial assets at FVTPL (see Note 5.1). For the Company's financial assets and financial liabilities at amortized cost as of December 31, 2024 and 2023, management considers that their carrying values approximate or equal their fair values, thus, no further comparison is presented. Fair value determination of such financial instruments is discussed in Note 15.

See Note 2.4 for a description of the accounting policies for each category of financial instruments including the determination of fair values. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 13.

14.2 Offsetting of Financial Assets and Financial Liabilities

The Company does not have relevant offsetting arrangements. Currently, financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) may have the option to settle all such amounts on a net basis in the event of default of the other party through approval of both parties.

15. FAIR VALUE MEASUREMENT AND DISCLOSURES

15.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Company uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on the Company's specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

15.2 Financial Instruments Measured at Fair Value

Marketable equity securities classified as financial assets at FVTPL are included in Level 1 as their prices are derived from quoted prices in the active market that the Company can access at the measurement date.

The Company recognized fair value gain of P30.1 million in 2024 and fair value losses of P63.0 million and P25.9 million in 2023 and 2022, respectively, for its financial assets at FVTPL (see Note 5.1).

The Company has no financial liabilities measured at fair value as of December 31, 2024 and 2023. There were no transfers across the levels of the fair value hierarchy in both years.

15.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below and in the succeeding page summarizes the fair value hierarchy of the Company's financial assets and financial liabilities which are not measured at fair value in the statements of financial position but for which fair value is disclosed (see Note 2.4).

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Cash and cash equivalents	P 1,187,942,890	P -	P -	P 1,187,942,890
Receivables	2,753,364,689	-	-	2,753,364,689
	P 3,941,307,579	**P -**	**P -**	**P 3,941,307,579**
Financial liability –				
Other payables	**P -**	**P -**	**P 1,193,823,200**	**P 1,193,823,200**

	2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 1,002,751,428	P -	P -	P 1,002,751,428
Receivables	2,195,968	-	-	2,195,968
	P 1,004,947,396	P -	P -	P 1,004,947,396
Financial liability –				
Other payables	P -	P -	P 1,193,823,200	P 1,193,823,200

For financial assets and financial liabilities with fair values included in Level 1, management considers that the carrying values of those short-term financial instruments approximate their fair values.

The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market, are calculated based on the expected cash flows of the underlying net asset base of the instrument.

There were neither transfers between Levels 1 and 2 nor changes in Level 3 instruments in both years.

16. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to stockholders by identifying investment opportunities commensurate with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position.

Capital for the reporting periods under review is summarized as follows:

	2024	2023
Total liabilities	**P 1,193,823,200**	P 1,217,925,186
Total equity	**46,366,870,730**	43,288,834,398
Debt-to-equity ratio	**0.03 : 1**	0.03 : 1

The Company sets the amount of capital in proportion to its overall financing structure (i.e., equity and total liabilities). The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to stockholders, issue new shares or sell assets to reduce debt.

17. EVENTS AFTER THE END OF THE REPORTING PERIOD

On January 15, 2025, the Company's BOD approved the declaration of cash dividends of P0.19 per share out of the available retained earnings of the Company as of December 31, 2024, payable on February 18, 2025 to stockholders of record as of January 31, 2025.

On February 4, 2025, the Company and Arran mutually extended the conversion period for the issuance of the Tranche 2 ELS shares from February 12, 2025 to August 12, 2025 (see Note 10.2).

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

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Philippines

T +63 2 8988 2288

The Board of Directors and Stockholders
Emperador Inc.
(A Subsidiary of Alliance Global Group, Inc.)
7th Floor, 1880 Eastwood Avenue
Eastwood City CyberPark
188 E. Rodriguez, Jr. Avenue
Bagumbayan, Quezon City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Emperador Inc. as of and for the year ended December 31, 2024, on which we have rendered our report dated March 28, 2025. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The following applicable supplementary information are presented for purpose of additional analysis in compliance with the requirements under the Revised Securities Regulation Code Rule 68, and are not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards:

a. Reconciliation of Retained Earnings Available for Dividend Declaration; and

b. Map Showing the Relationships Between and Among the Company and its Related Entities.

Such supplementary information are the responsibility of management. The supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: **Ramilito L. Nañola**
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 10465911, January 2, 2025, Makati City
BIR AN 08-002511-019-2023 (until December 10, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-009 (until August 12, 2027)

March 28, 2025

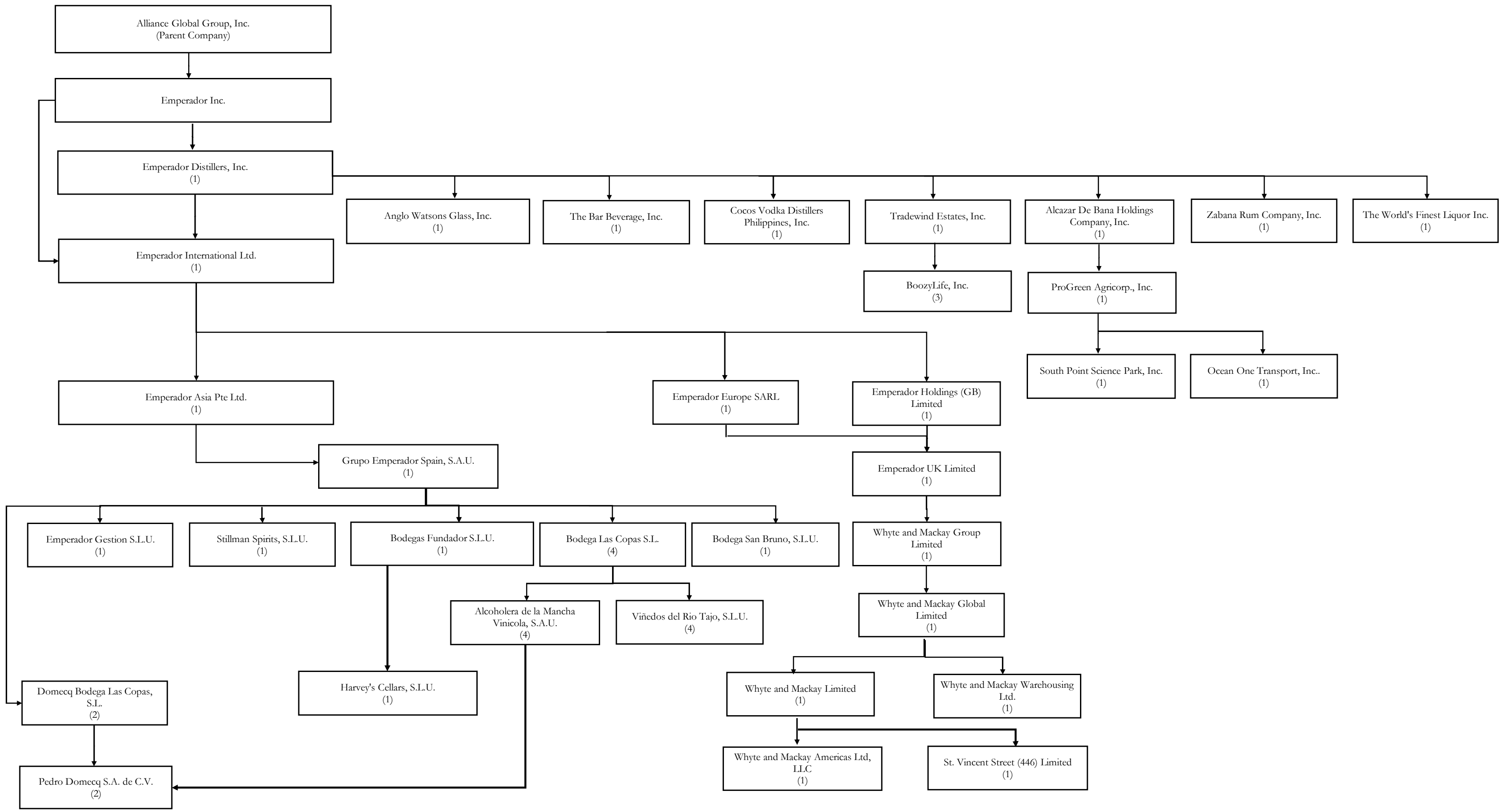
EMPERADOR INC.
(A Subsidiary of Alliance Global Group, Inc.)
7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark
188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City

Reconciliation of Retained Earnings Available for Dividend Declaration
For the Year Ended December 31, 2024

Unappropriated Retained Earnings at Beginning of Year		P 89,106,592
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earning Appropriation/s	P -	
Effect of restatements or prior-period adjustments	-	
Others	-	-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(3,890,753,097)	
Retained Earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others	-	(3,890,753,097)
Unappropriated Retained Earnings at Beginning of Year, as adjusted		(3,801,646,505)
Add: Net Income for the Current Year		6,881,827,604
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
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 (FVTPL)	(30,059,016)	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS	-	
Sub-total		(30,059,016)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total		-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of		
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 instrument at FVTPL	-	
Reversal of previously recorded fair value gain 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	-	
Sub-total		-
Adjusted Net Income		6,851,768,588
Balance carried forward		P 6,851,768,588

Balance brought forward		P 6,851,768,588
Add: Category D: Non-actual lossess recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	P -	
Sub-total		-
Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-
Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
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	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
Sub-total		-
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year		**P 3,050,122,083**

EMPERADOR INC. AND SUBSIDIARIES
Map Showing the Relationship Between Emperador Inc.
and its Related Parties
December 31, 2024



Legend
Relationship with Emperador Inc.
(1) Subsidiary (100%)
(2) Subsidiary (50%)
(3) Subsidiary (87%)
(4) Jointly Controlled Entity