IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

Important: You must read the following before continuing. The following applies to the Offering Circular following this page (the **Offering Circular**), and you are therefore advised to read this carefully before reading, accessing or making any other use of this Offering Circular. In accessing this Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN A FINAL OFFERING CIRCULAR THAT WILL BE DISTRIBUTED TO YOU ON OR PRIOR TO THE CLOSING DATE AND NOT ON THE BASIS OF THE ATTACHED OFFERING CIRCULAR. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of the Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must not be located in the United States. This Offering Circular is being sent at your request and, by accepting the electronic mail and accessing this Offering Circular, you shall be deemed to have represented to us that the electronic mail address that you gave us and to which this electronic mail has been delivered is not located in the United States and that you consent to delivery of such Offering Circular by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular to any other person.

The materials relating to any offering of securities to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that such offering be made by a licenced broker or dealer and the relevant Joint Lead Manager (as defined in the Offering Circular) is a licenced broker or dealer in that jurisdiction, such offering shall be deemed to be made by such Joint Lead Manager or its relevant affiliate on behalf of the Issuer (as defined in the Offering Circular) in such jurisdiction.

This Offering Circular has been sent to you in electronic format. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Issuer, the Guarantor, the Joint Lead Managers (each as defined in the Offering Circular) nor any person who controls the Issuer, the Guarantor, a Joint Lead Manager or any director, officer, employee or agent of any of the Issuer, the Guarantor, the Joint Lead Managers or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between this Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

You are responsible for protecting against viruses and other destructive items. Your use of this electronic mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

CONFIDENTIAL

JOLLIBEE WORLDWIDE PTE. LTD.

(*incorporated with limited liability in Singapore*)
(UEN: 200507479R)

U.S.$300,000,000 5.332 PER CENT. GUARANTEED NOTES DUE 2030

unconditionally and irrevocably guaranteed by

Jollibee Foods CORPORATION

JOLLIBEE FOODS CORPORATION

(*incorporated with limited liability in the Republic of the Philippines*)

ISSUE PRICE: 100.00 PER CENT.

Jollibee Worldwide Pte. Ltd. (the **Issuer**) proposes to issue U.S.$300,000,000 5.332 per cent. senior notes due 2030 (the **Notes**), which will be unconditionally and irrevocably guaranteed (the **Notes Guarantee**) by Jollibee Foods Corporation (the **Company** or the **Guarantor**). The Issuer is primarily a holding company which is a wholly-owned subsidiary of the Guarantor.

The Notes will bear interest from and including 2 April 2025 at the rate of 5.332 per cent. per annum. Interest on the Notes is payable semi-annually in arrear on 2 April and 2 October each year, commencing on 2 October 2025. Unless previously redeemed or purchased and cancelled, the Notes will mature at their principal amount on 2 April 2030 (the **Maturity Date**).

At any time prior to the Par Call Date (as defined in the Conditions), the Issuer may on any one or more occasions redeem all or a part of the Notes, by giving notice as provided in Condition 13 (which notice shall be irrevocable), at a redemption price equal to 100 per cent. of the principal amount of the Notes redeemed, plus the Applicable Premium (as defined in the Conditions) as of, and accrued and unpaid interest, if any, to the date of redemption, subject to the rights of Noteholders on the relevant record date to receive interest due on the relevant interest payment date. The Notes may also be redeemed (in whole but not in part) at the option of the Issuer at the Redemption Price (as defined in the Conditions) upon the occurrence of a Gross-Up Event (as defined in the Conditions). In addition, the Notes may be redeemed (in whole but not in part) at the option of the Issuer upon the occurrence of a Change of Control Event (as defined in the Conditions). The Notes may also be redeemed (in whole or in part) at any time and from time to time on or after 2 January 2030 (the date that is three months prior to the maturity of the Notes) at the option of the Issuer or the Guarantor at the Redemption Price (as defined in the Conditions).

The Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will at all times rank *pari passu* without any preference among themselves and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future. The payment of principal of and interest on the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed on an unsubordinated basis by the Guarantor.

For a more detailed description of the Notes and defined terms as used herein, see "*Terms and Conditions of the Notes*".

Investing in the Notes involves certain risks. See "*Risk Factors*".

The Notes and the Notes Guarantee are being offered only outside the United States in offshore transactions pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the **Securities Act**). Neither the Notes nor the Notes Guarantee have been, and will be, registered under the Securities Act or the securities laws of any other jurisdiction. Unless they are so registered, the Notes may be offered or sold only in transactions that are exempt from or not subject to registration under the Securities Act or the securities laws of any other jurisdiction and only in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. For further details, see "*Subscription and Sale*".

THE NOTES BEING OFFERED OR SOLD HEREIN HAVE NOT BEEN REGISTERED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE OF THE PHILIPPINES (THE **SRC**)**. ANY FUTURE OFFER OR SALE OF THE NOTES IN THE PHILIPPINES IS SUBJECT TO THE REGISTRATION REQUIREMENTS UNDER THE SRC UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.**

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the **SGX-ST**) for the listing and quotation of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Offering Circular. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Notes, the Issuer, the Guarantor or its subsidiaries. Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult their advisers.

The Notes will be evidenced by a global certificate (the **Global Certificate**) in registered form, which will be registered in the name of a nominee of, and deposited with a common depositary for, Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream**). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their respective accountholders. Except in the limited circumstances set out herein, definitive certificates for the Notes will not be issued in exchange for beneficial interests in the Global Certificate. See "*The Global Certificate*". It is expected that delivery of the Global Certificate will be made on or about 2 April 2025.

The denomination of the Notes shall be U.S.$200,000 each and integral multiples of U.S.$1,000 in excess thereof.

Where interest, discount income, early redemption fee or redemption premium is derived from any Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore, as amended or modified from time to time (the **ITA**) shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners (In alphabetical order)

J.P. MORGAN **MORGAN STANLEY**

Joint Lead Managers and Joint Bookrunners (In alphabetical order)

BPI CAPITAL **HSBC**

Domestic Managers (In alphabetical order)

FIRST METRO INVESTMENT CORPORATION **PNB CAPITAL AND INVESTMENT CORPORATION** **UNIONBANK OF THE PHILIPPINES**

Offering Circular dated 25 March 2025

IMPORTANT NOTICE

In this Offering Circular, references to the **Company**, the **Group** or the **Guarantor** are references to Jollibee Foods Corporation and its consolidated subsidiaries, associates and joint ventures, as the context requires. References to the **Issuer** are references to Jollibee Worldwide Pte. Ltd.

This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the Notes described in this Offering Circular. Each of the Issuer and the Guarantor accepts responsibility for the accuracy of the information contained in this Offering Circular and having made all reasonable enquiries, confirms that: (i) this Offering Circular contains all information with respect to the Issuer, the Company, the Notes and the Notes Guarantee, which is material in the context of the issue and offering of the Notes; (ii) the statements contained in it relating to the Issuer, the Company, the Notes and the Notes Guarantee are in every material respect true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer and the Company are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Company, the Notes or the Notes Guarantee, the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Offering Circular misleading in any material respect; and (v) all reasonable enquiries have been made by the Issuer and the Company to ascertain such facts and to verify the accuracy of all such information and statements. No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Company, the Notes or the Notes Guarantee other than as contained herein or any other information supplied in connection with the Notes and, if given or made by any other person, such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, J.P. Morgan Securities Asia Private Limited, (**J.P. Morgan**), Morgan Stanley Asia (Singapore) Pte. (**Morgan Stanley** and, together with J.P. Morgan, the **Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners**), BPI Capital Corporation (**BPI Capital**) and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (**HSBC**, together with BPI Capital, the **Joint Lead Managers and Joint Bookrunners,** and together with the Joint Global Coordinators and Joint Bookrunners, the **Joint Lead Managers**), The Hongkong and Shanghai Banking Corporation Limited in its capacity as trustee (the **Trustee**) or the Agents (as defined in the Conditions).

This Offering Circular has been prepared by the Issuer and the Guarantor for use in connection with the offer and sale of Notes and the Notes Guarantee exempt from the registration requirements under the Securities Act solely for the purpose of enabling a prospective investor to consider whether to purchase the Notes. This Offering Circular does not constitute an offer to any person in the United States or in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes and the Notes Guarantee may be restricted by law in certain jurisdictions. None of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee, or the Agents represents that this Offering Circular may be lawfully distributed, or that any Notes or the Notes Guarantee may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering.

None of the Joint Lead Managers, the Trustee or the Agents has separately verified the information contained herein. In this Offering Circular, no representation, warranty or undertaking, express or implied, is made or given by the Joint Lead Managers, the Trustee or the Agents or their respective affiliates or legal advisers as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates or legal advisers, and no responsibility or liability is accepted by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates or legal advisers as to the accuracy or completeness of the information contained in this Offering Circular. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Notes shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer or the Company or any of them since the date hereof or create any implication that the information contained herein is correct as of any date subsequent to the date hereof. Neither this Offering Circular nor any other information supplied in connection with the Notes or the Guarantee is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation by either the Issuer, the Company, the Joint Lead Managers, the Trustee or the Agents or their respective affiliates or legal advisers that any recipient of this Offering Circular should purchase the Notes. Prospective investors should not construe the contents of this Offering Circular as investment, legal or tax advice and should consult with their own counsel, accountant and other advisers as to legal, tax, business, financial and related aspects of purchasing the Notes. Neither this Offering Circular nor any

other information supplied in connection with the Notes or the Notes Guarantee constitutes an offer or an invitation by or on behalf of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents to any person to subscribe for, or to purchase, any Notes.

Investors may not reproduce or distribute this Offering Circular in whole or in part, and investors may not disclose any of the contents of this Offering Circular or use any information herein for any purpose other than considering an investment in the Notes. Each investor of the Notes must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such Notes or possesses this Offering Circular and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of such Notes under the laws and regulations in force in any jurisdictions to which it is subject or in which it makes such purchases, offers or sales, and none of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates or legal advisers shall have any responsibility therefor.

Persons into whose possession this Offering Circular or any Notes may come must inform themselves about and observe any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (the EEA), the United Kingdom (the UK), Japan, Hong Kong, Singapore, and the Philippines, see "*Subscription and Sale*". If a jurisdiction requires that the offering be made by a licenced broker or dealer and any of the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the Issuer in such jurisdiction.

Each person investing in the Notes shall be deemed to acknowledge that:

- it has been afforded an opportunity to request from the Issuer and the Company to review, and has received, all additional information considered by such person to be necessary to verify the accuracy of, or to supplement, the information contained herein; and
- it has not relied on the Joint Lead Managers, the Trustee, the Agents or any of their respective directors, advisers, employees, agents or affiliates in connection with its investigation of the accuracy of the information contained in this Offering Circular or its investment decision.

Listing of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, the Notes or the Notes Guarantee. In making an investment decision, prospective investors must rely on their own examination of the Issuer, the Guarantor and the terms of the Notes and the Notes Guarantee, including, without limitation, the merits and risks involved, and their purchase of the Notes should be based upon such examination with their own tax, legal and business advisers as they deem necessary. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Notes. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates or legal advisers is making any representation to any prospective investor regarding the legality of an investment in the Notes by such investor under any legal investment or similar laws or regulations. The offering of the Notes is being made on the basis of this Offering Circular. Any decision to invest in the Notes must be based on the information contained in this Offering Circular. Each purchaser of the Notes must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such Notes or possesses or distributes this Offering Circular and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of such Notes under the laws and regulations in force in any jurisdictions to which it is subject or in which it makes such purchases, offers or sales, and none of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates or legal advisers shall have any responsibility therefor.

This Offering Circular is not a prospectus for the purposes of Regulation (EU) 2017/129 (as amended, the **Prospectus Regulation**).

Prohibition of sales to EEA retail investors—The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in a member state the European Economic Area (the **EEA**). For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a "professional client" as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

This Offering Circular has been prepared on the basis that any offer of Notes in any member state of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes.

Prohibition of sales to U.K. retail investors— The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the **U.K.**). For these purposes, a "retail investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the **FSMA**) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **U.K. PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the U.K. has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the U.K. may be unlawful under the U.K. PRIIPs Regulation.

This Offering Circular has been prepared on the basis that any offer of the Notes in the U.K. will be made pursuant to an exemption under section 86 of the FSMA from the requirement to publish a prospectus for offers of Notes. This Offering Circular is not a prospectus for the purposes of the Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the **U.K. Prospectus Regulation**).

NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT

Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including certain Joint Lead Managers, are "capital market intermediaries" (**CMIs**) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the **Code**). This notice to prospective investors is a summary of certain obligations the Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (**OCs**) for this offering and are subject to additional requirements under the Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the Code as having an association (**Association**) with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor or any CMI (including its group companies) should specifically disclose this when placing an order for the Securities and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Joint Lead Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Joint Lead Manager or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a "proprietary order". If a prospective investor is otherwise affiliated with any Manager, such that its order may be considered to be a "proprietary order" (pursuant to the Code), such prospective investor should indicate to the relevant Joint Lead Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order,

prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Joint Lead Manager and/or any other third parties as may be required by the Code, including to the Issuer, the Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the Code, it being understood and agreed that such information shall only be used for the purpose of complying with the Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

None of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee, or the Agents makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

The Issuer reserves the right to withdraw this offering of the Notes at any time. The Issuer and the Joint Lead Managers also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason and to allocate to any prospective investor less than the full amount of Notes sought by such investor.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States, Philippine or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and other applicable state, Philippine or other securities laws pursuant to registration thereunder or exemption therefrom. See "*Subscription and Sale*". Prospective investors should thus be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Investors may not reproduce or distribute this Offering Circular in whole or in part, and investors may not disclose any of the contents of this Offering Circular or use any information herein for any purpose other than considering an investment in the Notes.

Investors are advised to read and understand the contents of this Offering Circular before investing. Investors agree to the foregoing by accepting delivery of this Offering Circular.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements and other information that involves risks, uncertainties and assumptions. Forward-looking statements are statements that concern the Issuer's and the Guarantor's plans, objectives, goals, strategies, future operations or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as aims, anticipates, believes, estimates, expects, intends, plans, predicts, projects seeks, may, will, should and any similar expressions generally identify forward-looking statements. Such forward-looking statements include, without limitation, statements relating to expansion plans, the competitive environment in which the Issuer and the Company operate, general economic and business conditions, political, economic and social developments in the jurisdictions in which the Group operates, changes in governmental regulations relating to the businesses which the Group engages in, liability for remedial action under relevant regulations, the cost and availability of adequate insurance coverage and financing, changes in interest rates and other factors beyond the Group's control. Risks and uncertainties that could affect the Group include, without limitation:

- risks associated with the strategic expansion into new geographic markets, or expansion into new businesses where the Group may have little or no prior experience in;
- instability in the social, political, legal and economic conditions in the countries in which the Group operates, particularly in the Philippines;
- the need for unexpected capital expenditures;
- changes in Government regulations and increases in regulatory burdens in the jurisdictions in which the Group operates, including those pertaining to operational, health, food safety and environmental standards;
- changes in Philippine, global or regional economic conditions that could affect the businesses that the Group engage in and the demand for the products that the Group provides;

- difficulties in raising additional financing to fund existing and future capital expenditures, acquisitions and other general corporate activities;
- changes in import or export controls, duties, levies or taxes, either in international markets or in the Philippines;
- risks arising from the significant and rapid fluctuations in currency exchange markets and the decisions and positions that the Group takes to hedge such volatility;
- the risks of operating in developing or emerging markets in which there are significant uncertainties regarding the interpretation, application and enforceability of laws and regulations and the enforceability of contract rights and intellectual property rights; and
- other risks related to the businesses, the industries or the regions in which the Group operates.

Should one or more of such risks and uncertainties materialise, or should any underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements. Any forward-looking statement or information contained in this Offering Circular speaks only as of the date the statement was made.

All of the Group's forward-looking statements made herein and elsewhere are qualified in their entirety by the risk factors discussed in "*Risk Factors*". These risk factors and statements describe circumstances that could cause actual results to differ materially from those contained in any forward-looking statement in this Offering Circular.

The Issuer, the Company, the Joint Lead Managers, the Trustee and the Agents assume no obligation to update any of the forward-looking statements after the date of this Offering Circular to conform those statements to actual results, subject to compliance with all applicable laws. The Issuer, the Company, the Joint Lead Managers, the Trustee and the Agents assume no obligation to update any information contained in this Offering Circular or to publicly release any revisions to any forward-looking statements to reflect events or circumstances, or to reflect that the Issuer or the Company became aware of any such events or circumstances, that occur after the date of this Offering Circular.

INDUSTRY AND MARKET DATA

Market data and certain industry forecasts used throughout this Offering Circular were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information are not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuer, the Company, the Joint Lead Managers, the Trustee nor the Agents makes any representation as to the accuracy or completeness of that information.

CERTAIN DEFINED TERMS AND CONVENTIONS

All references to dates and times are to Manila dates and times, unless otherwise specified.

All references in this Offering Circular to the **Government** are to the government of the Republic of the Philippines and all references to the **Philippines** are to the Republic of the Philippines. References to **management, Directors** and **executive officers** refer to the management, Directors and executive officers of the Company.

References to **financial year** in this Offering Circular are to the Company's financial year ended or ending 31 December.

References to the **United States** or **U.S.** in this Offering Circular shall be to the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

References to the **PRC** shall be to the People's Republic of China.

References to **EMEAA** in this Offering Circular shall be to Europe, Middle East, Asia and Australia, excluding the Philippines and the PRC.

References to **SWS** are to system wide sales, which is the Group's measure for all sales to consumers, both from Group-owned and franchised stores. Revenue from franchised store sales are not recorded as Group sales. The

Group records royalty fees from franchised stores, which is based on a percentage of franchised store sales. SWS is an operating metric and is unaudited. The following metrics are also based or derived from SWS and are unaudited: (i) same store sales growth; (ii) new store contribution; and (iii) acquisition-driven growth. To eliminate the impact of currency fluctuations when reviewing SWS, the Group utilises constant currencies by converting the prior year SWS using the current period's average exchange rate.

References to **SSS** are to same store sales.

In this Offering Circular, where information has been presented in percentages, thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

PRESENTATION OF FINANCIAL INFORMATION

In this Offering Circular, references to **U.S.$** and **U.S. dollars** are to the lawful currency of the United States of America; references to **Peso** or **₱** are to the lawful currency of the Republic of the Philippines; references to **SG$** are to the lawful currency of the Republic of Singapore and references to **RMB** are to the lawful currency of the People's Republic of China (the **PRC**).

The Group's audited consolidated financial statements as of 31 December 2022, 2023 and 2024 and for each of the three years in the period ended 31 December 2024 included in this Offering Circular have been prepared in accordance with the Philippine Financial Reporting Standard (**PFRS**). The Company maintains its books and prepares and reports its consolidated financial statements using the Peso in accordance with the provisions of PAS 21, "*The Effects of Changes in Foreign Exchange Rates*".

Certain Peso amounts have been translated into U.S. dollar amounts, based on the prevailing exchange rate on 27 December 2024 of ₱58.01 = U.S.$1.00, being the closing rate for that date for the purchase of U.S. dollars with Pesos under the Bangko Sentral ng Pilipinas (**BSP**). Such translations should not be construed as representations that the Peso or U.S. dollar amounts referred to could have been, or could be, converted into U.S. dollars or Pesos, as the case may be, at that or any other rate, or at all.

NON-PFRS FINANCIAL MEASURES

This Offering Circular includes presentation of certain financial measures such as EBITDA and EBITDA margin. EBITDA is calculated by the Group as earnings before interest, taxes, depreciation and amortisation. Earnings is equivalent to "net income" in the consolidated financial statements included in this Offering Circular. EBITDA margin is calculated as EBITDA divided by total revenues. EBITDA and EBITDA margin are not measures of performance under PFRS, and investors should not consider EBITDA or EBITDA margin in isolation or as an alternative to net income as an indicator of the Company's operating performance on a consolidated basis or to cash flow from operating, investing and financing activities as a measure of liquidity, or any other measures of performance under PFRS. Because there are various EBITDA and EBITDA margin calculation methods, the Company's presentation of this measure may not be comparable to similarly titled measures used by other companies.

ENFORCEABILITY OF CIVIL LIABILITIES

The Company is established in the Philippines and a substantial portion of its operating assets are located in the Philippines. Substantially all of its directors and senior management reside in the Philippines. It may be difficult for investors to effect service of process outside of the Philippines upon the Company, its directors, and its senior management. Moreover, it may be difficult for investors to enforce judgments against the Company, its directors, and its senior management outside the Philippines in any action pertaining to the Notes.

The Philippines is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments but is a signatory to the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards. Moreover, the Philippines enacted Republic Act No. 9285, otherwise known as the Alternative Dispute Resolution Act of 2004, to facilitate the enforcement of arbitral awards in the Philippines. The enforceability of foreign judgments in the Philippines is specifically provided for in the 1997 Rules of Civil Procedure (as amended). Section 48 of Rule 39 of the 1997 Rules of Civil Procedure (as amended) provides that a judgment or final order of a tribunal of a foreign country having jurisdiction to give the judgment or final order: (a) in case of a judgment or final order upon specific property, is conclusive upon the title to that property; and (b) in case of a judgment or final order against a person, is presumptive evidence of a right between the parties and their successors in interest by a subsequent title.

A final and conclusive judgment on the merits rendered against the Company and these persons by courts outside the Philippines obtained in an action predicated upon the civil liability provisions of laws other than Philippine laws would be recognised and enforced by the courts in the Philippines through an independent action filed to enforce such judgment, and without re-trial or re-examination of the issues, provided the following conditions are satisfied, namely: (i) the court rendering such judgment had jurisdiction in accordance with its jurisdictional rules, (ii) such persons had notice of the proceedings, (iii) such judgment was not obtained by collusion or fraud or based on a clear mistake of law or fact and (iv) such judgment was not contrary to public policy, law, morals or good customs in the Philippines.

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SUMMARY

OVERVIEW

The Company believes it is the largest food service and restaurant company in the Philippines with 3,382 Group-owned and franchise-operated stores in the country as of 31 December 2024. It had 6,384 Group-owned and franchise-operated stores outside the Philippines as of the same date. In addition, the Group believes it is among the largest food service companies in Asia in terms of sales and store network as of 31 December 2024. The Group's principal business comprises the development, operation and franchising of quick service restaurants (**QSRs**) under its portfolio of brands in line with its four-product pillar strategy (i.e., Chicken, Chinese Cuisine, Coffee & Tea and Better Burgers). As of 31 December 2024, the Group's portfolio of brands comprises "Jollibee", "Chowking", "Greenwich", "Red Ribbon", "Mang Inasal", "Yong He King", "Hong Zhuang Yuan", "Smashburger", "Tim Ho Wan", "Highlands Coffee", "The Coffee Bean & Tea Leaf®", "Milksha", "Tortazo", "Compose Coffee", "Burger King", "Panda Express", "Yoshinoya", "Common Man Coffee Roasters", and "Tiong Bahru Bakery". The Group is also engaged in the manufacturing of food products and logistics services.

Out of the total 3,382 stores in the Philippines as of 31 December 2024, 2,300 stores were franchised. As of the same date, the Group had a presence outside the Philippines in 31 countries and territories, with 1,974 Group-owned and operated stores and 4,410 franchise-operated stores, including the United States, Canada, People's Republic of China (including Hong Kong, Macau, and Taiwan), United Kingdom, Italy, Spain, Guam, Vietnam, Brunei, Singapore, Saudi Arabia, United Arab Emirates, Qatar, Oman, Kuwait, Bahrain, Indonesia, Costa Rica, India, Panama, Malaysia, South Korea and Australia.

The Group's stores offer a quality menu with a wide variety of affordable and locally-relevant food and beverages. Its store formats and sales channels offer convenience, accessibility and availability to its consumers. The Group's store formats include free standing/full store, in store/in line, mall, food court and "cloud kitchens". It also employs comprehensive sales channels including dine-in, take-away, drive-thru, kiddie party, bulk order and delivery. The Group believes that store technology initiatives and delivery arrangements are becoming increasingly important aspects of its sales channel and the consumer experience. The technology that the Group has implemented includes, among others, website ordering, mobile ordering, interactive mobile ordering via chatbot, mobile payment, cashless payment options (such as tokenisation), and in-store self-service technologies. The Group has also established delivery arrangements with third-party delivery online platforms such as Deliveroo, Foodpanda, GrabFood, DoorDash, Uber Eats, Grubhub, Postmates, Ele.me, and Meituan.

SWS is the Group's measure for all sales to consumers, both from Group-owned and franchise-operated stores. For the years ended 31 December 2022, 2023 and 2024, the Group's SWS were ₱296,822.4 million, ₱345,324.4 million, and ₱390,284.4 million (U.S.$6,727.9 million), respectively. For the same periods, the SWS of the Group's businesses in the Philippines accounted for 60.5 per cent., 61.1 per cent. and 59.5 per cent., respectively, of the Group's SWS. The SWS of the Group's business outside the Philippines represented 39.5 per cent., 38.9 per cent. and 40.5 per cent., respectively, of the Group's SWS for the years ended 31 December 2022, 2023 and 2024. The split between the Group-owned and franchise-operated stores in respect of the Group's SWS as at 31 December 2024 is 45:55.

Net sales pertains to gross sales less sales discounts. For the years ended 31 December 2022, 2023 and 2024, the Group's net sales were ₱196,657.3 million, ₱226,701.6 million and ₱248,930.0 million (U.S.$4,291.2 million), respectively. Sales in the Philippines accounted for 59.4 per cent., 59.9 per cent. and 59.2 per cent. of the total sales of the Group for the years ended 31 December 2022, 2023 and 2024, respectively. Foreign sales represented 40.6 per cent, 40.1 per cent. and 40.8 per cent. of the total sales of the Group for the years ended 31 December 2022, 2023 and 2024, respectively.

For the years ended 31 December 2022, 2023 and 2024, the Group's gross profits were ₱36,956.3 million, ₱45,300.7 million and ₱51,719.3 million (U.S.$891.6 million), respectively.

For the years ended 31 December 2022, 2023 and 2024, the Group's EBITDA was ₱31,213.7 million, ₱33,814.7 million and ₱36,745.5 million (U.S.$633.4 million), respectively.

For the years ended 31 December 2022, 2023 and 2024, the Group's net income was ₱7,338.5 million, ₱8,985.5 million and ₱10,795.8 million (U.S.$186.1 million) respectively.

As of 31 December 2022, 2023 and 2024, the Group's total assets were ₱233,402.7 million, ₱244,174.2 million and ₱263,550.9 million (U.S.$4,543.2 million) respectively.

The following table sets forth the revenues of the Group's geographical segments for the years ended 31 December 2022, 2023 and 2024 respectively:

	For the year ended 31 December		
	2022	2023	2024
	(Amount in ₱ millions)		
Philippines	131,580.5	152,457.1	166,546.8
International	82,223.7	93,452.3	105,660.5
Eliminations	(1,902.0)	(1,802.1)	(2,265.0)
Consolidated	211,902.2	244,107.3	269,942.3

The following table sets forth the Jollibee brand of the Group's (i) store network and same store sales growth (**SSSG**) as at 31 December 2024 and (ii) SWS as at 31 December 2023 and 2024 respectively.

		SWS (Amount in ₱ millions except percentages)			
Jollibee Brand	**Store Network**	**2024**	**2023**	**Y-o-Y Growth**	**SSSG**
Philippines	1,279	142,463	127,866	11.4%	7.9%
North America	103	25,259	21,408	18.0%	8.1%
China	24	2,463	2,184	12.7%	13.2%
Hong Kong	20	2,143	1,897	12.9%	13.2%
Macau	4	320	287	11.6%	11.5%
Vietnam	213	7,527	5,530	36.1%	16.8%
EMEA and Other Asia	140	14,937	12,000	24.5%	11.6%
Other Asia	63	5,775	4,495	28.5%	11.9%
Europe and Guam	17	3,532	2,658	32.9%	23.8%
Middle East	60	5,630	4,847	16.1%	4.3%

COMPETITIVE STRENGTHS

The Group believes that its principal competitive strengths include the following:

Market leading portfolio of iconic, well-recognised and diversified brands, demonstrating long-term growth

The Group has a portfolio of well-recognised brands composed of its own, acquired or franchised brands in the quick-service and fast casual dining segments. The Group believes that its flagship brand, the Jollibee brand, is the most recognised brand in the Philippines and continues to outperform and outgrow other quick-service restaurant peers in the Philippines. Jollibee continues to gain strong traction among mainstream consumers in countries outside the Philippines. In Vietnam and Brunei, mainstream non-Filipino locals comprise about 100.0 per cent. of customers; 80.0 per cent. in Malaysia; 80.0 per cent. in the United Kingdom; 80.0 per cent. in Singapore; and about 60.0 per cent. in Hong Kong. This is a testament to the brand's global appeal.

Jollibee was founded by Mr. Tony Tan Caktiong and his family with its humble beginnings as an ice cream parlour in 1975 which later grew into an emerging global brand. Since the start, the Group has differentiated itself from competition through its family-oriented approach to management and a passionate commitment towards delivering superior tasting and great value for money products while adhering to world class operating standards. The Group's values are echoed in its brand marketing. The Jollibee brand knows its target audience very well, which is the family, and the universal importance of family values, making Jollibee the number one family-oriented fast-food chain in the Philippines and a fast-growing international QSR player. The Jollibee brand has won in various categories in marketing, advertising and public relations across the years. Most recently, the Group brands bagged 11 awards at the 2024 Marketing Excellence Awards in the Philippines.

Most recently, the Group was included in TIME Magazine's prestigious "World's Best Companies" list in 2024 for the second year running. In addition, the Group was included in the inaugural Fortune Southeast Asia 500 list in 2024, ranking 86th in the overall list. Fortune, a global multi-platform media company known for their Fortune 500 list, ranked the largest companies in the region by their total revenues for the 2023 fiscal year. Jollibee was also named by Hong Kong-based publication U-Magazine as the "Favourite Fast-Food Restaurant" in Hong Kong in 2022, following a voting process involving over 30,000 respondents.

Jollibee Chickenjoy was crowned as the "Best Fast Food Fried Chicken" in USA TODAY's 10 Best Readers' Choice Awards 2024. The brand's signature fried chicken has also received praise from other international outlets, including US-based Eater.com, Hong Kong-based South China Morning Post, and Yahoo! Singapore.

In Newsweek's list of America's Favourite Restaurant Chains for 2023, Jollibee, along with other Group brands Chowking, Smashburger and The Coffee Bean & Tea Leaf® were all included in their respective categories. In 2022, Jollibee was also cited as the "Most Favourite Fast-food Restaurant" in Hong Kong and among the Hottest Brands in America.

Jollibee has been recently recognised as among the Top 10 Brands for Customer Satisfaction in Kuwait, according to the 2023 Service Hero Customer Satisfaction Index (**CSI**) Awards. The Customer Service Index Awards is an annual recognition programme that honours companies in Kuwait that deliver exceptional customer service. It measures key service factors such as expectations, overall satisfaction and likelihood of recommendation. It also measures different service dimensions such as staff, location, product quality, value for money, speed and reliability, among others. Over 500 brands across 20 categories were surveyed for this listing.

As of the date of this Offering Circular, the Group manages a portfolio of 19 brands, 12 of which are owned by the Group. The others are brands that the Group partnered with as a franchisee, namely Burger King, Panda Express, Yoshinoya, Common Man Coffee Roasters and Tiong Bahru Bakery. Tiong Bahru Bakery officially opened in the Philippines in January 2025.

The other brands owned by the Group have also been gaining prominence in their respective segments and markets. Demonstrating the strength of the Group's brand portfolio, Jollibee, Chowking and Mang Inasal were recognised as the top three most valuable restaurant brands in the ASEAN 500 2024 report by Brand Finance, a world's leading brand valuation company. Mang Inasal also emerged as the only restaurant brand from the Philippines to receive honours at the prestigious 21st International Business Awards (**IBA**). IBA, widely regarded as the world's premier business awards competition, drew over 3,600 nominations from organisations across 62 countries and territories for its 21st edition. Highlands Coffee was also recognised as the highest-ranked food and beverage brand on customer experience in the 2023 Customer Experience Excellence Study by KPMG in Vietnam, ascending 22 spots from its position in the 2022 study. Smashburger's Chorizo Cheeseburger, in collaboration with Chef Rick Bayless, also won a BASES Menu Innovation Award in 2023. The BASES North America Menu Innovation Awards of NielsenIQ recognise and celebrate standout restaurant innovations that continued to win over consumers.

The Group's global brand for coffee and tea, CBTL, has recently been cited as among the Top 10 Brands in Kuwait, according to the 2023 Service Hero CSI Awards. CBTL has also been ranked Top 1 in the Café Category. The CSI Awards is an annual recognition programme that honours companies in Kuwait that deliver exceptional customer service. Over 500 brands across 20 categories were surveyed. CBTL Kuwait and Jollibee Kuwait were named among the Top 10 brands for Customer Satisfaction in Kuwait. CBTL emerged as the top brand in the café category while Highlands Coffee was named Top F&B brand on customer experience in Vietnam.

The strong recognition of the Group's brands, together with the diversity of its brand portfolio, provides the Group a unique opportunity to access and compete in new markets and fast-growing segments.

Well-established leading market position in the Philippines' fast-growing and attractive food service and restaurant industry

The Group believes it is the largest food service and restaurant company in the Philippines with 3,382 Group-owned and franchise-operated stores as of 31 December 2024. As of the same date, the Jollibee brand had 1,279 stores in the Philippines. The Group also believes that its Group-owned brands Chowking, Greenwich, Red Ribbon and Mang Inasal were market leaders in 2024, in terms of store network in the Philippines, in their respective segments. Chowking, Greenwich, Red Ribbon and Mang Inasal had a total store network of 571 stores, 272 stores, 507 stores and 575 stores, respectively, as of 31 December 2024. The Group believes that, in terms of brand leadership, Jollibee, Chowking, Greenwich, Red Ribbon, and Mang Inasal are ranked No. 1 in the chicken and burger segment, No. 1 in the Chinese cuisine segment, No. 1 in the pizza and pasta segment, No. 2 in the bakeshop segment and No. 1 in the grilled chicken segment, respectively, in the Philippines. The Group also operates 131 stores as a franchisee under the Burger King brand as of 31 December 2024.

The Group believes that its extensive understanding of the food service and restaurant industry, coupled with a very capable organisation, enables it to maintain market leadership and achieve sustainable growth. Its

established market leadership in the Philippines, combined with favourable conditions in the overall Philippine economy provide the Group a strong and highly defensible base for growth in the future. The World Bank anticipates that the Philippine economy will grow at an average rate of 6.0 per cent. between 2024 and 2026, fueled by strong domestic demand and a resurgence in global growth. The economic growth projections for the Philippines have been maintained at 5.9 per cent. for 2024, 6.1 per cent. for 2025 and 6.0 per cent. for 2026, following a 5.5 per cent. increase in 2023.

The Group believes its deep understanding of the local consumer, presence in multiple formats across QSR and fast casual dining, and product offering across multiple price points uniquely position the Group to remain resilient throughout economic cycles. The Group expects to benefit from stronger household consumption during economic growth and a shift in spending at higher-end fine or casual dining establishments to relatively lower-priced QSR (such as those of the Group's) during economic decline. In addition, the Group's presence in various food service and restaurant segments allows the Group to offer consumers with products that cater to different household budgets or that may have an increased demand at certain stages of the economic cycle.

From 2021 to 2024, the Group demonstrated robust and sustained recovery, achieving a compound annual growth rate (**CAGR**) of 22.6 per cent. in SWS from same store sales and from new store openings. CAGR refers to the compounded annual growth from the initial year to the final year over a certain period of time. This performance underscores resilience amidst the pandemic's severe impact.

In 2024, the Group delivered 13.0 per cent. of SWS growth, with sales from the Philippine business increasing by 10.1 per cent. and international business by 17.6 per cent. compared to the same period last year. Global same store sales for 2024 increased by 5.7 per cent. year-on-year, with the Philippine business increasing by 7.5 per cent. and the international business growing by 2.8 per cent. Reflecting the Group's strong performance in the coffee and tea sector, the Group's coffee and tea business contributed 16.6 per cent. and 51.7 per cent. of the Group's SWS and store count in 2024.

In 2024, the Group was able to open 674 stores globally, of which about 138 were opened in the Philippines. The Group remains resilient and intends to continue to deploy capital more effectively to maintain its leadership and capture a broader customer base. It will continue to assess the planned store openings on the basis of its return on invested capital thresholds and only deploy capital toward brands and sites which are deemed to be of the highest return in the current business environment.

Attractive business model and strong financial discipline translating into resilient revenue growth and strong operating cash flows

The Group has historically delivered consistent operating cash flow generation. In 2024, the Group's cash from operations before working capital changes, income taxes paid, and interest received reached ₱38,223.4 million marking an increase of 12.7 per cent. compared to 2023. The Group believes that the consolidated operating cash flow of its businesses will continue to improve in step with the broader economic recovery of the markets and will hence be sufficient to fund new store openings and renovations in existing stores.

The Group believes it has strong financial discipline by investing in its food service and franchising businesses and exercising strict capital allocation wherein capital is deployed towards projects that yield the best returns, avoiding real estate purchases and implementing prudent debt management which includes a well-managed debt profile, competitive cost of financing and optimal leverage. Solid unit economics support investments on new stores and renovations on existing stores. This has enabled a healthy expansion of new stores for both Group-owned and franchise-operated stores. The Group also closely tracks payback period, rate of return, same store sales growth and other metrics to track the performance of expansion projects. The Group's free cash flow conversion is further enhanced as it increases the revenue contribution from asset-light sources such as its royalty revenues from its franchisees globally and revenues from its commissaries which supply raw materials to stores including franchisees. The Group's franchise-operated stores represented 68.7 per cent. of the Group's total number of stores as of 31 December 2024. The Group expects to see a continued increase in the number of franchise-operated stores.

The Group imposes a robust management system on store expansions that has enabled it to achieve strong results resulting in shorter payback period. For example, the average payback period of the new company-owned store openings of the Group in the Philippines, and Vietnam, is below four years as of 31 December 2024.

Best-in-class operational expertise across the value chain

The Group maintains an integrated value chain in the Philippines that enables operating efficiencies and cost savings, allowing the Group to have a scalable support infrastructure, which provides significant competitive advantages for the Group in the Philippines and as it expands overseas.

Stores

The Group's store operating model is centred around the customer. The operating model includes an established system with operating procedures and standards on food, service and cleanliness, which has resulted to superior customer satisfaction and consistency in food taste and quality. See "*Business—Food Safety and Quality Assurance*".

Manufacturing, supply and distribution

The Group's supply chain is unparalleled and is one of its competitive advantages that drives sustainable revenue and profit growth. As of 31 December 2024, the Group had an extensive network of manufacturing and logistics operations which comprise 11 manufacturing sites and 17 logistics centres in the Philippines. The Group also had three manufacturing sites in the United States, two in the PRC, one in South Korea, three in Malaysia, one in Singapore and two in Vietnam as of 31 December 2024. The Group has established close working relationships with key suppliers in the Philippines and in overseas markets. For example, the Group has a joint venture partnership with Cargill, which enables the Group to augment its poultry requirements and harness Cargill's expertise, technology and best practices from poultry farming to meat processing. The Group has global sourcing arrangements for some of its key raw materials, such as French fries, chicken and beef. The Group has received world-class and industry leading quality and safety certifications, including on Good Agricultural Practices, Good Animal Husbandry Practices, Food Safety System Certification (FSSC), Good Distribution Practices, Good Warehousing Practices as well as awards/certifications from the National Meat Inspection Service of the Philippines (**NMIS**) and the International Organisation for Standardisation such as ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 22000:2022, GMP and HACCP and TAPA Level A from global certification body.

Franchise management

As of 31 December 2024, the split between the Group-owned and franchise-operated stores in respect of the Group's store count is 31:69. The Group believes it has an established and well-managed franchise network, management and support infrastructure for its franchise business. The Group implements a strong selection process in deciding and approving franchisees who not only have the financial capability but also the operational capability, and alignment with the Group's values. The Group also regularly monitors and conducts audits and performance evaluations to ensure compliance by the franchisees with the terms and conditions of the franchise agreement. Furthermore, the Group imposes consequences for non-compliance such as penalties, temporary store closures to allow franchisees to address such non-compliances, and as a last resort, the termination of franchise agreements or the takeover of franchised locations.

The Group imposes the highest standards on its franchisees which are documented in the franchise agreement and in regular performance management, such as strict order completion times and strict observance of food, service and cleanliness standards.

The Group, as franchisor, also provides assistance to its franchisees on various aspects of the franchise. For example, in the Europe, Middle East, Asia and Australia (**EMEAA**) region, the Group has an online learning platform where franchisees can take training courses, which allows the Group to be more efficient in terms of training franchisee store teams, particularly where they are based in other countries. For the Jollibee brand, the Group has designated training stores where it conducts product, basic operations and management development training programmes for its franchisees. In addition, it assists franchisees in the training of their management teams. The Group has collaborated with a leading university in the Philippines for the establishment of JFC University to train and develop store management personnel. Most of the store managers of the Group-owned brands in the Philippines have undergone training at JFC University.

In addition, the Group has highly robust and well-established standard operating procedures and guidelines that enable more consistent and easier facilitation of franchising.

The Group has also implemented online learning modules to support the training and development of its international franchisees.

The Group also conducts engagement programmes for its franchisees (both domestically and internationally) including awards and recognition for franchisees who have exemplified excellence in their operations.

The Group vigilantly monitors usage by the franchisees of its intellectual property. For example, franchisees are required to secure prior approval before they can use the brand's marks in advertising, display and other materials. In addition, the Group's franchise agreements include among others, provisions that prevent franchisees from unauthorised use of the franchisor's trademarks and allow the franchisor to retain control of the defence of intellectual property cases that aims to ensure consistency in the strategy as regards the protection of the Group's intellectual property rights. Each brand has allocated its own franchise management team to ensure compliance with franchise agreement terms and conditions.

Support infrastructure

The Group, through Jollibee Worldwide Services (**JWS**), has a well-established back and middle office support infrastructure through its shared services or captive operations (**JWS FAHR**) based out of Manila. JWS FAHR provides end-to-end Accounting and Human Resources and Facility Management services to store operations, commissaries and main offices predominantly for Philippine-based brands and key international operations. Accounting services are Accounts Payable, Order-to-Cash and Record to Report. It provides employee services in the following areas: Learning, Employee Benefits, Payroll and Data Management as well as Facility Management. As the Group grew its market presence, international brands such as CBTL and Smashburger have integrated their scope-of-work into JWS FAHR. Additionally, the Group has completed the transition of Jollibee, Chowking and Red Ribbon stores in North America and certain key markets in EMEAA into the global support system of JWS FAHR. Recognising the importance of China as a growth market, the Group also operates a centralised office based in Shanghai that supports its brands and operations in China.

Aside from its shared services operations, JWS is also composed of centralised teams that provide support and expertise to its various brands, locally and internationally. These groups of experts include Quality Management, Process Engineering, Network Development and Business Technology (Information Technology and Digital). The Group is on its way to further expand JWS' scope of services to increasingly integrate its local and overseas business into a global, cohesive and interconnected support system. Such robust structure composing of various experts, shared platforms, technology and tools will enable the Group to further achieve efficiency, standardised operations, economies of scale, labour arbitrage and elevated employee and customer experience. It is the vision of the Group to continually evolve into a fully connected support infrastructure that will serve as backbone and engine for the Group's business and digital transformation.

Management systems

Being a pure-play company focused on restaurants and food service, together with around 50 years of experience, has enabled the Group to establish robust and proven management systems that are centred on customer satisfaction. These management systems enable market-relevant and data- and fact-based decision-making combined with effective performance benchmarks to measure improvement and success. These management systems enable the Group to manage its various businesses at various economic cycles, to be able to identify and maximise opportunities and address challenges of restaurants in their respective stages of development and markets. The Group's business systems comprise the entire restaurant value chain. For example, there is a process relating to, among others, (i) determining and driving a clear brand strategy to guide current and future investments and business decisions; (ii) establishing in-depth market and consumer research capability that provides among others, in-house tracking of market share data, usage, attitude and image studies, price sensitivity, brand equity and value for money studies; (iii) real estate and network development systems that provide guidance to market development and strategic expansion decisions; (iv) financial performance benchmarks that guide financial planning, analysis, reporting and decision making; and (v) brand and restaurant operational excellence standards that include a "menu architecture" for each brand to drive product launches, innovations and marketing programmes. This in-house expertise allows the Group to make agile and thoughtful decisions in a highly competitive environment. For example, as a response to the shift in landscape due to the COVID-19 pandemic, the Group quickly pivoted towards emerging revenue channels. These included expanding online delivery services and establishing new delivery arrangements with third-party delivery online platforms. Additionally, the Group has been increasing investments to enhance its delivery platforms. Amid the COVID-19 pandemic, the Group also immediately re-planned new product introductions, new store openings, delayed capital expenditures and drastically cut spending as part of its cash management measures. Despite ongoing macro challenges post pandemic, the Group demonstrated its ability to achieve sustainable sales and profit growth in 2024. This success was driven by efforts to optimise store and manufacturing costs and general and administrative expenses despite the pressures of inflation.

Environmental and social responsibility-rooted strategies

The Group's sustainability framework, named "Joy for Tomorrow", serves as a clear and unified roadmap in its commitment to becoming a sustainable business aligned with the United Nations' Sustainable Development Goals. This framework is centred on three key principles – Food, People and Planet.

To enable the Group to serve food that people trust, it prioritises food safety through rigorous audits and annual certifications across our stores, commissaries and logistics facilities. As a testament to these efforts, the Group received the highest 7-star rating for exceptional Food Safety and Quality (FSQ) practices at the 9th International Best Practice Competition 2023. Additionally, the Group has recently launched its responsible sourcing programme, releasing an initial set of commitments to further enhance our food safety and sustainability initiatives.

The Group is dedicated to helping make people's lives better – both its employees and the broader community. To promote employee welfare, the Group is committed to formulating and implementing a zero-discrimination environment, providing equal opportunities while upholding good governance and exercising ethical practices throughout the organisation. Additionally, the Group has been developing community-based and socially responsible sourcing programmes through a partnership with its corporate social responsibility arm, the Jollibee Group Foundation (**JGF**) and its Farmer Entrepreneurship Programme (**FEP**). Through the FEP, over ₱11 million of sales have been generated since the start of the programme and over 14 million metric tons of produce has been delivered to the Group in 2024 directly from smallholder farmers. The Group also supports communities by providing food relief to those in need and offering educational scholarships to underprivileged youths.

On 29 April 2024, the Group received the "3G Championship Award for Community Development and Philanthropy 2024" from the Cambridge International Finance Advisory (Cambridge IFA), recognising the JGF's efforts in spearheading programmes that positively impact the community. Further the FEP received the "Entrepreneurship Development Programme Award" and "Social Welfare Award" at the ESG Business Awards 2024 in October 2024 for its impactful contributions to the livelihoods of smallholder farmers in the Philippines.

The Group acknowledges the environmental impact of its business activities and is committed to improving its packaging sustainability across its operations. Partnering with Republic Cement, the Group divert packaging waste from landfills and waterways, using it as alternative fuel in cement manufacturing. The Group strives to reduce food loss and waste to landfill in the manufacturing process. In 2024, the Group's Philippine manufacturing sites achieved 44 per cent. cumulative reduction in food loss and waste vs 2020. In addition, 62 per cent. of waste have been disposed thru sustainable means, diverted away from landfill. In 2024, one of the manufacturing sites in the Philippines, the Marilao Commissary, successfully maintained its achievement of 100 per cent. sustainable waste disposal, a milestone first reached in June 2023.

Additionally, the Group continues to implement means to reduce water consumption in its stores and manufacturing sites. In 2024, the Group achieved 33 per cent. reduction in water use ratio in our Philippine manufacturing sites by the end of 2024, compared to year 2020.

Track record of profitable growth and successful integration of acquisitions

In the Group's 47-year history, it has largely been profitable. The Group recorded its only loss in 2020 due to the impacts of the COVID-19 pandemic. For the years ended 31 December 2022, 2023 and 2024, the Group generated a net income attributable to equity holders of the Company of ₱7.6 billion, ₱8.8 billion and ₱10.3 billion (U.S.$177.8 million), respectively.

In the post-COVID-19 climate, the Group delivered a CAGR of 22.6 per cent. from 2021 to 2024, through a combination of sustained same store sales growth, new store expansion from both company-owned and franchised stores and strategic acquisitions. About 8.7 per cent. of this CAGR was driven by foreign businesses, while 13.9 per cent. is attributed to domestic business.

In 2024, the Group's EBITDA was ₱36,745.5 million (U.S.$633.4 million) (where the Group's domestic and international businesses contributed 65.3 per cent. and 34.7 per cent. respectively of the Group's EBITDA), representing an increase of 273.9 per cent. from the Group's EBITDA of ₱9,828.4 million (where the Group's domestic and international businesses contributed 84.1 per cent. and 15.9 per cent. respectively of the Group's EBITDA) in 2015.

In 2024, the Group's SWS was ₱390,284.4 million (U.S.$6,727.9 million) (where the Group's domestic and international businesses contributed 59.5 per cent. and 40.5 per cent. respectively of the Group's SWS), representing an increase of 198.5 per cent. from the Group's SWS of ₱130,732.9 million (where the Group's domestic and international businesses contributed 79.5 per cent. and 20.5 per cent. respectively of the Group's total SWS) in 2015.

The SWS contribution from investments and all acquired businesses, such as Highlands Coffee, Smashburger, CBTL, Tim Ho Wan, Milksha, and Compose Coffee, among others, has increased over the years. As of 31 December 2024, it accounts for 50.6 per cent. of the total group SWS. All acquired international businesses represent 63.8 per cent. of the total foreign business portfolio.

The scalability of the Group's proprietary management systems and operating leverage from its integrated back-office structure enable it to continue to optimise its cost structure and maintain long-term profit-growth, even as the Group expands rapidly with the addition of new stores, entry into new markets or launch of new products or brands. For example, the utilisation of the Group's back-office services provided by JWS enables the expansion of the Jollibee business to new or smaller markets such as in Hong Kong SAR, Italy, the United Kingdom, Singapore and Malaysia without having to invest for support services in-country. Following the acquisition of CBTL, the Group swiftly transitioned its accounting and back-office activities to JWS, ensuring efficiency and immediate alignment with the best practices used by the Group. In addition, the strong management systems of the Group ensure that it can sustain and improve profitability of its food, restaurants and back-office operations.

The Group has a strong track record of scaling up and creating significant value from acquisitions. For example, after the Group completed the respective acquisitions, the Yong He King business grew from 77 stores in 2004 to 493 stores in the PRC, the Highlands Coffee business grew from 56 stores in 2012 (when acquired) to 850 stores (following consolidation in 2017, with 244 stores at the time), the Mang Inasal business grew from 345 stores in 2010 to 575 stores, and the Chowking business grew from 164 stores in 2000 to 571 stores in the Philippines and 50 stores overseas and the CBTL business grew from 1,173 stores in 2019 to 1,232 stores globally, in each case, as of 31 December 2024. From 2014 to 2024, Jollibee (in respect of Philippines only), Chowking and Mang Inasal recorded an average daily sales growth of 66 per cent., 45 per cent. and 139 per cent. respectively. Further, Mang Inasal's average daily sales improved from less than ₱50,000 per day, per store in 2010 to approximately ₱155,000 per day, per store and Yong He King's average daily sales improved from approximately RMB10,000 per day, per store to RMB13,900 per day, per store, in each case, as of 31 December 2024. In addition to the expansion of the store network, the Yong He King business also evolved to support new sales channel growth such as online delivery. Since taking over the Yong He King brand in 2004, the Group has maintained a double digit CAGR of 13.2 per cent. from 2004 to 2024, despite current macroeconomic challenges affecting operations in China.

As an integral component of the Coffee & Tea segment, which stands as one of the Group's four key strategic pillars, CBTL remains poised to fuel the Group's growth trajectory. This will be achieved through an expansion of its franchise footprint across various markets, with a particular focus on bolstering presence in the US, Asia, and Middle East. For 2024, CBTL's contribution to the Group's SWS has increased to 10.0 per cent. as compared to 9.7 per cent. for the previous year.

As part of its strategy to focus on expanding through franchise operations, the Group's acquisition of Milksha in 2022 has proven highly beneficial. This move has contributed to the Group's cash flow from operating activities, driven by the continued expansion of franchised Milksha stores. Milksha achieved a 29.6 per cent. growth in SWS and a 14.8 per cent. increase in Same-Store Sales (**SSS**) in 2023. In 2024, Milksha's SWS grew by 5.3 per cent. despite coming from a higher base. The growth in Milksha's topline translated to an operating income growth of 23 per cent. year-on-year. Milksha's performance underscores the success of the franchise model. This acquisition not only enhances the Group's financial performance but also expands its market presence and revenue streams, positioning it for sustained growth and value creation.

After significant store closures during the Business Transformation Programme in 2020, the Company remains committed to ensuring the turnaround of Smashburger. The Group has solidified Smashburger's branding by focusing on the brand's core of serving Better Burgers[1]. Smashburger has begun showing gradual improvement in its financial performance. Despite a 28.9 per cent. decrease in store count from 301 in 2019 to 214 in 2024, Smashburger recorded an increase of 2.0 per cent. in SWS over the same period, signalling an improvement in its sales performance at the individual store level. The Company will continue its efforts to improve the profitability of Smashburger.

As of 31 December 2024, the Group's acquired businesses accounted for more than 50.0 per cent. of the Group's total SWS. The Group believes it has a strong understanding of the relevant industry segments and market dynamics, allowing it to implement growth, integration or turnaround strategies in a timely manner for its various acquired businesses.

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[1] **Better Burger** refers to a category/segment and type of burger that emphasises higher quality ingredients.

Strong corporate culture and experienced, award-winning management team

The Group was founded by Mr. Tony Tan Caktiong and his family, with its inception as an ice cream parlour in 1975 in line with the family's humble vision of serving affordable, great-tasting food and being a family-oriented brand. These values continue to be key aspects of the Group's culture and day-to-day operations. For example, the Group believes its success is a result of, among other factors, its focus on its people and its family-oriented approach to personnel management, and as a result, it is a highly sought-after employer. For example, in 2024, the Group was named by the People Management Association of the Philippines as "Employer of the Year" during its 48th National and Regional Awarding Ceremonies.

The Group has a professional, visionary and strong management team with extensive food service and restaurant industry experience and a track record of operational excellence that the Group believes is necessary to successfully lead the development and expansion of its businesses. Critically, the senior management team of the Company has an average of 20 years of experience with the Group. The Group believes that its management team is stable and has long-term expertise in the food service and restaurant industry in the Philippines and overseas. Certain members of the Group's management team have received awards for their leadership. For example, Dr. Tony Tan Caktiong, the Company's chairman, was awarded the Ramon V. Del Rosario Award for Nation Building in 2022. Mr. Ernesto Tanmantiong, the Company's chief executive officer, was awarded "Management Person of the Year" by Management Association of the Philippines in 2023. Atty. Valerie Amante, the Group's Chief Legal, Ethics, and Compliance Officer, was selected by Asian Legal Business as Southeast Asia's In-House Lawyer of the Year in 2023 and is recognized as one of the leading in-house counsels in Asia-Pacific by Chambers, and in Southeast Asia by Legal 500. Mr. Richard CW Shin, the Group's Chief Financial and Risk Officer, was named the 2024 ING-FINEX CFO of the Year, becoming the first non-Filipino to win the country's longest-running and most prestigious honour for finance chiefs. Mr. Arsenio Sabado, the Group's Chief Human Resources Officer, was also recognised as People Manager of the Year by the People Management Association of the Philippines in 2024. Further, in the same year, the Group was awarded the Gallup Exceptional Workplace Award for the third time and remains the first and only Philippine-based company to have received this award.

The various awards received by the Group's brands are also a testament of a strong market research and brand marketing team which have also, over the years, received awards for excellence in marketing, advertising, public relations and marketing communications. The Group has also contracted with reputable human resource management agencies to track and help improve employee engagement.

The Group believes that its unique company culture, as well as the professionalism and dedication of its management team, bring about a passionate commitment to deliver superior-tasting, high quality food and great value for money products adhering to world-class operating standards.

STRATEGIES

The Group aims to triple its Net Income Attributable to Equity Holders of the Parent Company (**NIAT**) and grow its return on invested capital (**ROIC)** to 20 per cent. by scaling the business with five must wins through franchising.

Grow and dominate the Philippines

The Group believes it is the largest food service and restaurant company in the Philippines in terms of store network. It believes it is well-positioned to pursue growth opportunities in the Philippine market that experienced favourable demographics and consumption trends.

The Group intends to strengthen the Philippines as a key geographical pillar by catering to mainstream consumers on branded eat out, with various portfolio brands effectively covering all key food categories across breakfast, lunch and dinner occasions while also addressing other non-focus segments. Committed to accelerating digital transformation through loyalty programmes, enhancing consumer experiences and implementing in-store ordering systems, the Group anticipates that this initiative will drive incremental sales.

In addition to its existing product portfolio, the Group seeks to penetrate new market segments by exploring new products, practices and consumer segments, with a focus on ensuring that these new offerings also bring joy and are loved and craved in the Philippines. The Group intends to penetrate untapped territories with growth potential, leveraging its commitment to product superiority and consumer experience. The Group's plan to enhance store experience entails investments in store renovations. Simultaneously, it is pursuing its strategic shift from owned to franchise operations across its existing brands.

These approaches will allow the Group to maintain and increase its strong presence in the market. As the Group continues to expand and innovate, its focus remains on delivering exceptional dining experiences that resonate with Filipino consumers, driving sustained growth and value.

Expand the Jollibee brand internationally

Jollibee has been recognised as the fifth strongest restaurant brand and is the second fastest-growing brand, with a brand value increase of 51.0 per cent., as reported in the Brand Finance® Global Restaurant Ranking Report which was released in February 2024. As one of the key pillars representing the chicken category, the Group aspires for Jollibee to be recognised as a world-class brand. This will be exemplified by its superior taste for the right value and its position as the franchisor of choice. Additionally, the Group aims to continuously introduce innovative Jollibee products to consumers by offering consistent product lineup with competitive pricing, complemented by localised products and business process reengineering adaptations. The Group has also developed a pricing framework for new market entry for existing brands, which provides appropriate and strategic price adjustments to align to market perception among consumers and competition. This will enable the Company to continuously meet the specific needs and preferences of consumers in different mainstream markets and targeting "Generation Z" and "Millennials".

To further drive incremental growth, the Group has adopted an omnichannel approach, enhancing digital experiences and implementing technology-enabled operations, facilitating operation excellence and creating improved customer experience.

Through these initiatives and with its compelling brand story, the Group will attract and grow the right large franchisees, prioritising partners with local market expertise. The Group aims to aggressively expand in North America and the EMEAA market, with a heavier focus on Southeast Asia especially the home market Philippines.

Become a global leader in coffee & tea

The Group is dedicated in building a global specialty coffee & tea house with a strategic focus on world-class franchising, exceptional café experiences and premium branded products. The Group believes that its specialty coffee & tea's taste and innovative blends is its core strength, essential in curating authentic flavours and offering multi-generational coffee experience. Additionally, the Group's strategy emphasises creating exceptional consumer moments, both within and beyond the four walls of its cafés. Aiming to provide convenience and accessibility, the Group centres its strategy around the usage of its café location, complemented by various sales channels such as drive-throughs, kiosks and premium foodservice locations.

To expand its global footprint, the Group recognises the importance of developing foundational capabilities to attract strategic and large-scale franchise partners. Such capabilities include, but are not limited to, improved brand awareness, brand revitalisation and becoming a recognised leading player in customer service and brew crew capability. Investment in strong branding and marketing is highly prioritised by utilising social media platforms and implementing loyalty programmes to cultivate a loyal customer base. In addition, the Group plans to provide extensive and world-class training in brewing techniques, customer service and brand representation. The Group believes that these would all be vital in establishing itself as a global leader in specialty coffee & tea, while creating a memorable and compelling brand experience for customers worldwide.

Secure long-term viability and success in China

The Group believes in the potential of the China market despite its current volatile macroeconomic environment and aims to achieve significant long-term growth in the region.

The Group intends to continue its practise of forming strategic alliances by attracting and growing the right franchisees who possess valuable insights into consumer behaviour and preferences. In addition, the Group is future-proofing its China businesses by right-sizing store models and further optimising cost structures.

Concurrently, the Group will prioritise digital integration in China, utilising platforms such as mobile apps, social media and delivery partnerships for marketing, ordering and customer engagement. These investments aim to provide seamless digital experience, improve accessibility and strengthen customer loyalty.

The Group believes that these focuses and capabilities will bolster its presence in the China market.

Turnaround Smashburger to a profitable growth business with strong brand value

The Group is committed to improving Smashburger's performance and transforming it into a profitable growth business. To revitalize the brand, it has launched key initiatives, including a new menu, an in-house digital application, and enhanced off-premise channels. Following Smashburger's menu relaunch and lean-in positioning in September 2024, the Group has gained valuable insights to refine its strategy.

With this momentum, the Group has shifted its focus to optimizing advertising and promotions (**A&Ps**) to maximize returns on advertising spend. Simultaneously, it is redesigning Smashburger's menu architecture to drive transaction growth across all channels. This strategic approach aims to re-engage inactive customers and attract new ones through targeted menu innovations more relevant trade and community marketing efforts.

The Group's strategic roadmap revolves around the five key focus areas detailed above. These will be achieved through continued integration of the following initiatives:

- Rapidly expand global footprint through franchising
- Accelerate digital transformation and bring capabilities on-par with global QSR leaders (Top 5)
- Build foundations to scale, secure funding by proving value contribution (incremental sales) and accelerate in key domains: Franchisee digital assets, Consumer Loyalty, Consumer/Customer Experience, In-Store ordering & Cloud POS
- Anchor growth with non-negotiables: namely, governance, ethics, compliance, sustainability and responsible business practices.

RECENT DEVELOPMENTS

Acquisition of Tim Ho Wan Holdings Pte. Ltd.

The Company announced that it has, through the Issuer, completed the acquisition of 100.0 per cent. of the ownership of Tim Ho Wan Holdings Pte. Ltd. (**THWHPL**), the holding company of the Tim Ho Wan business from a subsidiary of Titan on 2 January 2025.

Acquisition of Moon Moon Food

On 6 January 2025, the Company announced that its 51.0 per cent. owned subsidiary, Milkshop International Co., Ltd. (**Milkshop**) has signed an agreement to acquire a 70.0 per cent. stake in Tien Hsia Sheng Co., Ltd., which operates Moon Moon Food. Moon Moon Food is a popular soup restaurant in Taiwan, and it has been a Michelin Bib Gourmand since 2018.

Removal of foreign ownership limit in the Company

On 13 February 2025, the Company announced that the Philippine Stock Exchange has approved the Company's request to amend its foreign ownership limit from 40 per cent. to "No Limit", in light of the amendments to the Company's primary and secondary purposes under its Articles of Incorporation, particularly the removal of the Company's ability to own, acquire, mortgage, pledge or encumber land and/or any interest therein.

SUMMARY FINANCIAL INFORMATION

The summary historical consolidated statement of financial position data as of 31 December 2022, 2023, and 2024 and summary historical consolidated statements of comprehensive income for the years ended 31 December 2022, 2023, and 2024, set forth below have been derived from, and should be read in conjunction with, the audited consolidated financial statements of Jollibee Foods Corporation and subsidiaries and, including the notes thereto, included elsewhere in this Offering Circular. SyCip Gorres Velayo & Co., a member firm of Ernst & Young Global Limited, has audited the consolidated financial statements in accordance with Philippine Standards on Auditing. For convenience only, all translations from ₱ to U.S. dollars were made at the rate of ₱58.01 to U.S.$1.00, being the published BSP closing rate on 27 December 2024.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the years ended 31 December			
	2022	2023	2024	2024
	(Audited)	(Audited)	(Audited)	(Unaudited)
	(Amount in ₱ millions, except earnings per share figures)			(Amount in U.S.$ million)
Gross sales	201,375.2	232,474.4	254,957.7	4,395.1
Sales discount	(4,717.9)	(5,772.8)	(6,027.7)	(103.9)
Net sales	196,657.3	226,701.6	248,930.0	4,291.2
Royalty, set-up fees and others	11,845.3	13,345.3	16,147.8	278.3
	208,502.6	240,046.9	265,077.8	4,569.5
PFRS 15 impact on system-wide advertising fees	3,399.6	4,060.4	4,864.5	83.9
	211,902.2	244,107.3	269,942.3	4,653.4
DIRECT COSTS				
Cost of inventories	99,273.2	113,996.9	124,907.1	2,153.2
Store and manufacturing costs	75,672.7	84,809.8	93,315.9	1,608.6
	174,945.9	198,806.7	218,223.0	3,761.8
GROSS PROFIT	36,956.3	45,300.6	51,719.3	891.6
EXPENSES				
General and administrative expenses — net	22,905.9	26,084.0	29,748.4	512.8
Advertising and promotions	4,109.0	4,802.6	5,081.8	87.6
	27,014.9	30,886.6	34,830.2	600.4
OPERATING INCOME	9,941.4	14,414.0	16,889.1	291.2
INTEREST INCOME (EXPENSE)				
Interest income	341.2	863.5	959.0	16.5
Interest expense	(4,768.7)	(5,382.0)	(5,771.5)	(99.5)
	(4,427.5)	(4,518.5)	(4,812.5)	(83.0)
EQUITY IN NET EARNINGS OF JOINT VENTURES AND ASSOCIATES — Net	4.0	580.0	329.2	5.7
OTHER INCOME — Net	5,669.7	1,866.9	1,780.3	30.7
INCOME BEFORE INCOME TAX	11,187.6	12,342.4	14,186.1	244.6
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current	3,514.7	4,441.1	5,526.8	95.3
Deferred	334.4	(1,084.2)	(2,136.5)	(36.8)
	3,849.1	3,356.9	3,390.3	58.5
NET INCOME	7,338.5	8,985.5	10,795.8	186.1
OTHER COMPREHENSIVE INCOME (LOSS)				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:				
Translation adjustments of foreign subsidiaries	1,309.6	204.9	(1,521.3)	(26.2)
Translation adjustments of foreign joint ventures and associates	(923.5)	(489.4)	1,637.5	28.2
Comprehensive income on derivative liability	12.8	—	—	—
	398.9	(284.5)	116.2	2.0

	For the years ended 31 December			
	2022	2023	2024	2024
	(Audited)	(Audited)	(Audited)	(Unaudited)
	(Amount in ₱ millions, except earnings per share figures)			(Amount in U.S.$ million)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:				
Remeasurement gain (loss) on pension — net of tax	447.5	(296.8)	(84.6)	(1.5)
	846.4	(581.3)	31.6	0.5
TOTAL COMPREHENSIVE INCOME	8,184.9	8,404.2	10,827.4	186.6
Net income attributable to:				
Equity holders of Jollibee	7,558.5	8,766.1	10,316.5	177.8
Non-controlling interests	(220.0)	219.4	479.3	8.3
	7,338.5	8,985.5	10,795.8	186.1
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Equity holders of Jollibee	8,635.7	8,175.7	10,643.8	183.4
Non-controlling interests	(450.8)	228.5	183.6	3.2
	8,184.9	8,404.2	10,827.4	186.6
Earnings (Loss) per share for net income attributable to equity holders of Jollibee				
Basic	6.400	7.455	8.851	0.153
Diluted	6.382	7.444	8.826	0.152

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December			
	2022	2023	2024	2024
	(Audited)	(Audited)	(Audited)	(Unaudited)
	(Amount in ₱ millions)			(Amount in U.S.$ million)
ASSETS				
Current Assets				
Cash and cash equivalents	28,869.3	33,232.5	29,326.6	505.5
Short-term investments	619.2	624.8	85.5	1.5
Financial assets at fair value through profit or loss	8,251.0	7,853.8	211.5	3.6
Receivables and contract assets	9,627.4	8,567.4	10,802.5	186.2
Inventories	17,297.6	12,340.2	13,872.7	239.1
Other current assets	10,196.3	11,556.5	11,476.1	198.0
Total Current Assets	74,860.8	74,175.2	65,774.9	1,133.9
Noncurrent Assets				
Financial assets at fair value through profit or loss	27.5	316.2	374.0	6.4
Interests in and advances to joint ventures, co-ventures and associates	18,111.3	21,093.0	26,827.6	462.5
Property, plant and equipment	36,485.7	39,825.3	43,893.4	756.7
Right-of-use assets	42,078.0	44,966.0	44,529.5	767.6
Investment properties	—	101.6	89.4	1.5
Trademarks, goodwill and other intangible assets	51,715.6	51,926.6	67,794.5	1,168.7
Finance lease receivables	41.6	0.8	—	—
Deferred tax assets—net	6,026.9	7,424.1	9,372.5	161.6
Other noncurrent assets	4,055.3	4,345.4	4,895.1	84.3
Total Noncurrent Assets	158,541.9	169,999.0	197,776.0	3,409.3
Total Assets	233,402.7	244,174.2	263,550.9	4,543.2
LIABILITIES AND EQUITY				
Current Liabilities				
Trade payables and other current liabilities and contract liabilities	43,243.7	46,835.4	48,364.4	833.7
Income tax payable	326.1	309.8	787.7	13.6
Short-term debt	4,376.4	5,751.7	6,472.2	111.6
Current portion of:				
Lease liabilities	8,188.9	8,443.0	8,106.4	139.7
Long-term debt	4,671.5	6,180.7	3,955.6	68.2
Provisions	685.5	237.8	733.0	12.6
Total current liabilities	61,492.1	67,758.4	68,419.3	1,179.4
Noncurrent Liabilities				
Senior debt securities	33,288.3	33,077.8	34,582.6	596.1
Noncurrent portion of:				
Lease liabilities	39,955.5	43,288.6	44,115.0	760.5
Long-term debt	11,591.7	6,436.3	12,097.0	208.5
Provisions	915.8	1,399.3	1,201.0	20.7
Pension liability	1,891.3	2,331.2	2,851.4	49.2
Deferred tax liabilities—net	3,353.0	3,625.9	5,717.2	98.6
Total Noncurrent Liabilities	90,995.6	90,159.1	100,564.2	1,733.6
Total Liabilities	152,487.7	157,917.5	168,983.5	2,913.0
Equity Attributable to Equity Holders of Jollibee				
Capital stock:				
Preferred	12,000.0	12,000.0	12,000.0	206.9
Common	1,131.2	1,132.3	1,135.5	19.6
Additional paid-in capital	12,091.7	12,662.9	13,907.9	239.8
Other reserve	1,877.4	1,877.4	1,877.4	32.4
Cumulative translation adjustments of foreign subsidiaries and interests in joint ventures and associates	1,699.0	1,405.4	1,817.2	31.2
Remeasurement loss on net defined benefit plan—net of tax	(693.3)	(990.2)	(1,074.8)	(18.5)
Excess of cost over the carrying value of non-controlling interests acquired	(2,026.3)	(2,026.3)	(2,026.3)	(34.9)
Retained earnings:				
Appropriated for future expansion	18,700.0	18,700.0	23,400.0	403.4
Unappropriated	17,621.5	23,341.9	25,182.4	434.1
	62,401.2	68,103.4	76,219.3	1,314.0
Less cost of stock held in treasury				
Preferred	—	—	3,000.0	51.7
Common	180.5	180.5	180.5	3.1
	62,220.7	67,922.9	73,038.8	1,259.1
Senior perpetual securities	20,264.8	20,264.8	20,264.8	349.3
Noncontrolling Interests	(1,570.5)	(1,931.0)	1,263.8	21.8
Total Equity	80,915.0	86,256.7	94,567.4	1,630.2
Total Liabilities and Equity	233,402.7	244,174.2	263,550.9	4,543.2

SUMMARY OF SELECTED OPERATING AND FINANCIAL INFORMATION

The table below sets forth additional financial information for the periods indicated:

	For the year ended 31 December		
	2022	2023	2024
	(Unaudited)		
	(Amount in ₱ millions, except percentages)		
System wide sales[1]	296,822.4	345,324.4	390,284.4
Same store sales growth[2]	+27.0%	+10.6%	+5.7%
EBITDA[3]	31,213.7	33,814.7	36,745.5
EBITDA margin[4]	14.7%	13.9%	13.6%

(1) SWS is the Group's measure for all sales to consumers, both from Group-owned and franchised stores. While the Group does not record franchised store sales as revenues, royalty fees of the Group are based on a percentage of franchised store sales. SWS and related metrics are unaudited.

(2) Same store sales growth refers to food sales (gross of discount and net of returns and taxes) of Group-owned and franchised stores that have been in operation for at least 15 months. It excludes sales from new store openings.

(3) EBITDA is calculated as earnings before interest, taxes, depreciation and amortisation. Earnings is equivalent to "net income" in the audited consolidated financial statements included in this Offering Circular.

(4) EBITDA margin is calculated as EBITDA divided by total revenues.

The table below sets forth the reconciliation of EBITDA to net income for the periods indicated:

	For the year ended 31 December		
	2022	2023	2024
	(Unaudited)		
	(Amount in ₱ millions)		
EBITDA RECONCILIATION			
Net income	7,338.5	8,985.5	10,795.8
Add (deduct):			
Income tax	3,849.1	3,356.9	3,390.2
Interest—net	4,427.5	4,518.5	4,812.5
Depreciation and amortisation	15,598.6	16,953.8	17,746.9
EBITDA	31,213.7	33,814.7	36,745.5

The table below sets forth the reconciliation of EBITDA margin for the periods indicated:

	For the year ended 31 December		
	2022	2023	2024
	(Unaudited)		
	(Amount in ₱ millions, except percentages)		
EBITDA MARGIN			
EBITDA	31,213.7	33,814.7	36,745.5
Divide by:			
Total revenues	211,902.2	244,107.3	269,942.3
EBITDA margin	14.7%	13.9%	13.6%

SUMMARY OF OFFER

The following is a brief summary of the terms of the offering of the Notes and is qualified in its entirety by the remainder of this Offering Circular. For a more complete description of the Terms and Conditions of the Notes, see "Terms and Conditions of the Notes" and "The Global Certificate". Some of the terms described below are subject to important limitations and exceptions. Defined terms used in this summary shall have the meanings given to them in "Terms and Conditions of the Notes" and "The Global Certificate".

Issuer	Jollibee Worldwide Pte. Ltd.
Guarantor	Jollibee Foods Corporation.
Guarantee	The payment of principal of and interest on the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed on an unsubordinated basis by the Guarantor in the Trust Deed.
Issue	U.S.$300,000,000 5.332 per cent. Guaranteed Notes due 2030.
Notes Guarantee	The Guarantor will unconditionally and irrevocably guarantee on an unsubordinated basis the due and punctual payment of the principal of and interest on the Notes and all other moneys expressed to be payable by the Issuer under the Notes and the Trust Deed. The obligations of the Guarantor in that respect are contained in the Trust Deed.
Status of the Notes	The Notes constitute direct, unconditional, unsubordinated obligations and (subject to the provisions of Condition 4.1) unsecured obligations of the Issuer and will at all times rank *pari passu* without any preference among themselves and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
Status of the Notes Guarantee	The Notes Guarantee constitutes the direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1) unsecured obligation of the Guarantor and will at all times rank *pari passu* in right of payment with all other outstanding, unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
Issue Price	100.00 per cent.
Expected Issue Date	2 April 2025.
Maturity Date	2 April 2030.
Make Whole Redemption	At any time prior to the Par Call Date, the Issuer may on any one or more occasions redeem all or a part of the Notes, on the giving of not less than 30 and not more than 60 calendar days' irrevocable notice of redemption to the Noteholders in accordance with Condition 13.1, at a redemption price equal to 100 per cent. of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, the date of redemption.
Call Option at Par and Par Call Date	At any time and from time to time on or after 2 January 2030 (the date that is three months prior to the maturity of the Notes), the Issuer or the Guarantor, may at its option redeem all or a part of the Notes at the Redemption Price.

Early Redemption due to a Gross-up Event	If a Gross-up Event occurs, the Issuer may redeem the Notes (in whole but not in part) at the Redemption Price, on the giving of not less than 30 and not more than 60 calendar days' irrevocable notice of redemption to the Noteholders in accordance with Condition 13.1.
Early Redemption due to a Change of Control Event	Upon the occurrence of a Change of Control Event, each Noteholder shall have the right, at its option, to require the Issuer to repurchase all (but not some only) of its Notes on the Change of Control Event Put Date at any time prior to the Maturity Date at 101 per cent.
Certain Covenants	The Conditions will contain covenants that will, among other things, restrict the ability of the Issuer, the Guarantor and, in some cases, certain of the Guarantor's subsidiaries to: • incur or guarantee additional indebtedness; • create or incur certain liens; • create or permit to exist any restrictions on the payment of dividends to the Issuer and the Guarantor; and • consolidate or merge with other entities.
Events of Default	For a description of events that would permit acceleration of repayment of principal and interest of the Notes, see "*Terms and Conditions of the Notes — Events of Default*".
Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners	J.P. Morgan Securities Asia Private Limited and Morgan Stanley Asia (Singapore) Pte.
Joint Lead Managers and Joint Bookrunners	BPI Capital Corporation and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch.
Joint Lead Managers	J.P. Morgan Securities Asia Private Limited, Morgan Stanley Asia (Singapore) Pte., BPI Capital Corporation and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
Form and Denomination	The Notes will be issued in registered form in the denomination of U.S.$200,000 each and integral multiples of U.S.$1,000 in excess thereof.
Interest	The Notes will bear interest from and including 2 April 2025 at the rate of 5.332 per cent. per annum, payable in equal instalments semi-annually in arrear on 2 April and 2 October in each year, commencing 2 October 2025.
Clearing Systems	Euroclear and Clearstream.
ISIN	XS3034372584.
Common Code	303437258.
Issuer's LEI	213800FIP2SRT2BTBR79.
Governing Law	English law.
Selling Restrictions	The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. See "*Subscription and Sale*".

Trustee	The Hongkong and Shanghai Banking Corporation Limited.
Principal Paying Agent and Transfer Agent	The Hongkong and Shanghai Banking Corporation Limited.
Registrar	The Hongkong and Shanghai Banking Corporation Limited.
Further Issues	The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all material respects (or in all respects except for the issue date and the first payment of interest on them) so as to be consolidated and form a single series with the Notes.
Risk Factors	For a discussion of certain risk factors that should be considered in evaluating an investment in the Notes, see "*Risk Factors*".

An investment in the Notes involves a number of risks. The price of securities can and does fluctuate, and any individual security may experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. Past performance is not a guide to future performance. There may be a large difference between the buying price and the selling price of these securities. Investors deal with a range of investments, each of which may carry a different level of risk. This section entitled "Risk Factors" does not purport to disclose all of the risks and other significant aspects of investing in these securities. Investors should undertake independent research and study the trading of securities before commencing any trading activity. Each investor should seek professional advice if he or she is uncertain of, or has not understood any aspect of, the securities to be invested in or the nature of risks involved in the trading of securities.

Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Offering Circular, including the audited consolidated financial statements of the Group and notes relating thereto included in this Offering Circular, before making any investment decision relating to the Notes. The occurrence of any of the events discussed below and any additional risks and uncertainties not currently known to the Guarantor or that are currently considered immaterial could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group and prospective investors may lose all or part of their investment.

RISKS RELATING TO THE GROUP

FRANCHISE BUSINESS MODEL RISK

The Group's franchise business model presents a number of risks.

As the Group's business model has evolved and will continue to evolve to a more franchised structure, its success relies to large degree on the financial success and cooperation of its franchisees. As of 31 December 2024, the Group's global store network comprised 9,766 Group-owned and franchise-operated stores, of which 6,710 are franchise-operated stores. The Group has existing franchise agreements with franchisees for the latter to operate stores under the Jollibee, Chowking, Greenwich, Red Ribbon, Mang Inasal, Yong He King, Hong Zhuang Yuan, Smashburger, Tim Ho Wan, Highlands Coffee, The Coffee Bean & Tea Leaf® (**CBTL**), Milksha, and Compose Coffee brands. The franchise agreements provide the franchisee the right to own and operate a store on a site approved by the Group and to utilise the Group's system in connection with the operation of the store. Where a site is under a lease or tenancy agreement, the Group requires the relevant franchisee, to the extent permitted by local law, to include provisions which shall allow the sublease or assignment of the lease of the outlet to the franchisor. In some jurisdictions, the franchise agreement allows the franchisor to take over the site occupied by the franchisee once the latter ceases to be a franchisee. Franchisees pay set-up fees and/or franchise fees, monthly royalty fees equivalent to a certain percentage of the franchisees' net sales and service fees for various services, including advertising and repairs and maintenance services, rendered by the Group's personnel.

The ability of the Group to expand globally through franchising is dependent on the Group's ability to find and select new franchisees into its international network. The Group's future prospects depend on (i) its ability to attract new franchisees for each of its brands that meet the Group's criteria and (ii) the willingness and ability of franchisees to open stores in existing and new markets. In particular, as the Group looks to expand its business into international markets, it may be challenging for the Group to attract franchisees for the emerging brands which may adversely affect the profitability of such brands. There can be no assurance that the Group will be able to identify franchisees that meet the Group's criteria, or if the Group successfully identifies such franchisees, that such franchisees will successfully implement their expansion plans as well as comply with the operating standards of the relevant brand of the Group.

The Group's franchisees also manage their businesses independently, and therefore are responsible for the day-to-day operation of their stores. Business risks affecting the Group's operations also affect its franchisees. If the Group's franchisees do not experience sales growth and/or face unprecedented events (such as COVID-19 pandemic), they may not be able to meet their financial obligations as they become due, including the payment of royalties, commissary purchases or other amounts due to the Group. Consequently, the Group's revenue and margins may be negatively affected as these could lead to write-offs of amounts due from the franchisees to the Group beyond the amounts which had been originally reserved, as well as decreased future collections from franchisees. These, however, are subject to applicable local laws and regulations.

Additionally, the Group's franchisees may not be able to make payments to landlords, distributors and key suppliers, as well as payments to service any debt they may have outstanding. Franchisee financial distress may

also have an impact on the franchise-operated stores' capability of operating in accordance with standards and providing high-quality products and services, and the distress may even lead to permanent store closures and reduced new franchisee development, which would further harm the Group's results of operation and liquidity going forward. In addition, substandard operation, low-quality products and services and even permanent closure of franchise-operated stores could harm the Group's reputation and future development.

The Group's success also relies on the willingness and ability of its independent franchisees to implement major initiatives to adapt to shifting market behaviour, which may include financial investment, and to remain aligned with the Group on operating, promotional and capital-intensive reinvestment plans. The ability of franchisees to contribute to the achievement of the Group's plans is dependent in large part on the availability to them of funding at reasonable interest rates and may be negatively impacted by the financial markets in general, by the creditworthiness of the Group's franchisees or the Group or by banks' lending practices. If the Group's franchisees are unwilling or unable to invest in major initiatives or are unable to obtain financing at commercially reasonable rates, or at all, the Group's future growth and results of operations could be adversely affected.

The Group's operating performance, brand identity and reputation could also be negatively affected if its franchisees are unable to maintain strict control and enforcement of the Group's standards on quality, supply chain efficiency and branding coherence, or experience food safety or other operational problems or project an image inconsistent with the Group's brand and values, particularly if its contractual and other rights and remedies are limited, costly to exercise or subjected to litigation and potential delays. For instance, the Group's franchisees may elect to purchase their supplies and products from other suppliers and/or commissaries instead of the Group's own commissary and/or recommended suppliers. The Group's franchisees may also fail to comply with labour laws and other regulatory requirements. If the Group's franchisees do not successfully operate stores and deliver products and services in a manner consistent with the Group's required standards and processes, the Group's and its brands' image and reputation could be harmed, which in turn could have a material adverse effect on the Group's SWS and business and operating results.

In addition, the Group's franchisees may replicate the Group's system and operations, and create their own competing brand, which would undermine the Group's market position and result in brand dilution. While the Group seeks to protect its proprietary information through non-compete clauses in its franchise agreements, there is no assurance that franchisees will comply with such restrictions and any legal proceedings to enforce such non-compete clauses may be time-consuming and costly.

The decision to own stores or to operate under franchise agreements is driven by many factors whose interrelationship is complex. The success of the Group's more heavily franchised structure depends on various factors, including whether the Group has effectively selected franchisees that meet its rigorous standards, whether the Group is able to successfully integrate them into its structure and whether their performance (and the resulting mix of stores) supports the Group's brand and financial objectives.

While the Group has implemented several measures relating to franchise management as further described in "*Business – Competitive Strengths – Franchise Management*", there is no assurance that any of these measures will be effective.

The Group's target development goals for increased growth and profitability, including those related to franchising, may not be attainable.

The Group's growth strategy relies heavily on franchising as a key driver of growth. The successful development of new stores depends in large part on the ability of the Group to identify and secure suitable franchisees. The Group's success in expanding through franchising hinges on attracting franchisees who possess the necessary expertise, resources and alignment with the Group's brand ethos. There is no assurance that the Group will be able to achieve its expansion goals or that new franchise-operated stores will produce target revenues. Further, there is no assurance that any new store will produce operating results similar to those of the Group's existing stores. Other risks that could impact the Group's ability to increase the number of stores in its global store network include prevailing economic conditions and trade or economic sanctions and the Group's or the Group's franchisees' ability to obtain suitable store locations, negotiate acceptable lease or purchase terms for the locations, obtain required permits and approvals in a timely manner, hire and train qualified management teams and store crews, and meet construction schedules.

The Group's brands may be harmed or diluted through franchisee and third-party activity.

Although the Group monitors and regulates franchisee activities through its franchise agreements, franchisees or other third parties may refer to or make statements about the Group's brands that do not make proper use of its trademarks or required designations, that improperly alter trademarks or branding, or that are critical of the

Group's brands or place the Group's brands in a context that may tarnish their reputation. This may result in dilution of, or harm to, the Group's intellectual property or the value of the Group's brands.

Franchisee non-compliance with the terms and conditions of the Group's franchise agreements may reduce the overall goodwill of the Group's brands, whether through the failure to meet health and safety standards, engage in quality control or maintain product consistency, or through the participation in improper or objectionable business practices. Moreover, unauthorised third parties, which may include the Group's current and former franchisees, may use the Group's intellectual property to trade on the goodwill of the Group's brands, resulting in consumer confusion or brand dilution. While the Group implements policies to protect its intellectual properties as further described in "*Business – Competitive Strengths – Franchise Management*", there can be no assurance that these will be adequate, and defending or enforcing the Group's service marks and other intellectual property could result in the expenditure of significant resources. In addition, resources may be directed to more pressing matters, resulting in insufficient resources for such defence and enforcement. Any reduction of the Group's brands' goodwill, consumer confusion, or brand dilution is likely to impact sales, and could materially and adversely impact the Group's business and results of operations.

Termination of franchise agreements with certain franchise owners could adversely impact the Group's revenue and results of operations.

In certain territories and for certain brands, the Group is also a franchisee and has entered into franchise agreements with franchisors to operate stores under the Burger King, Panda Express, Yoshinoya, Common Man Coffee Roasters and Tiong Bahru Bakery brands. The termination of or the failure to renew such franchise agreements could result in the discontinuation or an interruption in the operations in a particular market or markets. The Group may not be able to resume operations in such market or markets and any such delay, discontinuation or interruption would result in a delay in, or loss of, revenues and could materially and adversely affect the Group's business, financial condition or results of operations. Moreover, the Group is required to comply and ensure compliance with the franchisor's policies, standards, specifications and procedures to ensure consistency and quality in food products and services under the franchise agreements for a particular brand, and any failure to comply with such standards could adversely impact the Group's ability to retain such franchise, which could adversely affect the Group's revenue and results of operations.

TECHNOLOGY, INFORMATION AND CYBER SECURITY RISK

The inability of information technology (IT) infrastructure to align with rapid quick-service restaurant (QSR) business expansion, as a consequence of post pandemic-driven growth, may lead to deployment delays, impacting competitiveness and market position.

The rapid growth in the QSR sector poses a risk on the Group's ability to effectively align its IT infrastructure with its expanding operations. This challenge may result in delays in deploying essential technological innovations, which may impede the Group's overall growth and expansion.

Furthermore, the Group's inability to optimise its insource, outsource and collaboration models for technological advancements compounds this risk. Inefficient deployment strategies could further impede the timely implementation of necessary upgrades and hinder the Group's ability to remain competitive and retain its market position.

The Group's failure to protect the integrity and security of personal information of its customers and employees could result in substantial costs, expose the Group to litigation and damage the Group's reputation.

The Group receives and maintains certain personal and other information about its customers, employees and franchisees. The use and handling of this information, especially personal information and sensitive personal information (or their equivalent as defined by applicable laws), is regulated by evolving and increasingly demanding laws and regulations in various jurisdictions, as well as by certain third-party contracts. The Group's security and information systems may be compromised as a result of data corruption or loss, cyber-attack or a network security incident or if the Group's employees, franchisees or vendors fail to comply with these laws and regulations and such information is obtained by unauthorised persons or used inappropriately. For example, in June 2024, the Group suffered a data breach that resulted in the unauthorised access to personal information of several customers of the Group's brands in the Philippines such as Jollibee, Chowking, Greenwich, Red Ribbon, Mang Inasal, Burger King, Panda Express, and Yoshinoya. The incident was part of a broader issue affecting multiple global companies utilising a specific data management system, which was exploited through client-instance vulnerabilities by malware. Apart from submitting the necessary notification on this data breach to the National Privacy Commission of the Philippines, which is currently investigating this matter, the Company has

implemented response protocols and deployed enhanced security measures to further protect the Group's data against cyber threats. While the Group undertakes an appropriate range of preventive and risk mitigation initiatives to avoid data breaches as further described in "*Business – Information Technology and Data Protection*", there is no assurance that such measures will be sufficient or effective. Any failure to protect the integrity and security of personal information of its customers and employees could result in liabilities and penalties and could damage the Group's reputation, cause the Group to incur substantial costs, and result in a loss of customer confidence, which could adversely affect the Group's results of operations and financial condition. Additionally, the Group could be subject to litigation and government enforcement actions as a result of any such failure.

Further, data privacy is subject to either new or frequently changing rules and regulations, especially in countries or regions where the Group operates, which may impose additional burden and compliance requirements upon the Group. For example, the European Union adopted a new regulation that became effective in May 2018, the General Data Protection Regulation (**GDPR**), which requires companies to meet new requirements regarding the handling of personal data. In addition, in June 2018, the State of California enacted the California Consumer Privacy Act (**CCPA**), which became effective on 1 January 2020, requiring companies that process information on California residents to, among other things, make new disclosures to consumers about data collection, use and sharing practices. In the Philippines, the Group is required to comply with Republic Act No. 10173, or the Data Privacy Act of 2012 (**DPA**), and its implementing rules and regulations, which became effective in September 2016, as well as the issuances of the National Privacy Commission of the Philippines, and other applicable laws and regulations relating to privacy and data protection, particularly with respect to the processing and handling of personal information. In the People's Republic of China, the Personal Information Protection Law (**PIPL**) was passed on 20 August 2021, and took effect on 1 November 2021, and lays out a comprehensive set of rules around data collection, processing and protection of rights and interests of private individuals, that were previously governed by piecemeal legislation. Similarly, the Government of Vietnam issued Decree No. 13/2023/ND-CP (**Decree 13**) which is the country's first comprehensive legal document regulating personal data protection, and which took effect on 1 July 2023. The Group's failure to adhere to or successfully implement appropriate processes to adhere to the requirements of GDPR, CCPA, DPA, PIPL, Decree 13, and other evolving laws and regulations in this area could result in financial penalties, legal liability and could damage the reputation of the Group's brands.

IT system failures or interruptions or breaches of the Group's network security may interrupt the Group's operations and subject it to increased operating costs and other risks.

The Group relies heavily on IT systems in the conduct of its business, some of which are managed, hosted, provided and/or used by third parties, including, for example, point-of-sale (**POS**) processing in stores, management of supply chain, enterprise resource planning and various other processes and procedures. The Group has also become more reliant on IT systems, including office administration, communication and digital banking IT tools provided by third parties during and post COVID-19 pandemic. These systems are subject to damage, interruption or failure due to theft, fire, power outages, telecommunications failure, computer viruses, security breaches, malicious cyber-attacks or other catastrophic events. Certain technology systems may also be unreliable or inefficient, and technology vendors may limit or terminate product support and maintenance, which could impact the reliability of critical systems operations. Some technology systems may be costly to integrate and there is no guarantee that these technology systems will be properly integrated into the Group's system which could also affect future plans. If the Group's information technology systems are damaged or fail to function properly, the Group may incur substantial costs to repair or replace them, may experience loss of critical data and interruptions or delays in the Group's ability to execute business plans, administer daily operation, manage inventories or process transactions and may be more vulnerable to potential financial fraud. These adverse events could result in lost sales, customer or employee dissatisfaction, direct financial loss or negative publicity that could adversely impact the Group's reputation, results of operations and financial condition.

The Group relies on technology not only to efficiently operate stores, administer daily operation and process transactions, but also to drive the customer experience, sales growth and margin improvement. Execution of the Group's growth strategy will be dependent on the Group's initiatives to implement technology solutions and gather and leverage data to enhance store operations, attract and retain customers and improve the customer experience. The Group's strategic technology initiatives may not be timely implemented or may not achieve the desired results. Even if the Group effectively implements and manages its technology initiatives, such technology initiatives may not result in sales growth or margin improvement. Additionally, implementing the evolving technology demands of consumers may place a significant financial, technological and infrastructural burden on the Group's and the Group's franchisees.

There are risks associated with the Group's increasing dependence on digital commerce platforms to maintain and grow sales. Such platforms may experience disruptions, which could harm the Group's ability to compete and conduct its business.

Customers are increasingly using e-commerce websites and apps, both inside and outside the Philippines, like jollibeedelivery.com, coffeebean.com, smashburger.com, as well as apps owned by third-party delivery aggregators, such as Deliveroo, Foodpanda, GrabFood, DoorDash, Uber Eats, Grubhub, Postmates, Just Eat, Ele.me and Meituan and third-party mobile payment apps and processors, to order and pay for the Group's products. As a result, the Group is increasingly reliant on digital ordering and payment as a sales channel. These digital ordering and payment platforms could be damaged or interrupted by power loss, technological failures, user errors, other forms of sabotage or force majeure events. In addition, the Group may face potential delays or challenges in respect of its franchisees implementing and integrating such digital ordering and payment platforms due to the additional costs associated and such franchisee's willingness to adopt and manage new technology. If the relationship between the Group or any of its franchisees and any major third-party delivery aggregator or mobile payment tool provider become strained, the Group's results of operations could be negatively affected. See also "*– IT system failures or interruptions or breaches of the Group's network security may interrupt the Group's operations and subject it to increased operating costs and other risks.*".

CONSUMER BRAND RISK

The Group's main global competitors have a substantially larger network than the Group, and therefore the Group may be at a disadvantage in competing with such competitors.

The Group believes it is the largest food service and restaurant company in the Philippines with 3,382 Group-owned and franchise-operated stores as of 31 December 2024. While the Group believes it is among the largest food service companies in Asia in terms of sales and store network as of 31 December 2024, its sales and store network are not yet as large as its global competitors. The Group's global competitors include YUM! Brands, Inc., (which owns the KFC, Pizza Hut and Taco Bell brands), McDonald's, Restaurant Brands International Inc. (which owns the Tim Hortons®, Burger King® and Popeyes® brands), Starbucks Corporation and Luckin Coffee Inc. These global competitors are generally well-established branded chains and have substantially greater financial resources, higher revenue and greater economies of scale than the Group. Their significantly greater size may enable them to negotiate lower prices than the Group can from suppliers (for example, in respect of raw materials), better absorb increases in its cost base (for example, due to inflation of raw material prices and increases in labour, rental and other operating costs), have access to desirable locations for their restaurants and invest more resources in technology. These competitive advantages may enable these brands to react to changes in pricing more quickly and more effectively. Certain of the Group's competitors may also spend significantly more on advertising, marketing and other promotional activities than the Group, which may give them a competitive advantage through higher levels of brand awareness among consumers. In addition, certain of the Group's competitors may be able to deploy greater resources in order to accelerate restaurant openings and refurbishment efforts, to rapidly expand their offer of new products or to implement aggressive product discounting, all of which could give them a competitive advantage over the Group and as a result could have a material adverse effect on the Group's business, results of operations and financial condition. Under challenging economic conditions, the competitive advantages resulting from greater financial resources and economies of scale may intensify, thereby permitting certain of the Group's competitors to gain market share. If the Group is unable to maintain its competitive position, it could experience downward pressure on prices, lower demand for its products, reduced margins and revenue from the Group's stores and royalty payments from the Group's franchisees, the inability to take advantage of new business opportunities and the loss of market share, all of which could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group operates in a highly competitive industry, and its business and financial results may be adversely affected by the actions of its competitors and its failure to respond to competitive pressures.

The food service and restaurant industry in the markets where the Group has operations is highly competitive. The Group competes with several well-established international restaurant chains and franchises, as well as other regional and local restaurants on the basis of product choice, quality, affordability, service, location, as well as the nature and condition of the stores in the Group's network.

This industry has few barriers to entry for opening one or numerous points of sale and therefore new competitors may emerge at any time. The Group may lose market share to well-established companies such as McDonald's, YUM! Brands, Inc. (which owns the KFC, Pizza Hut and Taco Bell brands), Restaurant Brands International Inc. (which owns the Tim Hortons®, Burger King® and Popeyes® brands), Starbucks Corporation and Luckin Coffee Inc. Particularly in the Philippines, other international and national restaurant chains such as McDonald's, KFC,

Shakey's, Pizza Hut, Wendy's and Max's Group may also take market share as they expand in the Philippines, and new emerging restaurant chains may scale up or enter the market. The Group also competes with restaurants that focus on fried chicken, sandwiches, burgers, pizzas, grilled chicken, baked goods (including pastries), coffee and tea, or offer alternative menus. Furthermore, the emergence of online delivery aggregators has allowed new and smaller players to gain access to a broader customer base relying less on build out of new expensive stores even if these aggregators charge significant commissions and other fees. Lastly, the Group also competes with certain segments of the food industry, such as convenience stores and prepared food counters in grocery stores.

The Group's ability to compete depends on its ability to maintain a high standard in the taste and quality of its food, which has been recognised as the key driver of its success, efficient service and price-value relationship. This will also depend on the Group's ability to expand its store network, develop and roll-out new products and product line extensions, effectively respond to changing and varying consumer preferences which are influenced by geographical and generational differences, manage the complexity of its store operations and franchisee network as well as the impact of its competitors' actions, and maintain its customer's perception of the quality and value of its products.

In addition to competing for customers, the Group also competes for franchisees, management personnel and employees. The Group's competitors may be able to offer greater resources and benefits to their franchisees (for example, in terms of lower franchise royalties, advertising programmes, greater training and more extensive franchise support), as well as better salaries, compensation and benefits to their management personnel and employees, all of which may enable them to attract and retain franchisees, management personnel and employees more effectively than the Group. The cost for building a Jollibee store is also higher, thus resulting in a lower return of investment. The market for suitable store locations is also highly competitive. Food service and restaurant companies, restaurant chains and other retail companies compete for prime real estate sites. As a result of their size advantage, higher levels of consumer awareness for their brands and/or their greater financial resources, some of the Group's competitors may have the ability to negotiate more favourable commercial lease terms than the Group and some landlords and developers may offer priority or grant exclusivity to some of the Group's competitors for desirable locations. As a result, the Group may not be able to obtain leases for new stores or renew leases for existing stores on acceptable terms, if at all, which could adversely affect the Group's business, results of operations and financial condition. Furthermore, to the extent that one of the Group's existing or future competitors offers items that are better priced or better suited to consumer tastes, expands its presence in one of the Group's key markets, rebrands its restaurant portfolio to better enhance the restaurant experience or implements more effective advertising and marketing programmes than the Group, the Group's revenue and those of the Group's franchisees could be adversely affected. If the Group is unable to maintain its competitive position, the Group could experience downward pressure on prices, lower demand for the Group's products, reduced margins, the inability to take advantage of new business opportunities and the loss of market share, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's business is affected by changes in consumer preferences and perceptions.

The restaurant industry is affected by consumer preferences and perceptions which are influenced by generational and geographic differences. Prevailing health or dietary preferences and perceptions may cause consumers to avoid the Group's products in favour of alternative food options, which may have a material adverse effect on the Group's business, results of operations and financial condition. In addition, negative publicity about the Group's products may also have a material adverse effect on the Group's business, results of operations and financial condition. In recent years, numerous companies in the fast-food industry have introduced products positioned to capitalise on the growing consumer preference for food products that are, or are perceived to be, healthy, nutritious and low in calories, sodium and fat content. The Group's success will depend in part on the Group's ability to anticipate and respond to changing consumer preferences, tastes and eating and purchasing habits.

Failure to preserve the value and relevance of the Group's brands could have an adverse impact on the Group's financial results.

To continue to grow its success, the Group believes it must preserve, enhance and leverage the value of its brands. Brand value is based in part on consumer perceptions. Those perceptions are affected by a variety of subjective factors, including the nutritional content and preparation of the Group's food, the ingredients the Group uses, the manner in which it sources commodities and its general business practices. Consumer acceptance of the Group's offerings is subject to change for a variety of reasons, and some changes can occur rapidly. For example, nutritional, health and other scientific studies and conclusions, which constantly evolve and may have contradictory implications, drive popular opinion, litigation and regulation (including initiatives intended to drive consumer behaviour) in ways that affect the food service and restaurant industry or perceptions of the Group's brand generally or relative to available alternatives. Consumer perceptions may also be affected by adverse

commentary from third parties, including through social media or conventional media outlets, regarding the food service and restaurant industry, its brand, its operations, its suppliers or its franchisees. If the Group is unsuccessful in addressing adverse commentary, whether or not accurate, the Group's brand and its financial results may suffer.

Additionally, the on-going relevance of the Group's brands may depend on the success of its sustainability initiatives, which require coordination and alignment amongst the Group and its franchisees. If the Group is not effective in addressing social and environmental responsibility matters or achieving relevant sustainability goals, consumer trust in the Group's brands may suffer. In particular, business incidents or practices whether actual or perceived, that erode consumer trust or confidence, particularly if such incidents or practices receive considerable publicity or result in litigation, can significantly reduce brand value and have a negative impact on the Group's financial results.

The Group's advertising and marketing campaigns may not be successful.

The Group believes that its various brands are critical to its business. The Group incurs costs and expends other resources in its marketing efforts to raise brand awareness and attract and retain customers using a variety of media. In addition, the support of franchise owners is critical for the success of advertising and marketing campaigns, and the successful execution of these campaigns will depend on the Group's ability to maintain alignment with its franchise owners. These advertising and marketing initiatives may not be successful, resulting in expenses incurred without the benefit of higher revenues. Additionally, some competitors have greater financial resources, which enable them to spend significantly more on marketing and advertising. Should competitors increase spending on marketing and advertising or the Group's marketing funds decrease for any reason, or should the Group's advertising and promotions be less effective than competitors, there could be a material adverse effect on the Group's business, results of operations and financial condition.

PRODUCT AND FOOD SAFETY RISK

Food safety concerns may have an adverse effect on the Group's business.

The Group relies on third-party food suppliers, distributors, logistics and warehousing partners to supply ingredients used in the preparation of the meals it sells, including sauces, meat and fresh produce. Although such third parties are subject to regulations, including food safety and environmental regulations, such regulations may not prevent such third parties from experiencing problems related to food safety and hygiene. As a result, the Group's reliance on third-party food suppliers, distributors, logistics and warehousing partners increases the risk that food-borne illness incidents could be caused by factors outside of the Group's control and that multiple locations would be affected rather than a single store. Additionally, failure by any of the Group's third-party food suppliers, distributors, logistics and warehousing partners to comply with regulations, allegations of compliance failure, claims of intentional or negligent contamination of ingredients and raw materials or prolonged and intense negative publicity may disrupt their operations and result in a disruption of the Group's food supply. Disruption of the Group's third-party food suppliers, distributors, logistics and warehousing partners' operations could in turn reduce or impair the Group's supply of ingredients or other raw materials, which could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, food safety issues such as food tampering, contamination and adulteration may occur within the Group's store network from time to time. Any report or publicity linking the Group or one of the Group's stores or one of its franchisee's stores, or linking the Group's competitors or the retail food industry generally, to instances of food safety issues could adversely affect the Group's brands and reputations as well as the Group's revenue and profits, and possibly lead to product liability claims, litigation and damages.

If a customer of one of the Group's stores becomes ill as a result of food safety issues, stores in the Group's network may be temporarily closed, which could disrupt the Group's operations and have a material adverse effect on the Group's business, financial condition and results of operations. In addition, instances or allegations of food safety issues, real or perceived, involving the Group's stores, restaurants of competitors, or suppliers or distributors (regardless of whether the Group uses or has used those suppliers or distributors), or otherwise involving the types of food served at the Group's stores, could result in negative publicity that could adversely affect the Group's sales or the sales of the Group's franchisees. The occurrence of food safety issues could also materially and adversely affect the price and availability of affected ingredients, which could result in disruptions in the Group's supply chain and/or lower margins for the Group and the Group's franchisees.

Health concerns arising from food-borne illnesses, outbreaks of viruses or other diseases may have an adverse effect on the Group's business.

Food-borne illnesses, such as E. coli, Listeria, Salmonella and Trichinosis, may occur within the Group's system from time to time. Any report or publicity linking the Group or one of the Group's stores or one of its franchisee's stores, or linking the Group's competitors or the retail food industry generally, to instances of food-borne illness could adversely affect the Group's brands and reputations as well as the Group's revenue and profits, and possibly lead to product liability claims, litigation and damages.

Moreover, the Group's business could be materially and adversely affected by the outbreak of a widespread health epidemic, and other coronaviruses, various strains of avian flu or swine flu. The occurrence of such an outbreak of an epidemic, illness or other adverse public health developments could materially disrupt the Group's business and operations. Such events could also significantly impact the food service and restaurant industry and cause a temporary closure of stores, which could severely disrupt the Group's operations and have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's operations could be disrupted if any of the Group's employees or employees of the Group's business partners or franchisees were suspected of having illnesses including the avian flu, swine flu, hepatitis A or norovirus, since this could require the Group or the Group's business partners or franchisees to quarantine some or all of such employees or disinfect the relevant store facilities. Outbreaks of avian flu occur from time to time around the world, and such outbreaks have resulted in confirmed human cases. It is possible that outbreaks could reach pandemic levels. Public concern over avian flu generally may cause fear about the consumption of chicken, eggs and other products derived from poultry, which could cause customers to consume less poultry and related products. As poultry is a menu offering of the Group under certain brands, including Jollibee and Mang Inasal, this would likely result in lower revenue and profits for the Group and the Group's franchisees. Avian flu outbreaks could also materially and adversely affect the price and availability of poultry, which could negatively impact profit margins and revenue for the Group and the Group's franchisees. In addition to rising procurement costs due to supply shortages, the Group may face challenges in maintaining consistent product quality and availability. Furthermore, the implementation of stricter biosecurity measures to prevent the spread of the disease within poultry farms may require additional investments, leading to higher overhead costs. This could result to menu adjustments or higher prices for the Group, which may deter price-sensitive consumers.

Furthermore, other viruses may be transmitted through human contact, and the risk of contracting viruses could cause employees or guests to avoid gathering in public places, which could adversely affect store guest traffic or the ability to adequately staff stores. The Group may also be materially and adversely affected if government authorities impose mandatory closures, seek voluntary closures, impose restrictions on operations of stores, or restrict the import or export of products, or if suppliers issue mass recalls of products. Even if such measures are not implemented and a virus or other disease does not spread significantly, the perceived risk of infection or health risk may affect the Group's business, results of operations and financial condition.

The Group may not be able to maintain effective quality control systems for outlets and supply chain.

The quality and safety of the food the Group serves is critical to its success. Maintaining consistent food quality depends significantly on the effectiveness of the Group's quality control systems, which in turn depends on a number of factors, including the design of quality control systems and employee implementation and compliance with those quality control policies and guidelines. There can be no assurance that quality control systems will be effective. Any significant failure or deterioration of these quality control systems could have a material adverse effect on the Group's reputation, business, financial condition and results of operations.

PORTFOLIO MANAGEMENT AND CORPORATE BRANDING RISK

The absence of a well-defined corporate brand could lead to decreased customer loyalty and diminished market share.

Given the increasing portfolio of brands managed by the Group, there is a risk that the complexities in establishing a well-defined corporate brand may result to reduction of stakeholders' interest and confidence and affect the stock price of the Company. The risk of not having a well-defined corporate brand could also lead to decreased customer loyalty and diminished market share. Without a well-defined corporate brand, customers may encounter inconsistent messaging, quality and service across different touchpoints, which may make it difficult for customers to form a reliable perception of the Group. In addition, an unclear corporate brand would struggle to resonate with the consumers and impede the Group from building brand equity, which may lead to lower engagement and reduced effectiveness in driving sales and market growth.

The Group may not be able to adequately influence the operations of its associate companies and joint venture companies.

The Group derives some of its income from associate companies and joint venture companies, which have incurred a net loss in recent years. While the agreements entered into by the Group relating to its associate companies and joint venture companies usually include provisions to protect minority interest, the Group ultimately does not have majority voting control of its associate companies and certain of its joint venture companies, and consequently may not be able to direct the operations of these entities. As a result, cooperation among its partners or consensus with other shareholders in these entities is crucial to these businesses' sound operation and financial success. Disagreements with these partners or other shareholders over business strategy and direction may lead to a material impact on the Group's results of operations.

FINANCIAL AND MACROECONOMIC RISK

Uncertainties and instability in global market conditions could adversely affect the Group's business, financial condition, and results of operations.

Global markets have experienced, and may continue to experience, significant dislocation and turbulence due to economic and political instability in several areas of the world. These ongoing global economic conditions have led to significant volatility in capital markets around the world, including the United States and Asia, and further volatility could significantly impact investor risk appetite and capital flows into emerging markets including the Philippines, as well as the trading price of the Notes.

Economic factors, including, without limitation, changes in interest rates and inflation, changes in gross domestic product (**GDP**), economic growth, employment levels and consumer disposable income levels and spending habits, consumer and investment sentiment and the availability of debt and equity capital could adversely affect the business, financial condition and results of operations of the Group.

Recent years have also been characterised by increased political and economic uncertainty in some of the core markets in which the Group operates and numerous factors continue to contribute to the considerable uncertainty in the foreseeable future which could adversely affect the Group's operations, including, for example, the slowdown of global economic activity, the continued uncertainty regarding the United Kingdom's relationship with the European Union following the United Kingdom's exit from the European Union, the insufficient deleveraging in the private and public sectors (including the potential and actual default of sovereign debt in certain emerging markets) and a halt in the implementation of structural and financial reforms.

Trade tensions between the United States and major trading partners, most notably China, remain heightened following the introduction of a series of tariff measures in both the United States and China and a U.S. investment ban on certain Chinese companies, and these tensions could significantly impact global trade. Such tensions are set to continue in the areas of data and technology security and maritime claims in the South and East China Seas, and as the result of China-Taiwan relations and human rights accusations. In addition, the ongoing conflicts in Eastern Europe between Russia and Ukraine and in the Middle East between Hamas and Israel have also disrupted financial markets and have had an adverse impact on supply chains and macro-economic conditions. Further, following the election of Mr. Donald J. Trump as the president of the United States in November 2024, the Trump administration has announced and pursued policies that impact existing and proposed trade agreements, creating uncertainty in global markets. Most recently, President Trump issued executive orders to impose new tariffs on imports from key economic partners of the United States including China, Canada, Mexico and the European Union in early 2025, giving rise to fears of a global trade war. The United States and/or its trading partners may announce further trade restrictions, the scope and effect of which remain uncertain. Such disruptions and/or trade restrictions can cause raw material, energy and input shortages or cost increases, and can exacerbate prevailing levels of inflation.

Such macro-economic events are beyond the Group's control and may adversely affect the Group's business, financial condition and results of operations, including the following:

- adversely affecting consumer confidence in general macro-economic conditions and reducing consumer disposable income levels and spending habits;
- disrupting the operations of the Group's business partners, including joint ventures and associates, third-party suppliers and distributors, franchisees, as well as franchisors who license the Group to operate stores under their brands;
- disrupting the global supply chains of materials, labour, facilities and other products through the effects of reduced travel and political, social and economic instability; and

- increasing the volatility of, or causing further disruption to, global financial markets, and affecting the Group's ability to access capital markets and other funding resources on favourable or acceptable terms.

A significant portion of the Group's revenue, debt and capital expenditure, as well as costs related to sourcing raw materials, are denominated in currencies other than the Peso which may pose some foreign exchange risk.

The functional and presentation currency of the Company is Peso. The functional currencies of the Group's foreign operations primarily include U.S. Dollar, PRC Renminbi, Vietnam Dong, Singapore Dollar, Canadian Dollar, Euro, Malaysian Ringgit, Korean Won, Hong Kong Dollar, Indonesia Rupiah, Macau Pataca and New Taiwan Dollar. The Group's foreign exchange risk results primarily from movements of the Peso against such currencies with respect to its revenue, assets, liabilities and expenditures, as well as costs related to sourcing raw materials that are denominated in such currencies. In addition, part of its financial obligations is denominated in U.S. Dollar, Singapore Dollar, Malaysian Ringgit, Hong Kong Dollar and Vietnam Dong before taking into account any related hedges. There can be no assurance that declines in the value of the Philippine Peso will not occur in the future or that the availability of foreign exchange will not be limited. The occurrence of these conditions may have a material adverse effect on the Group's financial condition and results of operations.

The Group may not be able to obtain financing or capital on terms acceptable to it or at all which could adversely impact the execution of the Group's expansion and growth plans and the Group may not be able to fulfil its debt obligations.

The Group may need to obtain external debt and equity financing, through public or private financing, and the proceeds from the offering may not be sufficient to finance the opening of new Group-owned stores in accordance with expansion plans and other capital expenditures to support continued growth. The Group's ability to finance capital expenditure plans is subject to factors beyond its control. In addition, the Group's existing debt facilities generally restrict the Group's ability to incur further indebtedness beyond a determined threshold. There can be no assurance that the Group would be able to secure consent to incur any further indebtedness under existing or future debt facilities.

If the Group is unable to make payments in connection with its debt and other fixed payment obligations as they become due, the Group may need to renegotiate the terms and conditions of such obligations or to obtain additional equity or debt financing. There can be no assurance that renegotiation efforts would be successful or timely or that the Group would be able to refinance obligations on acceptable terms or at all. If financial institutions decline to lend additional funds or to refinance or extend the Group's existing liabilities when they mature on acceptable terms, whether as a result of perceived credit risk or otherwise, and the Group fails to raise financing through other means, the Group's business, financial condition and results of operations may be materially and adversely affected. To the extent that the Issuer undertakes operating activities in the future, engaging in such operating activities may cause the Issuer to incur additional debt or other liabilities, and may involve operating expenses and operating losses, which could affect the Issuer's financial position. If the Issuer experiences negative cash flow from operations over a prolonged period of time, or if the Issuer suffers unexpected cash outflows, the Issuer's liquidity and ability to fulfil the payment obligations under the Notes may be adversely affected.

The Group's insurance policies may not provide adequate levels of coverage for all claims associated with the Group's business operations.

The Group currently maintains insurance it believes is customary for businesses of its size and type. However, there are types of losses the Group may incur that are uninsurable in nature and/or find to not be economically reasonable to insure, such as losses due to natural disasters or acts of terrorism and war, among others. Losses as a result of a pandemic, like the spread of the COVID-19 virus, are not recoverable under any of the Group's insurance plans due to restriction in the market for a viable risk transfer.

In the event that the Group suffers significant loss or damage that is not covered by insurance or that exceeds the limit of its insurance coverage, its business and financial condition, such as cash flow, may be materially and adversely affected.

In addition, as the insurance market continues to be a hard market, the Group is also exposed to the volatility of the insurance appetite which may equate to possibility of rate surge or decrease in available coverage. This ultimately results in an increased cost of risk transfer and risk absorption, which, in the future, could adversely affect the Group's business, financial condition, results of operations and prospects.

OPERATIONAL RISK

The Group has experienced rapid growth in recent years. The failure to successfully manage this or any future growth may adversely affect the Group's results of operations.

The Group's business has grown significantly in recent years, largely due to the recovery in consumption after the lifting of the COVID-19-related restrictions. Since the fourth quarter of 2023, the Group's growth rates have begun to stabilise and align more closely to its sustainable levels.

The Group's growth is, to a certain extent, dependent on new store openings. There are many obstacles to opening new stores, including determining the availability of desirable locations, securing reliable suppliers, training new personnel and negotiating acceptable lease terms; and in times of adverse economic conditions, franchisees may also be more reluctant to provide the investment required to open new stores and may have difficulty obtaining sufficient financing. Furthermore, there can be no assurance that the Group will not experience material difficulties or failures in obtaining the necessary permits, licences or approvals for opening new stores, which could delay the opening of such stores in the future, or that the Group will be able to obtain, maintain and renew the relevant permits and licensees necessary for the operation of its stores in general. In addition, the Group's growth in same store sales is dependent on continued economic growth in the countries in which the Group operates as well as the Group's ability to continue to predict and satisfy changing consumer preferences. It is therefore possible that the Group may not be able to successfully maintain the Group's recent growth rate.

The Group plans its capital expenditures on an annual basis, taking into account historical information, strategic direction for each brand, regional economic trends, store opening and reimaging plans, site availability and the investment requirements in order to maximise the Group's returns on invested capital. The success of the Group's investment plan may, however, be harmed by factors outside the Group's control, such as changes in macroeconomic conditions, changes in demand and construction difficulties that could have a material adverse effect on the Group's investment returns, future results and financial condition.

The Group's international operations subject it to risks that could negatively affect its business.

A significant portion of the Group's stores are operated in countries and territories outside of the Philippines, and the Group intends to continue the expansion of its international operations. As of 31 December 2024, the Group's store network comprised 6,384 stores, which are in operation in 31 countries and territories, of which 1,974 were owned and operated by the Group and 4,410 were franchised. As a result, the Group's business and the businesses of the Group's franchisees are increasingly exposed to risks inherent in international operations. These risks, which can vary substantially by country, include political instability, corruption and social and ethnic unrest, as well as changes in economic conditions (including consumer spending, unemployment levels and wage and commodity inflation), the regulatory environment including competition laws, income and non-income-based tax rates and laws, sanctions, foreign exchange control regimes including restrictions on currency conversion, consumer preferences, trends in the food service and restaurant industry, and the laws and policies that govern foreign investment in countries where the Group's stores are operated and other legal entities are established. See also "*– Uncertainties and instability in global market conditions could adversely affect the Group's business, financial condition, and results of operations*".

The Group may be exposed to risk of inventory wastage, working capital tied up in inventories and investments in new facilities.

The Group may be exposed to the risk of inventory wastage, working capital tied up in inventories and investments in new facilities that may not deliver expected returns because of rapidly changing technology and consumer requirements. Inventory wastage may require the Group to make adjustments to write down inventory to the lower of cost or net realisable value, which may have a material adverse effect on the Group's results of operations.

The Group outsources certain aspects of its business to third-party service providers which subjects the Group to risks, including disruptions in the Group's business and increased costs.

The Group has outsourced certain functions for its business to third-party service providers. The Group also outsources certain information technology support services and benefit plan administration. In the future, the Group may outsource other functions to achieve cost savings and efficiencies. While the Group has in place a stringent accreditation process to ensure that it works with duly licensed and qualified third-party service providers and monitors their performance on a regular basis, there is no assurance that these third-party service providers will always perform effectively. If the service providers to which the Group outsources these functions

do not perform effectively, the Group may not be able to achieve the expected cost savings and may have to incur additional costs in connection with such failure to perform.

Depending on the function involved, such failures may also lead to business disruption, transaction errors, processing inefficiencies, the loss of sales and customers, the loss of or damage to intellectual property through security breach and the loss of sensitive data through security breach or otherwise. Any such damage or interruption could have a material adverse effect on the Group's business, lead to significant fines imposed on the Group, trigger customer notice obligations or result in costly litigation, harm the Group's reputation with its customers or prevent the Group from paying its collective suppliers or employees or receiving payments on a timely basis.

The Group may not be able to extend its leases, find new premises to lease for its new store openings or cancel unprofitable leases.

The Group operates stores which are located mostly on premises or in buildings leased by the Group from third parties under land or building lease agreements. In addition, certain of the Group's franchisees operate stores which are located on premises leased by such franchisees from third parties under lease agreements. The Group may be unable to negotiate a new lease or lease extension, either on commercially acceptable terms or at all, which could cause the Group to close stores in desirable locations. As a result, the Group's sales and brand building initiatives could be materially and adversely affected.

In some of its international operations, the Group is prohibited from cancelling its leases prior to the designated end of the lease term under contract; therefore, if an existing or future store is not profitable, and the Group decides to close such store, the Group may nonetheless be committed to perform its obligations under the relevant lease agreement.

If the Group does not successfully evolve and execute its business strategies, it may not be able to increase operating income.

To drive operating income growth, the Group's business strategies must be effective in maintaining and strengthening customer appeal, delivering sustainable customer count growth, increasing SWS and expanding the Group's operations. Whether these strategies are successful depends mainly on the Group's ability to:

- anticipate and address changing consumer preferences;
- acquire, retain, regain and/or convert customers through the Group's pricing, promotional and marketing activities as well as its ability to maximise the price-value equation of its products;
- continue to innovate and differentiate the Group's experience by preparing and serving the Group's food in a way that balances quality, value and convenience to its customers with profitability;
- anticipate and take advantage of technological advancements, such as digital technologies for management, marketing, ordering, payment and optimisation of products and services, and adapt the Group's business to the digital age;
- capitalise on the Group's various brands in the international and local market presence to enhance its ability to retain, regain and convert key customer groups;
- identify and develop store sites consistent with the Group's growth plans;
- operate stores with high service levels and optimal capacity while managing the increasing complexity of the Group's store operations and create efficiencies through innovative use of technology;
- identify and assess investment and acquisition opportunities as well as potential strategic joint venture partners, and to successfully finance, close and integrate such investments and acquisitions growth opportunities, investments and partnerships; and
- alter its business structure and improve operational efficiencies in a timely manner.

As part of its business strategy, the Group has conducted and also expects to carry out acquisitions of varying sizes in the future. For example, on 2 January 2025, the Company announced that it has, through the Issuer, completed the acquisition of 100.0 per cent. of the ownership of THWHPL, the holding company of the Tim Ho Wan business from a subsidiary of Titan. Such acquisitions involve numerous risks, including, without limitation, the following: (i) the assumptions used in the underlying business plans may not prove to be accurate, in particular with respect to synergies and expected commercial demand; (ii) the Group may not integrate acquired businesses, technologies, products, personnel, and operations promptly and effectively; (iii) the Group may fail to

retain key employees, customers and suppliers of the companies acquired; (iv) the Group may be required or wish to terminate pre-existing contractual relationships, which could be costly and/or on unfavourable terms; and (v) the Group may increase its indebtedness to finance these acquisitions. As a result, it is possible that the expected benefits of completed or future acquisitions may not materialise within the time periods or to the extent anticipated, or have a material adverse effect on the Group's financial condition.

Furthermore, the Group has a significant network of Group-owned stores and, as part of its business strategy, will continue to open new Group-owned stores in the future which may not realise short or long term gains, or may have a material adverse effect on the Group's financial condition.

If the Group is delayed or unsuccessful in executing its business strategies or if the Group's business strategies do not yield the desired results, the Group's business, financial condition and results of operations may be materially and adversely affected.

The Group may not be able to successfully implement its food delivery service strategy and achieve growth in profits.

The importance of food delivery service for the restaurant and food service industry has become increasingly significant following the COVID-19 pandemic. As a response to the shift in landscape due to the COVID-19 pandemic, the Group has sought to expand online delivery services and establish new delivery arrangements with third-party delivery online platforms.

In particular, the Group has increasingly focused on developing and enhancing its own delivery platform in recent years to reduce reliance on third-party delivery aggregators. However, consumers may continue to prefer using established third-party delivery aggregators due to their familiarity and convenience, which would result in lower-than-expected adoption rates for the Group's own delivery platform. Further, expansion of food delivery capacities may involve upfront capital expenditure in digital ordering system, promotional costs including discounts, and additional costs associated with hiring of delivery staff. There is no assurance that the Group's efforts to develop its own delivery platform will generate the expected incremental revenues, even with the potential cost-savings from the reduced reliance on third-party aggregators.

Furthermore, there remains a risk in relying on third-party delivery aggregators. Food quality may be affected by the delivery process, and the Group cannot assure that third-party delivery aggregators will always comply with the Group's food handling standard to ensure quality, despite the Group's efforts to ensure their compliance. Third-party delivery aggregators may also charge a fee and at the same time may not allow the Group to increase prices to offset the fee, thus resulting in lower profits for the Group. In addition, the Group may also face fierce competition as a large number of restaurants and other food service providers will develop or similarly expand their food delivery businesses. If the Group fails to achieve its targeted expansion of food delivery capacities or an associated profit growth, its results of operation may be materially adversely affected.

The outbreak, or threatened outbreak, of any severe communicable disease, such as the COVID-19 pandemic, could have a material adverse effect on the Group's business, financial condition, and results of operations.

The outbreak, or continued or threatened outbreak, of any other severe communicable disease, such as Middle East Respiratory Syndrome-Coronavirus, avian influenza (commonly known as bird flu), H1N1, COVID-19 or another similar disease (such as the Zika Virus) in the Philippines, Asia or elsewhere, together with any resulting restriction on travel, imposition of quarantines and/or business shutdowns, could have a negative impact on the economy and business activities in the Philippines or Asia generally and could therefore materially and adversely affect the Group's business, financial condition and results of operations, including its liquidity, asset quality and growth.

There can also be no assurance that the policies and controls for outbreak prevention and disease recurrence will be successful in preventing disease outbreaks or recurrences or that any actual or suspected outbreak of bird flu, COVID-19 or any other contagious disease affecting the Philippines or elsewhere will not occur. There can also be no assurance that any current or future outbreak of contagious diseases will not have a material adverse effect on the Group's business, financial condition, and results of operations.

The extent to which the health and health-related pandemic impacts may affect the Group's business, results of operations and financial condition will depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of such incidents both in the Philippines and internationally, by governments, central banks, healthcare providers, health system participants, other businesses and individuals, which are highly uncertain and cannot be predicted.

Supply chain interruptions may significantly increase costs or reduce revenue.

The Group depends on the effectiveness of its supply chain management to assure reliable and sufficient supply of quality products on favourable terms. Although many of the products the Group sells are sourced from a wide variety of suppliers in countries around the world, certain products have limited suppliers, which may increase the Group's reliance on those suppliers. As part of its operations, the Group purchases a significant amount of its chicken, sauces, dressings and beverages from a number of third-party suppliers. Supply chain interruptions, including shortages, transportation issues, failure or breakdown of equipment or IT systems, price increases and any other failure by third-party suppliers to deliver raw materials, and disruptions in commissary operations, including inventory wastage, tied up working capital, labour issues and underperforming commissary investments, may have a material adverse effect on the Group's business as well as the Group's suppliers and franchisees whose performance may have a significant impact on the Group's results of operations. Nowadays, food systems and other industrial systems in different countries and territories are highly interdependent, and disruption to any part of it would have unforeseen knock-on effects. Although the Group has taken and will continue to take measure to manage supply chain risks as part of the Business Transformation Programme, some of the risks may be beyond the control of the Group and its suppliers, franchisees and business partners. If the Group experiences interruptions in its supply chain, its costs could significantly increase and it could significantly limit the availability of products, equipment and facilities critical to the Group's operations.

An increase in cost of raw materials may have a material adverse effect on the Group's profit margins.

The Group and the Group's franchisees' businesses depend on reliable sources of large quantities of raw materials such as proteins (including poultry, pork, beef and seafood), rice, potatoes, coffee beans, cheese, oil, flour and vegetables. Raw materials purchased for use in the Group's stores are subject to price volatility caused by any fluctuation in aggregate supply and demand such as an over-reliance on supplies from a select few regions, or other external conditions, such as weather conditions or natural events or disasters that affect expected harvests of such raw materials, or taxes and tariffs, including as a result of trade disputes. As a result, the historical prices of raw materials used in the operation of the Group's stores have fluctuated. There is no assurance that the Group will continue to be able to purchase raw materials at reasonable prices, or that the cost of raw materials will remain stable in the future. In addition, a significant increase in gasoline prices could result in the imposition of fuel surcharges by the Group's distributors. As the Group and the Group's franchisees provide competitively priced food, the Group may not have the ability to pass through to its customers the full amount of any commodity price increases. If the Group and the Group's franchisees are unable to manage the cost of raw materials or to increase the prices of products proportionately, the Group's business, results of operations and financial condition may be materially and adversely affected.

CAPABILITY AND TALENT RISK

Labour shortages or difficulty finding qualified employees could slow the Group's growth, harm the Group's business and reduce the Group's profitability.

Store operations are highly service-oriented and the Group's success depends in part upon the Group and the Group's franchisees' ability to attract, retain and motivate a sufficient number of qualified employees, including franchisee management, store managers and other crew members. The market for qualified employees in the retail food industry is very competitive. Any future inability to recruit and retain qualified individuals may delay the planned openings of new stores by the Group and could materially and adversely impact the operation of its existing stores. Any such delays, material increases in employee turnover rate in franchisee management or existing stores, or widespread employee dissatisfaction could have a material adverse effect on the Group's business and results of operations.

The Group believes that its in-house training programmes such as the JFC University, a comprehensive programme for store managers, will enable its graduates to support the Group's expanding store network. The Group will continue to focus on talent development and retention to realise the full potential of its employees and to promote engagement. However, there is no assurance that these measures will prevent any exposure to reputational and other harm resulting from any claim against the Group by an employee, which could, even if later found in favour of the Group, have a negative impact on consumer perceptions of the Group and its business. In addition, wage disputes, strikes, work slowdowns, campaigns by labour organisations or other job actions may become more common. In the event of a wage dispute, strike, work slowdown or other labour unrest, the ability to adequately staff the Group's stores and commissaries and the Group's franchisees' stores could be impaired, which could result in reduced revenue, and may distract the Group's management from focusing on the Group's business and strategic priorities.

The loss of key management personnel or the Group's inability to attract and retain new qualified personnel could hurt the Group's business and inhibit the Group's ability to operate and grow successfully.

The Group is dependent on the efforts and abilities of its senior management, including the executives managing each of the Group's brands, and the Group's success will also depend on the Group's ability to attract and retain additional qualified employees. While the Group strives to implement competitive compensation sufficient to attract key senior management personnel, regularly conducts appropriate talent reviews and implements development programmes to upskill talent within the organisation, there is no assurance that these measures will be effective at attracting and retaining qualified personnel. Any failure to attract personnel sufficiently qualified to execute the Group's business strategy, or to retain existing key personnel, could have a material adverse effect on the Group's business, results of operations and financial condition.

LEGAL, COMPLIANCE AND ETHICS RISK

Changes in, or non-compliance with, governmental regulations may have a material adverse effect on the Group's business operations, growth prospects or financial condition.

The Group and the Group's franchisees are subject to numerous laws and regulations around the world, including diversity laws which mandate accessibility requirements. These laws change regularly and are increasingly complex. For example, the laws and regulations to which the Group is subject include:

- Laws and regulations relating to fair labour standards, including minimum wages, overtime and other working conditions, as well as family leave mandates and other employment law matters.
- Laws and regulations relating to health care benefits.
- Laws and regulations relating to nutritional content, prescribed allergen content labelling, calorie content labelling, nutritional labelling, product safety, product marketing and menu labelling.
- Laws and regulations relating to licensing and advertising, including promotional activities.
- Laws and regulations relating to mandatory discounts for consumers, and accessibility requirements.
- Laws and regulations relating to the relationship between franchisors and franchisees.
- Laws and regulations relating to health, sanitation, food, workplace safety, child labour, including laws regulating the use of certain "hazardous equipment", and fire safety and prevention.
- Laws and regulations relating to union organising rights and activities.
- Laws and regulations relating to information security, cashless payments and consumer protection.
- Laws and regulations relating to currency conversion or exchange.
- Laws and regulations relating to international trade and sanctions.
- Tax laws and regulations.
- Anti-bribery and anti-corruption laws.
- Anti-trust and competition laws.
- Data privacy laws.
- Environmental laws and regulations.

Compliance with new or existing laws and regulations could impact the Group or the Group's franchisees' operations. The compliance costs associated with these laws and regulations could be substantial. Any failure or alleged failure to comply with these laws or regulations could adversely affect the Group's reputation, international expansion efforts, growth prospects and financial results or result in, among other things, litigation, revocation of required licences, internal investigations, governmental investigations or proceedings, administrative enforcement actions, fines and civil and criminal liability. Publicity relating to any such non-compliance could also harm the Group's reputation and/or the market price of the Company's shares which are listed and traded on The Philippine Stock Exchange, Inc. (**PSE**). Any of the aforementioned factors may have a material adverse effect on the Group's business, results of operations and financial condition.

Changes in labour and other operating costs and regulations could adversely affect the Group's performance.

An increase in the costs of employee wages, benefits and insurance (including workers' compensation, general liability, property and health) as well as other operating costs such as rent and energy costs could adversely affect

the Group's operating results. Such increases could result from government imposition of higher minimum wages or from general economic or competitive conditions. Any increase in such operating expenses could have a material adverse effect on the Group's profit margins. In addition, competition for qualified employees could also compel the Group to pay higher wages to attract or retain key crew members, which could result in higher labour costs and decreased profitability. Conversely, the Group's failure to pay higher wages to attract or retain qualified employees may result in the Group's employees (tenured or otherwise) to seek and/or accept employment from competitors and potentially disclose to these competitors confidential and/or proprietary information of the Group.

The Group may also be affected by labour-related matters that are beyond its control relating to its various third-party service providers. For example, if employees of such third-party service providers assert that they are employees of the Group or go on strike, the reputation of the Group may be harmed, and its operations may be disrupted. There can be no assurance that similar actions of employees of the Group's third-party service providers will not have an adverse effect on the Group's business.

Changes in accounting standards, the recognition of impairment, write-down of goodwill or other charges may adversely affect the Group's future operations and results.

New accounting standards or changes in financial reporting requirements, accounting principles or practices, including with respect to the Group's critical accounting estimates, could adversely affect the Issuer's future results. The Group may also be affected by the nature and timing of decisions about underperforming markets or assets, including decisions that result in impairment, write-down of goodwill or other assets or charges that reduce its earnings. In assessing the recoverability of the Group's long-lived assets, certain intangible assets, interests in and advances to joint ventures, co-venturers and associates, and deferred tax assets, the Group considers changes in economic conditions and makes assumptions regarding estimated future cash flows and other factors. These estimates are highly subjective and can be significantly impacted by many factors such as global and local business and economic conditions, operating costs, inflation, competition, consumer and demographic trends, and the Group's restructuring activities. If the Group's estimates or underlying assumptions change in the future, the Group may be required to record impairment charges. Similarly, determination of goodwill also involves estimates and assumptions concerning the future and goodwill may be written down if any of the estimates and assumptions changes, similar to the Group's trademarks and other intangible assets. If the Group experiences any such changes, they could have a significant adverse effect on the Group's reported results for the affected periods.

The transactions of the Group may be subject to review under the various applicable anti-trust and competition laws.

The transactions of the Group may be subject to the applicable anti-trust and competition laws in the different jurisdiction in which it operates. For instance, in Philippines, Republic Act No. 10667, or the Philippine Competition Act, was enacted to enhance economic efficiency and promote free and fair competition in trade, industry and all commercial economic activities, prevent economic concentration which will manipulate or constrict the discipline of free markets, and penalise all forms of anti-competitive agreements, abuse of dominant position and anti-competitive mergers and acquisitions, with the objective of protecting consumer welfare and advancing domestic and international trade and economic development. In addition, under the Philippine Competition Act, mergers and acquisitions meeting certain criteria are subject to the review of the Philippine Competition Commission (**PCC**) which can delay or result in revisions to planned mergers and acquisitions and impact the Group's expansion plans. For further discussion on the Philippine Competition Act (**PCA**), please refer to section on "*Regulations*" on page 148 of this Offering Circular.

As the Group continues its strategy of acquisitions and joint ventures, there could be more reason for certain of its transactions to be subject to the PCA or such other applicable anti-trust and competition laws. There can be no assurance that none of the Group's existing or future businesses or strategies will be subject to scrutiny under the PCA or such other applicable anti-trust and competition laws, and the result of any such scrutiny, whether in terms of review, penalties or any conditions imposed on the Group, may have a material adverse effect on its business and strategies.

Changes in tax policies affecting tax exemptions and tax incentives could adversely affect the Group's results of operations.

The Group operates in multiple jurisdictions where it may be subject to certain tax policies and regulations. Any changes in such tax policies affecting tax exemptions and tax incentives may adversely affect the Group's results

of operations. For instance, certain subsidiaries, affiliates and joint ventures of the Company are registered with the Board of Investments (**BOI**) and benefit from certain incentives including, among others, income tax holidays for a certain period.

On 26 March 2021, Republic Act No. 11534, or the Corporate Recovery and Tax Incentives for Enterprise Act (**CREATE Law**), was enacted into law. The CREATE Law aims to help businesses recover and attract more investors by immediately lowering corporate income taxes and modifying the sunset period for the fiscal incentives of corporations such as income tax holidays, special rates and custom duty exemptions. In view of the effectivity of the CREATE Law, the Group's regional operating headquarters were subjected to regular corporate income tax of 25.0 per cent beginning 1 January 2022. The imposition of the minimum corporate income tax (**MCIT**) was reduced from 2 per cent. to 1 per cent. from 1 July 2020 until 30 June 2023. The MCIT reverted to its previous rate of 2 per cent. beginning 1 July 2023. The fiscal incentives that investment promotion agencies may grant to registered business enterprises have also been amended.

On 22 January 2024, Republic Act No. 11976, or the Ease of Paying Taxes (**EOPT Law**), was enacted into law. The EOPT Law was enacted with the aim to increase protection of taxpayer's rights and welfare, ease tax compliance requirements and modernise tax administration. Among other things, the EOPT Law introduced a uniform approach to VAT recognition and invoicing, removed withholding of taxes as a pre-condition to deductibility of expenses and removed payment of annual registration fees.

On 2 October 2024, Republic Act No. 12023 or the Value Added Tax (**VAT**) on Digital Services Law was enacted into law. The new law imposes a 12 per cent. VAT on digital service providers (**DSPs**), particularly those engaged in any service that is supplied over the internet or other electronic network with the use of information technology and where the supply of service is essentially automated. The digital services delivered by non-resident digital service providers shall be considered performed or rendered in the Philippines if the digital services are consumed in the Philippines. Digital Services under the law shall include online search engine, online marketplace or e-marketplace, cloud service, online media and advertising, online platform, or digital goods. The law took effect on 18 October 2024. However, non-resident DSPs shall be subject to VAT only after 120 days from the effectivity of the implementing rules and regulations (**IRR**) to be issued by the Philippine Department of Finance (**DOF**), which, in turn, is expected to be issued within 90 days from the effectivity of the law.

Republic Act No. 12066 or the Corporate Recovery and Tax Incentives for Enterprises—Maximise Opportunities for Reinvigorating the Economy (**CREATE MORE**) was enacted on 8 November 2024 and took effect on 28 November 2024, expanding the tax incentives granted under the CREATE Law. Seeking to enhance and broaden incentives to help boost economic recovery, support enterprises, and attract foreign investment, CREATE MORE introduced a reduced corporate income tax rate of 20 per cent. (which is 5 per cent. lower than the regular tax rate) applicable to domestic corporations and resident foreign corporations that are Registered Business Enterprises (**RBEs**) under the Enhanced Deductions Regime (**EDR**) on taxable income derived from registered projects or activities. The reduction in tax rates is in line with the aim of the government to lower overall tax liabilities of companies while allowing these same companies to benefit from a scheme of enhanced deductions on qualifying expenses. Additionally, the CREATE MORE also expands the scope of expenses eligible for enhanced deductions, in a bid to provide more significant tax relief and further incentivise investments.

Other salient provisions of CREATE MORE include:

(i) depending on location and industry priorities and whether projects or activities are approved by investment promotion agencies or the Fiscal Incentives Review Board, an income tax holiday of four to seven years followed by a special corporate income tax (**SCIT**) of 5 per cent. on gross income earned in lieu of all national and local taxes or an EDR for 10 or 20 years, or SCIT or EDR for a maximum period of 14 to 17 years or 24 to 27 years;

(ii) Domestic Market Enterprises that have an investment capital of at least ₱15 billion and are either import-substituting, or with export sales of at least U.S.$100 million are entitled to avail of VAT zero rating on local purchases and VAT exemption on importation;

(iii) VAT zero rating for local purchases of goods and services was clarified to include services that are incidental to and reasonably necessary for the registered activity of the RBEs, including but not limited to janitorial, security, financial, consultancy, marketing and promotional services, and services rendered for administrative operations such as human resources, legal, and accounting services; and

(iv) a local tax on RBEs at a rate of up to 2 per cent. of gross income, in lieu of all local taxes and fees, may be imposed by local government units on RBEs enjoying the income tax holiday or EDR.

While the recent tax regulations are beneficial to the Group, the expiration, non-renewal, revocation or repeal of these tax regulations, the enactment of any new laws and any associated impact on the Group could have a material adverse effect on the Group's business, financial condition, and results of operations.

Planned U.S. Tax Reform could have an adverse impact on the Group's financial results.

On 11 March 2024, the U.S. Treasury Department released the Treasury Green Book which provides details on its tax proposals. The proposals provide, among others, an increase in the U.S. Corporate Tax Rate from 21.0 per cent. to 28.0 per cent., increase in the Global intangible low-taxed income rate to 21 per cent. and the adoption of the undertaxed profits rule. The proposals are still being deliberated and its final form is not yet determined. Further, in January 2025, the Republican lawmakers in the U.S. House of Representatives compiled a 50-page document that detailed a number of tax proposals including the reduction of the U.S. Corporate Tax Rate from 21 per cent. to 20 per cent. (15 per cent. for United States manufacturers), eliminating taxes on social security income, eliminating taxes on tipped income and overtime pay, implementing a universal 20 per cent. tariff on imported goods. It remains to be seen whether any of these proposals will be effected under the incumbent Trump administration. Depending on which of the proposals are approved, a higher tax rate may result in a higher tax cost for the Group which may negatively affect the Group's profitability and financial performance. Moreover, if any increased tax rates are implemented, the Group may face potential credit risks due to reduced profits, which could impact its ability to meet existing financial obligations, including loan repayments that may affect the Group's creditworthiness.

Imposition of a tax on junk food in the Philippines could have an adverse impact on the Group's financial results.

In 2020, the National Tax Research Center (**NTRC**) submitted a recommendation to impose an excise tax on junk food. Among food and beverages considered by NTRC as junk food were those sold by "fast food" restaurants such as burger, fries, fried chicken, hotdog, pasta and pizza, and among others: deep-fried and salty snacks, sugary desserts and sweets, and carbonated beverages or "soft drinks." The Group's key products fall under the aforementioned categories and may be subject to additional excise tax if a tax ruling is passed. As a result, demand for the Group's product may be impacted and could have an adverse effect on the Group's financial results. However, there has been no action on the part of Congress since the NTRC's recommendation in 2020, and, in 2024, the DOF further stated publicly that it is not inclined to impose or support the imposition of additional consumption-based taxes on junk food and sweetened beverages, as these may be considered inflationary in nature.

OTHER RISKS

The Group's business, reputation and prospects may be adversely affected if the Group is not able to detect and prevent fraud or other misconduct committed by the Group's employees or outsiders on a timely basis.

The Group is exposed to the risk that fraud and other misconduct committed by employees or outsiders could occur. Any occurrence of such fraudulent events may damage the reputation of the Group and may adversely affect its business, financial condition, results of operations and prospects. In addition, failure on the part of the Group to prevent such fraudulent actions may result in penalties under relevant laws and regulations. Although the Group has in place certain internal procedures to prevent and detect fraudulent activities, these may be insufficient to prevent such occurrences from transpiring. There can be no assurance that the Group will be able to avoid incidents of fraud in the course of its business.

Failure to comply with anti-bribery or anti-corruption laws could adversely affect the Group's business operations.

The U.S. Foreign Corrupt Practices Act, the UK Bribery Act and other similar applicable laws prohibiting bribery of government officials and other corrupt practices are the subject of increasing emphasis and enforcement around the world. There can be no assurance that the Group's employees, contractors, agents or other third parties will not take actions in violation of the Group's policies or applicable law, particularly as the Group expands its operations in emerging markets and elsewhere. Any such violations or suspected violations could subject the Group to civil or criminal penalties, including substantial fines and significant investigation costs, and could also materially damage the Group's reputation, brands, international expansion efforts and growth prospects, business and operating results. Publicity relating to any non-compliance or alleged non-compliance could also harm the Group's reputation. Any of the aforementioned factors may have a material adverse effect on the Group's business, results of operations and financial condition.

The Group could be party to litigation and other legal proceedings that could adversely affect the Group by increasing the Group's expenses, diverting management attention or subjecting the Group to significant monetary damages and other remedies.

The Group is involved in litigations, claims, disputes, regulatory assessments and other legal proceedings which are normal to its business. Such litigations, claims, disputes and other legal proceedings may include consumer, employment, real estate-related, tort, intellectual property, breach of contract, disputes relating to franchise agreements, securities, derivative and other litigation. Plaintiffs in these types of lawsuits often seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to such lawsuits may not be accurately estimated. For example, certain plaintiffs filed actions against Smashburger in California for alleged false advertising over a promotion that was undertaken before the Company obtained control of Smashburger. This lawsuit was eventually settled. Regardless of whether any such claims have merit or whether the Group is ultimately held liable or is able to settle, any such litigation may be expensive to defend and may divert resources and management attention away from the Group's operations and negatively impact reported earnings. With respect to insured claims, a judgment for monetary damages in excess of any insurance coverage could adversely affect the Group's financial condition or results of operations. Any adverse publicity resulting from these allegations may also have a material adverse effect on the Group's reputation and/or the market price of the Company's securities which are listed and traded in the PSE, which in turn could materially and adversely affect the Group's results of operations.

In addition, the restaurant industry around the world has been subject to claims that relate to the nutritional content of food, as well as claims that the menus and practices of restaurant chains have led to customer health issues, including weight gain and other adverse effects. These concerns could lead to an increase in the regulation of the content or marketing of the Group's products. The Group may also be subject to such claims in the future and, even if the Group is not, publicity about these matters (particularly directed at the quick service and fast-casual segments of the retail food industry) may harm the Group's reputation and have a material adverse effect on the Group's business, results of operations and financial condition.

The Group may not be able to adequately protect its intellectual property or adequately ensure that the Group is not infringing the intellectual property of others, which could harm the value of the Group's brand and the Group's business.

The success of the Group's business depends on its continued ability to use its existing trademarks and service marks in order to increase brand awareness and further develop the Group's branded products in both domestic and international markets. The Group relies on a combination of trademarks, copyrights, service marks, trade secrets and other intellectual property rights to protect the Group's brand and branded products. The Group has registered certain trademarks and has other trademark registrations pending in the Philippines and foreign jurisdictions in which the Group currently operates or intends to operate. Although the Group has designed and implemented policies and processes and has provided resources for protecting the Group's intellectual property in accordance with relevant law in the Philippines and foreign countries, such policies, processes and resources may not always be adequate. In addition, although in the past the Group generally has been the plaintiff in intellectual property claims, the steps the Group has taken may not adequately ensure that the Group does not infringe the intellectual property of others, and third parties may claim infringement by the Group in the future. In particular, the Group may be involved in intellectual property claims, which may have a material adverse effect on the Group's business, results of operations and financial condition. Any claim of infringement, whether or not it has merit, could be time-consuming, result in costly litigation and harm the Group's business.

The Group cannot ensure that franchisees and other third parties who hold licences to the Group's intellectual property will not take action that hurts the value of the Group's intellectual property.

Members of the Group enter into transactions with related parties.

In the ordinary course of business, the Group has transactions with related parties. Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Individuals owning, directly or indirectly, an interest in the voting power of the Group that give them significant influence over the enterprise, key management personnel, including directors and officers of the Group, and close members of the family of these individuals and companies associated with these individuals also constitute related parties. These transactions have principally consisted of the sale and purchase of food items to/from related parties at market prices, purchased items warehoused with related parties which are charged for logistics and warehousing costs, short-term advances made to related parties, advances made by a related party for another (including payments for various expenditures incurred on behalf of another party) and entering into commercial property leases with related party lessees.

Although the Group has instituted internal policies with respect to related party transactions, including having a board committee to oversee such matters, and believes that all past related party transactions have been conducted at arm's length on commercially reasonable terms, these transactions may involve conflicts of interest, which, although not contrary to law, may negatively impact the Group.

For further information on the Group's related party transactions, see "*Certain Relationships and Related Party Transactions*" on page 146 and Note 27 to the Group's audited consolidated financial statements included in this Offering Circular.

The Guarantor is controlled by certain controlling shareholders, whose interests may not be the same as those of holders of the Notes.

Mr. Tony Tan Caktiong and his family, directly and indirectly, through various holding companies, are the majority shareholders of, and effectively control, the Guarantor as of 31 December 2024. Accordingly, these majority shareholders effectively are able to elect members of the Board of Directors of the Guarantor (the **Board**) and pass shareholder resolutions (not including special resolutions, which require a two-thirds majority), which under the by-laws generally require a majority vote by its shareholders. If the interests of these majority shareholders conflict with the interests of the holders of the Notes, there can be no assurance that these majority shareholders would not cause the Guarantor to take action in a manner which might differ from the interests of holders of the Notes.

The Group's inability or failure to recognise, respond to, and effectively manage, the accelerated impact of social media could adversely impact its business.

In recent years, there has been a marked increase in the use of social media platforms, including blogs, chat platforms, social media websites, and other forms of internet-based communications which allow individuals access to a broad audience of consumers and other interested persons. The rising popularity of social media and other consumer-oriented technologies has increased the speed and accessibility of information dissemination. Many social media platforms immediately publish the content their subscribers and participants post, often without filters or checks on accuracy of the content posted. Information posted on such platforms at any time may be adverse to the Group's interests and/or may be inaccurate. The dissemination of information online could harm the Group's business, reputation, financial condition, and results of operations, regardless of the information's accuracy, notwithstanding the Group's efforts to address the issue. The damage may be immediate without affording the Group an opportunity for redress or correction.

In addition, social media is frequently used by the Group's stores and franchisees to communicate with their respective customers and the public in general. Their failure to use social media effectively or appropriately, particularly as compared to their respective competitors, could lead to a decline in brand value, customer visits and revenue of the Group. Other risks associated with the use of social media include improper disclosure of proprietary information, negative comments about the Group's brands, exposure of personally identifiable information, fraud, hoaxes or malicious dissemination of false information. The inappropriate use of social media by the Group's customers or employees could increase its costs, lead to litigation or result in negative publicity that could damage its reputation and adversely affect its results of operations.

RISKS RELATING TO THE PHILIPPINES

A significant portion of the Group's operations and assets are based in the Philippines and, therefore, a slowdown in economic growth in the Philippines could materially and adversely affect the Group's business, financial position and results of operations.

A significant portion of the Group's business operations and assets are based in the Philippines. As a result, the Group's income, results of operations and the quality and growth of its assets depend, to a large extent, on the performance of the Philippine economy.

The Philippines' annual average inflation rate for 2024 stood at 3.2 per cent. The downtrend in the annual average inflation at the national level for 2024 was primarily caused by the lower annual average increase in the index of food and non-alcoholic beverages at 4.4 per cent. in 2024 from 7.9 per cent. annual average inflation in 2023. In addition, the decline in the annual average inflation of housing, water, electricity, gas and other fuels from 4.9 per cent. in 2023 to 1.7 per cent. in 2024 also contributed to the Philippines' lower annual average inflation rate in 2024. For 2025, the International Monetary Fund anticipates a 6.2 per cent. GDP growth rate for the Philippines, buoyed by an uptick in domestic demand and investment. While this is slightly higher than the previous forecast of 6.1 per cent., it is aligned with the government's target of 6.0 per cent. to 8.0 per cent. Structural reforms, encompassing infrastructure enhancement, education advancement and the attraction of foreign investments are envisioned to sustain growth at approximately 6.0 per cent. to 6.5 per cent.

In December 2024, the Philippines saw a rise in inflation to 2.9 per cent. from 2.5 per cent. in November 2024, attributed to increased prices of major food items owing to the supply disruptions from recent weather disturbances, as well as higher electricity rates and petroleum prices. While this figure is higher than November's 2.5 per cent., it is lower than the 3.9 per cent. recorded in December 2023. Finance Secretary Ralph Recto predicted that inflation would ease further in 2025 from 2.9 per cent. to 3.1 per cent., while the Development Budget Coordination Committee, in consultation with the Bangko Sentral ng Pilipinas (**BSP**), maintained the inflation target at 2.0 to 4.0 per cent. for 2025 to 2026. In February 2025, the Philippine Statistics Authority announced that the Philippines' inflation rate eased to 2.1 per cent. which it attributed to slower increase of food and beverage prices. With lower inflation, experts anticipate there is a possibility the BSP will gradually adjust its policy rate to a less restrictive stance. According to a Pulse Asia survey, controlling inflation has become the top urgent national concern among Filipinos, followed by increasing workers' pay, reducing poverty, creating more jobs and fighting graft and corruption.

Factors that may adversely affect the Philippine economy include:

- decreases in business, industrial, manufacturing or financial activities in the Philippines, Southeast Asia or globally;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines, Southeast Asia or globally;
- exchange rate fluctuations and foreign exchange controls;
- rising inflation or increases in interest rates;
- levels of employment, consumer confidence and income;
- changes in the Government's fiscal and regulatory policies and regulations, including tax laws and regulations that impact or may impact inflation and consumer demand;
- Government budget deficits;
- adverse trends in the current accounts and balance of payments of the Philippine economy;
- public health epidemics or outbreaks of diseases, such as COVID-19, the re-emergence of Middle East Respiratory Syndrome-Corona virus (MERS-CoV), SARS, avian influenza (commonly known as bird flu), the African Swine Fever, or H1N1, or the emergence of another similar disease (such as Zika) in the Philippines or in other countries in Southeast Asia;
- natural disasters, including but not limited to tsunamis, typhoons, earthquakes, fires, floods and similar events;
- political instability, terrorism or military conflict in the Philippines, in other countries in the region or globally; and
- other regulatory, social, political or economic developments in or affecting the Philippines.

Uncertainty surrounding the global economic outlook could cause economic conditions in the Philippines to deteriorate and there can be no assurance that current or future Government policies will continue to be conducive to sustaining economic growth. There can be no assurance that the Philippines will maintain strong economic fundamentals in the future. Any future deterioration in economic conditions in the Philippines could materially and adversely affect the Group's financial position and results of operations, including the Group's ability to implement its business strategy. Changes in the conditions of the Philippine economy could materially and adversely affect the Group's business, financial condition or results of operations.

Political instability may have a negative effect on the business, financial position or results of operations of the Group.

The Philippines has, from time to time, experienced political and military instability, including acts of political violence. In the last two decades, there has been political instability in the Philippines, including extra-judicial killings, alleged electoral fraud, impeachment proceedings against two former presidents, two chief justices of the Supreme Court of the Philippines and public and military protests arising from alleged misconduct by previous administrations. In addition, a number of officials of the Philippine government are currently under investigation or have been indicted on corruption charges stemming from allegations of misuse of public funds, extortion, bribery or usurpation of authority. There can be no assurance that acts of political violence will not occur in the future and any such events could negatively impact the Philippine economy.

On 5 February 2025, the Philippine House of Representatives voted to impeach Vice President Sara Duterte based on multiple grounds, which include plotting to assassinate President Ferdinand Marcos, Jr. and his family, failing to denounce China's aggression in the West Philippine Sea, and misuse of funds. Vice President Duterte currently awaits her impeachment trial before the Philippine Senate.

On 11 March 2025, the International Criminal Court (**ICC**) issued, and Philippine authorities, served, a warrant of arrest against former president Rodrigo Duterte, the father of Vice President Sara Duterte, for alleged crimes against humanity during his time as mayor of Davao City and as President of the Philippines. He has since been brought to The Hague in the Netherlands and is currently being detained at the ICC Detention Centre in The Hague. Numerous political analysts see this as the culmination of months of brewing tension between President Ferdinand Marcos, Jr. and the Duterte family. Several cases are still pending before the Philippine Supreme Court regarding the legality of his arrest and the ICC's jurisdiction, given the Philippines' exit from the Rome Statute in 2019. President Ferdinand Marcos Jr. has defended the arrest, stating it was based on international law and Interpol's request and not direct ICC cooperation. Former president Duterte's case may influence the political landscape, especially with the upcoming May 2025 midterm elections, potentially impacting business operations in the Philippines.

No assurance can be given that the future political or social environment in the Philippines will be stable or that current and future governments will adopt economic policies conducive for sustaining economic growth. An unstable political or social environment, whether due to the imposition of emergency executive rule, martial law or widespread popular demonstrations or rioting, could negatively affect the general economic conditions and operating environment in the Philippines, which could have a material adverse effect on the business, operations and financial condition of the Group.

A major deviation from the policies of the immediate past administration or fundamental change of direction, including with respect to Philippine foreign policy, may lead to an increase in political or social uncertainty and instability. Any potential instability could have an adverse effect on the Philippine economy, which may impact the Group's businesses prospects, financial condition and results of operations.

Acts of terrorism and violent crimes could destabilise the country and could have a material adverse effect on the Group's business, financial position and results of operations.

The Philippines has also been subject to a number of terrorist attacks and the Armed Forces of the Philippines has been in conflict with groups which have been identified as being responsible for kidnapping and terrorist activities in the Philippines. In addition, bombings have taken place in the Philippines, mainly in cities in the southern part of the country. For example, in May 2017, the city of Marawi in Lanao del Sur, Mindanao, was assaulted by the Maute Group, terrorists which were inspired by pledged allegiance to the Islamic State of Iraq and Syria (ISIS).

Due to the clash between the Government forces and the terrorists and the risk of the armed conflict spilling over to other parts of Mindanao, martial law was declared in the entire island group of Mindanao, Philippines. In October 2017, the city was declared liberated from the terrorists. Despite this, the Philippine Congress extended the imposition of martial law in Mindanao until the end of 2019, citing persistent threats of terrorism and rebellion and to ensure the total eradication of ISIS-inspired terrorists in the country. The martial law in Mindanao was lifted on 1 January 2020 and the state of emergency over certain areas in Mindanao was lifted on 25 July 2023, however, threats persist in certain areas in Mindanao and law enforcement groups are in heightened security as a measure against potential terror threats. An increase in the frequency, severity or geographic reach of these terrorist acts could destabilise the Philippines, and adversely affect the country's economy. These armed conflict and terror attacks could lead to further injuries or deaths by civilians and members of the military, which could destabilise parts of the country and adversely affect the country's economy.

Natural or other catastrophes, including severe weather conditions, may adversely affect the Group's business, materially disrupt the Group's operations and result in losses not covered by its insurance.

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, droughts, volcanic eruptions and earthquakes. The Philippines, ranked as one of the world's most vulnerable countries to the impacts of a warming planet, faces an average of 20 storms and typhoons each year. These storms typically devastate harvests, homes and infrastructure in already impoverished areas. In November 2020, two typhoons, Super Typhoon Rolly/Goni and Typhoon Ulysses/Vamco, and in December 2021 and September 2022, Super Typhoon Odette/Rai and Super Typhoon Karding/Noru, respectively, brought heavy winds and rain. In July 2023, Super Typhoon Egay/Doksuri also caused significant destruction. In July and October 2024, respectively, Typhoon Carina/Gaemi and Typhoon Kristine/Trami brought relentless rain, leading to widespread disruptions, including flight cancellations, suspended classes, flooding, landslides and traffic jams in Metro Manila and parts of Luzon.

There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the Group's operations. These factors, which are not within the Group's control, could potentially have significant effects on the Group's assets and operations. While the Group carries insurance for certain catastrophic events, of types, in amounts and with deductibles that the Group believes are in line with general industry practices in the Philippines, there are losses for which the Group cannot obtain insurance at a reasonable cost or at all. The Group's business interruption insurance is limited. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose all or a portion of the capital invested in such business, as well as the anticipated future turnover, while remaining liable for any costs or other financial obligations related to the business. Any material uninsured loss could materially and adversely affect the Group's business, financial condition and results of operations.

Territorial disputes with the PRC and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.

Competing and overlapping territorial claims by the Philippines, the PRC and several Southeast Asian nations (such as Vietnam, Brunei and Malaysia) over certain islands and features in the West Philippine Sea have for decades been a source of tension and conflict.

The PRC claims historic rights to nearly all of the West Philippine Sea based on its so-called "nine-dash line" and in recent years dramatically expanded its military presence in the sea, which has raised tensions in the region among the claimant countries.

In recent months, there has been an increased frequency and heightened intensity of confrontations between the Chinese Coast Guard and Philippine personnel in the West Philippine Sea. These incidents have led to public accusations and diplomatic protests from both countries. In August 2023, China Coast Guard vessels used water cannons against a Philippine resupply mission, preventing one of the boats from delivering its cargo. On 24 September 2023, the Philippine Coast Guard reported that the Chinese Coast Guard has installed a floating barrier near the Bajo de Masinloc (Scarborough Shoal) in the West Philippine Sea in an attempt to prevent Filipino fishermen from entering the Scarborough Shoal. In a special operation conducted the following day, the Philippine Coast Guard confirmed that it has removed and cut the floating barrier. In October 2023, the Philippines has lodged a diplomatic protest with China in response to a manoeuvre by Chinese vessels that led to collisions with Philippine ships on a resupply mission to the BRP Sierra Madre on Ayungin Shoal (international name: Second Thomas Shoal). On 30 April 2024, while Philippine government vessels were distributing fuel and food to the fisherfolk in the Scarborough Shoal, China coast guard vessels attacked them using high-pressure water cannons, causing damage to the vessels. This led the Philippine government to file another diplomatic protest against China. As of 14 January 2025, the Philippines has filed a total of 199 diplomatic protests against China during President Marcos' tenure, with 63 of these protests filed exclusively in 2024. Despite these protests, confrontations between the Chinese Coast Guard and the Philippine Coast Guard and civilian vessels continued throughout 2024, confrontations which include the use of grey-zone tactics by the Chinese Coast Guard such as water cannons, the ramming of vessels, and most recently, the use of acoustic devices and high-powered lasers.

In February 2023, the Philippine and United States governments announced the designation of four new sites under the Enhanced Defense Cooperation Agreement. This expansion is seen as strengthening and making the alliance between the Philippines and the United States more resilient. South Asian nations and claimants involved in the West Philippine Sea dispute also continue to assert their sovereign rights against China and other South Asian nations.

There is no guarantee that the territorial dispute between the Philippines and other countries, including the PRC, would end or that any existing tension will not escalate further, as the PRC has taken steps to exercise control over the disputed territory. In such event, the Philippine economy may be disrupted and its business and financial standing may be adversely affected.

Any deterioration in the Philippine economy as a result of these or other factors, including a significant depreciation of the Peso or increase in interest rates, may adversely affect the Group's operations. In particular, further disputes between the Philippines and other countries may lead to reciprocal trade restrictions on the other's imports or suspension of visa-free access and/or overseas Filipino permits. Any impact from these disputes in countries in which the Group has operations could materially and adversely affect the Group's business, financial condition and results of operations.

Volatility in the value of the Peso against the U.S. dollar and other currencies as well as in the global financial and capital markets could adversely affect the Group's business.

During the last decade, the Philippine economy has from time-to-time experienced significant depreciation of the Peso and limited availability of foreign exchange. In July 1997, the BSP announced that it would allow market

forces to determine the value of the Peso. From 30 June 1997 to 31 December 2003, the Peso experienced periods of significant depreciation and declined from ₱29.0 = U.S.$1.0 (average) in July 1997 to ₱56.3 = U.S.$1.0 as of 31 December 2004. Although the Peso has fluctuated against the U.S. dollar, the Peso in the past couple of years has strengthened against the U.S. dollar due to positive investor sentiment and increases in dollar flows, both from foreign investors and OFWs. As of 31 December 2024, according to BSP data, the Peso stood at ₱58.0 against the U.S. dollar, per BSP data.

Nevertheless, like all emerging markets, the Philippines is not immune to volatilities in the global financial and capital markets and changing investor risk appetites that could trigger capital outflows and put pressure on the Peso. Given this, a decline in the value of the Peso as regards foreign currencies may affect the ability of the Company to service debt obligations denominated in foreign currencies. There can be no assurance that the Peso will not depreciate further against other currencies and that such depreciation will not have an adverse effect on the Group.

The credit ratings of the Philippines may restrict the access to capital of Philippine companies, including the Company.

International credit rating agencies issue credit ratings for companies with reference to the country in which they are resident. As a result, the sovereign credit ratings of the Philippines directly affect companies that are residents in the Philippines, such as the Company.

In June 2024, Fitch retained the sovereign rating of "BBB" with a "Stable" outlook, citing the Philippines' strong medium-term growth, which supports a gradual reduction in government debt/GDP over the medium term and the large size of the economy relative to "BBB" peers. In August 2024, Moody's affirmed the country's long-term local and foreign currency issuer and senior unsecured ratings at "Baa2" with a "stable" outlook, citing as key factors the country's reforms to liberalise the economy, fiscal consolidation efforts and robust macroeconomic fundamentals. On 26 November 2024, S&P affirmed the Philippine's investment-grade long-term credit rating of "BBB+" short-term rating of "A-2" with a "stable" outlook. The agency mentioned that its improved institutional assessment supports a positive outlook for the Philippines, driven by strengthening institutional settings, robust economic recovery, and reforms enhancing business and investment conditions. The country's ratings reflect strong economic growth potential and a solid external position. While pandemic-related fiscal deterioration thinned prior buffers, fiscal consolidation is underway. However, low GDP per capita relative to peers remains a constraint.

The Philippine government is continuing its fiscal consolidation, with a lower deficit and stabilising debt burden. The country's external position remains a rating strength, although current account deficits in recent years have decreased net external assets.

With investment grade status from three credit rating agencies, the Philippines is now eligible to be part of investment grade indices. However, no assurance can be given that Fitch, Moody's, S&P Global Ratings or any other international credit rating agency will not downgrade the credit ratings of the Government in the future and, therefore, of Philippine companies, including the Company. Any such downgrade could have a material adverse effect on liquidity in the Philippine financial markets and the ability of the Philippine government and Philippine companies, including the Company, to raise additional financing, and will increase borrowing and other costs.

Corporate Governance and disclosure standards in the Philippines may differ from those in more developed countries.

Although a principal objective of Philippine securities laws is to promote full and fair disclosure of material corporate information, there may be less publicly available information about Philippine public companies, such as the Company, than is regularly made available by public companies in the U.S. and other countries. As a result, public shareholders of the Company may not have access to the same amount or level of information or have access to information in as timely of a manner as may be the case for companies listed in the U.S. and many other jurisdictions. Furthermore, although the Company complies with the requirements of the Philippine Securities and Exchange Commission (**Philippine SEC**) with respect to corporate governance standards, these standards may differ from those applicable in other jurisdictions. Failure by the Group to maintain effective disclosure controls and procedures and internal control over financial reporting in accordance with the rules of the Philippine SEC could harm the Group's business and results of operations and/or result in a loss of investor confidence in the Group's financial reports, which could have a material adverse effect on the Group's business.

Investors may face difficulties enforcing judgments against the Company.

The Company is organised under the laws of the Philippines. A substantial portion of the Company's assets is located in the Philippines. It may be difficult for investors to effect service of process outside of the Philippines

upon the Company. Moreover, it may be difficult for investors to enforce judgments against the Company outside of the Philippines in any actions pertaining to the Notes. In addition, substantially all of the directors and officers of the Company are residents of the Philippines, and all or a substantial portion of the assets of such persons are or may be located in the Philippines.

As a result, it may be difficult for investors to effect service of process upon such persons or enforce against such persons judgments obtained in courts or arbitral tribunals outside of the Philippines predicated upon the laws of jurisdictions other than in the Philippines.

The Philippines is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments but is a signatory to the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards. Judgments obtained against the Company in any foreign court may be recognised and enforced by the courts of the Philippines in an independent action brought in accordance with the relevant procedures set forth in the Rules of Court of the Philippines to enforce such judgment. However, such foreign judgment or final order may be rejected in the following instances: (i) such judgment was obtained by collusion or fraud; (ii) the foreign court rendering such judgment did not have jurisdiction; (iii) such order or judgment is contrary to good customs, public order or public policy of the Philippines; (iv) the Company did not have notice of the proceedings before the foreign court; or (v) such judgment was based upon a clear mistake of law or fact.

RISKS RELATING TO THE NOTES AND THE NOTES GUARANTEE OF THE NOTES

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of investing in the Notes in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference (if any) in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or distribution payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, foreign exchange rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and investors may purchase such instruments as a way to manage risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The Notes and the Notes Guarantee are unsecured obligations.

The Notes and the Notes Guarantee are unsecured obligations of the Issuer and the Guarantor, respectively. The repayment of the Notes and payment under the Notes Guarantee may be adversely affected if:

- the Issuer or the Guarantor enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Issuer's or the Guarantor's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Issuer's or the Guarantor's indebtedness.

If any of these events were to occur, the Issuer's or the Guarantor's assets may not be sufficient to pay amounts due on the Notes.

Increased leverage may materially and adversely affect the Company's financial condition and results of operations.

As of 31 December 2024, the Group had ₱16.1 billion of long-term debt on a consolidated basis. The Company and its subsidiaries may incur additional indebtedness in the future and, subject to limitations on liens for relevant indebtedness, limitations on indebtedness and limitation on guarantees by material subsidiaries. This increase and any future increase in the Group's level of indebtedness will have several important effects on the Group's future operations, including, without limitation, that:

- the Group will have additional cash requirements to support the payment of interest on its outstanding indebtedness;
- increases in the Group's outstanding indebtedness and leverage may increase its vulnerability to adverse changes in general economic and industry conditions, as well as to competitive pressure;
- increases in the Group's leverage may have an impact on the Group's cost of borrowing or funding;
- the Group's ability to obtain additional financing for working capital, capital expenditures, general corporate and other purposes may be limited; and
- the Group's flexibility in planning for, or reacting to, changes in its business and its industry may be limited.

The Group's ability to make payments of principal and interest on its indebtedness depends on its future performance, which will be subject to general economic conditions, industry cycles and financial, business and other factors affecting the Group's consolidated operations, many of which are beyond its control. If the Group is unable to generate sufficient cash flow from operations in the future to service its debt, the Group may be required, among other things:

- to seek additional financing in the debt or equity markets;
- to refinance or restructure all or a portion of its indebtedness, including the Notes;
- to sell selected assets;
- to reduce or delay planned capital expenditures; or
- to reduce or delay planned operating expenditures.

The Issuer, Company and its subsidiaries may raise other capital and incur substantial indebtedness in the future and may not be able to generate sufficient cash flows to meet its obligations.

The Issuer may from time to time and without prior consultation of the holders of the Notes create and issue further Notes (see Condition 10 (Further Issues)). Furthermore, the Issuer, the Company and its subsidiaries may from time to time incur substantial additional indebtedness and contingent liabilities. If the Issuer, the Company or its subsidiaries incur additional debt, that could have important consequences to investors. For example, it could: (1) limit the ability of the Issuer to satisfy its obligations under the Notes and other debt and the Guarantor to satisfy its obligations under the Notes Guarantee; (2) increase the vulnerability of the Issuer and the Guarantor to adverse general economic and industry conditions; (3) require the Issuer or the Guarantor to dedicate a substantial portion of its cash flow from operations to servicing and repaying its indebtedness, thereby reducing the availability of its cash flow to fund working capital, planned capital expenditures, acquisitions, joint ventures and other general corporate purposes; (4) limit the flexibility of the Issuer or the Guarantor in planning for or reacting to changes in its businesses and the industries in which it operates; (5) limit the Issuer's or the Guarantor's ability to borrow additional funds and increase the cost of additional financing; and (6) place the Issuer or the Guarantor at a competitive disadvantage compared to its competitors that have less debt. If the subsidiaries of the Issuer or the Guarantor incur additional indebtedness, that could also have adverse effects on the subsidiaries similar to those described above, and therefore on the Issuer and the Guarantor. The issue of any further Notes or such other securities, or the incurrence of any such other liabilities, may reduce the amount (if any) recoverable by holders of the Notes on a winding-up of the Issuer or the Guarantor and may also have an adverse impact on the trading price of the Notes and/or the ability of Noteholders to sell them.

Payments under the Notes and the Notes Guarantee will be structurally subordinated to liabilities and obligations of certain of the Company's subsidiaries, associates and joint ventures, and the Notes are not secured.

The Issuer is primarily a holding company with limited business operations. The operations of the Issuer are primarily conducted through its subsidiaries and, therefore, the Issuer depends on the cash flow of its subsidiaries to meet its obligations. Further, none of the Company's subsidiaries will guarantee the Notes on the issue date.

Accordingly, the Notes and the Notes Guarantee will be structurally subordinated in right of payment to all indebtedness and other liabilities and commitments (including trade payables and lease obligations) of the Company's subsidiaries, unless such subsidiaries guarantee the Notes in the future.

Any right of the Company to receive assets of any of its subsidiaries upon the subsidiary's liquidation or reorganisation (and the consequent right of the Noteholders to participate in those assets) will be effectively subordinated to the claims of that subsidiary's creditors, except to the extent that the Company is itself recognised as a creditor of the subsidiary, in which case the claims of the Company would still be subordinated in right of payment to any security in the assets of the subsidiary and any indebtedness of the subsidiary which is senior to that held by the Company. In addition, the Noteholders will not have the benefit of any security interest over the shares of any of the Company's other subsidiaries or any security interest over the assets of any of the Company's other subsidiaries.

Debt notarised under Philippine law has effective priority over a guarantee.

Under Philippine law, in the event of liquidation of a company, unsecured debt of such company (including guarantees of debt) which is evidenced by a public instrument as provided in Article 2244(14)(a) of the Civil Code of the Philippines will rank ahead of unsecured debt of such company which is not so evidenced. Under Philippine law, a debt becomes evidenced by a public instrument when it has been acknowledged before a notary or any person authorised to administer oaths in the Philippines. Although the position is not clear under Philippine law, it is possible that a *jurat* (which is a statement of the circumstances in which an affidavit is made) may be sufficient to constitute a debt evidenced by a public instrument.

The Issuer may not have the ability to raise the funds necessary to finance an offer to repurchase Notes upon the occurrence of certain events constituting a change of control as required by the Trust Deed.

Noteholders may require the Issuer, subject to certain conditions, to redeem their Notes in whole but not in part upon the occurrence of a Change of Control Event (as described in Condition 6.5 of the Conditions). If such an event were to occur, no assurance can be given that the Issuer and the Company would have sufficient funds available at such time to pay the purchase price of the outstanding Notes and the Issuer and the Company may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Notes by the Issuer would constitute an event of default under the Notes, which may also constitute a default under the terms of other indebtedness of the Company and its subsidiaries.

The Company is subject to certain covenants pursuant to the Trust Deed that may limit the Company's ability to finance the Company's future operations and capital needs and to pursue business opportunities and activities.

The Trust Deed will, among other things, restrict the ability of the Issuer, the Company and, in some cases, certain of the Company's subsidiaries to:

- incur or guarantee additional indebtedness;
- create or incur certain liens;
- create or permit to exist any restrictions on the payment of dividends to the Company by certain of the Company's subsidiaries; and
- consolidate or merge with other entities.

In addition, certain of the Company's other financing agreements provide for restrictions and limitations on the Company's ability to pay dividends or make other distributions on the occurrence of certain events. All of these limitations are subject to significant exceptions and qualifications. See "*Terms and Conditions of the Notes*". These covenants and other restrictions and limitations may limit the Company's ability to finance its future operations and capital needs and its ability to pursue business opportunities and activities that may be in the Company's interest.

The Notes may be redeemed at the Issuer's option at any time or upon the occurrence of certain events.

The Notes are redeemable at the option of the Issuer, in whole or in part, at any time before the Par Call Date at a price equal to 100 per cent. of the principal amount of the Notes redeemed, plus the Applicable Premium or at any time after the date that is three months prior to the maturity of the Notes at the Redemption Price. See "*Terms and Conditions of the Notes – Redemption and Purchase – Make whole redemption*" and "*Call Option at Par*," respectively, together with all other outstanding amounts due under the Notes accrued to the date fixed for

redemption. Further, the Issuer has the right to redeem the Notes at any time at 100 per cent. of the principal amount of the notes plus any accrued but unpaid interest upon the occurrence of certain changes in Singapore or Philippine tax law requiring the payment of Additional Amounts (as defined in the Terms and Conditions). See "*Terms and Conditions of the Notes – Redemption and Purchase – Early Redemption due to a Gross-up Event*".

The date on which the Issuer elects to redeem the Notes may not accord with the preference of individual Noteholders. This may be disadvantageous to the Noteholders in light of market conditions or the individual circumstances of the holder of the Notes. In addition, an investor may not be able to reinvest the redemption proceeds in comparable notes at an effective interest rate at the same level as that of the Notes.

There has been no prior market for the Notes, an active trading market for the Notes may not develop, and the trading price of the Notes could be materially and adversely affected.

The Notes are a new issue for which there is currently no trading market. The Company has been advised that the Joint Lead Managers intend to make a market in the Notes, but are not obligated to do so and may discontinue such market making activity at any time without notice. The Company cannot predict whether an active trading market for the Notes will develop or be sustained. If an active trading market were to develop, the Notes could trade at prices that may be lower than the initial offering price. The price at which the Notes trade depends on many factors, including but not limited to:

- prevailing interest rates and the markets for similar securities;
- general economic conditions; and
- the Company's financial condition, historical financial performance and future prospects.

If an active market for the Notes fails to develop or be sustained, the trading price of the Notes could be materially and adversely affected. Approval in-principal has been obtained for the listing and quotation of the Notes on the Official List of the SGX-ST. However, there can be no assurance that the Company will obtain or be able to maintain such a listing or that, if listed, a trading market will develop for the Notes on the SGX-ST. The Issuer does not intend to apply for listing of the Notes on any securities exchange other than the SGX-ST. Lack of a liquid, active trading market for the Notes may adversely affect the price of the Notes or may otherwise impede a holder's ability to dispose of the Notes.

The transfer of Notes is restricted which may adversely affect Noteholders' ability to sell the Notes, impacting their liquidity and the price at which they may be sold.

The Notes and the Notes Guarantee have not been registered under, and Issuer and the Company are not obligated to register the Notes or the Notes Guarantee under, the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. See "*Subscription and Sale*". The Issuer and the Company have not agreed to or otherwise undertaken to register the Notes (including by way of an exchange offer), and the Issuer and the Company have no intention of doing so. Hence, future resales of the Notes may only be made pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such applicable laws.

The Issuer will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST, and such standards may be different from those applicable to debt securities listed in certain other countries.

The Issuer will be subject to reporting obligations in respect of the Notes to be listed on the SGX-ST. The disclosure standards imposed by the SGX-ST may be different than those imposed by securities exchanges in other countries or regions. As a result, the level of information that is available may not correspond to what investors in the Notes may be accustomed to.

The Notes Guarantee will not be registered with the BSP and without BSP registration, the Guarantor cannot access the Philippine banking system to purchase U.S. dollars to fulfil its obligations under the Notes Guarantee.

The Guarantor has not obtained the approval of the BSP for the issuance of the Notes Guarantee, and accordingly, the Guarantor will not be able to purchase U.S. dollars from the Philippine banking system for the purpose of funding payments under the Notes Guarantee. The Guarantor believes that it will be able to obtain sufficient U.S. dollars to meet its obligations under the Notes Guarantee from sources outside the Philippine banking system.

If a holder holds Notes which are not denominated in such holder's home currency, such Noteholder will be exposed to movements in exchange rates adversely affecting the value of the Notes held. In addition, the imposition of exchange controls in relation to any Notes could result in a holder not receiving payments on those Notes.

The Issuer will pay interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if a holder's financial activities are denominated principally in a currency or currency unit (**Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes; (2) the Investor's Currency equivalent value of the principal payable on the Notes; and (3) the Investor's Currency equivalent market value of the Notes.

The Government has, in the past, instituted restrictions on the conversion of Pesos into foreign currency and the use of foreign exchange received by Philippine residents to pay foreign currency denominated obligations. The Monetary Board, with the approval of the President of the Philippines, has statutory authority, during a foreign exchange crisis or in times of national emergency, to suspend temporarily or restrict sales of foreign exchange, require licencing of foreign exchange transactions or require delivery of foreign exchange to the BSP or its designee. Neither the Issuer nor the Company is aware of any pending proposals by the Government regarding such restrictions. Although the Government has from time to time made public pronouncements of a policy not to impose restrictions on foreign exchange, there can be no assurance that the Government will maintain such policy or will not impose economic or regulatory controls that may restrict free access to foreign currency. Any such restriction imposed in the future could adversely affect the ability of holders to repatriate foreign currency upon sale of the Notes.

Noteholders are required to rely on the procedures of the relevant clearing system and its participants while the Notes are held in global form through the relevant clearing system.

The Notes will be represented on issue by one or more Global Certificates that may be deposited with a common depositary for Euroclear and Clearstream. Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Certificates, the Issuer and the Guarantor will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer and the Guarantor has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Certificate.

Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

If definitive Notes are issued, holders should be aware that definitive Notes that have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The liquidity and price of the Notes following this offering may be volatile.

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the revenues, earnings and cash flows of the Company and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies, any adverse change in results of operations could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. There can be no assurance that these developments will not occur in the future.

The Trustee may decline to take actions requested by Noteholders and may request holders of the Notes to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, including without limitation the giving of notice to the Issuer or the Guarantor and the taking of enforcement steps pursuant to Condition 11 of the Conditions, the Trustee may, at its sole discretion, request holders of the Notes to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions on behalf of holders of the Notes. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed or the Conditions and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the holders of the Notes to take such actions directly.

Modifications and waivers may be made in respect of the Conditions and the Trust Deed by the Trustee or less than all of the holders of the Notes.

The Conditions provide that the Trustee may, without the consent of Noteholders, agree to any modification of the Notes and the Trust Deed (with certain exceptions) which in the opinion of the Trustee will not be materially prejudicial to the interests of Noteholders and to any modification of the Conditions of the Notes and the Trust Deed (with certain exceptions) which in the opinion of the Trustee is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes and the Trust Deed (with certain exceptions) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Singapore taxation risk.

The Notes are intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section "*Taxation – Singapore Taxation*".

However, there is no assurance that the Notes will continue to enjoy the tax exemptions and/or concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.

TERMS AND CONDITIONS OF THE NOTES

The following (other than sentences in italics and subject to completion and amendment) are the terms and conditions of the Notes, substantially in the form in which they will be endorsed on the Notes if issued in definitive certificated form, and which will be incorporated by reference into the Global Certificate representing the Notes, subject to the provisions of such Global Certificate.

The issue of the notes in registered form comprising the U.S.$300,000,000 5.332 per cent. guaranteed notes due 2030 (the **Notes**, which expression shall, in these Conditions, unless the context otherwise requires, include any further guaranteed notes issued pursuant to Condition 10 and forming a single series with the Notes) of Jollibee Worldwide Pte. Ltd. (the **Issuer**) are constituted by a trust deed (as amended and/or supplemented from time to time, the **Trust Deed**) to be dated on or about 2 April 2025 among the Issuer, Jollibee Foods Corporation (the **Guarantor**) as guarantor and The Hongkong and Shanghai Banking Corporation Limited (the **Trustee**, which term shall, where the context so permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Deed) for the holders of the Notes.

The Issuer and the Guarantor have entered into an agency agreement (as amended and/or supplemented from time to time, the **Agency Agreement**) to be dated on or about 2 April 2025 with the Trustee, The Hongkong and Shanghai Banking Corporation Limited as principal paying agent (the **Principal Paying Agent**), as transfer agent (the **Transfer Agent**) and as registrar (the **Registrar**) and the other agents appointed under it, relating to the Notes. The Principal Paying Agent, the Registrar, the Transfer Agent and any other agents appointed under the Agency Agreement are collectively referred to as the **Agents**, and such expression includes any successor or additional agent appointed pursuant to the Agency Agreement with respect to the Notes. References to the "Principal Paying Agent", "Registrar", "Transfer Agent", and "Agents" below are references to the principal paying agent, registrar, transfer agent, and agents for the time being. The statements in these terms and conditions (these **Conditions**) include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement. Copies of the Trust Deed and of the Agency Agreement are available for inspection upon prior written request and satisfactory proof of holding between 9:00 a.m. to 3:00 p.m. Hong Kong time on any weekday (except public holidays) by Noteholders at the principal place of business of the Trustee, being at Level 26, HSBC Main Building, 1 Queen's Road Central, Hong Kong. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and those provisions of the Agency Agreement applicable to them. Capitalised terms not otherwise defined herein or in Condition 19 shall have the meaning given to them in the Trust Deed unless the context otherwise requires.

1. STATUS OF THE NOTES

1.1 Status of the Notes

The Notes constitute direct, unconditional, unsubordinated obligations and (subject to the provisions of Condition 4.1) unsecured obligations of the Issuer and will at all times rank *pari passu* without any preference among themselves and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

2. NOTES GUARANTEE

2.1 Notes Guarantee

The payment of principal of and Interest (as defined in Condition 5.1) on the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed on an unsubordinated basis by the Guarantor (the **Notes Guarantee**) in the Trust Deed.

2.2 Status of the Notes Guarantee

The Notes Guarantee constitutes the direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1) unsecured obligation of the Guarantor and will act all times rank *pari passu* in right of payment with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3. FORM, DENOMINATION AND TITLE

3.1 Form and Denomination

The Notes are issued in registered form in the specified denomination of U.S.$200,000 each and integral multiples of U.S.$1,000 in excess thereof (referred to as the **principal amount** of a Note). An individual certificate (a **Certificate**) will be issued to each Noteholder in respect of its registered holding or holdings of Notes.

Each Certificate will be serially numbered with an identifying number which will be recorded in the register of Noteholders (the **Register**).

*Upon issue, the Notes will be represented by a Global Certificate deposited with and registered in the name of a nominee of a common depositary for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream**). The Conditions are modified by certain provisions contained in the Global Certificate while any of the Notes are represented by the Global Certificate. See "The Global Certificate". The Notes are not issuable in bearer form.*

3.2 Title and Transfer

(a) **Register and Title:** Title to the Notes passes upon registration of transfers in the Register which the Issuer will procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement. The registered Holder of any Note will (except as ordered by a court of competent jurisdiction or as otherwise required by law) be treated as its absolute owner for all purposes (whether or not any payment in respect of it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it (other than a duly completed and endorsed form of transfer in respect of such Note) or its theft or loss) and no person will be liable for so treating such Holder. In these Conditions, **Noteholder** and (in relation to a Note) **Holder** mean the person in whose name a Note is registered in the Register.

For a description of the procedures for transferring title to book-entry interests in the Notes, see "Clearing and Settlement of the Notes".

(b) **Transfers:** Subject to Conditions 3.2(e) and 3.2(f), one or more Notes may be transferred in whole or in part in their principal amount(s). Any Notes represented by one or more Certificates may be transferred only upon the surrender, at the specified office of the Registrar or any Transfer Agent, of the Certificate(s) representing such Notes to be transferred, with the form of transfer endorsed on such Certificate duly completed and executed and together with such other evidence as the Registrar or the Transfer Agent may require to prove the title of the transferor and the authority of the individual who has executed the form of transfer; *provided*, however, that such Notes may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Noteholder are being transferred) the principal amount of the balance of Notes not transferred are in authorised denominations described in Condition 3.1. In the case of a transfer of part only of a holding of Notes represented by one Certificate, a new Certificate will be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

Transfers of interests in the Notes evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

For a description of certain restrictions on transfers of interests in the Notes, see "Subscription and Sale".

(c) **Delivery:** Each new Certificate to be issued pursuant to Condition 3.2(b) will be available for delivery and the Registrar shall register the transfer in question within five business days of receipt of such form of transfer. Delivery of new Certificate(s) shall be made at the specified office of the Transfer Agent or the Registrar, as the case may be, to whom delivery shall have been made or, at the option of the Holder making such delivery as aforesaid and as specified in the form of transfer or otherwise in writing, shall be mailed by pre-paid first class post at the risk of the Holder entitled to the new Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. For the purposes only of this Condition 3.2(c), **business day** means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Transfer Agent and the Registrar.

Except in the limited circumstances described herein (see "The Global Certificate"), owners of interests in the Notes will not be entitled to receive physical delivery of Certificates. Issues of Certificates upon transfer of Notes are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement.

(d) **No charge:** Transfers of Notes and Certificates representing such Notes in accordance with these Conditions on registration or transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment (or the giving of such indemnity and/or

security and/or pre-funding as the Registrar or the Transfer Agent may require in respect thereof) of any tax, duty or other governmental charges which may be imposed in relation to it.

(e) **Closed periods:** No Noteholder may require the transfer of a Note to be registered during the period of 15 calendar days ending on (and including) the due date for any payment of principal, premium (if any) or interest on that Note.

(f) **Regulations:** All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer in any manner which is reasonably required by the Issuer with the prior written approval of the Trustee and the Registrar, and by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be sent by the Registrar to any Noteholder (free of charge to the Holder and at the Issuer's (failing which, the Guarantor's) expense) upon written request and satisfactory proof of holding.

4. COVENANTS

4.1 Negative Pledge

So long as any Note remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will, and the Guarantor will ensure that none of its Material Subsidiaries will, create or permit to subsist any Lien upon the whole or any part of the property, assets or revenues, present or future, of the Issuer, the Guarantor or any Material Subsidiary, respectively, to secure any Relevant Indebtedness or to secure any guarantee of or indemnity in respect of, any Relevant Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Notes and the Trust Deed (a) are secured equally and rateably therewith, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution of the Noteholders.

4.2 Limitation on Indebtedness

(a) The Guarantor will not Incur any Indebtedness if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom on a pro forma basis, the ratio of Net Debt to Total Equity would exceed 3.0 to 1.0.

(b) Notwithstanding the foregoing, the Guarantor may Incur each and all of the following:

(i) Indebtedness under the Notes Guarantee;

(ii) Indebtedness outstanding on the Issue Date;

(iii) Indebtedness (**Permitted Refinancing Indebtedness**) issued in exchange for, or the net proceeds of which are used to refinance, refund, renew, redeem, replace, defease or discharge, then outstanding Indebtedness Incurred under Conditions 4.2(a) or 4.2(b)(i), (ii) or (iii) hereunder, and any refinancings thereof; in each case in an amount not to exceed the amount so exchanged, refinanced, refunded, renewed, redeemed, replaced, defeased or discharged (plus premiums, accrued interest, fees and expenses); provided that Indebtedness the proceeds of which are used to refinance or refund the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes shall only be Permitted Refinancing Indebtedness if (x) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes, or (y) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes;

(iv) Indebtedness pursuant to Hedging Obligations entered into in the ordinary course of business and not for speculative purposes and designed to protect the Guarantor from fluctuations in interest rates, currencies or the price of commodities and not for speculation;

(v) Indebtedness represented by Capitalised Lease Obligations, mortgage financings or purchase money obligations, or for the purpose of financing all or a portion of the purchase price of, or in connection with the acquisition (whether through the direct purchase of property, plant or

equipment or the Capital Stock of any Person owning such property, plant or equipment), construction, improvement or development of, real or personal, movable or immovable, property, assets, concessions or licences, provided that the aggregate amount of Indebtedness at any time outstanding under this Condition 4.2(b)(v) shall not exceed 15 per cent. of Total Assets;

(vi) Subordinated Indebtedness of the Guarantor owed to any of its Affiliates (excluding Subsidiaries), provided that such Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding: (x) does not provide for cash payments of interest thereon at any time during the period beginning on the Issue Date and ending on the Stated Maturity of the Notes; or (y) provides for cash payments of interest thereon only to the extent that, as of the date of the first such proposed cash interest payment, the outstanding principal amount of such Indebtedness, including any accrued pay-in-kind, discount or similar interest thereon, could be Incurred under Condition 4.2(a);

(vii) [Reserved]

(viii) Indebtedness with a maturity of one year or less used by the Guarantor for working capital; provided that the aggregate principal amount of Indebtedness permitted by this Condition 4.2(b)(viii) at any time outstanding does not exceed U.S.$25 million (or the Dollar Equivalent thereof) in the aggregate;

(ix) Indebtedness in respect of workers' compensation claims, self-insurance obligations, performance, surety and similar bonds, bankers acceptances, completion guarantees and similar obligations, and reimbursement obligations with respect thereto, in the ordinary course of business;

(x) Indebtedness constituting reimbursement obligations with respect to letters of credit, trade guarantees, bank guarantees or similar obligations issued in the ordinary course of business to the extent that such letters of credit or guarantees are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the thirtieth Business Day following receipt by the Guarantor of a demand for reimbursement;

(xi) Indebtedness arising from agreements of the Guarantor providing for customary indemnification, adjustment of purchase price or similar obligations, in each case, Incurred in connection with the disposition of any business, or assets, or Capital Stock of a Subsidiary; provided that the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by the Guarantor in connection with such disposition;

(xii) Indebtedness arising from the honouring by a bank or other financial institution of a cheque, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is repaid in full or otherwise extinguished within five Business Days of Incurrence;

(xiii) Indebtedness of any Person outstanding on the date on which such Person is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Guarantor (other than Indebtedness Incurred to provide all or any portion of the funds used to consummate the transaction or series of related transactions pursuant to which such Person was otherwise acquired by the Guarantor); provided, however, with respect to this Condition 4.2(b)(xiii), that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be Incurred, the Guarantor would have been able to Incur at least U.S.$1.00 of additional Indebtedness in compliance with Condition 4.2(a) after giving pro forma effect to the incurrence of such Indebtedness pursuant to this Condition 4.2(b)(xiii) or (ii) Net Debt to Total Equity would not be more than it was immediately prior to giving pro forma effect to the Incurrence of such Indebtedness pursuant to this Condition 4.2(b)(xiii);

(xiv) Indebtedness of the Guarantor owed to the Issuer or any Subsidiary; provided that (A) (i) any event or circumstance which results in any Subsidiary owed any Indebtedness pursuant to this Condition 4.2(b)(xiv) ceasing to be a Subsidiary or (ii) any subsequent transfer of such Indebtedness to a Person other than any Subsidiary shall be deemed, in each case, to constitute

an Incurrence of such Indebtedness not permitted by this Condition 4.2(b)(xiv) and (B) such Indebtedness must be unsecured and expressly be subordinated in right of payment to the Notes Guarantee; and

(xv) Indebtedness not otherwise permitted by Condition 4.2 in an aggregate principal amount outstanding at any time (together with refinancings thereof) not to exceed U.S.$25 million (or the Dollar Equivalent thereof).

(c) For the purposes of determining any particular amount of Indebtedness under this Condition 4.2, Guarantees of Indebtedness or obligations with respect to letters of credit supporting Indebtedness otherwise included in the determination of such particular amount shall not be included.

(d) The Guarantor will not Incur any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Guarantor, unless such Indebtedness is contractually subordinated in right of payment to the Notes Guarantee, on substantially identical terms; provided, however, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Guarantor solely by virtue of being unsecured or by virtue of being secured on a junior priority basis.

(e) Notwithstanding any other provision of this Condition 4.2, the maximum amount of Indebtedness that may be Incurred pursuant to this Condition 4.2 will not be deemed to be exceeded with respect to any outstanding Indebtedness due solely to the result of fluctuations in the exchange rate of currencies. With respect to any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar equivalent principal amount (or accreted value, as applicable) of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; provided that if such Indebtedness is incurred to renew, refund, refinance, replace, defease or discharge other Indebtedness denominated in a foreign currency, and such renewal, refunding, refinancing, replacement, defeasance or discharge would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date thereof, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount (or accreted value, as applicable) of such Indebtedness does not exceed the principal amount (or accreted value, as applicable) of such Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.

(f) For purposes of determining compliance with this Condition 4.2, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under Condition 4.2(a) hereunder, the Issuer, in its sole discretion, will classify, and from time to time may reclassify, such item of Indebtedness.

The accrual of interest, the accretion or amortisation of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of Preferred Stock or perpetual securities or other similar instruments as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock, will not be deemed to be an Incurrence of Indebtedness.

4.3 Limitation on Guarantees by Material Subsidiaries

The Guarantor will not permit any Material Subsidiary, directly or indirectly, to Guarantee any Relevant Indebtedness of the Issuer or the Guarantor, unless: (a) such Material Subsidiary simultaneously executes and delivers a supplemental trust deed to the Trust Deed providing for a Subsidiary Guarantee of payments in respect of the Notes by such Material Subsidiary on an equal and ratable basis with such Guarantee and up to the maximum amount of such Guarantee for so long as such Guarantee remains effective; and (b) such Material Subsidiary waives and will not in any manner whatsoever claim, or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Issuer or the Guarantor as a result of any payment by such Material Subsidiary under such Guarantee until the Notes have been paid in full.

4.4 Limitation on Dividend Restrictions

Subject to laws of general application in relation to the payment of dividends, the Issuer and the Guarantor will not, and will not permit any Material Subsidiaries to create or otherwise cause or permit to exist any restrictions on dividend payments by Material Subsidiaries to the Guarantor.

The foregoing does not apply to restrictions on dividend payments:

(a) existing in agreements as in effect on the Issue Date (including the Trust Deed and these Conditions) and in any amendments, restatements, modifications, supplements, extensions, refinancings, refunding, renewals or replacements of any of the foregoing agreements; provided that such restrictions in any such amendment, restatement, modification, supplement, extension, refinancing, refunding, renewal or replacement, taken as a whole, are not materially more restrictive, with respect to such dividend restriction, than those restrictions that are then in effect and that are being amended, restated, modified, supplemented, extended, refinanced, refunded, renewed or replaced;

(b) existing under or by virtue of Permitted Refinancing Indebtedness; provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(c) existing under or by virtue of the Notes or the Notes Guarantee;

(d) existing under or by virtue of Non-Recourse Debt;

(e) existing under or by reason of applicable law, rule, regulation, or order;

(f) existing under any instrument with respect to any Person (including any Subsidiary) or the property or assets of such Person at the time such Person becomes or is merged with or into a Material Subsidiary or at the time any property or assets of any Person are acquired by any Material Subsidiary, existing at the time of such acquisition and in each case not incurred in contemplation thereof, and any extensions, refinancings, renewals or replacements thereof; provided that such restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no less favourable in any material respect to the Noteholders than those restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(g) existing with respect to a Material Subsidiary, and imposed pursuant to an agreement that has been entered into for the sale or other disposition of such Material Subsidiary;

(h) contained in credit agreements, financing agreements, trust deeds, indentures or other agreements or instruments relating to Indebtedness incurred by Material Subsidiaries subsequent to the Issue Date and not in violation of Condition 4.2 above, and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements, if the restrictions are customary for a financing of that type or are not materially more restrictive, taken as a whole, than those contained in the Notes and the Note Guarantees;

(i) existing in customary provisions in joint venture agreements, shareholder agreements and other similar agreements not prohibited by these Conditions, to the extent such restrictions relate to the activities or assets of a Material Subsidiary that is party to such joint venture, shareholder or similar agreement and if the restrictions are customary for an agreement of that type;

(j) contained in the terms and conditions of, or any document constituting, any Preferred Stock, perpetual securities or similar capital instruments issued by the Issuer, Guarantor or any of its Material Subsidiaries; and

(k) arising from, or agreed to, in the ordinary course of business of the Issuer, the Guarantor or any Material Subsidiary.

4.5 Limitation on Consolidation, Merger and Sale of Assets

So long as any Note remains outstanding, (i) neither the Issuer nor the Guarantor shall consolidate with, or merge with or into, another Person, permit any Person to merge with it, or (ii) sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Subsidiaries' properties and assets (calculated in their entirety) (each of (i) and (ii), a **Merger**) unless:

(a) the Issuer or the Guarantor shall be the continuing Person, or the continuing Person shall expressly assume all obligations of the Issuer, as the case may be, under the Notes and the Trust Deed, as applicable; and

(b) immediately after giving effect to such Merger on a pro forma basis, no Event of Default shall have occurred and be continuing or would result therefrom.

4.6 Provision of Financial Statements and Reports

(a) The Guarantor will furnish to the Trustee and, upon request, any Noteholder:

(i) within 180 calendar days after the end of the Financial Year of the Guarantor, copies of its financial statements (on a consolidated basis and in the English language) in respect of such Financial Year (including at least a statement of income, statement of financial position and statement of cash flows) audited by a member firm of an internationally recognised firm of independent accountants; and

(ii) within 120 calendar days after the end of each quarterly period (other than the final period of a Financial Year) of the Guarantor, copies of its unaudited financial statements (on a consolidated basis and in the English language) in respect of such quarterly period or (in the case of the second quarter of each Financial Year) the relevant semi-annual period (including at least a statement of income, statement of financial position and statement of cash flows).

(b) at the same time as the provision of the annual reports or within 14 days of any request therefor from the Trustee, a compliance certificate in the form scheduled to the Trust Deed (**Compliance Certificate**).

4.7 Suspension of Certain Covenants

If on any date following the Issue Date of the Notes, the Notes have a rating of Investment Grade from a Rating Agency and no Potential Event of Default or Event of Default has occurred and is continuing (a **Suspension Event**), then, beginning on that day and continuing until such time, if any, at which such Notes cease to have a rating of Investment Grade from a Rating Agency, the following Conditions will be suspended and will no longer apply:

(a) Condition 4.2 (Limitation on Indebtedness); and

(b) Condition 4.3 (Limitation on Guarantees by Material Subsidiaries); and

(c) Condition 4.4 (Limitation on Dividend Restrictions).

Such covenants will be reinstated and apply according to their terms as of and from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Guarantor, the Issuer or any Material Subsidiary properly taken in compliance with the Conditions during the continuance of the Suspension Event.

5. INTEREST

5.1 Rate of Interest

The Notes bear interest (**Interest**) from and including the Issue Date at the rate of 5.332 per cent. per annum, payable in equal instalments of U.S.$26.66 per U.S.$1,000 in principal amount of Notes semi-annually in arrear on 2 April and 2 October of each year (each an **Interest Payment Date**) commencing on 2 October 2025.

5.2 Interest Accrual

Each Note will cease to bear Interest from and including its due date for redemption unless, upon due presentation or surrender, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event Interest shall continue to accrue as provided in the Trust Deed.

5.3 Broken Amounts

When any Interest is required to be calculated in respect of a period of less than a full six months, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days, and the resulting figure shall be rounded to the nearest U.S. cent, half of any U.S. cent being rounded upwards.

6. REDEMPTION AND PURCHASE

6.1 Redemption

Unless previously redeemed or repurchased and cancelled as provided in these Conditions, the Notes will be redeemed at their principal amount on 2 April 2030.

6.2 Make whole redemption

At any time prior to the Par Call Date, the Issuer may on any one or more occasions redeem all or a part of the Notes, on the giving of not less than 30 and not more than 60 calendar days' irrevocable notice of redemption to the Noteholders in accordance with Condition 13.1, at a redemption price equal to 100 per cent. of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, the date of redemption, subject to the rights of Noteholders on the relevant record date (as defined in Condition 7.1) to receive interest due on the relevant Interest Payment Date. Neither the Trustee nor any of the Agents shall be responsible for verifying or calculating the Applicable Premium.

6.3 Call Option at Par

At any time and from time to time on or after 2 January 2030 (the date that is three months prior to the maturity of the Notes, the **Par Call Date**), the Issuer or the Guarantor, may at its option redeem all or a part of the Notes at the Redemption Price, on the giving of not less than 30 and not more than 60 calendar days' irrevocable notice of redemption to the Noteholders in accordance with Condition 13.1 and to the Trustee and the Principal Paying Agent in writing.

6.4 Early redemption due to a Gross-up Event

(a) If a Gross-up Event occurs, the Issuer may redeem the Notes (in whole but not in part) at the Redemption Price, on the giving of not less than 30 and not more than 60 calendar days' irrevocable notice of redemption to the Noteholders in accordance with Condition 13.1 and to the Trustee and the Principal Paying Agent in writing.

(b) No such notice of redemption may be given earlier than 45 calendar days prior to the earliest calendar day on which the Issuer or, as the case may be, the Guarantor would be for the first time obliged to pay the Additional Amounts in question on payments due in respect of the Notes.

(c) Prior to the giving of any such notice of redemption, the Issuer will deliver or procure that there are delivered to the Trustee:

(i) a certificate signed by an Authorised Signatory (as defined in the Trust Deed) of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions to the exercise of the right of the Issuer to redeem have been satisfied and that the obligation to pay Additional Amounts (as defined in Condition 8.1) cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it; and

(ii) an opinion of an independent legal or tax adviser of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay the Additional Amounts in question as a result of a Gross-up Event,

and the Trustee shall be entitled to accept the above certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event the same shall be conclusive and binding on the Noteholders.

6.5 Early redemption due to a Change of Control Event

(a) Upon the occurrence of a Change of Control Event, each Noteholder shall have the right, at its option, to require the Issuer to repurchase all (but not some only) of its Notes on the Change of Control Event Put Date at any time prior to the Maturity Date at 101 per cent.

(b) Within 14 days following a Change of Control Event, the Guarantor shall notify the Trustee and the Principal Paying Agent and each Noteholder in accordance with Condition 13.1, which notice shall state (i) that a Change of Control Event has occurred and that such Noteholder has the right to require the Issuer to redeem its Notes; (ii) the date set by the Issuer for such repurchase (which shall be no earlier than 30 days and no later than 60 days from the date such notice is given) (the **Change of Control Event Put Date**); and (iii) the procedures determined by the Issuer, consistent with the Trust Deed, that a Noteholder must follow in order to have its Notes redeemed. The Trustee shall not be required to take any steps to ascertain whether a Change of Control Event or any event which could lead to the occurrence of a Change of Control Event has occurred nor be liable to any person for any failure to do so.

6.6 Purchase of Notes

The Issuer, the Guarantor or any of their respective Subsidiaries may, in compliance with applicable laws, purchase Notes in any manner and at any price. Such acquired Notes may be surrendered for cancellation or held or resold. The Notes so purchased, while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 11 or 15.1.

6.7 Responsibility of Trustee and Agents

The Trustee and the Agents shall not be required to take any steps to ascertain whether a Gross-up Event or a Change of Control Event has occurred and shall not be responsible or liable to the Noteholders, the Issuer, the Guarantor or any other person for any loss arising from any failure to do so.

7. PAYMENTS

7.1 Principal and Interest

Payments of principal, premium (if any), and Interest will be made by transfer to the registered account of the Noteholder. Payments of principal, premium (if any) and payments of interest due otherwise than on an Interest Payment Date will only be made against surrender of the relevant Certificate at the specified office of the Principal Paying Agent. Interest on Notes due on an Interest Payment Date will be paid to the Holder shown on the Register at the close of business on the date (the **record date**) being the fifteenth calendar day before the relevant Interest Payment Date.

For the purposes of this Condition 7.1, a Noteholder's **registered account** means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the Register at the close of business, in the case of principal, premium (if any) and interest due otherwise than on an Interest Payment Date, on the second Business Day (as defined below) before the due date for payment and, in the case of interest due on an Interest Payment Date, on the relevant record date.

Notwithstanding the foregoing, so long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear, Clearstream or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the Noteholder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "Clearing System Business Day" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

7.2 Payments subject to Applicable Laws

Payments in respect of principal, premium (if any) and interest on Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment (including but not limited to, the requirements on the submission of necessary documentation to claim tax exemption or prove entitlement to preferential tax treaty rates), but without prejudice to the provisions of Condition 8.

7.3 No Commissions

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition 7.

7.4 Payment on Business Days

Payment instructions (for value the due date or, if that is not a Business Day (as defined below), for value the first following day which is a Business Day (as defined below)) will be initiated and, where payment is to be made by the Issuer or the Guarantor by cheque, the cheque will be mailed, on the Business Day (as defined below) preceding the due date for payment or, in the case of a payment of principal and premium (if any), or a payment of interest due otherwise than on an Interest Payment Date, if later, on the Business Day (as defined below) on which the relevant Certificate is surrendered at the specified office of an Agent.

Noteholders will not be entitled to any Interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day (as defined below), if the Noteholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition 7.4 arrives after the due date for payment.

In these Conditions, **Business Day** means a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City, Hong Kong, London, Singapore and Manila, and, in the case of presentation of a Certificate, in the place in which the Certificate is presented.

7.5 Partial Payments

If the amount of principal, premium (if any) or interest which is due on the Notes is not paid in full, the Registrar will annotate the Register with a record of the amount of principal, premium (if any) or interest in fact paid.

7.6 Agents

The names of the initial Agents and their initial specified offices are set out below and in the Agency Agreement. The Issuer and the Guarantor reserve the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that:

(a) there will at all times be a Principal Paying Agent;

(b) so long as the Notes are listed on the Singapore Exchange Securities Trading Limited (the **SGX-ST**) and the rules of the SGX-ST so require, if the Notes are issued in definitive form, there will be at all times be a paying agent in Singapore unless the Issuer obtains an exemption from the SGX-ST. In addition, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Certificates, including details of the paying agent in Singapore;

(c) there will at all times be a Registrar which will maintain the Register outside the United Kingdom; and

(d) there will at all times be a Transfer Agent.

Notice of any termination or appointment and of any changes in specified offices shall be given to the Noteholders promptly by the Issuer in accordance with Condition 13.1.

8. TAXATION AND GROSS-UP

8.1 Payment without withholding

All payments of principal, premium (if applicable) and Interest by or on behalf of the Issuer or the Guarantor in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law.

If the Issuer or, as the case may be, the Guarantor, is required to make a deduction or withholding by the Relevant Jurisdiction, the Issuer or, as the case may be, the Guarantor, shall pay such additional amount (**Additional Amounts**) as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required; except that no Additional Amounts will be payable in relation to any payment in respect of any Note:

(a) presented for payment (if applicable) by or on behalf of a Noteholder who is liable to the Taxes in respect of such Note by reason of their having some connection with any Relevant Jurisdiction other than the mere holding of the Note;

(b) presented for payment (if applicable) more than 30 days after the Relevant Date (as defined in Condition 8.2) except to the extent that a Holder of such Note would have been entitled to such Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day (as defined in Condition 7.4); or

(c) where such withholding or deduction would not have been so imposed but for the failure by the Holder of such Note, after written request made to that Holder at least 30 calendar days before any such withholding or deduction would be payable, by the Issuer, the Trustee or the Principal Paying Agent, as applicable, to comply with any identification, information, documentation or other similar reporting requirement concerning its nationality, residence or connection with the Relevant Jurisdiction, which is required or imposed by a statute, regulation or published administrative interpretation of general application of the Relevant Jurisdiction as a precondition to reduction or exemption from such withholding or deduction.

8.2 Interpretation

In these Conditions:

(a) The **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the moneys payable has not been received by the Principal Paying Agent, the Trustee or the Registrar, as the case may be, on or before such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 13.1.

(b) The **Relevant Jurisdiction** means, in respect of the Issuer, Singapore, or any political subdivision or any authority thereof or therein having power to tax and, in respect of the Guarantor, the Republic of the Philippines or any political subdivision or any authority thereof or therein having power to tax, and in the event of any substitution or other corporate action resulting in either the Issuer or the Guarantor (as the case may be) being incorporated in any other jurisdiction, that other jurisdiction or any political subdivision or any authority thereof or therein having power to tax.

8.3 Additional Amounts, principal and interest

Any reference in these Conditions to any amounts in respect of the Notes will be deemed also to refer to any Additional Amounts which may be payable under this Condition 8 or under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed. Unless the context otherwise requires, any reference in these Conditions to **principal** includes any instalment amount or redemption amount and any other amounts in the nature of principal payable pursuant to these Conditions and **interest** includes all amounts payable pursuant to Condition 5 and any other amounts in the nature of interest payable pursuant to these Conditions.

8.4 Responsibility of Trustee and Agents for Payment of Taxes

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, any Noteholder or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), Interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

9. PRESCRIPTION

Claims against the Issuer or the Guarantor for payment in respect of the Notes or the Notes Guarantee will prescribe and become void unless made within 10 years (in the case of principal or premium, if any) and five years (in the case of Interest) from the appropriate Relevant Date in respect of the Notes, subject to the provisions of Condition 7.

10. FURTHER ISSUES

The Issuer is at liberty from time to time without the consent of the Noteholders to create and issue further notes either (a) ranking *pari passu* in all respects (or in all respects save for the issue date and the first payment of Interest thereon) and so that the same will be consolidated and form a single series with the Notes or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of the issue. Any further Notes which are to form a single series with the Notes will be constituted by a deed supplemental to the Trust Deed.

11. EVENTS OF DEFAULT AND ENFORCEMENT

11.1 Events of Default

If any of the following events (each an **Event of Default**) occurs and is continuing, the Trustee at its sole discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or pre-funded by the holders to its satisfaction), give

notice in writing to the Issuer that the Notes are, and they shall accordingly thereby become, immediately due and repayable at 100 per cent. of their principal amount together with accrued and unpaid interest as provided in the Trust Deed:

(a) **Non-Payment**: (i) failure by the Issuer to pay any principal when due in respect of the Notes and such default continues for a period of five Business Days; or (ii) failure by the Issuer to pay premium (if any) or interest due in respect of the Notes and such default continues for a period of 10 Business Days; or

(b) **Breach of Other Obligations**: the Issuer or the Guarantor defaults in the performance or observance of, or compliance with, any one or more of its other obligations under the Conditions or the Trust Deed, which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 60 days after notice of such default shall have been given to the Issuer or the Guarantor by the Trustee; or

(c) **Cross-Acceleration**: (i) any other present or future Indebtedness of the Issuer or the Guarantor (other than Non-Recourse Debt) for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity as a result of acceleration of such Indebtedness (and not at the option of the Issuer or the Guarantor) by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such Indebtedness is not paid when due or, as the case may be, within any applicable grace period, provided that the aggregate amount of the relevant Indebtedness in respect of which one or more of the events mentioned above in this Condition 11.1(c) have occurred equals or exceeds U.S.$45 million (or the Dollar Equivalent thereof); or

(d) **Judgement, Decree or Order**: a final judgement, decree or order has been entered against the Issuer, the Guarantor or any of the Material Subsidiaries by a court of competent jurisdiction from which no appeal may be made or is taken for the payment of money in excess of U.S.$45.0 million or its Dollar Equivalent and any relevant period specified for payment of such judgement, decree or order shall have expired without it being satisfied, discharged or stayed; or

(e) **Enforcement Proceedings**: a distress, attachment, execution, seizure before judgement or other legal process is levied, enforced or sued out on or against the whole or any material part of the property, assets or revenues of the Issuer, the Guarantor or any of the Material Subsidiaries and is not discharged or stayed within 60 days; or

(f) **Security Enforced**: an encumbrancer takes possession or an administrative or other receiver or an administrator or other similar officer is appointed of the whole or a material part of the property, assets or revenues of the Issuer, the Guarantor or any of the Material Subsidiaries (as the case may be) and is not discharged or stayed within 60 days; or

(g) **Involuntary Proceedings**: (i) proceedings are initiated against the Issuer, the Guarantor or any Material Subsidiary under any applicable liquidation, insolvency, composition, reorganisation, rehabilitation or other similar laws or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, the Guarantor or any Material Subsidiary or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, and (ii) such case (other than the appointment of an administrator) is not stayed or discharged within 60 days; or

(h) **Winding-Up**: (i) any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, the Guarantor or any Material Subsidiary; or (ii) the Issuer, the Guarantor or any Material Subsidiary ceases or threatens to cease to carry on the whole or substantially all of its business, save in each case of (i) and (ii) (a) for the purposes of reorganisation on terms approved by an Extraordinary Resolution of Noteholders or (b) in the case of a Material Subsidiary, whereby the undertaking and assets of such Material Subsidiary are transferred to or otherwise vested in the Issuer, the Guarantor or any Material Subsidiary, or (c) pursuant to a restructuring or reorganisation while solvent, or (d) in the case of a Material Subsidiary, any disposal or sale of a Material Subsidiary to any other person on arms' length terms for market consideration; or (iii), or the Issuer, the Guarantor or any Material Subsidiary stops or threatens to stop payment of, or is unable to, or admits inability to, pay all or a substantial part of its debts (or any class of its debt) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(i) **Voluntary Proceedings**: the Issuer, the Guarantor or any Material Subsidiary initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition,

reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

(j) **Repudiation**: the Issuer or the Guarantor shall contest in writing the validity or enforceability of the Trust Deed or the Notes or shall deny generally in writing the liability of the Issuer or the Guarantor under any of the Trust Deed or the Notes; or

(k) **Illegality**: it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under the Notes or the Trust Deed; or

(l) **Analogous Events**: any event occurs, which, under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (g), (h), and (i) of this Condition 11.1.

Each of the Issuer and the Guarantor has undertaken in the Trust Deed that, so long as any Note remains outstanding, annually at the same time as the provision of the financial statements referred to in Condition 4.6(a)(i) and also within 14 days after any request by the Trustee, it will send to the Trustee a Compliance Certificate to the effect that as at a date not more than five days prior to the date of the certificate no Event of Default or Potential Event of Default has occurred.

11.2 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the provisions of the Trust Deed and the Notes, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed or the Notes unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least 25 per cent. in principal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all actions, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including but not limited to legal fees) and liabilities which may be incurred.

Neither the Trustee nor any Agent shall be required to take any steps to ascertain whether any Event of Default or Potential Event of Default has occurred and none of them shall be responsible or liable to the Noteholders, the Issuer or any other person for any loss arising from any failure to do so.

No Noteholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

12. REPLACEMENT OF CERTIFICATES

Should any Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar or any Transfer Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require or, as the case may be, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence and indemnity and/or security as the Registrar or such Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

Except in the limited circumstances described herein (see "The Global Certificate"), owners of interests in the Notes will not be entitled to receive physical delivery of Certificates.

13. NOTICES

13.1 Notices to Noteholders

All notices to the Noteholders will be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been received on the seventh calendar day after being so mailed. For so long as the Notes are listed on the SGX-ST, notices to the Noteholders shall also be valid if made by way of an announcement on the SGX-ST. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or such additional or substitute clearing system, notices to Noteholders shall

be given by delivery of the relevant notice to Euroclear or Clearstream or such additional or substitute clearing system, for communication by it to entitled accountholders in substitution for notification as required by the Conditions and shall be deemed to have been given on the date printed on such notice.

13.2 Notices from Noteholders

Notices to be given by any Noteholder must be in writing and given by lodging the same, together with any Certificate in respect of such Note or Notes, with the Registrar or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

14. SUBSTITUTION OR MODIFICATION TO REMEDY GROSS-UP EVENT

The Trustee may (but shall not be obliged to), without the consent of the Noteholders, agree with the Issuer and the Guarantor to:

(a) the substitution in place of the Issuer (or of any previous substitute under this Condition 14) as the principal debtor under the Notes and the Trust Deed of the Guarantor or any of its Subsidiaries; or

(b) the modification of these Conditions to the extent reasonably necessary,

in order to remedy a pending or existing Gross-Up Event provided that:

(i) in the case of a substitution of an entity other than the Guarantor, the Notes remaining unconditionally and irrevocably guaranteed by the Guarantor in a manner which would give the Noteholders a status in a winding-up of the Guarantor which is akin to the status Noteholders would have at that time in respect of a winding-up of the relevant issuer;

(ii) the Issuer procures, at its own cost (failing which, at the cost of the Guarantor's), the delivery of legal opinion(s) as to English and any other relevant law, addressed to the Trustee, dated the date of such substitution of the Issuer or modification of these Conditions, as the case may be, and in a form acceptable to the Trustee from legal advisers acceptable to the Trustee; and

(iii) compliance with certain other conditions set out in the Trust Deed.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

15.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Trustee if it receives a written request from Noteholders holding not less than 50 per cent. in principal amount of the Notes for the time being outstanding and subject to it being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. Except where the business of such a meeting includes consideration of a Reserved Matter (as defined below), the quorum at any meeting for passing an Extraordinary Resolution will be two or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting two or more persons present whatever the principal amount of the Notes held or represented, except that, at any meeting the business of which includes any of the following matters:

(a) reduction or cancellation of the amount payable or, where applicable, modification, except where such modification is in the opinion of the Trustee bound to result in an increase, of the method of calculating the amount payable or modification of the date of payment or, where applicable, of the method of calculating the date of payment in respect of any principal, premium (if any) or interest in respect of the Notes;

(b) alteration of the currency in which payments under the Notes are to be made;

(c) alteration of the majority required to pass an Extraordinary Resolution;

(d) substitution of any entity for the Issuer (provided that no such approval is required for such a substitution in accordance with the Trust Deed) and/or the Guarantor (or any previous substitute) as principal debtor and/or the Guarantor; or

(e) modification or cancellation of the Notes Guarantee,

(each of (a), (b), (c), (d), and (e) above, a **Reserved Matter**),

the necessary quorum for passing an Extraordinary Resolution will be two or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than 25 per cent., of the aggregate principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders or passed by way of electronic consent given by the Noteholders through the relevant clearing systems in accordance with the Trust Deed will be binding on all Noteholders, whether or not they are present at the meeting at which such resolution was passed.

The Trust Deed provides that a written resolution signed by or on behalf of the Noteholders of not less than 90 per cent. of the aggregate principal amount of the Notes for the time being outstanding shall be as valid and effective as a duly passed Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The provisions of this Condition 15.1 are subject to the further provisions of the Trust Deed.

15.2 Modification, Waiver, Authorisation and Determination

The Trustee may (but shall not be obliged to), without the consent of the Noteholders, agree to (i) any modification of these Conditions or the Trust Deed (in each case, other than in respect of a Reserved Matter) if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders, and (ii) to any modification of the Notes or the Trust Deed which is in the opinion of the Trustee of a formal, minor or technical nature or is to correct a manifest error or is made to comply with mandatory provisions of law. In addition, the Trustee may (but shall not be obliged to), without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes or the Trust Deed if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

15.3 Trustee to have Regard to Interests of Noteholders as a Class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class and shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee will not be entitled to require, nor will any Noteholder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 7 and/or any undertaking given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

15.4 Notification to Noteholders

Any modification, waiver, authorisation, determination or substitution agreed to by the Trustee will be binding on the Noteholders and, unless the Trustee agrees otherwise, any modification, waiver, authorisation, determination or substitution will be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13.1.

16. INDEMNIFICATION OF THE TRUSTEE, ITS CONTRACTING WITH THE ISSUER AND THE GUARANTOR AND OTHER MATTERS

16.1 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or pre-funded and/or secured to its satisfaction.

16.2 Right to obtain instructions from Noteholders

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision, provide its opinion or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking or refraining

from any such action, making any such decision, providing any such opinion or giving any such direction, to seek directions or clarification of directions from the Noteholders by way of Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Guarantor, the Noteholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, providing its opinion or giving such direction as a result of seeking such direction from the Noteholders or in the event that no direction is given to the Trustee by the Noteholders. None of the Trustee or any Agent shall be liable to any Noteholder, the Issuer, the Guarantor or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Noteholders. The Trustee shall be entitled to rely on any direction, request or resolution of Noteholders given by Noteholders holding the requisite principal amount of Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed.

16.3 Trustee Contracting with the Issuer and the Guarantor

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or the Guarantor and/or any of the Guarantor's Subsidiaries and/or any entity related directly or indirectly to the Issuer or the Guarantor and to act as trustee, agent or depositary for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or the Guarantor and/or any of the Guarantor's Subsidiaries and/or any entity related directly or indirectly to the Issuer or the Guarantor, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing Law

The Trust Deed, the Agency Agreement and the Notes, and any non-contractual obligations arising out of or in connection with these documents are governed by and shall be construed in accordance with English law.

18.2 Jurisdiction of English courts

(a) Each of the Issuer and the Guarantor has, in the Trust Deed, irrevocably agreed for the benefit of the Trustee and the Noteholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Notes (including any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes) and has accordingly submitted to the exclusive jurisdiction of the English courts.

(b) Each of the Issuer and the Guarantor has, in the Trust Deed, waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee or the Noteholders may take any suit, action or proceeding (referred to as "**Proceedings**") arising out of, or in connection with the Trust Deed or the Notes respectively (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes respectively) against the Issuer or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

18.3 Appointment of process agent

Each of the Issuer and the Guarantor has, in the Trust Deed, irrevocably and unconditionally appointed Law Debenture Corporate Services Limited at its specified office at 8th Floor, 100 Bishopsgate, London, EC2N 4AG as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will promptly appoint another person as its agent for that purpose and shall deliver to the Trustee a copy of that new agent's acceptance of appointment within 30 days of such cessation.

19. DEFINITIONS

Unless the context otherwise requires, the following terms will have the following meanings in these Conditions:

Affiliate means, with respect to any Person, any other Person (a) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person, or (b) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (a) of this definition. For purposes of this definition, **control** (including, with correlative meanings, the terms **controlling**, **controlled by** and **under common control with**), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

Applicable Premium means, with respect to any Note on any redemption date, the greater of:

(a) 1.0 per cent. of the principal amount of the Note; and

(b) the excess of: (I) the present value at such redemption date of (i) the redemption price of the Note at maturity, plus (ii) all required interest payments due on the Note through maturity, (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over (II) the principal amount of the Note.

Authorised Signatory has the meaning given to it in the Trust Deed.

Capitalised Lease means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, would have been required to be capitalised on the balance sheet of such Person under PAS 17, as of 31 December 2018, the accounting standard for leases prior to PFRS 16.

Capitalised Lease Obligations means the capitalised amount of any rental obligations under a Capitalised Lease, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of penalty.

Capital Stock means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding (a) any debt security convertible or exchangeable into such equity and (b) any perpetual capital securities, subordinated capital securities or other similar instruments (or portions thereof) that are classified as equity under PFRS.

Change of Control Event means the occurrence of any of the following events: (i) any Person, individually, or group of related Persons, acting together, other than the Permitted Holders, directly or indirectly acquiring control of the Guarantor; (ii) the Guarantor ceasing to own, directly or indirectly, at least 50 per cent. of the outstanding Voting Stock of the Issuer, or (iii) the Guarantor consolidates with or merges into or sells or transfers substantially all of its assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring control over the Guarantor or the successor entity. For purposes of this definition, control, as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

Commodities Agreement means any forward, option or futures contract or other similar agreement or arrangement designed to protect against fluctuations in the price of fuel, electricity or other commodities or raw materials.

Common Stock means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding on the Issue Date, and include, without limitation, all series and classes of such common stock or ordinary shares.

Currency Agreement means any foreign exchange forward contract, currency swap agreement, currency option or other similar agreement or arrangement designed to protect against fluctuations in foreign exchange rates.

Disqualified Stock means any class or series of Capital Stock of any Person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or otherwise is (a) required to be redeemed prior to the Stated Maturity of the Notes, (b) redeemable at the option of the

holder of such class or series of Capital Stock at any time prior to the Stated Maturity of the Notes or (c) convertible into or exchangeable for Capital Stock referred to in clause (a) or (b) above or Indebtedness having a scheduled maturity prior to the Stated Maturity of the Notes; provided that (i) any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of a "change of control" occurring prior to the Stated Maturity of the Notes shall not constitute Disqualified Stock if the "change of control" provisions applicable to such Capital Stock are no more favourable to the holders of such Capital Stock than the provisions contained in Condition 6.5 and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the repurchase of the Notes as are required to be repurchased pursuant to Condition 6.5; and (ii) any class or series of debt securities or Preferred Stock convertible or exchangeable into Common Stock, the terms of which allow for a cash payment in lieu of Common Stock upon conversion or exchange in the event that the issue or distribution of Common Stock to the holder thereof will cause such Person to violate foreign ownership regulations applicable in Singapore or the Republic of the Philippines from time to time shall not constitute Disqualified Stock provided that any such cash payments are made with the proceeds of the sale of Equity Interests of such Person to an unaffiliated Person.

Dollar Equivalent means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the reference exchange rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by *Bangko Sentral ng Pilipinas* on the date of determination.

Equity Interests means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

Extraordinary Resolution has the meaning given to it in the Trust Deed.

Financial Year means a financial year of the Issuer and the Guarantor, for the time being ending on 31 December.

Fitch means Fitch Ratings Ltd. or any successor to the rating agency business thereof.

Gross-up Event means that as a result of any change in, or amendment to, the laws or treaties (or any rules or regulations thereunder) of any Relevant Jurisdiction, or any change in or amendment to any official interpretation or application of those laws, treaties or rules or regulations, which change or amendment becomes effective on or after 25 March 2025, (i) the Issuer or, as the case may be, the Guarantor has or will become obliged to pay Additional Amounts at a rate greater than that applicable on 25 March 2025; and (ii) the payment obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor, taking reasonable measures available to it.

Guarantee means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (b) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided that the term **Guarantee** shall not include endorsements for collection or deposit in the ordinary course of business. The term **Guarantee** used as a verb has a corresponding meaning.

Hedging Obligation means of any Person means the obligations of such Person pursuant to any Currency Agreement, Interest Rate Agreement or Commodities Agreement.

Incur means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; provided that the accretion of original issue discount shall not be considered an Incurrence of Indebtedness. The terms "Incurrence", "Incurred" and "Incurring" have meanings correlative with the foregoing.

Indebtedness of a Person means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) any Hedging Obligation;

(e) any counter-indemnity obligation in respect of a Guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(f) the amount of any liability of a Person in respect of any Guarantee or indemnity for any of the items referred to in paragraphs (a) to (f) above, of other Persons,

if and to the extent any of the preceding items would appear as a liability on the balance sheet of the specified Person prepared in accordance with PFRS or the equivalent relevant local accounting standard, and so that where the amount of Indebtedness is required to be calculated, no amount shall be taken into account more than once in the same calculation and, where the amount is to be calculated on a consolidated basis in respect of a corporate group, monies borrowed or raised, or other indebtedness, as between members of such group shall be excluded.

Notwithstanding the foregoing, **Indebtedness** shall not include (i) any capital commitments, purchase commitments or similar obligations Incurred in connection with the acquisition, development, construction or improvement of real or personal property (including land use rights); provided that such obligation is not reflected on the statement of financial position of the Issuer or the Guarantor (contingent obligations referred to in a footnote to financial statements and not otherwise reflected on the statement of financial position will not be deemed to be reflected on such statement of financial position); (ii) trade payables, accrued expenses and tax payable; and (iii) lease liabilities that would have been classified as "operating leases" under PAS 17, as of 31 December 2018, the accounting standard for leases prior to PFRS 16.

For the purposes of determining the amount of Indebtedness, (i) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortised portion of the original issue discount of such Indebtedness at such time as determined in conformity with PFRS; and (ii) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to pre-fund the payment of the interest on such Indebtedness shall be deemed not to be Indebtedness so long as such money is held to secure the payment of such interest.

Interest Rate Agreement means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates.

Investment Grade means a rating of "*AAA*", "*AA*", "*A*" or "*BBB*", as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or assigns, or a rating of "*Aaa*", or "*Aa*", "*A*" or "*Baa*", as modified by a "1", "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's or any of its successors or assigns, or a rating of "*AAA*", "*AA*", "*A*" or "*BBB*", as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories of Fitch or any of its successors or assigns; and the equivalent ratings of any internationally recognised rating agency or agencies, as the case may be, which shall have been designated by the Guarantor as having been substituted for any of S&P, Moody's or Fitch, as the case may be.

Issue Date means 2 April 2025.

Lien means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest, encumbrance or other preferential arrangement of any kind in respect of such property or asset, including, without limitation, any preference or priority under Article 2244(14) of the Civil Code of the Philippines, as the same may be amended from time to time, and the right of a vendor, lessor, or similar party under any conditional sales agreement, capital lease or other title retention agreement relating to such property or asset, and any other right of or arrangement with any creditor to have its claims satisfied out of any property or assets, or the proceeds therefrom, prior to any general creditor of the owner thereof.

Material Subsidiary means:

(a) any Subsidiary of the Guarantor whose gross revenues (consolidated in the case of a Subsidiary which has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent, in each case, at least 10 per cent. of the consolidated gross revenues or, as the case may be, consolidated total assets, of the Guarantor and its Subsidiaries taken as a whole,

all as calculated, respectively, by reference to the then latest available consolidated audited balance sheet and profit and loss accounts of the Guarantor and its consolidated Subsidiaries, provided that:

(i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Guarantor relate, the reference to the then latest consolidated audited accounts of the Guarantor for the purposes of the calculation above shall, until consolidated audited accounts of the Guarantor for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are available, be deemed to be a reference to the then latest consolidated audited accounts of the Guarantor adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary;

(ii) if at any relevant time in relation to the Guarantor or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, gross revenues or gross assets of the Guarantor and any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Guarantor for the purposes of preparing a certificate thereon to the Trustee;

(iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its gross revenues or gross assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Guarantor for the purposes of preparing a certificate thereon to the Trustee; and

(iv) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso above) are not consolidated with those of the Guarantor, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on a pro forma consolidation of such Subsidiary's accounts (consolidated, in each case, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Guarantor; or

(b) any Subsidiary to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer was a Material Subsidiary, whereupon (I) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (II) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of the sub-paragraphs above.

For the avoidance of doubt, (i) a Person will cease to be a Material Subsidiary in the event that and at such time such Person ceases to be a Subsidiary, and (ii) in the event of a Material Subsidiary ceasing to be a Subsidiary, determination of the remaining Material Subsidiaries shall be made upon the availability of the annual consolidated audited balance sheet and profit and loss accounts of the Guarantor and its consolidated Subsidiaries after such Material Subsidiary ceases to become a Subsidiary.

Maturity Date means 2 April 2030.

Moody's means Moody's Investors Service and its affiliates.

Net Debt means, at any date, the aggregate (without duplication) of all Indebtedness (other than Non-Recourse Debt) less cash and cash equivalents and short-term investments of the Guarantor and its Subsidiaries as at such date which would appear on a consolidated balance sheet of the Guarantor and its Subsidiaries as of the end of the most recent fiscal quarter for which published financial statements are available, prepared in accordance with PFRS.

Non-Recourse Debt means any Indebtedness of a Subsidiary in respect of which the Issuer or the Guarantor has not provided a Guarantee and for which the Issuer or the Guarantor is not otherwise liable. For the avoidance of doubt, to the extent the Issuer or the Guarantor has provided a Guarantee or is liable for Indebtedness of a Subsidiary up to a certain specified limit, any Indebtedness in excess of such limit shall be Non-Recourse Debt.

Permitted Holder means any or all of the following: (i) Mr. Tony Tan Caktiong and his spouse; (ii) the relatives until the fourth degree of consanguinity or affinity of the persons named or described in clause (i) above and such relatives' spouses; (iii) the descendants of the persons named or described in clauses (i) and (ii) above; (iv) the estates or legal representatives of any person named or described in clauses (i) to (iii) above; (v) trusts or other analogous arrangements established for the benefit of any person named or described in clauses (i) to (iv) above or of which any such person is a trustee or holder of an analogous

office; or (vi) any Person directly or indirectly controlled by any Person named or described in clauses (i) to (v) above. For purposes of this definition, control, as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

Person means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof.

PFRS means Philippine Accounting Standards and Philippine Financial Reporting Standards. All ratios and computations contained or referred to in the Trust Deed shall be computed in conformity with PFRS either as in effect on the date hereof or from time to time as determined by the Guarantor applied on a consistent basis.

Potential Event of Default means any event or circumstance that could with the giving of notice, lapse of time and/or issue of a certificate would be, an Event of Default.

Preferred Stock as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, or as to redemption, over any other class of Capital Stock of such Person.

Rating Agency means any of (a) S&P, (b) Moody's and (c) Fitch; provided that if S&P, Moody's or Fitch shall not make a rating of the relevant Notes publicly available, one or more internationally recognised statistical rating organisations, as the case may be, as the Guarantor may select, which will be substituted for any of S&P, Moody's or Fitch, as the case may be.

Redemption Price means the principal amount of the Notes plus any accrued but unpaid Interest to but excluding the redemption date.

Relevant Indebtedness means any present or future indebtedness in the form of, or represented by, debentures, loan stock, bonds, notes or other similar securities (i) which are, or are issued with the intention that they should be, and are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or any other securities market (whether or not initially distributed by way of private placement) and (ii) denominated in a currency other than the Philippine peso, in each case having an original maturity of more than one year from the date of issue.

S&P means S&P Global Ratings, a division of S&P Global Inc.

Stated Maturity means, (a) with respect to any Indebtedness, the date specified in such Indebtedness as the fixed date on which the final instalment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (b) with respect to any scheduled instalment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such instalment is due and payable as set forth in the documentation governing such Indebtedness.

Subordinated Indebtedness means any Indebtedness of the Issuer or the Guarantor which is contractually subordinated or junior in right of payment to the Notes or the Notes Guarantee, pursuant to a written agreement to such effect.

Subsidiary means, with respect to any Person, any corporation, association or other business entity, more than 50 per cent. of the voting power of the outstanding Voting Stock of which is owned or controlled, directly or indirectly, by such Person and one or more other Subsidiaries of such Person. To be "controlled" by another means that the other (whether, directly or indirectly, and whether by the ownership of share capital, the possession of voting power, by contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company or otherwise controls or has a power to control the affairs and policies of that company and "control" shall be construed accordingly.

Total Assets means, at any date, the aggregate (without duplication) total current assets and total non-current assets of the Guarantor and its Subsidiaries which would appear on a consolidated balance sheet of the Guarantor and its Subsidiaries as of the end of the most recent fiscal quarter for which published financial statements are available, prepared in accordance with PFRS**.**

Total Equity means at any date, the aggregate (without duplication) stockholder's equity of the Guarantor and its Subsidiaries which would appear on a consolidated balance sheet of the Guarantor and its Subsidiaries as of the end of the most recent fiscal quarter for which published financial statements are available, prepared in accordance with PFRS.

Treasury Rate means, as of any redemption date, the yield to maturity as of such redemption date of U.S. Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such statistical release is not so published or available, any publicly available source of similar market date selected by the Issuer in good faith)) most nearly equal to the period from the redemption date to maturity; provided, however, that if the period from the redemption date to maturity is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year will be used.

Voting Stock means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

Winding-Up means, with respect to the Issuer or the Guarantor, a final and effective order or resolution for the bankruptcy, winding up, liquidation, receivership, insolvency or similar proceedings in respect of the Issuer or the Guarantor, as the case may be.

THE GLOBAL CERTIFICATE

The Global Certificate contains the following provisions which apply to the Notes in respect of which they are issued whilst they are represented by the Global Certificate, some of which modify the effect of the Terms and Conditions of the Notes. Terms defined in the Terms and Conditions of the Notes have the same meaning below.

ACCOUNTHOLDERS

For so long as all of the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of a clearing system, each person (other than another clearing system) who is for the time being shown in the records of Euroclear or Clearstream (as the case may be) as the holder of a particular aggregate principal amount of such Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream (as the case may be) as to the aggregate principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Notes (and the expression **Noteholders** and references to **holding of Notes** and to a **holder of Notes** shall be construed accordingly) for all purposes other than with respect to payments on such Notes, the right to which shall be vested, as against the Issuer, the Guarantor and the Trustee, solely in the nominee for the relevant clearing system (**Relevant Nominee**) in accordance with and subject to the terms of the Global Certificate. Each Accountholder must look solely to Euroclear or Clearstream as the case may be, for its share of each payment made to the Relevant Nominee.

CANCELLATION

Cancellation of any Notes following its redemption or purchase by the Issuer or the Guarantor will be effected by reduction in the aggregate principal amount of the Notes in the register of Noteholders and by the annotation of the appropriate schedule to the Global Certificate.

PAYMENTS

Payments of principal and distributions in respect of Notes represented by the Global Certificate will be made upon presentation or, if no further payment falls to be made in respect of the Notes, against presentation and surrender of the Global Certificate to or to the order of the Registrar or such other Agent as shall have been notified to the holder of the Global Certificate for such purpose.

Each payment will be made to or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where **Clearing System Business Day** means a weekday (Monday to Friday, inclusive) on which Euroclear and Clearstream are open for business.

Distributions of amounts with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the Registrar, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

A record of each payment made will be endorsed on the appropriate schedule to the Global Certificate by or on behalf of the Registrar and shall be prima facie evidence that payment has been made.

TRUSTEE'S POWERS

In considering the interests of Noteholders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may but without being obligated to do so, (a) have regard to any certificate, report or any other information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its Accountholders (either individually or by way of category) with entitlements in respect of the Notes and (b) consider such interests on the basis that such Accountholders were the holders of the Notes in respect of which the Global Certificate is issued.

NOTICES

So long as all the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled Accountholders in substitution for notification as required by the Conditions. For so long as the Notes are listed on the SGX-ST, notices shall also be published in the manner required by the rules and regulations of the SGX-ST.

MEETINGS

For the purposes of any meeting of Noteholders, the holder of the Notes represented by the Global Certificate shall (unless this Global Certificate represents only one Note) be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and as being entitled to one vote in respect of each integral currency unit of the currency of the Notes.

REGISTRATION OF TITLE

Registration of title to Notes in a name other than that of the Relevant Nominee will not be permitted unless Euroclear or Clearstream, as appropriate, notifies the Issuer that it is unwilling or unable to continue as a clearing system in connection with the Global Certificate, and in each case a successor clearing system approved is not appointed by the Issuer within 90 days after receiving such notice from Euroclear or Clearstream. In these circumstances title to a Note may be transferred into the names of holders notified by the Relevant Nominee in accordance with the Conditions, except that Certificates in respect of Notes so transferred may not be available until 21 days after the request for transfer is duly made.

TRANSFERS

Transfers of book-entry interests in the Notes will be effected through the records of Euroclear, Clearstream and their respective participants in accordance with the rules and procedures of Euroclear, Clearstream and their respective direct and indirect participants, as more fully described under "*Clearance and Settlement*". No Noteholder may require the transfer of a Note to be registered during the period from the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) on the date before the relevant due date for any payment of principal or distributions on the Notes.

RECORD DATE

Interest on the Notes due on an Interest Payment Date will be paid to the holder shown on the register of Noteholders at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) before the relevant due date (the **record date**).

USE OF PROCEEDS

The proceeds from the issue of the Notes, which are U.S.$300,000,000 (without deduction of commissions or expenses), are intended for the Issuer's general corporate purposes and/or refinancing existing borrowings.

EXCHANGE RATES

The following table sets forth certain information concerning the exchange rate between the Peso and the U.S. dollar for the periods and dates indicated, expressed in Pesos per U.S.$1.00 based on the published rate in the BSP Reference Exchange Rate Bulletin:

	Peso/U.S. dollar exchange rate			
Year	**Period end**	**Average[1]**	**High[2]**	**Low[3]**
2019	50.74	51.80	52.89	50.49
2020	48.04	49.62	51.32	48.03
2021	50.77	49.25	50.96	47.67
2022	56.12	54.78	50.97	58.99
2023	55.57	55.63	56.96	53.77
2024	58.01	57.29	59.00	55.40
2025				
January	58.36	58.39	58.66	57.84
February	57.90	58.09	58.67	57.86
March (as of 21 March 2025)	57.17	57.42	52.99	57.17

(1) Weighted average rate for the period ended.

(2) Highest daily closing exchange rate for the period.

(3) Lowest daily closing exchange rate for the period.

If not otherwise specified, financial data are converted from Philippine peso to United States dollar at ₱58.01 = U.S.$1.00, which is the closing rate quoted on the Reference Exchange Rate Bulleting as of 27 December 2024. The closing rates are different from the daily rates published by the BSP. On 27 December 2024, the daily rate was ₱58.01 = U.S.$1.00.

As of 21 March 2025, the closing rate quoted on the Reference Exchange Rate Bulletin was ₱57.17 = U.S.$1.00.

CAPITALISATION

The following table sets forth the consolidated capitalisation and indebtedness of the Group as of 31 December 2024 and as adjusted to give effect to the issue of the Notes. This table should be read in conjunction with the Group's audited consolidated financial statements and the notes thereto, included elsewhere in this Offering Circular.

	As of 31 December 2024			
	Actual		As Adjusted	
	(Audited) (in millions)			
	(in ₱)	(in U.S.$)	(in ₱)	(in U.S.$)
Debt				
Short-term debt and current portion of long-term debt	10,427.8	179.8	10,427.8	179.8
Long-term debt—net of current portion	12,097.0	208.5	12,097.0	208.5
Securities to be issued	—	—	17,403.0[3]	300.0[3]
Total debt (a) [1]	22,524.8	388.3	39,927.8	688.3
Cash and cash equivalents	29,326.6	505.5	46,729.6	805.5
Short-term investments	85.6	1.5	85.6	1.5
Financial assets at fair value through profit or loss **(FVTPL)**	211.5	3.6	211.5	3.6
Net cash [2]	(7,098.9)	(122.3)	(7,098.9)	(122.3)
Equity				
Capital stock				
Preferred	12,000.0	206.9	12,000.0	206.9
Common	1,135.5	19.6	1,135.5	19.6
Additional paid-in capital	13,907.9	239.8	13,907.9	239.8
Other reserve	1,877.4	32.4	1,877.4	32.4
Cumulative translation adjustments of foreign subsidiaries and interests in joint ventures and associates	1,817.2	31.2	1,817.2	31.2
Remeasurement loss on net defined benefit plan-net of tax	(1,074.8)	(18.5)	(1,074.8)	(18.5)
Excess of cost over the carrying value of non-controlling interests acquired	(2,026.3)	(34.9)	(2,026.3)	(34.9)
Retained earnings				
Appropriated for future expansion	23,400.0	403.4	23,400.0	403.4
Unappropriated	25,182.4	434.1	25,182.4	434.1
	76,219.3	1,314.0	76,219.3	1,314.0
Less cost of stock held in treasury				
Preferred	3,000.0	51.7	3,000.0	51.7
Common	180.5	3.1	180.5	3.1
	73,038.8	1,259.1	73,038.8	1,259.1
Senior perpetual securities	20,264.8	349.3	20,264.8	349.3
Non-controlling interests	1,263.8	21.8	1,263.8	21.8
Total equity (b)	94,567.4	1,630.3	94,567.4	1,630.3
Total capitalisation (a+b)	117,092.2	2,018.6	134,495.2	2,318.6

(1) Total debt includes short-term debt and current portion of long-term debt and long-term debt-net of current portion.

(2) Net cash is total debt less cash and cash equivalents, short-term investments and current portion of financial assets at FVTPL. Financial assets at FVTPL are liquid assets, i.e. redeemable anytime.

(3) Does not consider debt issue costs that should be offset against the liability.

On various dates from 31 December 2024 to 28 February 2025, the Company and its subsidiaries had incurred short-term and long-term debts totalling ₱25,065.4 million (U.S.$432.2 million).

Other than the issuance of the Notes, the short-term and long-term debts referred to above and the redemption of the Issuer's then outstanding U.S.$396.5 million Guaranteed Senior Perpetual Capital Securities on 23 January 2025, there has been no material change in the capitalisation of the Group since 31 December 2024.

THE ISSUER

GENERAL

The Issuer was incorporated as a private limited liability company under the laws of Singapore on 1 June 2005 with company registration number 200507479R. The registered office of the Issuer is at 9 Raffles Place #26-01 Republic Plaza Singapore (048619). 100 per cent. of the Issuer's shares are held directly by the Guarantor.

BUSINESS ACTIVITY

The Issuer was established for the purpose of primarily being a holding company for the Group's investments outside the Philippines (except for its owned brands, namely Jollibee, Chowking and Red Ribbon, in North America). It performs various shared services for the Group through JWS.

MANAGEMENT

The board of the directors of the Issuer consists of Mr. Tony Tan Caktiong and Mr. Ernesto Tanmantiong.[2]

The officer of the Issuer is Ms. Lim Mei Hua Lotus Isabella who is a company secretary.

CAPITALISATION

As of 31 December 2024, the Issuer has an issued and paid-up share capital of S$849,649,026, comprising 849,649,026 shares.

As of 31 December 2024, the Issuer had a total of U.S.$597.8 million of borrowings (long-term debt) with varying maturities outstanding and U.S.$396.5 million Guaranteed Senior Perpetual Capital Securities outstanding, which were redeemed on 23 January 2025.

As of 31 December 2024, the total capitalisation of the Issuer was ₱43,879.2 million (U.S.$757.1 million). The Issuer's total capitalisation is the sum of its capital stock, cumulative translation adjustments and unappropriated retained earnings. Other than the issuances of the Notes, the capital injections totaling U.S.$95,999,946 by the Company into the Issuer which were completed over a period of a few days ending on 14 January 2025 and the redemption of the Issuer's then outstanding U.S.$396.5 million Guaranteed Senior Perpetual Capital Securities on 23 January 2025, there has been no material change in the capitalisation of the Issuer since 31 December 2024.

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2 Mr. Wee Choo Peng has been appointed as the nominee director of the Issuer.

SELECTED FINANCIAL INFORMATION

The selected historical audited consolidated statements of financial position data as of 31 December 2022, 2023, and 2024, and summary historical audited consolidated statements of comprehensive income for the years ended 31 December 2022, 2023, and 2024, set forth below have been derived from, and should be read in conjunction with, the audited consolidated financial statements of Jollibee Foods Corporation and subsidiaries and, including the notes thereto, included elsewhere in this Offering Circular. SyCip Gorres Velayo & Co., a member firm of Ernst & Young Global Limited, has audited the consolidated financial statements in accordance with Philippine Standards on Auditing. For convenience only, all translations from ₱ to U.S. dollars were made at the rate of ₱58.01 to U.S.$1.00, being the published BSP closing rate on 27 December 2024.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the years ended 31 December			
	2022	2023	2024	2024
	(Audited)	(Audited)	(Audited)	(Unaudited)
	(Amount in ₱ millions, except earnings per share figures)			(Amount in U.S.$ million)
Gross sales	201,375.2	232,474.4	254,957.7	4,395.1
Sales discount	(4,717.9)	(5,772.8)	(6,027.7)	(103.9)
Net sales	196,657.3	226,701.6	248,930.0	4,291.2
Royalty, set-up fees and others	11,845.3	13,345.3	16,147.8	278.3
	208,502.6	240,046.9	265,077.8	4,569.5
PFRS 15 impact on system-wide advertising fees	3,399.6	4,060.4	4,864.5	83.9
	211,902.2	244,107.3	269,942.3	4,653.4
DIRECT COSTS				
Cost of inventories	99,273.2	113,996.9	124,907.1	2,153.2
Store and manufacturing costs	75,672.7	84,809.8	93,315.9	1,608.6
	174,945.9	198,806.7	218,223.0	3,761.8
GROSS PROFIT	36,956.3	45,300.6	51,719.3	891.6
EXPENSES				
General and administrative expenses - net	22,905.9	26,084.0	29,748.4	512.8
Advertising and promotions	4,109.0	4,802.6	5,081.8	87.6
	27,014.9	30,886.6	34,830.2	600.4
OPERATING INCOME	9,941.4	14,414.0	16,889.1	291.2
INTEREST INCOME (EXPENSE)				
Interest income	341.2	863.5	959.0	16.5
Interest expense	(4,768.7)	(5,382.0)	(5,771.5)	(99.5)
	(4,427.5)	(4,518.5)	(4,812.5)	(83.0)
EQUITY IN NET EARNINGS OF JOINT VENTURES AND ASSOCIATES – Net	4.0	580.0	329.2	5.7
OTHER INCOME – Net	5,669.7	1,866.9	1,780.3	30.7
INCOME BEFORE INCOME TAX	11,187.6	12,342.4	14,186.1	244.6
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current	3,514.7	4,441.1	5,526.8	95.3
Deferred	334.4	(1,084.2)	(2,136.5)	(36.8)
	3,849.1	3,356.9	3,390.3	58.5
NET INCOME	7,338.5	8,985.5	10,795.8	186.1
OTHER COMPREHENSIVE INCOME (LOSS)				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:				
Translation adjustments of foreign subsidiaries	1,309.6	204.9	(1,521.3)	(26.2)
Translation adjustments of foreign joint ventures and associates	(923.5)	(489.4)	1,637.5	28.2
Comprehensive income on derivative liability	12.8	—	—	—
	398.9	(284.5)	116.2	2.0

	For the years ended 31 December			
	2022	2023	2024	2024
	(Audited)	(Audited)	(Audited)	(Unaudited)
	(Amount in ₱ millions, except earnings per share figures)			(Amount in U.S.$ million)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:				
Remeasurement gain (loss) on pension—net of tax	447.5	(296.8)	(84.6)	(1.5)
	846.4	(581.3)	31.6	0.5
TOTAL COMPREHENSIVE INCOME	8,184.9	8,404.2	10,827.4	186.6
Net income attributable to:				
Equity holders of Jollibee	7,558.5	8,766.1	10,316.5	177.8
Non-controlling interests	(220.0)	219.3	479.3	8.3
	7,338.5	8,985.4	10,795.8	186.1
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Equity holders of Jollibee	8,635.7	8,175.7	10,643.8	183.4
Non-controlling interests	(450.8)	228.5	183.6	3.2
	8,184.9	8,404.2	10,827.4	186.6
Earnings (Loss) per share for net income attributable to equity holders of Jollibee				
Basic	6.400	7.455	8.851	0.153
Diluted	6.382	7.444	8.826	0.152

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December			
	2022	2023	2024	2024
	(Audited)	(Audited)	(Audited)	(Unaudited)
	(Amount in ₱ millions)			(Amount in U.S.$ millions)
ASSETS				
Current Assets				
Cash and cash equivalents	28,869.3	33,232.5	29,326.6	505.5
Short-term investments	619.2	624.8	85.5	1.5
Financial assets at fair value through profit or loss	8,251.0	7,853.8	211.5	3.6
Receivables and contract assets	9,627.4	8,567.4	10,802.5	186.2
Inventories	17,297.6	12,340.2	13,872.7	239.1
Other current assets	10,196.3	11,556.5	11,476.1	198.0
Total Current Assets	74,860.8	74,175.2	65,774.9	1,133.9
Noncurrent Assets				
Financial assets at fair value through profit or loss	27.5	316.2	374.0	6.4
Interests in and advances to joint ventures, co-ventures and associates	18,111.3	21,093.0	26,827.6	462.5
Property, plant and equipment	36,485.7	39,825.3	43,893.4	756.7
Right-of-use assets	42,078.0	44,966.0	44,529.5	767.6
Investment properties	—	101.6	89.4	1.5
Trademarks, goodwill and other intangible assets	51,715.6	51,926.6	67,794.5	1,168.7
Finance lease receivables	41.6	0.8	—	—
Deferred tax assets—net	6,026.9	7,424.1	9,372.5	161.6
Other noncurrent assets	4,055.3	4,345.4	4,895.1	84.3
Total Noncurrent Assets	158,541.9	169,999.0	197,776.0	3,409.3
Total Assets	233,402.7	244,174.2	263,550.9	4,543.2
LIABILITIES AND EQUITY				
Current Liabilities				
Trade payables and other current liabilities and contract liabilities	43,243.7	46,835.4	48,364.4	833.7
Income tax payable	326.1	309.8	6,472.2	13.6
Short-term debt	4,376.4	5,751.7	787.7	111.6
Current portion of:				
Lease liabilities	8,188.9	8,443.0	8,106.4	139.7
Long-term debt	4,671.5	6,180.7	3,955.6	68.2
Provisions	685.5	237.8	733.0	12.6
Total current liabilities	61,492.1	67,758.4	68,419.3	1,179.4
Noncurrent Liabilities				
Senior debt securities	33,288.3	33,077.8	34,582.6	596.1
Noncurrent portion of:				
Lease liabilities	39,955.5	43,288.6	44,115.0	760.5
Long-term debt	11,591.7	6,436.3	12,097.0	208.5
Provisions	915.8	1,399.3	1,201.0	20.7
Pension liability	1,891.3	2,331.2	2,851.4	49.2
Deferred tax liabilities—net	3,353.0	3,625.9	5,717.2	98.6
Total Noncurrent Liabilities	90,995.6	90,159.1	100,564.2	1,733.6
Total Liabilities	152,487.7	157,917.5	168,983.5	2,913.0
Equity Attributable to Equity Holders of Jollibee				
Capital stock:				
Preferred	12,000.0	12,000.0	12,000.0	206.9
Common	1,131.2	1,132.3	1,135.5	19.6
Additional paid-in capital	12,091.7	12,662.9	13,907.9	239.8
Other reserve	1,877.4	1,877.4	1,877.4	32.4
Cumulative translation adjustments of foreign subsidiaries and interests in joint ventures and associates	1,699.0	1,405.4	1,817.2	31.2
Remeasurement loss on net defined benefit plan—net of tax	(693.3)	(990.2)	(1,074.8)	(18.5)
Excess of cost over the carrying value of non-controlling interests acquired	(2,026.3)	(2,026.3)	(2,026.3)	(34.9)
Retained earnings:				
Appropriated for future expansion	18,700.0	18,700.0	23,400.0	403.4
Unappropriated	17,621.5	23,341.9	25,182.4	434.1
	62,401.2	68,103.4	76,219.3	1,314.0
Less cost of stock held in treasury				
Preferred	—	—	3,000.0	51.7
Common	180.5	180.5	180.5	3.1
	62,220.7	67,922.9	73,038.8	1,259.1
Senior perpetual securities	20,264.8	20,264.8	20,264.8	349.3
Noncontrolling Interests	(1,570.5)	(1,931.0)	1,263.8	21.8
Total Equity	80,915.0	86,256.7	94,567.4	1,630.2
Total Liabilities and Equity	233,402.7	244,174.2	263,550.9	4,543.2

CONSOLIDATED STATEMENTS OF CASH FLOWS INFORMATION

	Years Ended 31 December			
	2022	2023	2024	2024
	(Audited)	(Audited)	(Audited)	(Unaudited)
	(Amount in ₱ millions)			(Amount in U.S.$ million)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	11,187.6	12,342.3	14,186.1	244.5
Adjustments for:				
Depreciation and amortisation	15,598.6	16,953.8	17,746.9	305.9
Interest expense	4,768.7	5,382.0	5,771.6	99.5
Interest income	(341.2)	(863.5)	(959.0)	(16.5)
Impairment losses on:				
Receivables	415.4	278.8	450.4	7.8
Inventories	274.3	177.9	60.4	1.0
Property, plant and equipment	107.9	160.3	204.8	3.5
Other current assets	121.4	8.1	—	—
Trademark	463.1	—	—	—
Equity in net earnings of joint ventures and associates	(4.1)	(580.0)	(329.2)	(5.7)
Unrealised loss (gain) from financial assets at fair value through profit or loss	1,053.7	(530.9)	(178.6)	(3.1)
Loss on retirements and disposals of property, plant and equipment, investment properties and other intangibles	363.2	400.9	279.8	4.8
Stock options expense	185.0	353.9	497.3	8.6
Reversals of provision for impairment on:				
Right-of-use assets	(86.9)	(130.8)	—	—
Property, plant and equipment	(262.3)	(49.7)	(69.0)	(1.2)
Inventories	(49.3)	(44.7)	(70.8)	(1.2)
Receivables	(4.1)	(7.8)	(67.2)	(1.2)
Pre-termination of leases	(166.8)	(78.8)	(69.4)	(1.2)
Movement in pension liability	84.1	44.2	407.4	7.0
Amortisation of debt issue cost	50.7	46.0	51.9	0.9
Provisions	565.7	35.8	296.8	5.1
Net unrealised foreign exchange loss (gain)	(22.2)	19.7	13.2	0.2
Gain from land conveyance	(4,896.6)	—	—	—
Rent concessions	(152.2)	—	—	—
Gain from disposal of club share	(3.5)	—	—	—
Income before working capital changes	29,250.2	33,917.5	38,223.4	658.7
Decreases (increases) in:				
Receivables	(2,682.3)	811.6	(1,868.4)	(32.2)
Inventories	(8,124.3)	4,835.2	(1,354.6)	(23.4)
Other current assets	(1,559.3)	(1,332.4)	1,950.1	33.6
Increase in trade payables and other current liabilities	10,069.3	3,209.6	1,186.0	20.4
Net cash generated from operations	26,953.6	41,441.5	38,136.5	657.1
Income taxes paid	(3,337.3)	(4,457.4)	(5,048.8)	(87.0)
Interest received	305.6	829.1	943.2	16.3
Net cash provided by operating activities	23,921.9	37,813.2	34,030.9	586.4
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Property, plant and equipment	(9,682.7)	(11,272.2)	(11,979.8)	(206.5)
Interest in joint ventures and associates	(1,210.0)	(2,214.5)	(5,996.9)	(103.4)
Financial assets at fair value through profit or loss	(1,531.2)	(283.8)	(3,907.9)	(67.4)
Intangible assets	—	(65.6)	0.1	0.0
Proceeds from:				
Redemption of financial assets at fair value through profit or loss	7,584.8	884.1	11,854.8	204.4
Property, plant and equipment	396.6	366.3	421.4	7.3
Assets held for sale	2,768.2	—	—	—
Club share	25.0	—	—	—
Decreases (increases) in:				
Short term-investments	(539.5)	(5.7)	539.3	9.3
Other noncurrent assets	(382.6)	(261.7)	(678.9)	(11.7)
Cash paid for acquisition of business—net of cash received	(409.7)	(765.0)	(11,611.7)	(200.2)
Collection from (advances to) joint ventures and associates	(30.3)	(250.0)	604.0	10.4
Dividends received from a non-controlling interest	40.9	96.9	114.3	2.0
Net cash used in investing activities	(2,970.5)	(13,771.2)	(20,641.3)	(355.8)

	Years Ended 31 December			
	2022	2023	2024	2024
	(Audited)	(Audited)	(Audited)	(Unaudited)
	(Amount in ₱ millions)			(Amount in U.S.$ million)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Lease liabilities	(10,094.7)	(11,158.6)	(11,343.1)	(195.5)
Long-term debt	(6,975.6)	(4,712.0)	(7,740.9)	(133.4)
Cash dividends	(2,804.3)	(3,271.0)	(3,781.5)	(65.2)
Short-term debt	(1.1)	(1,020.7)	(3,247.3)	(56.0)
Distributions for senior perpetual securities	(835.2)	(844.4)	(882.4)	(15.2)
Proceeds from:				
Short-term debt	3,868.3	2,515.7	3,748.2	64.6
Long-term debt	573.3	1,077.3	10,974.0	189.2
Issuance of common stock	1,597.9	209.0	697.5	12.0
Redemption of Series A-preferred shares	—	—	(3,000.0)	(51.7)
Interest paid	(2,231.2)	(2,560.4)	(2,694.6)	(46.4)
Contributions from non-controlling interests	130.3	100.0	—	—
Net cash used in financing activities	(16,772.3)	(19,665.1)	(17,270.1)	(297.6)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,179.1	4,376.9	(3,880.5)	(67.0)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(2.5)	(13.6)	(25.2)	(0.4)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	24,692.7	28,869.3	33,232.5	572.9
CASH AND CASH EQUIVALENTS AT END OF YEAR	28,869.3	33,232.6	29,326.8	505.5

SUMMARY OF SELECTED OPERATING AND FINANCIAL INFORMATION

The table below sets forth additional financial information for the periods indicated:

	For the year ended 31 December		
	2022	2023	2024
		(Unaudited)	
	(Amount in ₱ millions, except percentages)		
System wide sales[1]	296,822.4	345,324.4	390,284.4
Same store sales growth[2]	+27.0%	+10.6%	+5.7%
EBITDA[3]	31,213.7	33,814.7	36,745.5
EBITDA margin[4]	14.7%	13.9%	13.6%

(1) SWS is the Group's measure for all sales to consumers, both from Group-owned and franchised stores. While the Group does not record franchised store sales as revenues, royalty fees of the Group are based on a percentage of franchised store sales. SWS and related metrics are unaudited.

(2) Same store sales growth refers to food sales (gross of discount and net of returns and taxes) of Group-owned and franchised stores that have been in operation for at least 15 months. It excludes sales from new store openings.

(3) EBITDA is calculated as earnings before interest, taxes, depreciation and amortisation. Earnings is equivalent to "net income" in the audited consolidated financial statements included in this Offering Circular.

(4) EBITDA margin is calculated as EBITDA divided by total revenues.

The table below sets forth the reconciliation of EBITDA to net income for the periods indicated:

	For the year ended 31 December		
	2022	2023	2024
	(Unaudited) (Amount in ₱ millions)		
EBITDA RECONCILIATION			
Net income	7,338.5	8,985.5	10,795.8
Add (deduct):			
Income tax	3,849.1	3,356.9	3,390.2
Interest—net	4,427.5	4,518.5	4,812.5
Depreciation and amortisation	15,598.6	16,953.8	17,746.9
EBITDA	31,213.7	33,814.7	36,745.5

The table below sets forth the reconciliation of EBITDA margin for the periods indicated:

	For the year ended 31 December		
	2022	2023	2024
	(Unaudited) (Amount in ₱ millions, except percentages)		
EBITDA MARGIN			
EBITDA	31,213.7	33,814.7	36,745.5
Divide by:			
Total revenues	211,902.2	244,107.3	269,942.3
EBITDA margin	14.7%	13.9%	13.6%

SELECTED LEVERAGE RATIOS

The table below sets forth selected leverage ratios of the Group for the year ended 31 December 2024:

	For the year ended 31 December 2024	
	Pre-refinancing	Post-refinancing [1]
Debt [2] to EBITDA	1.6	2.2
Debt [2] to Equity	0.6	1.1
Net Debt [3] to Equity	0.3	0.7
Liabilities to Equity	1.8	2.6

(1) Pro forma calculations taking into account (i) the redemption of the Issuer's then outstanding U.S.$396.5 million (₱20,265.0 million) Guaranteed Senior Perpetual Capital Securities on 23 January 2025 and (ii) the U.S.$300.0 million (₱17,430.0 million) bridging loan and other loans amounting to ₱5.8 billion obtained by the Issuer to refinance the aforementioned redemption.

(2) Debt refers to (i) the Group's short-term debt of ₱6.5 billion, (ii) the current portion of the Group's long term debt amounting to ₱4.0 billion, (iii) the non-current portion of the Group's long-term debt amounting to ₱12.1 billion and (iv) the Group's senior debt securities of ₱34.6 billion.

(3) Net Debt refers to the sum equal to the Group's debt of ₱57.1 billion after deducting the Group's cash and cash equivalent of ₱29.3 billion.

CURRENT MATURITY PROFILE

The table below sets forth the current maturity profile of the Group as of 31 December 2024:

	As of 31 December 2024					
	Amount in U.S.$ million					
	2025	2026	2027	2028	2029	2030
Bank loans	66.7	61.7	69.7	27.6	22.9	12.2
Senior bonds	—	298.1	—	—	—	298.1
Preferred shares	—	155.1	—	—	—	—
Perpetual securities	349.3	—	—	—	—	—
Total	**416.1**	**514.9**	**69.7**	**27.6**	**22.9**	**310.3**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Prospective investors should read the following discussion and analysis of the Group's results of operations in conjunction with the audited consolidated financial statements of the Group as of and for the years ended 31 December 2022, 2023 and 2024, together with the respective notes thereto, included elsewhere in this Offering Circular. This discussion contains forward-looking statements that involve risks and uncertainties. The Group's actual results may differ significantly from its past performance or those projected in the forward-looking statements.

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new accounting pronouncements starting 1 January 2024. Adoption of these pronouncements did not have any significant impact on the consolidated statement of financial position and performance unless otherwise indicated.

Please refer to Note 2 of the attached audited consolidated financial statements for the Basis of Preparation, Statement of Compliance, Changes in Accounting Policies and Basis of Consolidation.

OVERVIEW

The Company believes it is the largest food service and restaurant company in the Philippines with 3,382 Group-owned and franchise-operated stores in the country as of 31 December 2024. It had 6,384 Group-owned and franchise-operated stores outside the Philippines as of the same date. In addition, the Group believes it is among the largest food service companies in Asia in terms of sales and store network as of 31 December 2024. The Group's principal business comprises the development, operation and franchising of quick service restaurants (**QSRs**) under its portfolio of brands in line with its four-product pillar strategy (i.e., Chicken, Chinese Cuisine, Coffee & Tea and Better Burgers). As of 31 December 2024, the Group's portfolio of brands comprises "Jollibee", "Chowking", "Greenwich", "Red Ribbon", "Mang Inasal", "Yong He King", "Hong Zhuang Yuan", "Smashburger", "Tim Ho Wan", "Highlands Coffee", "The Coffee Bean & Tea Leaf®", "Milksha", "Tortazo", "Compose Coffee", "Burger King", "Panda Express", "Yoshinoya", "Common Man Coffee Roasters", and "Tiong Bahru Bakery". The Group is also engaged in the manufacturing of food products and logistics services.

Out of the total 3,382 stores in the Philippines as of 31 December 2024, 2,300 stores were franchised. As of the same date, the Group had a presence outside the Philippines in 31 countries and territories, with 1,974 Group-owned and operated stores and 4,410 franchise-operated stores, including the United States, Canada, People's Republic of China (including Hong Kong, Macau, and Taiwan), United Kingdom, Italy, Spain, Guam, Vietnam, Brunei, Singapore, Saudi Arabia, United Arab Emirates, Qatar, Oman, Kuwait, Bahrain, Indonesia, Costa Rica, India, Panama, Malaysia, South Korea and Australia.

The Group's stores offer a quality menu with a wide variety of affordable and locally-relevant food and beverages. Its store formats and sales channels offer convenience, accessibility and availability to its consumers. The Group's store formats include free standing/full store, in store/in line, mall, food court and "cloud kitchens". It also employs comprehensive sales channels including dine-in, take-away, drive-thru, kiddie party, bulk order and delivery. The Group believes that store technology initiatives and delivery arrangements are becoming increasingly important aspects of its sales channel and the consumer experience. The technology that the Group has implemented includes, among others, website ordering, mobile ordering, interactive mobile ordering via chatbot, mobile payment, cashless payment options (such as tokenisation), and in-store self-service technologies. The Group has also established delivery arrangements with third-party delivery online platforms such as Deliveroo, Foodpanda, GrabFood, DoorDash, Uber Eats, Grubhub, Postmates, Ele.me, and Meituan.

System wide sales (**SWS**) is the Group's measure for all sales to consumers, both from Group-owned and franchise-operated stores. For the years ended 31 December 2022, 2023 and 2024, the Group's SWS were ₱296,822.4 million, ₱345,324.4 million, and ₱390,284.4 million (U.S.$6,727.9 million), respectively. For the same periods, the SWS of the Group's businesses in the Philippines accounted for 60.5 per cent., 61.1 per cent. and 59.5 per cent., respectively, of the Group's SWS. The SWS of the Group's business outside the Philippines represented 39.5 per cent., 38.9 per cent. and 40.5 per cent., respectively, of the Group's SWS for the years ended 31 December 2022, 2023 and 2024.

Net sales pertains to gross sales less sales discounts. For the years ended 31 December 2022, 2023 and 2024, the Group's net sales were ₱196,657.3 million, ₱226,701.6 million and ₱248,930.0 million (U.S.$4,291.2 million), respectively. Sales in the Philippines accounted for 59.4 per cent., 59.9 per cent. and 59.2 per cent. of the total sales of the Group for the years ended 31 December 2022, 2023 and 2024, respectively. Foreign sales represented 40.6 per cent, 40.1 per cent. and 40.8 per cent. of the total sales of the Group for the years ended 31 December 2022, 2023 and 2024, respectively.

For the years ended 31 December 2022, 2023 and 2024, the Group's gross profit were ₱36,956.3 million, ₱45,300.7 million and ₱51,719.3 million (U.S.$891.6 million), respectively.

For the years ended 31 December 2022, 2023 and 2024, the Group's EBITDA were ₱31,213.7 million, ₱33,814.7 million and ₱36,745.5 million (U.S.$633.4 million), respectively.

For the years ended 31 December 2022, 2023 and 2024, the Group's net income were ₱7,338.5 million, ₱8,985.5 million and ₱10,795.8 million (U.S.$186.1 million) respectively.

As of 31 December 2022, 2023 and 2024, the Group's total assets were ₱233,402.7 million, ₱244,174.2 million and ₱263,550.9 million (U.S.$4,543.2 million) respectively.

The following table sets forth the revenues of the Group's geographical segments for the years ended 31 December 2022, 2023 and 2024 respectively:

	For the year ended 31 December		
	2022	2023	2024
	(Amount in ₱ millions)		
Philippines	131,580.5	152,457.1	166,546.8
International	82,223.7	93,452.4	105,660.5
Eliminations	(1,902.0)	(1,802.1)	(2,265.0)
Consolidated	211,902.2	244,107.4	269,942.3

The following table sets forth the Jollibee brand of the Group's (i) store network and SSSG as at 31 December 2024 and (ii) SWS as at 31 December 2023 and 2024 respectively.

		SWS (Amount in ₱ millions except percentages)			
Jollibee Brand	**Store Network**	**2024**	**2023**	**Y-o-Y Growth**	**SSSG**
Philippines	1,279	142,463	127,866	11.4%	7.9%
North America	103	25,259	21,408	18.0%	8.1%
China	24	2,463	2,184	12.7%	13.2%
Hong Kong	20	2,143	1,897	12.9%	13.2%
Macau	4	320	287	11.6%	11.5%
Other Asia	276	13,302	10,025	32.7%	14.6%
Vietnam	213	7,527	5,530	36.1%	16.8%
Other Asia	63	5,775	4,495	28.5%	11.9%
Europe and Guam	17	3,532	2,658	32.9%	23.8%
Middle East	60	5,630	4,847	16.1%	4.3%
		192,649	**168,989**	**14.0%**	

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For a discussion of the Group's significant accounting policies, please refer to Notes 2 and 3 of the Group's audited consolidated financial statements included elsewhere in this Offering Circular.

DESCRIPTION OF PRINCIPAL INCOME STATEMENT ITEMS

Revenues

Revenues comprise sales by Group-owned stores, fees from stores operated by franchisees and commissary sales to stores operated by franchisees.

Direct Costs

Direct costs primarily comprise cost of inventories, personnel costs (comprised of salaries, wages and other employee benefits as well as pension expense) and depreciation and amortisation, and to a lesser extent, various expenses such as contracted services, rent, electricity and other utilities, supplies, repairs and maintenance and other expenses. Other expenses comprise, *inter alia*, delivery costs and insurance expenses. Please refer to the discussions below and to Note 21 of the Group's audited consolidated financial statements included elsewhere in this Offering Circular.

Gross Profit

Gross profit is the profit that the Group makes after deducting direct costs from revenues.

General and Administrative Expenses

General and administrative expenses generally comprise the same components as direct expenses but are allocated as general and administrative expenses to the extent they relate to operating expenses incurred by the Group's general corporate functions such as finance, marketing, human resources, audit and legal personnel. The principal components of general and administrative expenses include personnel costs (comprised of salaries, wages and other employee benefits, stock options expense and pension expense), taxes and licenses, professional fees, transportation and travel and other expenses. Other expenses comprise other miscellaneous expenses. Please refer to the discussions below and to Note 22 of the Group's audited consolidated financial statements included elsewhere in this Offering Circular.

Advertising and Promotions

Advertising and promotions include costs incurred for advertising schemes and promotional activities for new products.

Operating Income

Operating income is the income of the Group after deducting direct costs, general and administrative expenses and advertising and promotions from revenues.

Interest Income (Expense)

Interest income is the income earned by the Group's interest-bearing assets such as cash and cash equivalents, short-term investments and loans and advances. Interest expense pertains to the expenses associated with the Group's interest-bearing liabilities such as short- and long-term debt obligations and customers' deposits as well as the expenses on its lease liabilities. Please refer to the discussions below and to Note 23 of the Group's audited consolidated financial statements included elsewhere in this Offering Circular.

Equity in Net Earnings (Losses) of Joint Ventures and Associates – Net

Equity in net earnings (losses) of joint ventures and associates—net is the Group's share in the profit or loss of its joint ventures and associates.

Other Income

Other income primarily comprises write-off of liabilities, bank charges, marked-to-market gain (loss) on financial assets at fair value through profit or loss (**FVTPL**), rebates, suppliers' incentives and government subsidies, penalties and charges, insurance claims and others, gain on pre-termination of lease agreements and foreign exchange gain (loss). Please refer to the discussions below and to Note 23 of the Group's audited consolidated financial statements included elsewhere in this Offering Circular.

Provision for Income Tax

Provision for income tax comprises the Group's provision for current and deferred taxes. Please refer to the discussions below and to Note 24 of the Group's audited consolidated financial statements included elsewhere in this Offering Circular.

Net Income

Net income is the total revenue of the Group after the deduction of all expenses, interest and income taxes during the same financial period.

Net Income Attributable to Equity Holders of the Company

Net income attributable to equity holders of the Company is the net income after the deduction of the share of non-controlling interests.

RESULTS OF OPERATIONS

Results of Operations for the Year Ended 31 December 2024 Compared to the Year Ended 31 December 2023

On August 16, 2024, the Group included Jolli-K Co. Ltd. (**Jolli-K**), in its financial consolidation. Jolli-K, a company incorporated in South Korea, owns Compose Coffee Co. Ltd. and Compose Coffee Smart Company Ltd. (formerly known as JMCF Co. Ltd) (collectively, **Compose Coffee**).

See "*Business—Acquisitions, Investments and Disposals–Year ended 31 December 2024*".

See Note 11 of the Group's audited consolidated financial statements included elsewhere in this Offering Circular.

Revenues and System Wide Sales

Consolidated revenues increased by ₱25,835.0 million or 10.6 per cent., from ₱244,107.3 million for the year ended 31 December 2023 to ₱269,942.3 million for the year ended 31 December 2024.

The table below sets forth a breakdown of the Group's revenues from external customers by business segment for the periods indicated.

Segment	For the year ended 31 December	
	2024	2023
	₱ million	
Food service[1]	249,234.3	227,035.7
Franchising[2]	19,940.3	16,587.7
Support Services[3]	767.7	484.0

(1) The food service segment conducts the operation of the stores and the manufacture of food products to be sold to the Group's franchise-operated stores. See "*Business—Operations—Brands*".

(2) The franchising segment handles the franchising of the Group's brands. See "*Business—The Group's Store Network— Franchised Stores*".

(3) The support services segment provides various services mainly to the Group's independent franchisees including repairs and maintenance of store equipment, staffing, helpdesk services and other business activities.

Consolidated SWS increased by ₱44,960.1 million or 13.0 per cent., from ₱345,324.4 million for the year ended 31 December 2023 to ₱390,284.4 million for the year ended 31 December 2024.

The table below sets forth a breakdown of the growth of the Group's SWS for the following categories for the periods indicated.

	For the year ended 31 December	
	2024	2023
	(Unaudited)	
	per cent.	
Same store sales growth[1]	5.7	10.6
New store contribution[2]	3.2	5.4
Acquisition-driven growth[3]	3.1	—
Impact of FOREX on SWS[4]	1.1	0.3

(1) Same store sales growth refers to food sales (net of discount and returns) of Group-owned and franchised stores that have been in operation for at least 15 months. It excludes sales from new store openings.

(2) New store contribution refers to the impact of newly opened stores during the relevant financial years.

(3) Acquisition-driven growth refers to the incremental sales contribution by a newly acquired majority-owned business during the relevant year.

(4) Foreign exchange rate changes refer to the impact of currency fluctuations. To eliminate the impact of currency fluctuations, the Group utilises constant currencies by converting current SWS using the prior period's average exchange rate.

The table below sets forth a breakdown of the growth of the Group's SWS by region and notable subsidiaries for the year ended 31 December 2024.

	SWS Growth	Same Store Sales Growth	New Store Contribution	Acquisition-driven Growth	Impact of Foreign Exchange on SWS
			(Unaudited)		
			per cent.		
Region					
Philippines	10.1	7.5	2.6	—	—
PRC	(8.3)	(11.2)	1.6	—	1.3
North America	7.6	3.2	1.4	—	3.0
EMEAA	27.0	12.8	10.6	—	3.6
Notable subsidiaries					
Coffee Bean & Tea Leaf	16.0	7.1	5.9	—	3.0
Highlands Coffee	13.0	(3.7)	15.3	—	1.4
Milksha	5.3	5.4	0.0	—	(0.1)
Compose Coffee	—	—	—	—	—
International	**17.6**	**2.8**	**4.3**	**7.9**	**2.7**
Total worldwide	**13.0**	**5.7**	**3.2**	**3.1**	**1.1**

SWS of the Philippines business grew by 10.1 per cent., boosted by contributions from the brands Jollibee, Chowking and Mang Inasal. SSSG of the Philippine business was 7.5 per cent. from a volume growth of 7.2 per cent. and a 0.3 per cent. increase in average check.

International SWS grew by 17.6 per cent. led by EMEAA brands and Philippine brands in EMEAA, CBTL, SuperFoods, and North America. Compose Coffee contributed 7.9 per cent. to the international business' SWS growth. China's SWS declined by 8.3 per cent., weighed down by a soft macro environment that continued to impact consumer spending.

SSSG of the international business was up by 2.8 per cent., with EMEAA increasing by 12.8 per cent., CBTL by 7.1 per cent., Milksha by 5.4 per cent., and North America by 3.2 per cent.. China and Highlands Coffee SSSG declined by 11.2 per cent. and 3.7 per cent., respectively.

Direct Costs

Consolidated direct costs increased by ₱19,416.3 million or 9.8 per cent., from ₱198,806.7 million for the year ended 31 December 2023 to ₱218,223.0 million for the year ended 31 December 2024, primarily as a result of an increase in: (i) cost of inventories and (ii) store and manufacturing costs arising from the Group's organic expansion and new acquisition.

The following discussion sets forth the components of direct costs and a trend analysis for each component, for the year ended 31 December 2023 as compared to the year ended 31 December 2024:

Cost of inventories increased by ₱10,910.1 million or 9.6 per cent., from ₱113,996.9 million for the year ended 31 December 2023 to ₱124,907.1 million for the year ended 31 December 2024, in line with the increase in revenues. As a percentage of revenues, consolidated cost of inventories improved by 40 basis points to 46.3 per cent., primarily as a result of supply chain efficiency measures and upward price adjustments implemented by some foreign subsidiaries.

Personnel costs increased by ₱2,852.7 million or 11.0 per cent., from ₱25,977.8 million for the year ended 31 December 2023 to ₱28,830.4 million for the year ended 31 December 2024, primarily as a result of an increase in head count arising from the opening of new company-owned stores and the consolidation of Jolli-K. Wage hikes in countries in which the Group operates also contributed to the increase in personnel costs.

Depreciation and amortisation increased by ₱701.6 million or 4.3 per cent., from ₱16,236.9 million for the year ended 31 December 2023 to ₱16,938.5 million for the year ended 31 December 2024, primarily as a result of an increase in the number of company-owned stores, additional investments in the Group's manufacturing and roasting facilities and the consolidation of Jolli-K.

Contracted services expenses increased by ₱535.6 million or 5.5 per cent., from ₱9,796.3 million for the year ended 31 December 2023 to ₱10,331.9 million for the year ended 31 December 2024, primarily as a result of an increase in the number of company-owned stores, the consolidation of Jolli-K and wage inflation.

Rent expenses increased by ₱1,211.2 million or 21.6 per cent., from ₱5,618.6 million for the year ended 31 December 2023 to ₱6,829.8 million for the year ended 31 December 2024, primarily as a result of an increase in company-owned stores, the consolidation of Jolli-K and the increase of annual rent payable.

Electricity and other utilities expenses increased by ₱519.6 million or 8.3 per cent., from ₱6,254.8 million for the year ended 31 December 2023 to ₱6,774.4 million for the year ended 31 December 2024, primarily as a result of an increase in the number of company-owned stores and the consolidation of Jolli-K.

Repairs and maintenance expenses increased by ₱387.4 million or 13.5 per cent., from ₱2,876.5 million for the year ended 31 December 2023 to ₱3,263.9 million for the year ended 31 December 2024, primarily as a result of an increase in the number of company-owned stores and the consolidation of Jolli-K.

Security and janitorial expenses increased by ₱190.0 million or 14.8 per cent., from ₱1,285.6 million for the year ended 31 December 2023 to ₱1,475.6 million for the year ended 31 December 2024, primarily as a result of an increase in the number of company-owned stores and the consolidation of Jolli-K.

Communication expenses increased by ₱40.4 million or 9.9 per cent., from ₱408.3 million for the year ended 31 December 2023 to ₱448.7 million for the year ended 31 December 2024, primarily as a result of an increase in the number of company-owned stores and the consolidation of Jolli-K.

Professional fees increased by ₱60.1 million or 34 per cent., from ₱176.8 million for the year ended 31 December 2023 to ₱236.9 million for the year ended 31 December 2024 as a result of an increase in legal consultancy fees, particularly for international business.

Representation and entertainment expenses increased by ₱4.6 million or 5.9 per cent., from ₱78.2 million for the year ended 31 December 2023 to ₱82.8 million for the year ended 31 December 2024, primarily driven by the Jollibee brand's marketing activity (JB Paskong Langhap Sarap) in December.

Delivery costs, insurance and other expenses increased by ₱1,165.4 million or 13.5 per cent., from ₱8,632.7 million for the year ended 31 December 2023 to ₱9,798.0 million for the year ended 31 December 2024, primarily as a result of new company-owned stores that were opened during the year and the consolidation of Jolli-K.

Cost of services – advertising increased by ₱804.2 million or 19.8 per cent., from ₱4,060.4 million for the year ended 31 December 2023 to ₱4,864.6 million for the year ended 31 December 2024, primarily as a result of an increase in SWS.

Gross Profit

As a result of the foregoing, gross profit increased by ₱6,418.7 million or 14.2 per cent., from ₱45,300.7 million for the year ended 31 December 2023 to ₱51,719.3 million for the year ended 31 December 2024.

General and Administrative Expenses

General and administrative expenses increased by ₱3,943.6 million or 12.8 per cent., from ₱30,886.7 million for the year ended 31 December 2023 to ₱34,830.2 million for the year ended 31 December 2024, primarily as a result of an increase in labour costs due to an increase in headcount as the Group continues to invest in its organisation, particularly for its international business. The consolidation of the newly-acquired business, Jolli-K also contributed to the increase.

The following discussion sets forth the components of general and administrative expenses and a trend analysis for each component, for the year ended 31 December 2023 as compared to the year ended 31 December 2024:

Personnel costs increased by ₱2,399.2 million or 17.5 per cent., from ₱13,709.7 million for the year ended 31 December 2023 to ₱16,108.9 million for the year ended 31 December 2024, primarily as a result of (1) headcount increase; and (2) higher performance-related increases in basic pay, employee promotions, bonuses and upgrades in employee benefits.

Professional fees increased by ₱405.4 million or 27.6 per cent., from ₱1,467.5 million for the year ended 31 December 2023 to ₱1,872.8 million for the year ended 31 December 2024, primarily as a result of higher fees relating to talent search and acquisition, market research, and other consulting and legal fees.

Contracted services expenses increased by ₱247.9 million or 21.1 per cent. from ₱1,174.1 million for the year ended 31 December 2023 to ₱1,421.9 million for the year ended 31 December 2024, primarily driven by the Group's business technology projects.

Membership and subscription expenses increased by ₱442.1 million or 81.9 per cent., from ₱540.0 million for the year ended 31 December 2023 to ₱982.0 million for the year ended 31 December 2024, driven by various membership and subscriptions to digital platforms and services by the Company's Information Management and Digital Technology department.

Depreciation and amortization increased by ₱91.6 million or 12.8 per cent., from ₱716.9 million for the year ended 31 December 2023 to ₱808.5 million for the year ended 31 December 2024, primarily as a result of the Group's fixed asset base resulting from the growth of the Group's businesses.

Transportation and travel expenses increased by ₱173.3 million or 27.4 per cent., from ₱633.3 million for the year ended 31 December 2023 to ₱806.6 million for the year ended 31 December 2024, primarily as a result of increased business travels in various countries where the Group operates.

For the year ended 31 December 2024, the Group recognized provisions for impairment in value of receivables, property, plant and equipment and inventories amounting to ₱715.6 million. In addition, the Group recognized a reversal of ₱207.0 million on previously recognized provisions for impairment on inventories, property, plant and equipment and receivables following certain assessments performed by the Group.

Rent expenses decreased by ₱52.8 million or 9.4 per cent., from ₱562.1 million for the year ended 31 December 2023 to ₱509.3 million for the year ended 31 December 2024, primarily as a result of the following: (a) reversal of rent accrual for a storage facility of a subsidiary of the Company arising from a rent subsidy agreement with the lessor until 31 December 2024; and (b) higher 2023 rent expenses of another Philippine-based subsidiary due to delayed rental charges for 2017-2022 which were booked in 2023 only.

Repairs and maintenance expenses decreased by ₱108.1 million or 22.3 per cent., from ₱484.4 million for the year ended 31 December 2023 to ₱376.3 million for the year ended 31 December 2024, due to the reclassification of business software license fees and subscriptions from Repairs and maintenance to Subscription General Ledger, while most of the technical services were reclassified to Professional Fees – Service Fees.

The Group also incurred a net loss on retirements and disposals of property, plant and equipment, investment properties and tangibles amounting to ₱279.8 million arising from change in store ownership, store renovations and closures.

Corporate events expenses increased by ₱96.9 million or 62.4 per cent., from ₱155.3 million for the year ended 31 December 2023 to ₱252.2 million for the year ended 31 December 2024, primarily as a result of an increase in the Group's events such as national conventions, particularly in the Philippines and North America. Increase in headcount and inflation contributed to the higher corporate events expenses.

Insurance expenses increased by ₱30.5 million or 15.0 per cent., from ₱202.7 million for the year ended 31 December 2023 to ₱233.2 million for the year ended 31 December 2024, primarily as a result of an increase in assets insured for new locations and new acquisitions. As a consequence of business expansion, potential liability exposure also increased globally resulting to higher insurance premium.

Supplies expenses increased by ₱23.6 million or 14.1 per cent., from ₱167.3 million for the year ended 31 December 2023 to ₱190.9 million for the year ended 31 December 2024, primarily due to the recognition of late charges from foreign subsidiaries and the consolidation of Jolli-K.

Communications expenses decreased by ₱9.6 million or 5.4 per cent., from ₱177.3 million for the year ended 31 December 2023 to ₱167.6 million for the year ended 31 December 2024, primarily due to the reversal charges of delivery contracted services related to 2023-2024 transactions.

Donations increased by ₱16.6 million or 11.1 per cent., from ₱148.9 million for the year ended 31 December 2023 to ₱165.5 million for the year ended 31 December 2024, as a result of higher consolidated net income in 2023 compared to 2022, which is the basis for donations made to the Jollibee Group Foundation (**JGF**).

Training expenses increased by ₱33.3 million or 39.9 per cent., from ₱83.5 million for the year ended 31 December 2023 to ₱116.8 million for the year ended 31 December 2024. The increase was primarily driven by the expansion of learning programs in 2024, as well as the engagement of new global partners that will be involved in designing and piloting global programs.

Representation and entertainment expenses increased by ₱5.3 million or 7.8 per cent., from ₱68.1 million for the year ended 31 December 2023 to ₱73.4 million for the year ended 31 December 2024, primarily as a result of increased activities relating to business acquisition, store and market presence expansion.

Electricity and other utilities increased by ₱13.4 million or 23.9 per cent., from ₱56.0 million for the year ended 31 December 2023 to ₱69.4 million for the year ended 31 December 2024, primarily as a result of higher power consumption.

Association dues decreased by ₱9.6 million or 18.3 per cent. from ₱52.5 million for the year ended 31 December 2023 to ₱42.9 million for the year ended 31 December 2024, as a result of monthly subscription for recruitment advertising platforms of the Company's foreign subsidiaries.

Security and janitorial expenses increased by ₱20.7 million or 112.6 per cent, from ₱18.4 million for the year ended 31 December 2023 to ₱39.1 million for the year ended 31 December 2024, as some expenses incurred in 2023 were booked in 2024 only because of delayed billings.

Research and development and other expenses decreased by ₱241.4 million or 11.8 per cent. from ₱2,046.0 million for the year ended 31 December 2023 to ₱1,804.7 million for the year ended 31 December 2024, primarily as a result of lower research and development expenses and various miscellaneous expenses.

Advertising and Promotions

Advertising and promotions increased by ₱279.2 million or 5.8 per cent., from ₱4,802.6 million for the year ended 31 December 2023 to ₱5,081.8 million for the year ended 31 December 2024, primarily as a result of product launches and other marketing campaigns of the Philippine and international business.

Operating Income

As a result of the foregoing, operating income increased by ₱2,475.1 million or 17.2 per cent., from ₱14,414.0 million for the year ended 31 December 2023 to ₱16,889.1 million for the year ended 31 December 2024.

Interest Income (Expense)

Interest income increased by ₱95.5 million or 11.1 per cent., from ₱863.5 million for the year ended 31 December 2023 to ₱959.0 million for the year ended 31 December 2024, primarily as a result of higher cash balance and higher money market placement interest rates in the Philippines.

Interest expense increased by ₱389.5 million or 7.2 per cent., from ₱5,382.0 million for the year ended 31 December 2023 to ₱5,771.6 million for the year ended 31 December 2024, primarily as a result of increased interest expense from bank loans and higher interest expense on PFRS 16–Leases.

As a result of the foregoing, net interest expense increased by ₱294.0 million or 6.5 per cent., from ₱4,518.5 million for the year ended 31 December 2023 to ₱4,812.5 million for the year ended 31 December 2024.

Equity in Net Earnings of Joint Ventures and Associates – Net

Equity in net earnings of joint ventures and associates–net decreased by ₱250.8 million or 43.2 per cent., from ₱580.0 million for the year ended 31 December 2023 to ₱329.2 million for the year ended 31 December 2024, as a result of the equity in net earnings of Titan Dining L.P., C-Joy Poultry Meats Productions, Inc, Golden Bee (Jollibee UAE), Entrek (Jollibee Brunei), CentralHub and Yoshinoya. This was offset by the equity in net losses of Botrista, Tortas Frontera, Panda Express and Beeworks Food (Jollibee West Malaysia).

Other Income

Other income decreased by ₱86.5 million or 4.6 per cent., from ₱1,866.9 million for the year ended 31 December 2023 to ₱1,780.3 million for the year ended 31 December 2024, primarily as a result of higher loss on foreign exchange, decrease in unrealized gain on financial assets at FVTPL resulting from the redemption of a significant portion of the Group's investment to fund the Compose Coffee acquisition, additional provisions, offset by higher reversal of prior year's accruals and liabilities.

Provision for Income Tax

Provision for income tax increased slightly by ₱33.3 million or 1.0 per cent., from ₱3,356.9 million for the year ended 31 December 2023 to ₱3,390.2 million for the year ended 31 December 2024. In the 4th quarter of 2024, provision for tax declined by ₱933.0 million due to the recognition of deferred tax assets on net operating loss carryover (**NOLCO**), reflecting the improved business of some subsidiaries of the Company.

Net Income

As a result of the foregoing, net income increased by ₱1,810.4 million or 20.1 per cent., from ₱8,985.5 million for the year ended 31 December 2023 to ₱10,795.8 million for the year ended 31 December 2024.

Net Income Attributable to Equity Holders of the Company

Net income attributable to the equity holders of the Company increased by ₱1,550.4 million or 17.7 per cent., from ₱8,766.1 million for the year ended 31 December 2023 to ₱10,316.5 million for the year ended 31 December 2024.

Results of Operations for the Year Ended 31 December 2023 Compared to the Year Ended 31 December 2022

In September 2023, the Group completed the acquisition of 60 per cent. of ownership in Meko Holdings Limited (**MHL**).

In August 2023, the Company and Food Collective, Pte. Ltd. (**FCPL**) announced the establishment of a joint venture that owns and operates Tiong Bahru Bakery and Common Man Coffee Roaster brands in the Philippines. The joint venture entity is 60 per cent. owned by the Company and 40 per cent. owned by FCPL.

In November 2021, JFC signed a deal to acquire 51 per cent. of Milkshop International Co. Ltd. (**Milksha**). In February 2022, the acquisition was completed and Milksha was included in the Group's financial consolidation.

See "*Business – Acquisitions, Investments and Disposals – Year ended 31 December 2023*" and "*Business – Acquisitions, Investments and Disposals – Year ended 31 December 2022*".

Revenues

Consolidated revenues increased by ₱32,205.1 million or 15.2 per cent. from ₱211,902.2 million for the year ended 31 December 2022 to ₱244,107.3 million for the year ended 31 December 2023, primarily as a result of the continued strong performance of the Philippine business which registered an increase of 17.6 per cent. driven by a 13.9 per cent. growth in SSS from a volume growth of 8.2 per cent. and a 5.2 per cent. increase in average check.[3]

The table below sets forth a breakdown of the Group's revenues from external customers by business segment for the periods indicated.

Segment	For the year ended 31 December	
	2023	2022
	₱ million	
Food service(1)	227,035.7	197,436.0
Franchising(2)	16,587.7	14,158.9
Support Services(3)	484.0	307.3

(1) The food service segment conducts the operation of the stores and the manufacture of food products to be sold to the Group's franchise-operated stores. See "*Business—Operations—Brands*".

(2) The franchising segment handles the franchising of the Group's brands. See "*Business—The Group's Store Network— Franchised Stores*".

(3) The support services segment provides various services mainly to the Group's independent franchisees including repairs and maintenance of store equipment, staffing, helpdesk services and other business activities.

Consolidated SWS increased by ₱48,502.0 million or 16.3 per cent. to ₱345,324.4 million for the year ended 31 December 2023 compared to ₱296,822.4 million for the year ended 31 December 2022.

The table below sets forth a breakdown of the growth of the Group's SWS for the following categories for the periods indicated.

For the year ended 31 December

	For the year ended 31 December	
	2023	2022
	(Unaudited)	
	per cent.	
Same store sales growth(1)	10.6	27.0
New store contribution(2)	5.4	6.1
Acquisition-driven growth(3)	—	2.0
Impact of FOREX on SWS(4)	0.3	5.2

(1) Same store sales growth refers to food sales (net of discount and returns) of Group-owned and franchised stores that have been in operation for at least 15 months. It excludes sales from new store openings.

(2) New store contribution refers to the impact of newly opened stores during the relevant financial years.

(3) Acquisition-driven growth refers to the incremental sales contribution by a newly acquired majority-owned business during the relevant year.

(4) Foreign exchange rate changes refer to the impact of currency fluctuations. To eliminate the impact of currency fluctuations, the Group utilises constant currencies by converting current SWS using the prior period's average exchange rate.

3 Average check is calculated as total sales over transaction volume.

The table below sets forth a breakdown of the growth of the Group's SWS by region and notable subsidiaries for the year ended 31 December 2023.

Region	SWS Growth	Same Store Sales Growth	New Store Contribution	Acquisition-driven Growth	Impact of Foreign Exchange on SWS
	(Unaudited)				
	per cent.				
Philippines	17.6	13.9	3.8	—	—
PRC	21.9	12.4	12.4	—	(2.9)
North America	11.6	4.4	5.1	—	2.1
EMEAA	16.0	7.6	6.4	—	2.0
Coffee Bean & Tea Leaf	11.9	1.7	8.1	—	2.1
Superfoods	6.4	(4.3)	10.8	—	(0.2)
Milksha	29.6	14.8	17.2	—	(2.4)
International	14.4	5.3	8.3	—	0.8
Total worldwide	16.3	10.6	5.4	—	0.3

The increase in SWS and revenues was driven by the continued strong performance of the Philippine business which registered an increase of 17.6 per cent. driven by a 13.9 per cent. growth in SSS from a volume growth of 8.2 per cent. and a 5.2 per cent. increase in average check.

SSS of the international business grew by 5.3 per cent., with China increasing by 12.4 per cent., Milksha by 14.8 per cent., North America by 4.4 per cent., EMEAA by 7.6 per cent., CBTL by 1.7 per cent.. SuperFoods' SSS declined by 4.3 per cent. primarily due to weak macros in Vietnam and increased competition in the coffee space.

Direct Costs

Consolidated direct costs increased by ₱23,860.8 million or 13.6 per cent. from ₱174,945.9 million for the year ended 31 December 2022 to ₱198,806.7 million for the year ended 31 December 2023, primarily as a result of an increase in: (a) cost of inventories and (b) store and manufacturing costs arising from the Group's organic expansion.

The following discussion sets forth the components of direct costs and a trend analysis for each component, for the year ended 31 December 2022 as compared to the year ended 31 December 2023:

Cost of inventories increased by ₱14,723.8 million or 14.8 per cent. from ₱99,273.2 million for the year ended 31 December 2022 to ₱113,996.9 million for the year ended 31 December 2023, primarily as a result of rising inflation and higher freight costs.

Personnel costs increased by ₱2,486.5 million or 10.6 per cent. from ₱23,491.3 million for the year ended 31 December 2022 to ₱25,977.8 million for the year ended 31 December 2023, primarily as a result of an increase in head count arising from the opening of new company-owned stores. Wage hikes in countries in which the Group operates also contributed to the increase in personnel costs.

Rent expenses increased by ₱1,058.8 million or 23.2 per cent. from ₱4,559.7 million for the year ended 31 December 2022 to ₱5,618.6 million for the year ended 31 December 2023, primarily as a result of an increase in company-owned stores and the increase of annual rent payable.

Contracted services expenses increased by ₱1,378.3 million or 16.4 per cent. from ₱8,418.0 million for the year ended 31 December 2022 to ₱9,796.3 million for the year ended 31 December 2023, primarily as a result of new company-owned stores that were opened during the year and wage inflation.

Depreciation and amortisation increased by ₱1,328.9 million or 8.9 per cent. from ₱14,908.0 million for the year ended 31 December 2022 to ₱16,236.9 million for the year ended 31 December 2023, primarily as a result of new company-owned stores that were opened during the year and additional investments in the Group's commissaries.

Electricity and other utilities expenses increased by ₱786.2 million or 14.4 per cent. from ₱5,468.6 million for the year ended 31 December 2022 to ₱6,254.8 million for the year ended 31 December 2023, primarily as a result of new company-owned stores that were opened during the year.

Repairs and maintenance expenses increased by ₱300.1 million or 11.6 per cent. from ₱2,576.4 million for the year ended 31 December 2022 to ₱2,876.5 million for the year ended 31 December 2023, primarily as a result of an increase in the number of company-owned stores.

Professional fees increased by ₱54.7 million or 44.8 per cent. from ₱122.0 million for the year ended 31 December 2022 to ₱176.8 million for the year ended 31 December 2023, primarily as a result of resumption of store and commissary projects after the COVID-19-related restrictions in previous years.

Representation and entertainment expenses decreased by ₱12.0 million or 13.3 per cent. from ₱90.2 million for the year ended 31 December 2022 to ₱78.2 million for the year ended 31 December 2023, primarily as a result of lower spending of the foreign subsidiaries in 2023 as compared to 2022.

Security and janitorial expenses increased by ₱188.3 million or 17.2 per cent. from ₱1,097.3 million for the year ended 31 December 2022 to ₱1,285.6 million for the year ended 31 December 2023, primarily as a result of new company-owned stores that were opened during the year.

Supplies expenses increased by ₱42.4 million or 1.3 per cent. from ₱3,364.4 million for the year ended 31 December 2022 to ₱3,406.9 million for the year ended 31 December 2023, primarily as a result of new company-owned stores that were opened during the year.

Communications expenses increased by ₱37.2 million or 10.0 per cent. from ₱371.1 million for the year ended 31 December 2022 to ₱408.3 million for the year ended 31 December 2023, primarily as a result of new company-owned stores that were opened during the year.

Other expenses increased by ₱826.5 million or 10.6 per cent. from ₱7,806.1 million for the year ended 31 December 2022 to ₱8,632.7 million for the year ended 31 December 2023, primarily as a result of higher delivery costs arising from the increased sales contribution of the delivery channel.

Cost of services – advertising increased by ₱660.8 million or 19.4 per cent., from ₱3,399.6 million for the year ended 31 December 2022 to ₱4,060.4 million for the year ended 31 December 2023, primarily as a result of an increase in SWS.

Gross Profit

As a result of the foregoing, gross profit increased by ₱8,344.3 million or 22.6 per cent. from ₱36,956.3 million for the year ended 31 December 2022 to ₱45,300.6 million for the year ended 31 December 2023.

The improvement in the gross profit margin was driven by the Philippine business primarily due to strong topline growth and effective cost management in supply chain, commissaries and stores.

General and Administrative Expenses

Consolidated general and administrative expenses increased by ₱3,178.2 million or 13.9 per cent. from ₱22,905.9 million for the year ended 31 December 2022 to ₱26,084.1 million for the year ended 31 December 2023, primarily as a result of an increase in labour costs as the Group continues to invest in its organisation, particularly for its international business.

The following discussion sets forth the components of general and administrative expenses and a trend analysis for each component, for the year ended 31 December 2022 as compared to the year ended 31 December 2023:

Personnel costs increased by ₱1,752.9 million or 14.7 per cent. from ₱11,956.8 million for the year ended 31 December 2022 to ₱13,709.7 million for the year ended 31 December 2023, primarily as a result of: (1) headcount increase; and (2) higher performance-related increases in basic pay, employee promotions, bonuses and upgrades in employee benefits.

Taxes and licences increased by ₱751.5 million or 36.2 per cent. from ₱2,075.6 million for the year ended 31 December 2022 to ₱2,827.1 million for the year ended 31 December 2023, primarily as a result of higher business-related taxes and licence fees for both domestic and foreign businesses, as a corollary of an increase in revenues.

Professional fees increased by ₱90.3 million or 6.6 per cent. from ₱1,377.2 million for the year ended 31 December 2022 to ₱1,467.5 million for the year ended 31 December 2023, primarily as a result of higher fees relating to talent search and acquisition, market research, and other consulting and legal fees.

Contracted services expenses increased by ₱258.5 million or 28.2 per cent. from ₱915.6 million for the year ended 31 December 2022 to ₱1,174.1 million for the year ended 31 December 2023, primarily driven by the Group's business technology projects.

Depreciation and amortisation increased by ₱26.3 million or 3.8 per cent. from ₱690.6 million for the year ended 31 December 2022 to ₱716.9 million for the year ended 31 December 2023, primarily as a result of the Group's fixed asset base resulting from the growth of the Group's businesses.

Transportation and travel expenses increased by ₱140.6 million or 28.5 per cent. from ₱492.7 million for the year ended 31 December 2022 to ₱633.3 million for the year ended 31 December 2023, primarily as a result of resumption of business travels arising from the easing of restrictions in various countries where the Group operates.

Rent expenses increased by ₱63.7 million or 12.8 per cent. from ₱498.4 million for the year ended 31 December 2022 to ₱562.1 million for the year ended 31 December 2023, as a result of additional office spaces for some foreign subsidiaries in 2023.

Membership and subscription expenses increased by ₱34.6 million or 6.8 per cent. from ₱505.4 million for the year ended 31 December 2022 to ₱540.0 million for the year ended 31 December 2023, primarily as a result of an increase in license and subscription fees.

Communications expenses decreased by ₱96.7 million or 35.3 per cent. from ₱274.0 million for the year ended 31 December 2022 to ₱177.3 million for the year ended 31 December 2023, primarily as a result of an adjustment made in 2023 to correct the classification of a 2022 expense from miscellaneous account to communications expense.

Supplies expenses increased by ₱18.4 million or 12.3 per cent. from ₱149.0 million for the year ended 31 December 2022 to ₱167.3 million for the year ended 31 December 2023, as a result of quarterly update of menu boards and implementation of return to office for the Company and most of its subsidiaries.

Corporate events expenses increased by ₱66.5 million or 74.9 per cent. from ₱88.8 million for the year ended 31 December 2022 to ₱155.3 million for the year ended 31 December 2023, as a result of the resumption of various businesses' events such as national conventions, particularly in the Philippines and North America.

Donations increased by ₱50.9 million or 52.0 per cent. from ₱97.9 million for the year ended 31 December 2022 to ₱148.9 million for the year ended 31 December 2023, primarily as a result of higher consolidated income in 2023 compared to 2022, which is the basis for donations made to the JGF.

Training expenses decreased by ₱11.1 million or 11.8 per cent. from ₱94.7 million for the year ended 31 December 2022 to ₱83.5 million for the year ended 31 December 2023, as a result of a higher base due to a series of one-off conversion costs to online modules.

Representation and entertainment expenses increased by ₱13.5 million or 24.7 per cent. from ₱54.6 million for the year ended 31 December 2022 to ₱68.1 million for the year ended 31 December 2023, as a result of increased activities related to store expansion particularly for the international business.

Electricity and other utilities expenses increased by ₱8.7 million or 18.3 per cent. from ₱47.3 million for the year ended 31 December 2022 to ₱56.0 million for the year ended 31 December 2023, primarily as a result of higher consumption as office-based employees in the Philippines and some countries resumed working onsite twice a week.

Association dues increased by ₱15.5 million or 41.8 per cent. from ₱37.0 million for the year ended 31 December 2022 to ₱52.5 million for the year ended 31 December 2023, primarily as a result of monthly subscription for recruitment advertising platforms of the Company's foreign subsidiaries.

Security and janitorial expenses increased by ₱9.4 million or 103.4 per cent. from ₱9.0 million for the year ended 31 December 2022 to ₱18.4 million for the year ended 31 December 2023, as a result of the partnership of the Group and Republic Cement and Building Materials, Inc. aimed at recovering and diverting post-consumer packaging wastes through co-processing.

Research and development and other expenses increased by ₱509.3 million or 33.1 per cent. from ₱1,536.7 million for the year ended 31 December 2022 to ₱2,046.0 million for the year ended 31 December 2023, primarily as a result of higher research and development expenses of the Group.

For the year ended 31 December 2023, the Group reversed previously recognised provisions for impairment on right-of-use assets, property, plant and equipment, receivables and inventories amounting to ₱233.1 million. The Group also incurred loss on retirements and disposals of property, plant and equipment, investment properties and tangibles amounting to ₱400.9 million as a result of a change in store ownership, store closures and fixed asset disposals. In addition, the Group recognised provisions for impairment in the value of receivables, inventories, property, plant and equipment and other current assets amounting to ₱278.8 million, ₱177.9 million, ₱160.4 million, and ₱8.1 million, respectively, following certain assessments performed by the Group.

For the year ended 31 December 2022, the Group reversed previously recognised provisions for impairment on property, plant and equipment, receivables and inventories amounting to ₱402.7 million. The Group also incurred loss on retirements and disposals of property, plant and equipment amounting to ₱363.1 million as a result of

change in store ownership, store closures and fixed asset disposals. In addition, the Group recognised provisions for impairment in the value of receivables, inventories, property, plant and equipment, other current assets and trademarks amounting to ₱415.4 million, ₱274.3 million, ₱107.9 million, ₱121.5 million, ₱463.1 million respectively, following certain assessments performed by the Group.

Advertising and Promotions

Advertising and promotions increased by ₱693.5 million or 16.9 per cent. from ₱4,109.1 million for the year ended 31 December 2022 to ₱4,802.6 million for the year ended 31 December 2023, primarily as a result of product launches and other marketing campaigns of the Philippine and international business and timing factor due to delayed billings by advertising agencies.

Operating Income

As a result of the foregoing, operating income increased by ₱4,472.6 million or 45.0 per cent. from ₱9,941.4 million for the year ended 31 December 2022 to ₱14,414.0 million for the year ended 31 December 2023.

Interest Income (Expense)

Interest income increased by ₱522.3 million or 153.1 per cent. from ₱341.2 million for the year ended 31 December 2022 to ₱863.5 million for the year ended 31 December 2023, primarily as a result of higher cash balance and higher money market placement interest rates in the Philippines.

Interest expense increased by ₱613.3 million or 12.9 per cent. from ₱4,768.8 million for the year ended 31 December 2022 to ₱5,382.1 million for the year ended 31 December 2023, primarily as a result of increased interest expense from bank loans and debt securities and higher interest expense on PFRS 16–Leases.

As a result of the foregoing, net interest expense increased by ₱91.0 million or 2.1 per cent. from ₱4,427.6 million for the year ended 31 December 2022 to ₱4,518.6 million for the year ended 31 December 2023.

Equity in Net Earnings (Losses) of Joint Ventures and Associates – Net

Equity in net earnings (losses) of joint ventures and associates–net increased by ₱575.9 million or 14046.3 per cent. from ₱4.1 million for the year ended 31 December 2022 to ₱580.0 million for the year ended 31 December 2023, primarily as a result of the equity in net earnings of Titan Dining L.P., C-Joy Poultry Meats Productions, Inc, Golden Bee (Jollibee UAE), Entrek (Jollibee Brunei), CentralHub and Yoshinoya. This was offset by the equity in net losses of Tortas Frontera, Panda Express, and Beeworks Food (Jollibee West Malaysia).

Other Income – Net

Other income decreased by ₱3,802.8 million or 67.1 per cent. from ₱5,669.7 million for the year ended 31 December 2022 to ₱1,866.9 million for the year ended 31 December 2023, primarily due to a one-off gain from land conveyance and disposals in the previous year which amounted to ₱4,896.6 million. The decline in other income was also a result of the significant reduction in the write-off of liabilities in 2023 as compared to 2022.

Provision for (Benefit from) Income Tax

Provision for income tax decreased by ₱492.2 million or 12.8 per cent. from ₱3,849.1 million for the year ended 31 December 2022 to ₱3,356.9 million for the year ended 31 December 2023, primarily as a result of deferred tax assets on accrued expenses, unrealized foreign exchange loss and leases.

Net Income

As a result of the foregoing, net income increased by ₱1,647.0 million or 22.4 per cent. from ₱7,338.5 million for the year ended 31 December 2022 to ₱8,985.5 million for the year ended 31 December 2023.

Net Income Attributable to Equity Holders of the Company

Net income attributable to the equity holders of the Company increased by ₱1,207.6 million or 16.0 per cent. from ₱7,558.5 million for the year ended 31 December 2022 to ₱8,766.1 million for the year ended 30 December 2023.

BUSINESS

OVERVIEW

The Company believes it is the largest food service and restaurant company in the Philippines with 3,382 Group-owned and franchise-operated stores in the country as of 31 December 2024. It had 6,384 Group-owned and franchise-operated stores outside the Philippines as of the same date. In addition, the Group believes it is among the largest food service companies in Asia in terms of sales and store network as of 31 December 2024. The Group's principal business comprises the development, operation and franchising of quick service restaurants (**QSRs**) under its portfolio of brands in line with its four-product pillar strategy (i.e., Chicken, Chinese Cuisine, Coffee & Tea and Better Burgers). As of 31 December 2024, the Group's portfolio of brands comprises "Jollibee", "Chowking", "Greenwich", "Red Ribbon", "Mang Inasal", "Yong He King", "Hong Zhuang Yuan", "Smashburger", "Tim Ho Wan", "Highlands Coffee", "The Coffee Bean & Tea Leaf®", "Milksha", "Tortazo", "Compose Coffee", "Burger King", "Panda Express", "Yoshinoya", "Common Man Coffee Roasters", and "Tiong Bahru Bakery". The Group is also engaged in the manufacturing of food products and logistics services.

Out of the total 3,382 stores in the Philippines as of 31 December 2024, 2,300 stores were franchised. As of the same date, the Group had a presence outside the Philippines in 31 countries and territories, with 1,974 Group-owned and operated stores and 4,410 franchise-operated stores, including the United States, Canada, People's Republic of China (including Hong Kong, Macau, and Taiwan), United Kingdom, Italy, Spain, Guam, Vietnam, Brunei, Singapore, Saudi Arabia, United Arab Emirates, Qatar, Oman, Kuwait, Bahrain, Indonesia, Costa Rica, India, Panama, Malaysia, South Korea and Australia.

The Group's stores offer a quality menu with a wide variety of affordable and locally-relevant food and beverages. Its store formats and sales channels offer convenience, accessibility and availability to its consumers. The Group's store formats include free standing/full store, in store/in line, mall, food court and "cloud kitchens". It also employs comprehensive sales channels including dine-in, take-away, drive-thru, kiddie party, bulk order and delivery. The Group believes that store technology initiatives and delivery arrangements are becoming increasingly important aspects of its sales channel and the consumer experience. The technology that the Group has implemented includes, among others, website ordering, mobile ordering, interactive mobile ordering via chatbot, mobile payment, cashless payment options (such as tokenisation), and in-store self-service technologies. The Group has also established delivery arrangements with third-party delivery online platforms such as Deliveroo, Foodpanda, GrabFood, DoorDash, Uber Eats, Grubhub, Postmates, Ele.me, and Meituan.

SWS is the Group's measure for all sales to consumers, both from Group-owned and franchise-operated stores. For the years ended 31 December 2022, 2023 and 2024, the Group's SWS were ₱296,822.4 million, ₱345,324.4 million, and ₱390,284.4 million (U.S.$6,727.9 million), respectively. For the same periods, the SWS of the Group's businesses in the Philippines accounted for 60.5 per cent., 61.1 per cent. and 59.5 per cent., respectively, of the Group's SWS. The SWS of the Group's business outside the Philippines represented 39.5 per cent., 38.9 per cent. and 40.5 per cent., respectively, of the Group's SWS for the years ended 31 December 2022, 2023 and 2024. The split between the Group-owned and franchise-operated stores in respect of the Group's SWS as at 31 December 2024 is 45:55.

Net sales pertains to gross sales less sales discounts. For the years ended 31 December 2022, 2023 and 2024, the Group's net sales were ₱196,657.3 million, ₱226,701.6 million and ₱248,930.0 million (U.S.$4,291.2 million), respectively. Sales in the Philippines accounted for 59.4 per cent., 59.9 per cent. and 59.2 per cent. of the total sales of the Group for the years ended 31 December 2022, 2023 and 2024, respectively. Foreign sales represented 40.6 per cent, 40.1 per cent. and 40.8 per cent. of the total sales of the Group for the years ended 31 December 2022, 2023 and 2024, respectively.

For the years ended 31 December 2022, 2023 and 2024, the Group's gross profit were ₱36,956.3 million, ₱45,300.7 million and ₱51,719.3 million (U.S.$891.6 million), respectively.

For the years ended 31 December 2022, 2023 and 2024, the Group's EBITDA were ₱31,213.7 million, ₱33,814.7 million and ₱36,745.5 million (U.S.$633.4 million), respectively.

For the years ended 31 December 2022, 2023 and 2024, the Group's net income were ₱7,338.5 million, ₱8,985.5 million and ₱10,795.8 million (U.S.$186.1 million) respectively.

As of 31 December 2022, 2023 and 2024, the Group's total assets were ₱233,402.7 million, ₱244,174.2 million and ₱263,550.9 million (U.S.$4,543.2 million) respectively.

The following table sets forth the revenues of the Group's geographical segments for the years ended 31 December 2022, 2023 and 2024 respectively:

	For the year ended 31 December		
	2022	2023	2024
	(Amount in ₱ millions)		
Philippines	131,580.5	152,457.1	166,546.8
International	82,223.7	93,452.4	105,660.5
Eliminations	(1,902.0)	(1,802.1)	(2,265.0)
Consolidated	211,902.2	244,107.4	269,942.3

The following table sets forth the Jollibee brand of the Group's (i) store network and SSSG as at 31 December 2024 and (ii) SWS as at 31 December 2023 and 2024 respectively.

		SWS (Amount in millions except percentages)			
Jollibee Brand	Store Network	2024	2023	Y-o-Y Growth	SSSG
Philippines	1,279	142,463	127,866	11.4%	7.9%
North America	103	25,259	21,408	18.0%	8.1%
China	24	2,463	2,184	12.7%	13.2%
Hong Kong	20	2,143	1,897	12.9%	13.2%
Macau	4	320	287	11.6%	11.5%
Vietnam	213	7,527	5,530	36.1%	16.8%
EMEA and Other Asia	140	14,937	12,000	24.5%	11.6%
Other Asia	63	5,775	4,495	28.5%	11.9%
Europe and Guam	17	3,532	2,658	32.9%	23.8%
Middle East	60	5,630	4,847	16.1%	4.3%

COMPETITIVE STRENGTHS

The Group believes that its principal competitive strengths include the following:

Market leading portfolio of iconic, well-recognised and diversified brands, demonstrating long-term growth

The Group has a portfolio of well-recognised brands composed of its own, acquired or franchised brands in the quick-service and fast casual dining segments. The Group believes that its flagship brand, the Jollibee brand, is the most recognised brand in the Philippines and continues to outperform and outgrow other quick-service restaurant peers in the Philippines. Jollibee continues to gain strong traction among mainstream consumers in countries outside the Philippines. In Vietnam and Brunei, mainstream non-Filipino locals comprise about 100.0 per cent. of customers; 80.0 per cent. in Malaysia; 80.0 per cent. in the United Kingdom; 80.0 per cent. in Singapore; and about 60.0 per cent. in Hong Kong. This is a testament to the brand's global appeal.

Jollibee was founded by Mr. Tony Tan Caktiong and his family with its humble beginnings as an ice cream parlour in 1975 which later grew into an emerging global brand. Since the start, the Group has differentiated itself from competition through its family-oriented approach to management and a passionate commitment towards delivering superior tasting and great value for money products while adhering to world class operating standards. The Group's values are echoed in its brand marketing. The Jollibee brand knows its target audience very well, which is the family, and the universal importance of family values, making Jollibee the number one family-oriented fast-food chain in the Philippines and a fast-growing international QSR player. The Jollibee brand has won in various categories in marketing, advertising and public relations across the years. Most recently, the Group brands bagged 11 awards at the 2024 Marketing Excellence Awards in the Philippines.

Most recently, the Group was included in TIME Magazine's prestigious "World's Best Companies" list in 2024 for the second year running. In addition, the Group was included in the inaugural Fortune Southeast Asia 500 list in 2024, ranking 86th in the overall list. Fortune, a global multi-platform media company known for their Fortune 500 list, ranked the largest companies in the region by their total revenues for the 2023 fiscal year. Jollibee was also named by Hong Kong-based publication U-Magazine as the "Favourite Fast-Food Restaurant" in Hong Kong in 2022, following a voting process involving over 30,000 respondents.

Jollibee Chickenjoy was crowned as the "Best Fast Food Fried Chicken" in USA TODAY's 10 Best Readers' Choice Awards 2024. The brand's signature fried chicken has also received praise from other international outlets, including US-based Eater.com, Hong Kong-based South China Morning Post, and Yahoo! Singapore.

In Newsweek's list of America's Favourite Restaurant Chains for 2023, Jollibee, along with other Group brands Chowking, Smashburger and The Coffee Bean & Tea Leaf® were all included in their respective categories. In 2022, Jollibee was also cited as the "Most Favourite Fast-food Restaurant" in Hong Kong and among the Hottest Brands in America.

Jollibee has been recently recognised as among the Top 10 Brands for Customer Satisfaction in Kuwait, according to the 2023 Service Hero Customer Satisfaction Index (**CSI**) Awards. The Customer Service Index Awards is an annual recognition programme that honours companies in Kuwait that deliver exceptional customer service. It measures key service factors such as expectations, overall satisfaction and likelihood of recommendation. It also measures different service dimensions such as staff, location, product quality, value for money, speed and reliability, among others. Over 500 brands across 20 categories were surveyed for this listing.

As of the date of this Offering Circular, the Group manages a portfolio of 19 brands, 12 of which are owned by the Group. The others are brands that the Group partnered with as a franchisee, namely Burger King, Panda Express, Yoshinoya, Common Man Coffee Roasters and Tiong Bahru Bakery. The Group most recently opened a franchisee Tiong Bahru Bakery store in the Philippines in December 2024.

The other brands owned by the Group have also been gaining prominence in their respective segments and markets. Demonstrating the strength of the Group's brand portfolio, Jollibee, Chowking and Mang Inasal were recognised as the top three most valuable restaurant brands in the ASEAN 500 2024 report by Brand Finance, a world's leading brand valuation company. Mang Inasal also emerged as the only restaurant brand from the Philippines to receive honours at the prestigious 21st International Business Awards (**IBA**). IBA, widely regarded as the world's premier business awards competition, drew over 3,600 nominations from organisations across 62 countries and territories for its 21st edition. Highlands Coffee was also recognised as the highest-ranked food and beverage brand on customer experience in the 2023 Customer Experience Excellence Study by KPMG in Vietnam, ascending 22 spots from its position in the 2022 study. Smashburger's Chorizo Cheeseburger, in collaboration with Chef Rick Bayless, also won a BASES Menu Innovation Award in 2023. The BASES North America Menu Innovation Awards of NielsenIQ recognise and celebrate standout restaurant innovations that continued to win over consumers.

The Group's global brand for coffee and tea, CBTL, has recently been cited as among the Top 10 Brands in Kuwait, according to the 2023 Service Hero CSI Awards. CBTL has also been ranked Top 1 in the Café Category. The CSI Awards is an annual recognition programme that honours companies in Kuwait that deliver exceptional customer service. Over 500 brands across 20 categories were surveyed. CBTL Kuwait and Jollibee Kuwait were named among the Top 10 brands for Customer Satisfaction in Kuwait. CBTL emerged as the top brand in the café category while Highlands Coffee was named Top F&B brand on customer experience in Vietnam.

The strong recognition of the Group's brands, together with the diversity of its brand portfolio, provides the Group a unique opportunity to access and compete in new markets and fast-growing segments.

Well-established leading market position in the Philippines' fast-growing and attractive food service and restaurant industry

The Group believes it is the largest food service and restaurant company in the Philippines with 3,382 Group-owned and franchise-operated stores as of 31 December 2024. As of the same date, the Jollibee brand had 1,279 stores in the Philippines. The Group also believes that its Group-owned brands Chowking, Greenwich, Red Ribbon and Mang Inasal were market leaders in 2024, in terms of store network in the Philippines, in their respective segments. Chowking, Greenwich, Red Ribbon and Mang Inasal had a total store network of 571 stores, 272 stores, 507 stores and 575 stores, respectively, as of 31 December 2024. The Group believes that, in terms of brand leadership, Jollibee, Chowking, Greenwich, Red Ribbon and Mang Inasal are ranked No. 1 in the chicken and burger segment, No. 1 in the Chinese cuisine segment, No. 1 in the pizza and pasta segment, No. 2 in the bakeshop segment and No. 1 in the grilled chicken segment, respectively, in the Philippines. The Group also operates 131 stores as a franchisee under the Burger King brand as of 31 December 2024.

The Group believes that its extensive understanding of the food service and restaurant industry, coupled with a very capable organisation, enables it to maintain market leadership and achieve sustainable growth. Its established market leadership in the Philippines, combined with favourable conditions in the overall Philippine economy provide the Group a strong and highly defensible base for growth in the future. The World Bank anticipates that the Philippine economy will grow at an average rate of 6.0 per cent. between 2024 and 2026, fuelled by strong domestic demand and a resurgence in global growth. The economic growth projections for the Philippines have been maintained at 5.9 per cent. for 2024, 6.1 per cent. for 2025 and 6.0 per cent. for 2026, following a 5.5 per cent. increase in 2023.

The Group believes its deep understanding of the local consumer, presence in multiple formats across QSR and fast casual dining, and product offering across multiple price points uniquely position the Group to remain resilient throughout economic cycles. The Group expects to benefit from stronger household consumption during economic growth and a shift in spending at higher-end fine or casual dining establishments to relatively lower-priced QSR (such as those of the Group's) during economic decline. In addition, the Group's presence in various food service and restaurant segments allows the Group to offer consumers with products that cater to different household budgets or that may have an increased demand at certain stages of the economic cycle.

From 2021 to 2024, the Group demonstrated robust and sustained recovery, achieving a compound annual growth rate (**CAGR**) of 22.6 per cent. in SWS from same store sales and from new store openings. CAGR refers to the compounded annual growth from the initial year to the final year over a certain period of time. This performance underscores resilience amidst the pandemic's severe impact.

In 2024, the Group delivered 13.0 per cent. of SWS growth, with sales from the Philippine business increasing by 10.1 per cent. and international business by 17.6 per cent. compared to the same period last year. Global same store sales for 2024 increased by 5.7 per cent. year-on-year, with the Philippine business increasing by 7.5 per cent. and the international business growing by 2.8 per cent. Reflecting the Group's strong performance in the coffee and tea sector, the Group's coffee and tea business contributed 16.6 per cent. and 51.7 per cent. of the Group's SWS and store count in 2024.

In 2024, the Group was able to open 674 stores globally, of which about 138 were opened in the Philippines. The Group remains resilient and intends to continue to deploy capital more effectively to maintain its leadership and capture a broader customer base. It will continue to assess the planned store openings on the basis of its return on invested capital thresholds and only deploy capital toward brands and sites which are deemed to be of the highest return in the current business environment.

Attractive business model and strong financial discipline translating into resilient revenue growth and strong operating cash flows

The Group has historically delivered consistent operating cash flow generation. In 2024, the Group's cash from operations before working capital changes, income taxes paid, and interest received reached ₱38,223.4 million marking an increase of 12.7 per cent. compared to 2023. The Group believes that the consolidated operating cash flow of its business will continue to improve in step with the broader economic recovery of the markets and will hence be sufficient to fund new store openings and renovations in existing stores.

The Group believes it has strong financial discipline by investing in its food service and franchising businesses and exercising strict capital allocation wherein capital is deployed towards projects that yield the best returns, avoiding real estate purchases and implementing prudent debt management which includes a well-managed debt profile, competitive cost of financing and optimal leverage. Solid unit economics support investments on new stores and renovations on existing stores. This has enabled a healthy expansion of new stores for both Group-owned and franchise-operated stores. The Group also closely tracks payback period, rate of return, same store sales growth and other metrics to track the performance of expansion projects. The Group's free cash flow conversion is further enhanced as it increases the revenue contribution from asset-light sources such as its royalty revenues from its franchisees globally and revenues from its commissaries which supply raw materials to stores including franchisees. The Group's franchise-operated stores represented 68.7 per cent. of the Group's total number of stores as of 31 December 2024. The Group expects to see a continued increase in the number of franchise-operated stores.

The Group imposes a robust management system on store expansions that has enabled it to achieve strong results resulting in shorter payback period. For example, the average payback period of the new company-owned store openings of the Group in the Philippines, and Vietnam, is below four years as of 31 December 2024.

Best-in-class operational expertise across the value chain

The Group maintains an integrated value chain in the Philippines that enables operating efficiencies and cost savings, allowing the Group to have a scalable support infrastructure, which provides significant competitive advantages for the Group in the Philippines and as it expands overseas.

Stores

The Group's store operating model is centred around the customer. The operating model includes an established system with operating procedures and standards on food, service and cleanliness, which has resulted to superior customer satisfaction and consistency in food taste and quality. See "*Business - Food Safety and Quality Assurance*".

Manufacturing, supply and distribution

The Group's supply chain is unparalleled and is one of its competitive advantages that drives sustainable revenue and profit growth. As of 31 December 2024, the Group had an extensive network of manufacturing and logistics operations which comprise 11 manufacturing sites and 17 logistics centres in the Philippines. The Group also had three manufacturing sites in the United States, two in the PRC, one in South Korea, three in Malaysia, one in Singapore and two in Vietnam as of 31 December 2024. The Group has established close working relationships with key suppliers in the Philippines and in overseas markets. For example, the Group has a joint venture partnership with Cargill, which enables the Group to augment its poultry requirements and harness Cargill's expertise, technology and best practices from poultry farming to meat processing. The Group has global sourcing arrangements for some of its key raw materials, such as French fries, chicken and beef. The Group has received world-class and industry leading quality and safety certifications, including on Good Agricultural Practices, Good Animal Husbandry Practices, Food Safety System Certification (FSSC), Good Distribution Practices, Good Warehousing Practices as well as awards/certifications from the National Meat Inspection Service of the Philippines (**NMIS**) and the International Organisation for Standardisation such as ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 22000:2022, GMP and HACCP and TAPA Level A from global certification body.

Franchise management

As of 31 December 2024, the split between the Group-owned and franchise-operated stores in respect of the Group's store count is 31:69. The Group believes it has an established and well-managed franchise network, management and support infrastructure for its franchise business. The Group implements a strong selection process in deciding and approving franchisees who not only have the financial capability but also the operational capability, and alignment with the Group's values. The Group also regularly monitors and conducts audits and performance evaluations to ensure compliance by the franchisees with the terms and conditions of the franchise agreement. Furthermore, the Group imposes consequences for non-compliance such as penalties, temporary store closures to allow franchisees to address such non-compliances, and as a last resort, the termination of franchise agreements or the takeover of franchised locations.

The Group imposes the highest standards on its franchisees which are documented in the franchise agreement and in regular performance management, such as strict order completion times and strict observance of food, service and cleanliness standards.

The Group, as franchisor, also provides assistance to its franchisees on various aspects of the franchise. For example, in the EMEAA region, the Group has an online learning platform where franchisees can take training courses, which allows the Group to be more efficient in terms of training franchisee store teams, particularly where they are based in other countries. For the Jollibee brand, the Group has designated training stores where it conducts product, basic operations and management development training programmes for its franchisees. In addition, it assists franchisees in the training of their management teams. The Group has collaborated with a leading university in the Philippines for the establishment of JFC University to train and develop store management personnel. Most of the store managers of the Group-owned brands in the Philippines have undergone training at JFC University.

In addition, the Group has highly robust and well-established standard operating procedures and guidelines that enable more consistent and easier facilitation of franchising.

The Group has also implemented online learning modules to support the training and development of its international franchisees.

The Group also conducts engagement programmes for its franchisees (both domestically and internationally) including awards and recognition for franchisees who have exemplified excellence in their operations.

The Group vigilantly monitors usage by the franchisees of its intellectual property. For example, franchisees are required to secure prior approval before they can use the brand's marks in advertising, display and other materials. In addition, the Group's franchise agreements include among others, provisions that prevent franchisees from unauthorised use of the franchisor's trademarks and allow the franchisor to retain control of the defence of intellectual property cases that aims to ensure consistency in the strategy as regards the protection of the Group's intellectual property rights. Each brand has allocated its own franchise management team to ensure compliance with franchise agreement terms and conditions.

Support infrastructure

The Group, through Jollibee Worldwide Services (**JWS**), has a well-established back and middle office support infrastructure through its shared services or captive operations (**JWS FAHR**) based out of Manila. JWS FAHR provides end-to-end Accounting and Human Resources and Facility Management services to store operations,

commissaries and main offices predominantly for Philippine-based brands and key international operations. Accounting services are Accounts Payable, Order-to-Cash and Record to Report. It provides employee services in the following areas: Learning, Employee Benefits, Payroll and Data Management as well as Facility Management. As the Group grew its market presence, international brands such as CBTL and Smashburger have integrated their scope-of-work into JWS FAHR. Additionally, the Group has completed the transition of Jollibee, Chowking and Red Ribbon stores in North America and certain key markets in EMEAA into the global support system of JWS FAHR. Recognising the importance of China as a growth market, the Group also operates a centralised office based in Shanghai that supports its brands and operations in China.

Aside from its shared services operations, JWS is also composed of centralised teams that provide support and expertise to its various brands, locally and internationally. These groups of experts include Quality Management, Process Engineering, Network Development and Business Technology (Information Technology and Digital). The Group is on its way to further expand JWS' scope of services to increasingly integrate its local and overseas business into a global, cohesive and interconnected support system. Such robust structure composing of various experts, shared platforms, technology and tools will enable the Group to further achieve efficiency, standardised operations, economies of scale, labour arbitrage and elevated employee and customer experience. It is the vision of the Group to continually evolve into a fully connected support infrastructure that will serve as backbone and engine for the Group's business and digital transformation.

Management systems

Being a pure-play company focused on restaurants and food service, together with around 50 years of experience, has enabled the Group to establish robust and proven management systems that are centred on customer satisfaction. These management systems enable market-relevant and data- and fact-based decision-making combined with effective performance benchmarks to measure improvement and success. These management systems enable the Group to manage its various businesses at various economic cycles, to be able to identify and maximise opportunities and address challenges of restaurants in their respective stages of development and markets. The Group's business systems comprise the entire restaurant value chain. For example, there is a process relating to, among others, (i) determining and driving a clear brand strategy to guide current and future investments and business decisions; (ii) establishing in-depth market and consumer research capability that provides among others, in-house tracking of market share data, usage, attitude and image studies, price sensitivity, brand equity and value for money studies; (iii) real estate and network development systems that provide guidance to market development and strategic expansion decisions; (iv) financial performance benchmarks that guide financial planning, analysis, reporting and decision making; and (v) brand and restaurant operational excellence standards that include a "menu architecture" for each brand to drive product launches, innovations and marketing programmes. This in-house expertise allows the Group to make agile and thoughtful decisions in a highly competitive environment. For example, as a response to the shift in landscape due to the COVID-19 pandemic, the Group quickly pivoted towards emerging revenue channels. These included expanding online delivery services and establishing new delivery arrangements with third-party delivery online platforms. Additionally, the Group has been increasing investments to enhance its delivery platforms. Amid the COVID-19 pandemic, the Group also immediately re-planned new product introductions, new store openings, delayed capital expenditures and drastically cut spending as part of its cash management measures. Despite ongoing macro challenges post pandemic, the Group demonstrated its ability to achieve sustainable sales and profit growth in 2024. This success was driven by efforts to optimise store and manufacturing costs and general and administrative expenses despite the pressures of inflation.

Environmental and social responsibility-rooted strategies

The Group's sustainability framework, named "Joy for Tomorrow", serves as a clear and unified roadmap in its commitment to becoming a sustainable business aligned with the United Nations' Sustainable Development Goals. This framework is centred on three key principles – Food, People and Planet.

To enable the Group to serve food that people trust, it prioritises food safety through rigorous audits and annual certifications across our stores, commissaries and logistics facilities. As a testament to these efforts, the Group received the highest 7-star rating for exceptional Food Safety and Quality (FSQ) practices at the 9th International Best Practice Competition 2023. Additionally, the Group has recently launched its responsible sourcing programme, releasing an initial set of commitments to further enhance our food safety and sustainability initiatives.

The Group is dedicated to helping make people's lives better – both its employees and the broader community. To promote employee welfare, the Group is committed to formulating and implementing a zero-discrimination environment, providing equal opportunities while upholding good governance and exercising ethical practices

throughout the organisation. Additionally, the Group has been developing community-based and socially responsible sourcing programmes through a partnership with its corporate social responsibility arm, the Jollibee Group Foundation (**JGF**) and its Farmer Entrepreneurship Programme (**FEP**). Through the FEP, over ₱11 million of sales have been generated since the start of the programme and over 14 million metric tons of produce has been delivered to the Group in 2024 directly from smallholder farmers. The Group also supports communities by providing food relief to those in need and offering educational scholarships to underprivileged youths.

On 29 April 2024, the Group received the "3G Championship Award for Community Development and Philanthropy 2024" from the Cambridge International Finance Advisory (Cambridge IFA), recognising the JGF's efforts in spearheading programmes that positively impact the community. Further the FEP received the "Entrepreneurship Development Programme Award" and "Social Welfare Award" at the ESG Business Awards 2024 in October 2024 for its impactful contributions to the livelihoods of smallholder farmers in the Philippines.

The Group acknowledges the environmental impact of its business activities and is committed to improving its packaging sustainability across its operations. Partnering with Republic Cement, the Group divert packaging waste from landfills and waterways, using it as alternative fuel in cement manufacturing. The Group strives to reduce food loss and waste to landfill in the manufacturing process. In 2024, the Group's Philippine manufacturing sites achieved 44 per cent. cumulative reduction in food loss and waste vs 2020. In addition, 62 per cent. of waste have been disposed thru sustainable means, diverted away from landfill. In 2024, one of the manufacturing sites in the Philippines, the Marilao Commissary, successfully maintained its achievement of 100 per cent. sustainable waste disposal, a milestone first reached in June 2023.

Additionally, the Group continues to implement means to reduce water consumption in its stores and manufacturing sites. In 2024, the Group achieved 33 per cent. reduction in water use ratio in our Philippine manufacturing sites by the end of 2024, compared to year 2020.

Track record of profitable growth and successful integration of acquisitions

In the Group's 47-year history, it has largely been profitable. The Group recorded its only loss in 2020 due to the impacts of the COVID-19 pandemic. For the years ended 31 December 2022, 2023 and 2024, the Group generated a net income attributable to equity holders of the Company of ₱7.6 billion, ₱8.8 billion and ₱10.3 billion (U.S.$177.8 million), respectively.

In the post-COVID-19 climate, the Group delivered a CAGR of 22.6 per cent. from 2021 to 2024, through a combination of sustained same store sales growth, new store expansion from both company-owned and franchised stores and strategic acquisitions. About 8.7 per cent. of this CAGR was driven by foreign businesses, while 13.9 per cent. is attributed to domestic business.

In 2024, the Group's EBITDA was ₱36,745.5 million (U.S.$633.4 million) (where the Group's domestic and international businesses contributed 65.3 per cent. and 34.7 per cent. respectively of the Group's EBITDA), representing an increase of 273.9 per cent. from the Group's EBITDA of ₱9,828.4 million (where the Group's domestic and international businesses contributed 84.1 per cent. and 15.9 per cent. respectively of the Group's EBITDA) in 2015.

In 2024, the Group's SWS was ₱390,284.4 million (U.S.$6,727.9 million) (where the Group's domestic and international businesses contributed 59.5 per cent. and 40.5 per cent. respectively of the Group's SWS), representing an increase of 198.5 per cent. from the Group's SWS of ₱130,732.9 million (where the Group's domestic and international businesses contributed 79.5 per cent. and 20.5 per cent. respectively of the Group's total SWS) in 2015.

The SWS contribution from investments and all acquired businesses, such as Highlands Coffee, Smashburger, CBTL, Tim Ho Wan, Milksha, and Compose Coffee, among others, has increased over the years. As of 31 December 2024, it accounts for 50.6 per cent. of the total group SWS. All acquired international businesses represent 63.8 per cent. of the total foreign business portfolio.

The scalability of the Group's proprietary management systems and operating leverage from its integrated back-office structure enable it to continue to optimise its cost structure and maintain long-term profit-growth, even as the Group expands rapidly with the addition of new stores, entry into new markets or launch of new products or brands. For example, the utilisation of the Group's back-office services provided by JWS enables the expansion of the Jollibee business to new or smaller markets such as in Hong Kong SAR, Italy, the United Kingdom, Singapore and Malaysia without having to invest for support services in-country. Following the acquisition of CBTL, the Group swiftly transitioned its accounting and back-office activities to JWS, ensuring efficiency and immediate alignment with the best practices used by the Group. In addition, the strong management systems of the Group ensure that it can sustain and improve profitability of its food, restaurants and back-office operations.

The Group has a strong track record of scaling up and creating significant value from acquisitions. For example, after the Group completed the respective acquisitions, the Yong He King business grew from 77 stores in 2004 to 493 stores in the PRC, the Highlands Coffee business grew from 56 stores in 2012 (when acquired) to 850 stores (following consolidation in 2017, with 244 stores at the time), the Mang Inasal business grew from 345 stores in 2010 to 575 stores, and the Chowking business grew from 164 stores in 2000 to 571 stores in the Philippines and 50 stores overseas and the CBTL business grew from 1,173 stores in 2019 to 1,232 stores globally, in each case, as of 31 December 2024. From 2014 to 2024, Jollibee (in respect of Philippines only), Chowking and Mang Inasal recorded an average daily sales growth of 66 per cent., 45 per cent. and 139 per cent. respectively. Further, Mang Inasal's average daily sales improved from less than ₱50,000 per day, per store in 2010 to approximately ₱155,000 per day, per store and Yong He King's average daily sales improved from approximately RMB10,000 per day, per store to RMB13,900 per day, per store, in each case, as of 31 December 2024. In addition to the expansion of the store network, the Yong He King business also evolved to support new sales channel growth such as online delivery. Since taking over the Yong He King brand in 2004, the Group has maintained a double digit CAGR of 13.2 per cent. from 2004 to 2024, despite current macroeconomic challenges affecting operations in China.

As an integral component of the Coffee & Tea segment, which stands as one of the Group's four key strategic pillars, CBTL remains poised to fuel the Group's growth trajectory. This will be achieved through an expansion of its franchise footprint across various markets, with a particular focus on bolstering presence in the US, Asia, and Middle East. For 2024, CBTL's contribution to the Group's SWS has increased to 10.0 per cent. as compared to 9.7 per cent. for the previous year.

As part of its strategy to focus on expanding through franchise operations, the Group's acquisition of Milksha in 2022 has proven highly beneficial. This move has contributed to the Group's cash flow from operating activities, driven by the continued expansion of franchised Milksha stores. Milksha achieved a 29.6 per cent. growth in SWS and a 14.8 per cent. increase in SSS in 2023. In 2024, Milksha's SWS grew by 5.3 per cent. despite coming from a higher base. The growth in Milksha's topline translated to an operating income growth of 23 per cent. year-on-year. Milksha's performance underscores the success of the franchise model. This acquisition not only enhances the Group's financial performance but also expands its market presence and revenue streams, positioning it for sustained growth and value creation.

After significant store closures during the Business Transformation Programme in 2020, the Company remains committed to ensuring the turnaround of Smashburger. The Group has solidified Smashburger's branding by focusing on the brand's core of serving Better Burgers. Smashburger has begun showing gradual improvement in its financial performance. Despite a 28.9 per cent. decrease in store count from 301 in 2019 to 214 in 2024, Smashburger recorded an increase of 2.0 per cent. in SWS over the same period, signalling an improvement in its sales performance at the individual store level. The Company will continue its efforts to improve the profitability of Smashburger.

As of 31 December 2024, the Group's acquired businesses accounted for more than 50.0 per cent. of the Group's total SWS. The Group believes it has a strong understanding of the relevant industry segments and market dynamics, allowing it to implement growth, integration or turnaround strategies in a timely manner for its various acquired businesses.

Strong corporate culture and experienced, award-winning management team

The Group was founded by Mr. Tony Tan Caktiong and his family, with its inception as an ice cream parlour in 1975 in line with the family's humble vision of serving affordable, great-tasting food and being a family-oriented brand. These values continue to be key aspects of the Group's culture and day-to-day operations. For example, the Group believes its success is a result of, among other factors, its focus on its people and its family-oriented approach to personnel management, and as a result, it is a highly sought-after employer. For example, in 2024, the Group was named by the People Management Association of the Philippines as "Employer of the Year" during its 48th National and Regional Awarding Ceremonies.

The Group has a professional, visionary and strong management team with extensive food service and restaurant industry experience and a track record of operational excellence that the Group believes is necessary to successfully lead the development and expansion of its businesses. Critically, the senior management team of the Company has an average of 20 years of experience with the Group. The Group believes that its management team is stable and has long-term expertise in the food service and restaurant industry in the Philippines and overseas. Certain members of the Group's management team have received awards for their leadership. For example, Dr. Tony Tan Caktiong, the Company's chairman, was awarded the Ramon V. Del Rosario Award for Nation Building in 2022. Mr. Ernesto Tanmantiong, the Company's chief executive officer, was awarded "Management Person of the Year" by Management Association of the Philippines in 2023. Atty. Valerie Amante, the Group's Chief Legal, Ethics, and Compliance Officer, was selected by Asian Legal Business as Southeast Asia's In-House

Lawyer of the Year in 2023 and is recognized as one of the leading in-house counsels in Asia-Pacific by Chambers, and in Southeast Asia by Legal 500. Mr. Richard CW Shin, the Group's Chief Financial and Risk Officer, was named the 2024 ING-FINEX CFO of the Year, becoming the first non-Filipino to win the country's longest-running and most prestigious honour for finance chiefs. Mr. Arsenio Sabado, the Group's Chief Human Resources Officer, was also recognised as People Manager of the Year by the People Management Association of the Philippines in 2024. Further, in the same year, the Group was awarded the Gallup Exceptional Workplace Award for the third time and remains the first and only Philippine-based company to have received this award.

The various awards received by the Group's brands are also a testament of a strong market research and brand marketing team which have also, over the years, received awards for excellence in marketing, advertising, public relations and marketing communications. The Group has also contracted with reputable human resource management agencies to track and help improve employee engagement.

The Group believes that its unique company culture, as well as the professionalism and dedication of its management team, bring about a passionate commitment to deliver superior-tasting, high quality food and great value for money products adhering to world-class operating standards.

STRATEGIES

The Group aims to triple its NIAT and grow its ROIC to 20 per cent. by scaling the business with five must wins through franchising.

Grow and dominate the Philippines

The Group believes it is the largest food service and restaurant company in the Philippines in terms of store network. It believes it is well-positioned to pursue growth opportunities in the Philippine market that experienced favourable demographics and consumption trends.

The Group intends to strengthen the Philippines as a key geographical pillar by catering to mainstream consumers on branded eat out, with various portfolio brands effectively covering all key food categories across breakfast, lunch and dinner occasions while also addressing other non-focus segments. Committed to accelerating digital transformation through loyalty programmes, enhancing consumer experiences and implementing in-store ordering systems, the Group anticipates that this initiative will drive incremental sales.

In addition to its existing product portfolio, the Group seeks to penetrate new market segments by exploring new products, practices and consumer segments, with a focus on ensuring that these new offerings also bring joy and are loved and craved in the Philippines. The Group intends to penetrate untapped territories with growth potential, leveraging its commitment to product superiority and consumer experience. The Group's plan to enhance store experience entails investments in store renovations. Simultaneously, it is pursuing its strategic shift from owned to franchise operations across its existing brands.

These approaches will allow the Group to maintain and increase its strong presence in the market. As the Group continues to expand and innovate, its focus remains on delivering exceptional dining experiences that resonate with Filipino consumers, driving sustained growth and value.

Expand the Jollibee brand internationally

Jollibee has been recognised as the fifth strongest restaurant brand and is the second fastest-growing brand, with a brand value increase of 51.0 per cent., as reported in the Brand Finance® Global Restaurant Ranking Report which was released in February 2024. As one of the key pillars representing the chicken category, the Group aspires for Jollibee to be recognised as a world-class brand. This will be exemplified by its superior taste for the right value and its position as the franchisor of choice. Additionally, the Group aims to continuously introduce innovative Jollibee products to consumers by offering consistent product lineup with competitive pricing, complemented by localised products and business process reengineering adaptations. The Group has also developed a pricing framework for new market entry for existing brands, which provides appropriate and strategic price adjustments to align to market perception among consumers and competition. This will enable the Company to continuously meet the specific needs and preferences of consumers in different mainstream markets and targeting "Generation Z" and "Millennials".

To further drive incremental growth, the Group has adopted an omnichannel approach, enhancing digital experiences and implementing technology-enabled operations, facilitating operation excellence and creating improved customer experience.

Through these initiatives and with its compelling brand story, the Group will attract and grow the right large franchisees, prioritising partners with local market expertise. The Group aims to aggressively expand in North America and the EMEAA market, with a heavier focus on Southeast Asia especially the home market Philippines.

Become a global leader in coffee & tea

The Group is dedicated in building a global specialty coffee & tea house with a strategic focus on world-class franchising, exceptional café experiences and premium branded products. The Group believes that its specialty coffee & tea's taste and innovative blends is its core strength, essential in curating authentic flavours and offering multi-generational coffee experience. Additionally, the Group's strategy emphasises creating exceptional consumer moments, both within and beyond the four walls of its cafés. Aiming to provide convenience and accessibility, the Group centres its strategy around the usage of its café location, complemented by various sales channels such as drive-throughs, kiosks and premium foodservice locations.

To expand its global footprint, the Group recognises the importance of developing foundational capabilities to attract strategic and large-scale franchise partners. Such capabilities include, but are not limited to, improved brand awareness, brand revitalisation and becoming a recognised leading player in customer service and brew crew capability. Investment in strong branding and marketing is highly prioritised by utilising social media platforms and implementing loyalty programmes to cultivate a loyal customer base. In addition, the Group plans to provide extensive and world-class training in brewing techniques, customer service and brand representation. The Group believes that these would all be vital in establishing itself as a global leader in specialty coffee & tea, while creating a memorable and compelling brand experience for customers worldwide.

Secure long-term viability and success in China

The Group believes in the potential of the China market despite its current volatile macroeconomic environment and aims to achieve significant long-term growth in the region.

The Group intends to continue its practise of forming strategic alliances by attracting and growing the right franchisees who possess valuable insights into consumer behaviour and preferences. In addition, the Group is future-proofing its China businesses by right-sizing store models and further optimising cost structures.

Concurrently, the Group will prioritise digital integration in China, utilising platforms such as mobile apps, social media and delivery partnerships for marketing, ordering and customer engagement. These investments aim to provide seamless digital experience, improve accessibility and strengthen customer loyalty.

The Group believes that these focuses and capabilities will bolster its presence in the China market.

Turnaround Smashburger to a profitable growth business with strong brand value

The Group is committed to improving Smashburger's performance and transforming it into a profitable growth business. To revitalize the brand, it has launched key initiatives, including a new menu, an in-house digital application, and enhanced off-premise channels. Following Smashburger's menu relaunch and lean-in positioning in September 2024, the Group has gained valuable insights to refine its strategy.

With this momentum, the Group has shifted its focus to optimizing advertising and promotions (A&Ps) to maximize returns on advertising spend. Simultaneously, it is redesigning Smashburger's menu architecture to drive transaction growth across all channels. This strategic approach aims to re-engage inactive customers and attract new ones through targeted menu innovations and more relevant trade and community marketing efforts.

The Group's strategic roadmap revolves around the five key focus areas detailed above. These will be achieved through continued integration of the following initiatives:

- Rapidly expand global footprint through franchising
- Accelerate digital transformation and bring capabilities on-par with global QSR leaders (Top 5)
- Build foundations to scale, secure funding by proving value contribution (incremental sales) and accelerate in key domains: Franchisee digital assets, Consumer Loyalty, Consumer/Customer Experience, In-Store ordering & Cloud POS
- Anchor growth with non-negotiables: namely, governance, ethics, compliance, sustainability and responsible business practices.

RECENT DEVELOPMENTS

Acquisition of Tim Ho Wan Holdings Pte. Ltd.

The Company announced that it has, through the Issuer, completed the acquisition of 100.0 per cent. of the ownership of Tim Ho Wan Holdings Pte. Ltd. (**THWHPL**), the holding company of the Tim Ho Wan business from a subsidiary of Titan on 2 January 2025.

Acquisition of Moon Moon Food

On 6 January 2025, the Company announced that its 51.0 per cent. owned subsidiary, Milkshop International Co., Ltd. (Milkshop) has signed an agreement to acquire a 70.0 per cent. stake in Tien Hsia Sheng Co., Ltd., which operates Moon Moon Food. Moon Moon Food is a popular soup restaurant in Taiwan, and it has been a Michelin Bib Gourmand since 2018.

Removal of foreign ownership limit in the Company

On 13 February 2025, the Company announced that the Philippine Stock Exchange has approved the Company's request to amend its foreign ownership limit from 40 per cent. to "No Limit", in light of the amendments to the Company's primary and secondary purposes under its Articles of Incorporation, particularly the removal of the Company's ability to own, acquire, mortgage, pledge or encumber land and/or any interest therein.

CORPORATE HISTORY AND MILESTONES

1978 The Company was incorporated in the Philippines.

1980 The Company launched Chickenjoy, breaded and seasoned crispy fried chicken, which is one of its best-selling menu items at its Jollibee stores.

1984 The Company opened its first Jollibee store overseas in Singapore.

1993 The Company listed its shares on the PSE.

1994 The Company acquired its first brand, Greenwich. Greenwich became a wholly owned subsidiary of the Company in 2006.

1998 The Company opened its first Jollibee store in North America.

2000 The Company acquired a 100.0 per cent. equity interest in Chowking.

2004 The Company acquired an 85.0 per cent. equity interest in Yong He King. Yong He King was the first foreign brand acquired by the Company.

The Jollibee Group Foundation (formerly Jollibee Foundation) was established.

2005 The Company acquired a 100.0 per cent. equity interest in Red Ribbon.

The Company opened its first Jollibee store in Vietnam.

2007 The Company acquired the remaining 15.0 per cent. equity interest in Yong He King, making it a wholly owned subsidiary of the Company.

2008 The Company acquired a 100.0 per cent. equity interest in Hong Zhuang Yuan.

2010 The Company acquired a 70.0 per cent. equity interest in Mang Inasal.

The Company acquired a 70.0 per cent. equity interest in Happy Bee Processing Pte. Ltd. (**Happy Bee**) in 2010.

2011 The Company acquired a 54.0 per cent. equity interest in BK Titans Inc., the parent company of the entities that own the franchises for Burger King stores.

2012 The Company acquired a 50.0 per cent. equity interest in SuperFoods, which owns Highlands Coffee and PHO24.

2013 The Company inaugurated the JFC Distribution Center, the Philippines' largest automated food service logistics facility.

2015 The Group obtained exclusive rights to develop and expand Dunkin' Donuts in selected territories in the PRC.

The Company acquired a 40.0 per cent. equity interest in SJBF LLC, the parent company of the entities comprising the Smashburger business.

2016 The Company launched #8-7000, its one number, nationwide delivery hotline for the Jollibee brand in the Philippines.

The Company acquired the remaining 30.0 per cent. equity interest in Happy Bee, making it a wholly-owned subsidiary of the Company.

The Company acquired the remaining 30.0 per cent. equity interest in Mang Inasal, making it a wholly-owned subsidiary of the Company.

The Company established joint ventures with Cargill Philippines Inc. to build and operate a poultry processing plant in the Philippines and to lease the site of such plant.

2017 The Company opened its 1,000th Jollibee store in the Philippines.

The Company acquired an additional effective interest of 10.0 per cent. in SuperFoods, increasing its total equity interest to 60.0 per cent.

2018 The Company celebrated its 40th year.

The Group opened 502 stores (328 in the Philippines and 174 overseas), the highest number of new stores opened in a year in its 40-year history.

The Company made investments, as part of its capital commitment of S$45.0 million, in Titan Dining LP (**Titan**), the entity that has executed a binding agreement for the acquisition of 100.0 per cent. of the Asia Pacific master franchise holder of the Tim Ho Wan brand.

The Company made an investment of U.S.$12.6 million in Tortazo, LLC (formerly known as Tortas Frontera LLC) (**Tortazo**).

The Company entered into an agreement to establish a joint venture with Panda Restaurant Group Inc. to bring Panda Express stores to the Philippines.

The Company acquired an additional 45.0 per cent. and subsequently, a remaining 15.0 per cent. equity interest in SJBF LLC, making Smashburger a wholly owned subsidiary of the Company.

2019 The Company acquired an 80.0 per cent. equity interest in CBTL.

The Company made additional investments in Titan.

2020 The Group, through the Issuer, issued U.S.$600,000,000 Guaranteed Senior Perpetual Capital Securities.
The Company converted advances to C-Joy Poultry Meats Production, Inc. in the amount of ₱1,236.7 million to equity.

The Issuer purchased the participating interest of Aragon Investments SPC (**Aragon**) in Titan, a private equity fund and the ultimate holding entity of the Tim Ho Wan Brand. This increased the Company's participating interest in Titan from 60.0 per cent. to 85.0 per cent.
The Group, through the Issuer, issued a dual tranche comprising (i) U.S.$300,000,000 4.125 per cent. Guaranteed Notes due 2026 and (ii) U.S.$300,000,000 4.750 per cent. Guaranteed Notes due 2030.

The Company's joint venture company with Dim Sum Pte. Ltd., Hong Yun Hong (Shanghai) Food and Beverages Management Co. Ltd., secured the franchise right and licence to operate a Tim Ho Wan store in Shanghai.

The Company implemented the Business Transformation Programme.

2021 The Company established a joint venture with Yoshinoya International Philippines, Inc. (**YIPI**) to operate and expand the "Yoshinoya" brand in the Philippines.

The Company and its subsidiaries, Fresh N' Famous Foods, Inc. and Mang Inasal Philippines, Inc. entered into a licence agreement with Milkshop to sell and market products under the "Milksha" brand in the Company's stores. The Company later announced that it will purchase, through the Issuer, a majority stake in Milkshop, equivalent to 51.0 per cent. ownership.

The Company disclosed that it will purchase the shares of its remaining partners in Titan to own 100.0 per cent. of the fund that owns Tim Ho Wan. With a later increase in the fund size of Titan and entry of additional investors, the Company's total commitment, through the Issuer, was amended to 90.0 per cent. of the increased fund size.

2022 The Company finalised the acquisition of a 51.0 per cent. stake in Milkshop, the owner of Milksha, a leading Taiwanese bubble tea brand, in February 2022.

The Company ceased its operations of Beijing Golden Cup Corporation, which managed seven Dunkin' restaurants in Beijing, due to the strategic move to concentrate on strengthening the Company's presence in China through their prominent brands – Yong He King, Hong Zhuang Yuan and Tim Ho Wan.

2023 The Company purchased a 60.0 per cent. majority stake in Meko Holdings Limited (**Meko**), the master franchisee of the Jollibee brand in Hong Kong. The remaining 40.0 per cent. stake in Meko is retained by its current shareholders.

The Company (with a 60.0 per cent. shareholding) and FCPL (with a 40.0 per cent. shareholding) jointly announced the formation of a new joint venture company, which is responsible for owning and operating Tiong Bahru Bakery and Common Man Coffee Roasters in the Philippines.

The Company divested from PHO24 and transferred the assets of the business to East-West Restaurant Concepts (Acquiring Company). The franchise agreement for the operation of PHO24 stores in the Philippines was also terminated.

2024 The Company, through the Issuer, increased its participating stake in Titan from 90.0 per cent. to 92.0 per cent. The Company, through the Issuer, also announced its participation and capital call commitment to Titan Fund Dining II LP (**Titan Fund II**), which amounted to S$90.0 million and represents a 90.0 per cent. participating interest in Titan Fund II.

The Company, through the Issuer, acquired a 10.0 per cent. ownership in Botrista Inc. (**Botrista**).

The Company, through the Issuer, acquired a majority shareholding of 70.0 per cent. in Compose Coffee, which is one of South Korea's leading coffee franchises in the fast-growing value coffee segment.

2025 The Company announced that it has, through the Issuer, completed the acquisition of 100.0 per cent. of the ownership of THWHPL, the holding company of the Tim Ho Wan business from a subsidiary of Titan on 2 January 2025.

On 6 January 2025, the Company announced that its 51 per cent. owned subsidiary, Milkshop, has signed an agreement to acquire a 70 per cent. stake in Tien Hsia Sheng Co., Ltd., which operates Moon Moon Food. Moon Moon Food is a popular soup restaurant in Taiwan, and it has been a Michelin Bib Gourmand since 2018.

Awards and Recognition

In 2022, the Company was cited in the Forbes' List of World's Best Employers which highlights over 800 companies globally that further assess their image, economic footprint, talent development, gender equality and social responsibility. The Group's ranking rose to 106th in 2022, with the significant improvement from 239th and 256th in 2020 and 2021, respectively. In the same year, the Company was recognised for promoting inclusivity through its Farmer Entrepreneurship Programme by the Asia Pacific Tambuli Awards.

In 2023, the Company received recognition in TIME Magazine's "World's Best Companies" list which evaluated 750 of the top performing companies across different industries across the globe using three key areas – revenue growth, employee satisfaction and sustainability. The Company ranked 57th globally, emphasising its initiatives focused on workforce well-being, valuated by high employee engagement scores.

In 2024, the Company has been recognised as the second fastest-growing restaurant brand in the world by Brand Finance, the world's leading independent brand valuation agency. With its brand value surging to 51.0 per cent. and amounting to U.S.$2.3 billion, the Company's rank ascended from 20th to 17th in this year's Global Restaurant Rankings. The Company is the only Philippine brand listed in the 2024 Top 25 Most Valuable Restaurant Brands and Top 10 Strongest Restaurant Brands. In 2024, the Group was also awarded the Gallup Exceptional Workplace Award for the third time and remains the first and only Philippine-based company to have received this award.

The table below sets forth a selection of awards and recognition that the Group has received during the last three years.

Brand/Entity	Year	Issuing Entity	Award/Recognition
Red Ribbon	2022	Marketing Interactive's Marketing Excellence Awards	Bronze Award in "Excellence in Integrated Marketing" for Give Love Today integrated marketing campaign
	2023	Philippine Association of National Advertiser's PANAta Brand Effectiveness Awards	Received three awards
		International Association of Business Communicators (IABC) Philippines' 20th Philippine Quill Awards	Received two awards
Burger King	2022	GrabFood	GrabFood Fan Faves (Burger Category)

Brand/Entity	Year	Issuing Entity	Award/Recognition
	2023	GrabFood	Received five awards
		Boomerang Awards	Bronze – Small Budget Category – Bardunkgulan
Chowking	2022	GrabFood	Sales Superstars, Lunch Leaders
	2023	Kidlat Awards	Kidlat 2023 Outdoor/Ambient
		GrabFood	Received three awards
		Lazada	Lazada Awards – Best in Digital Goods
	2024	Brand Finance	Third most valuable restaurant brand in the ASEAN 500 2024 report
			Second Fastest Growing Filipino brand
			22nd Most Valuable Filipino Brand
			Eighth Fastest Growing ASEAN Brand
			Third Most Valuable ASEAN Restaurant Brand
Jollibee (Group)	2022	Forbes	List of World's Best Employers
		Asia Pacific Tambuli Awards	Promoting Inclusive Growth through its Farmer Entrepreneurship Program
	2023	ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards	1 Golden Arrow (2021 operations)
		Asian Legal Business South-East Asia	In-House Lawyer of the Year - Atty. Valerie Amante, Chief Legal, Ethics, and Compliance Officer
		Asian Legal Business Asia	Top 15 In-House Legal Teams
		Management Association of the Philippine	Jollibee Group CEO Ernesto Tanmantiong awarded Management Person of the Year 2023
		WeQual Awards	Jollibee Group's Philippine Head of Human Resources cited as the only Filipino in the 2023 WeQual Awards
	2024	13th Institutional Investor Corporate Awards	Multiple citations
		TIME Magazine	World's Best Companies
		3G Championship Award	Community Development and Philanthropy 2024
		ING-FINEX	CFO of the Year Award – Mr. Richard CW Shin, Chief Financial Officer of the Group
		People Management Association of the Philippines	Employer of the Year
		Gallup	Gallup Exceptional Workplace Award

Brand/Entity	Year	Issuing Entity	Award/Recognition
Jollibee (Brand)	2024	Brand Finance	Second Fastest Growing Restaurant Globally
			Fifth Strongest Restaurant Brand Globally
			Second Most Valuable Filipino Restaurant
			Fifth Strongest Filipino Brand
			Fourth Fastest Growing Filipino Brand
			Second Most Valuable Filipino Brand
			23rd Most Valuable ASEAN Brand
			Most Valuable ASEAN Restaurant Brand
Mang Inasal	2024	Brand Finance	Strongest Filipino Brand
			Fastest Growing Filipino Brand
			15th Most Valuable Filipino Brand
			Fastest Growing ASEAN Brand
			Second Most Valuable ASEAN Restaurant Brand

CAPITAL MARKETS TRANSACTIONS

Please find below a summary of the material capital markets transaction of the Group as of 31 December 2024:

- On 23 January 2020, the Issuer issued U.S.$600,000,000 Guaranteed Senior Perpetual Capital Securities (the "**Guaranteed Senior Perpetual Capital Securities**"). These securities are guaranteed by the Company and listed on the Singapore Exchange Securities Trading Limited (**SGX-ST**).

  On 4 October 2021, the Issuer announced the launch of the tender offer to the holders of the Guaranteed Senior Perpetual Capital Securities to purchase for cash up to U.S.$250,000,000 of the then outstanding Guaranteed Senior Perpetual Capital Securities (the **Tender Offer**). The Tender Offer commenced on 4 October 2021, and expired on 4:00 p.m. 3 November 2021, London time. Early settlement was completed on 21 October 2021, with completion of final settlement on 8 November 2021.

  The then outstanding Guaranteed Senior Perpetual Capital Securities were redeemed in full by the Issuer on 23 January 2025.

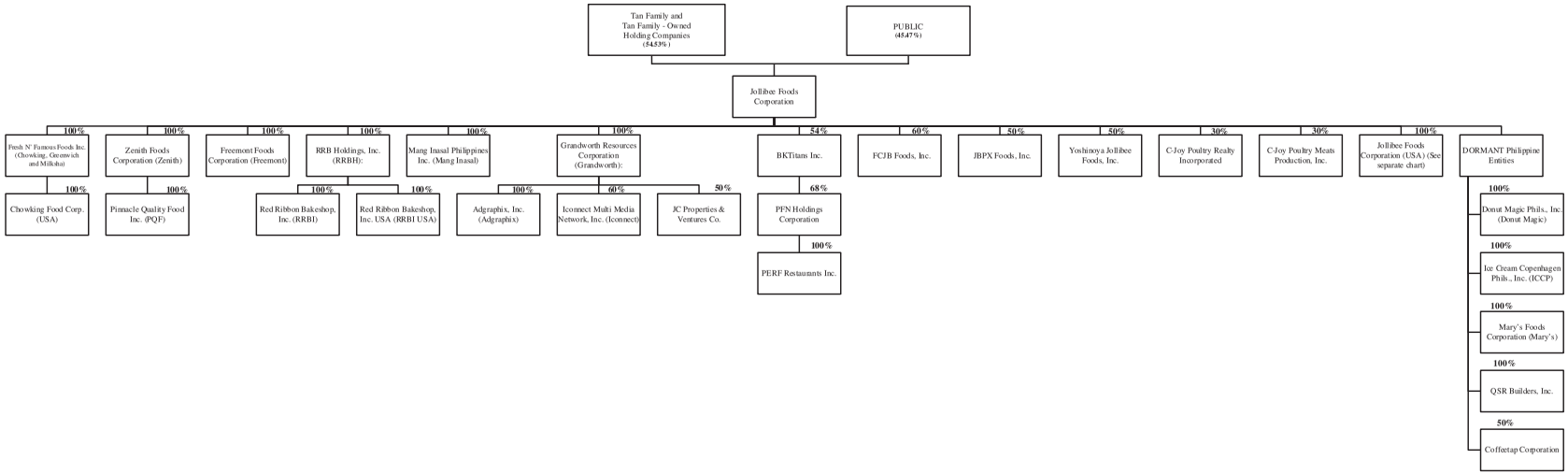
- On 24 June 2020, the Issuer issued dual tranche senior, unsecured notes comprising (i) U.S.$300,000,000 4.125 per cent. Guaranteed Notes due 2026 and (ii) U.S.$300,000,000 4.750 per cent. Guaranteed Notes due 2030. These notes are guaranteed by the Company and listed on the SGX-ST.

- On 28 June 2021, the Company filed a registration statement with the Philippine SEC for the shelf registration and listing of up to 20,000,000 Preferred Shares and the initial offer and issuance of up to 12,000,000 Preferred Shares at an offer price of ₱1,000.00 per Preferred Share. On 24 September 2021, the Philippine SEC issued the Order of Registration for the shelf registration and the Permit to Sell, and such Offer Preferred Shares was issued and listed on 14 October 2021. On 13 September 2024, the Company approved the redemption of its Series A Preferred Shares, and on 15 October 2024, the Company redeemed all of the outstanding 3,000,000 Series A Preferred Shares.

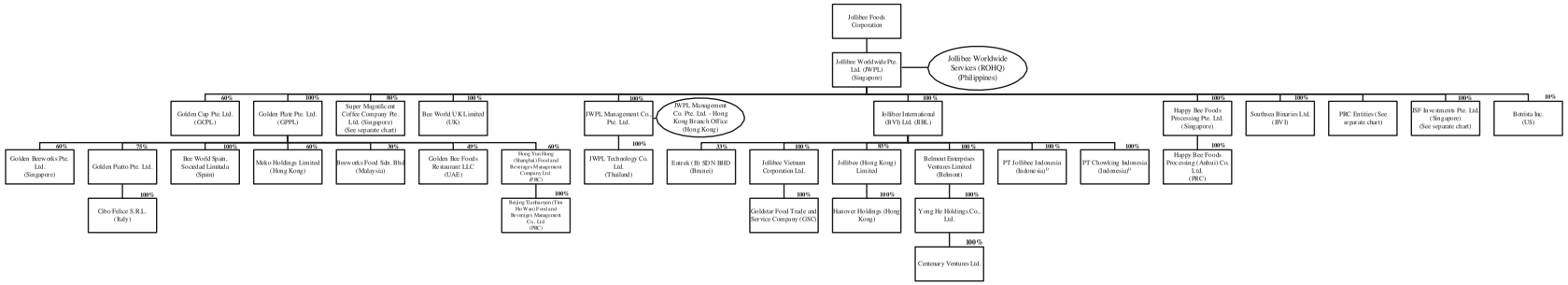
GROUP STRUCTURE, SUBSIDIARIES AND JOINT VENTURES

The charts* below provide an overview of the ownership structure of the Company and its major operating subsidiaries as of 31 December 2024.

PHILIPPINES



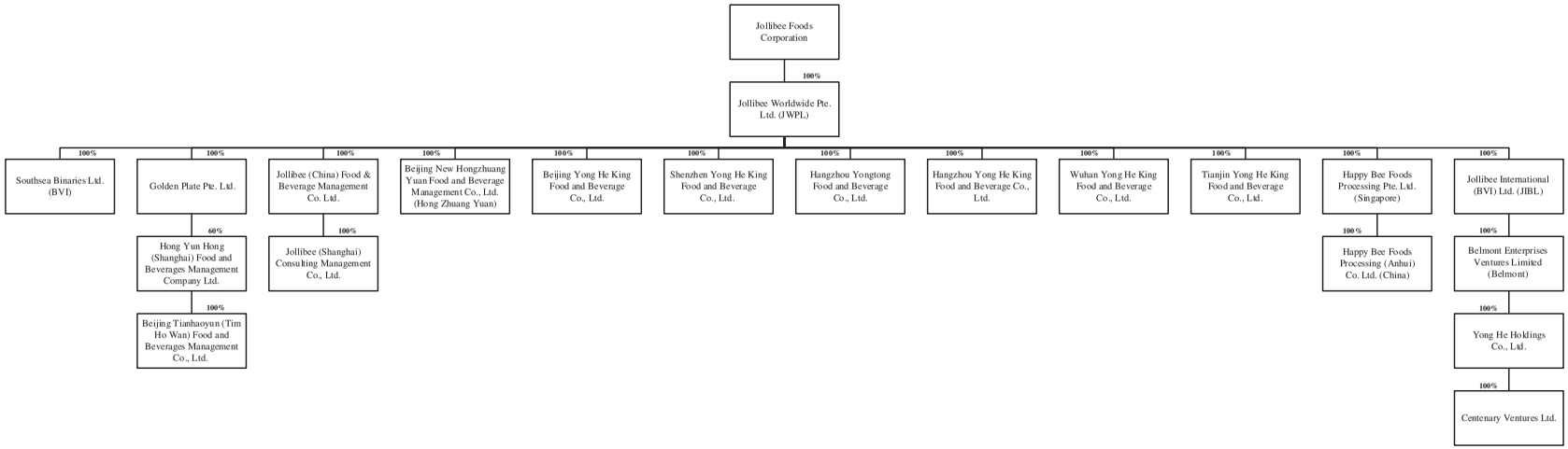
EMEAA



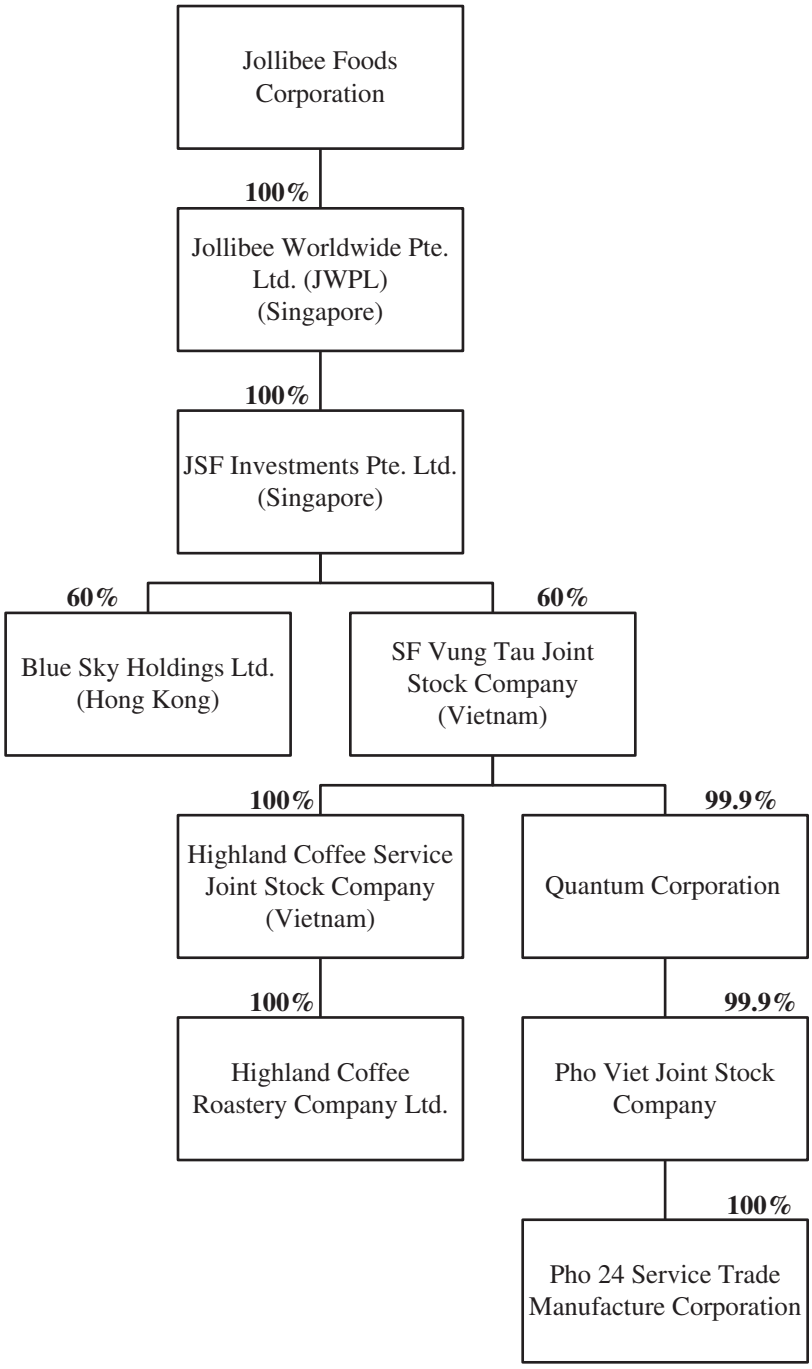
Note:

* *These charts have been presented with consideration of the entire legal structure of all entities affiliated with the Group, including wholly owned and non-wholly owned interests in joint ventures and associates (regardless if these entities have been consolidated in the Group's audited financial statements included elsewhere in this Offering Circular). As a result, certain information in these charts may differ from the Group's audited financial statements, which have been prepared on a consolidated basis in accordance with the PFRS, included elsewhere in this Offering Circular.*

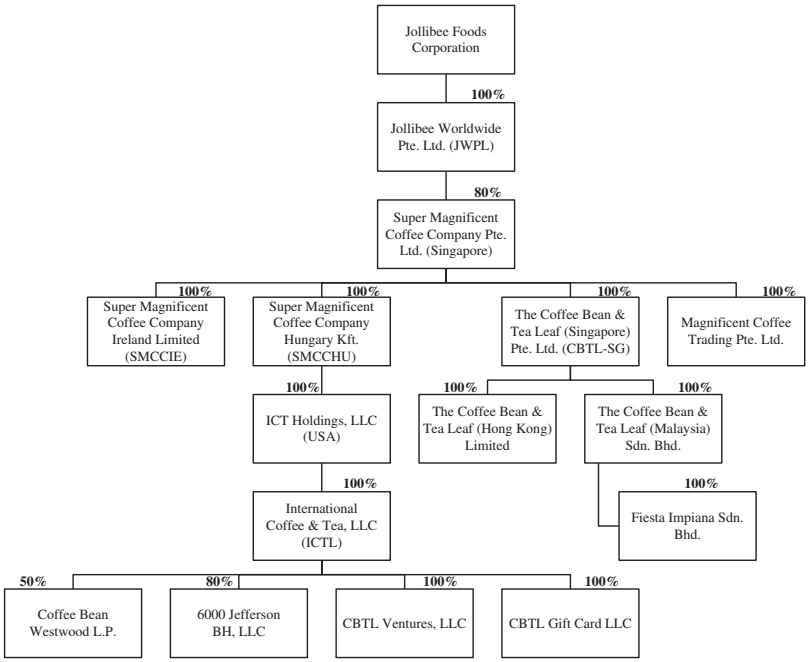
CHINA


Jollibee Foods Corporation
100%
Jollibee Worldwide Pte. Ltd. (JWPL)
100%
Southsea Binaries Ltd. (BVI)
100%
Golden Plate Pte. Ltd.
60%
Hong Yun Hong (Shanghai) Food and Beverages Management Company Ltd.
100%
Beijing Tianhaoyun (Tim Ho Wan) Food and Beverages Management Co., Ltd.
100%
Jollibee (China) Food & Beverage Management Co. Ltd.
100%
Jollibee (Shanghai) Consulting Management Co., Ltd.
100%
Beijing New Hongzhuang Yuan Food and Beverage Management Co., Ltd. (Hong Zhuang Yuan)
100%
Beijing Yong He King Food and Beverage Co., Ltd.
100%
Shenzhen Yong He King Food and Beverage Co., Ltd.
100%
Hangzhou Yongtong Food and Beverage Co., Ltd.
100%
Hangzhou Yong He King Food and Beverage Co., Ltd.
100%
Wuhan Yong He King Food and Beverage Co., Ltd.
100%
Tianjin Yong He King Food and Beverage Co., Ltd.
100%
Happy Bee Foods Processing Pte. Ltd. (Singapore)
100%
Happy Bee Foods Processing (Anhui) Co. Ltd. (China)
100%
Jollibee International (BVI) Ltd. (JIBL)
100%
Belmont Enterprises Ventures Limited (Belmont)
100%
Yong He Holdings Co., Ltd.
100%
Centenary Ventures Ltd.

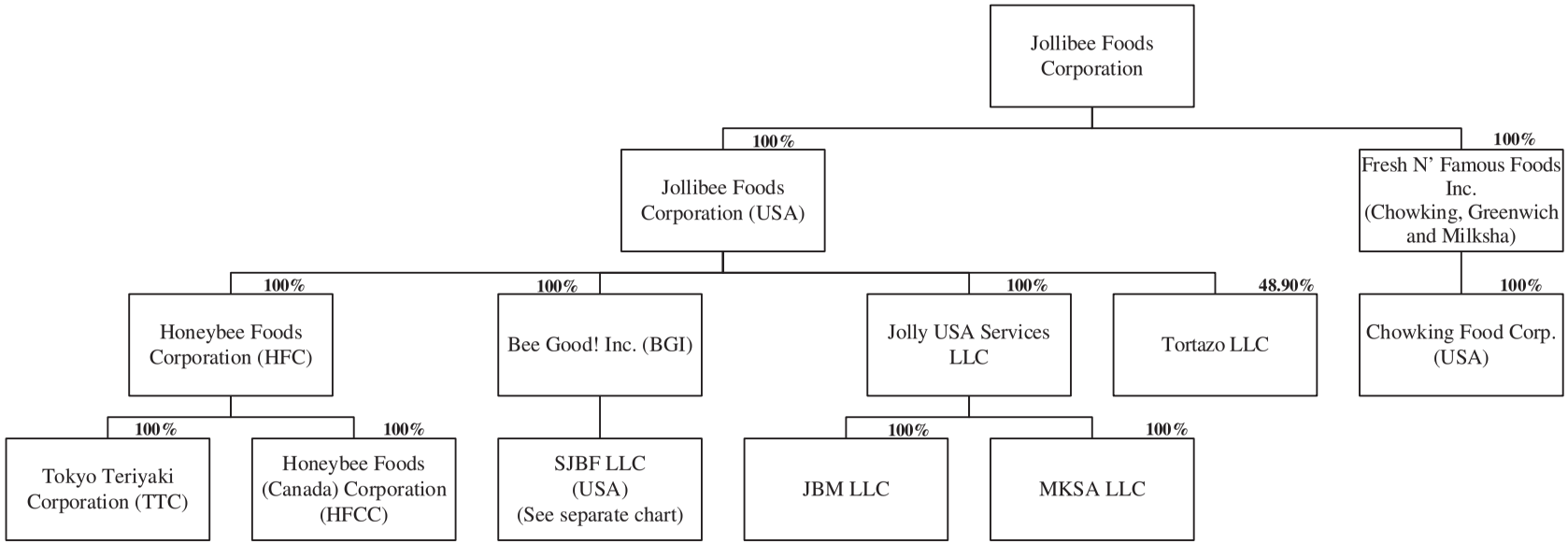
SUPERFOODS


Jollibee Foods Corporation
100%
Jollibee Worldwide Pte. Ltd. (JWPL) (Singapore)
100%
JSF Investments Pte. Ltd. (Singapore)
60%
60%
Blue Sky Holdings Ltd. (Hong Kong)
SF Vung Tau Joint Stock Company (Vietnam)
100%
99.9%
Highland Coffee Service Joint Stock Company (Vietnam)
Quantum Corporation
100%
99.9%
Highland Coffee Roastery Company Ltd.
Pho Viet Joint Stock Company
100%
Pho 24 Service Trade Manufacture Corporation

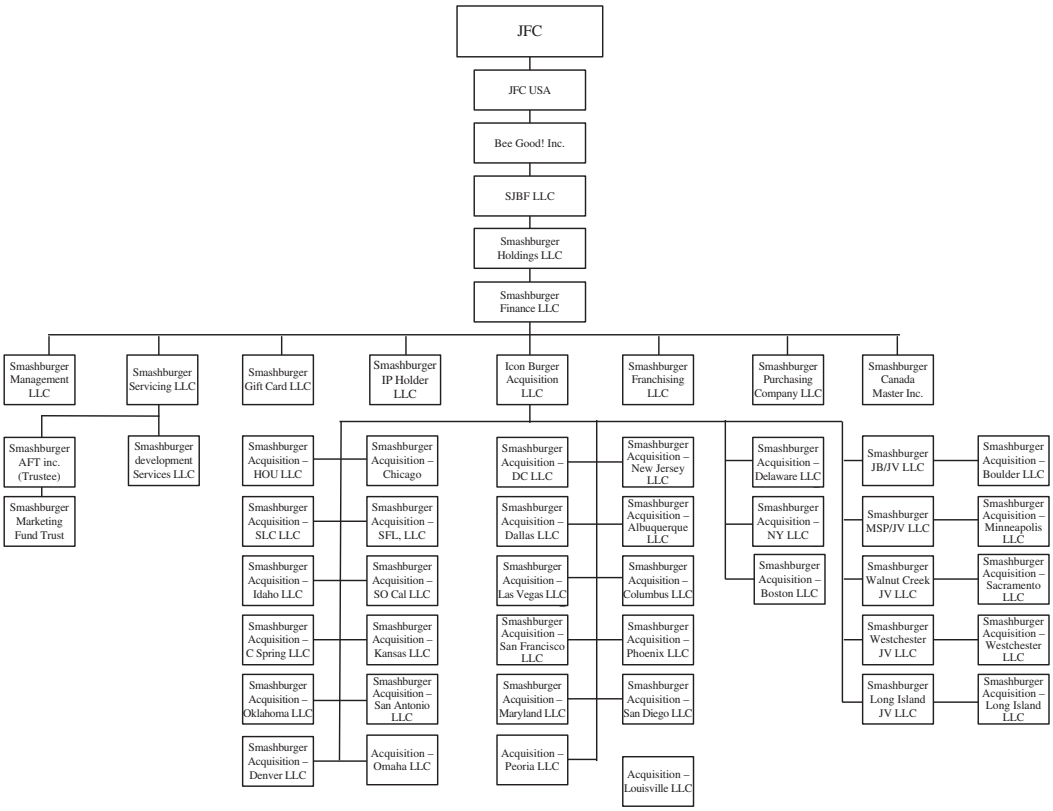
CBTL


Jollibee Foods Corporation
100%
Jollibee Worldwide Pte. Ltd. (JWPL)
80%
Super Magnificent Coffee Company Pte. Ltd. (Singapore)
100%
Super Magnificent Coffee Company Ireland Limited (SMCCIE)
100%
Super Magnificent Coffee Company Hungary Kft. (SMCCHU)
100%
The Coffee Bean & Tea Leaf (Singapore) Pte. Ltd. (CBTL-SG)
100%
Magnificent Coffee Trading Pte. Ltd.
100%
ICT Holdings, LLC (USA)
100%
The Coffee Bean & Tea Leaf (Hong Kong) Limited
100%
The Coffee Bean & Tea Leaf (Malaysia) Sdn. Bhd.
100%
International Coffee & Tea, LLC (ICTL)
100%
Fiesta Impiana Sdn. Bhd.
50%
Coffee Bean Westwood L.P.
80%
6000 Jefferson BH, LLC
100%
CBTL Ventures, LLC
100%
CBTL Gift Card LLC

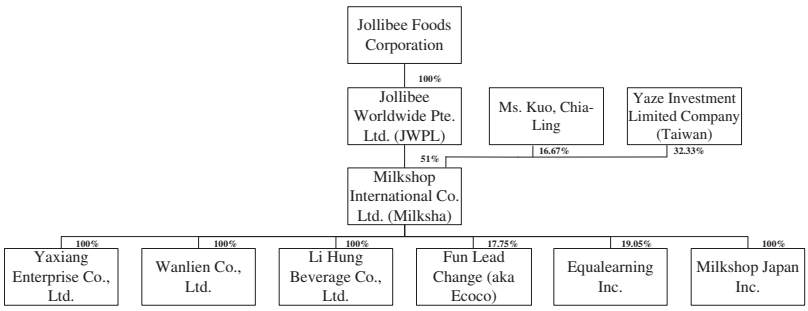
NORTH AMERICA



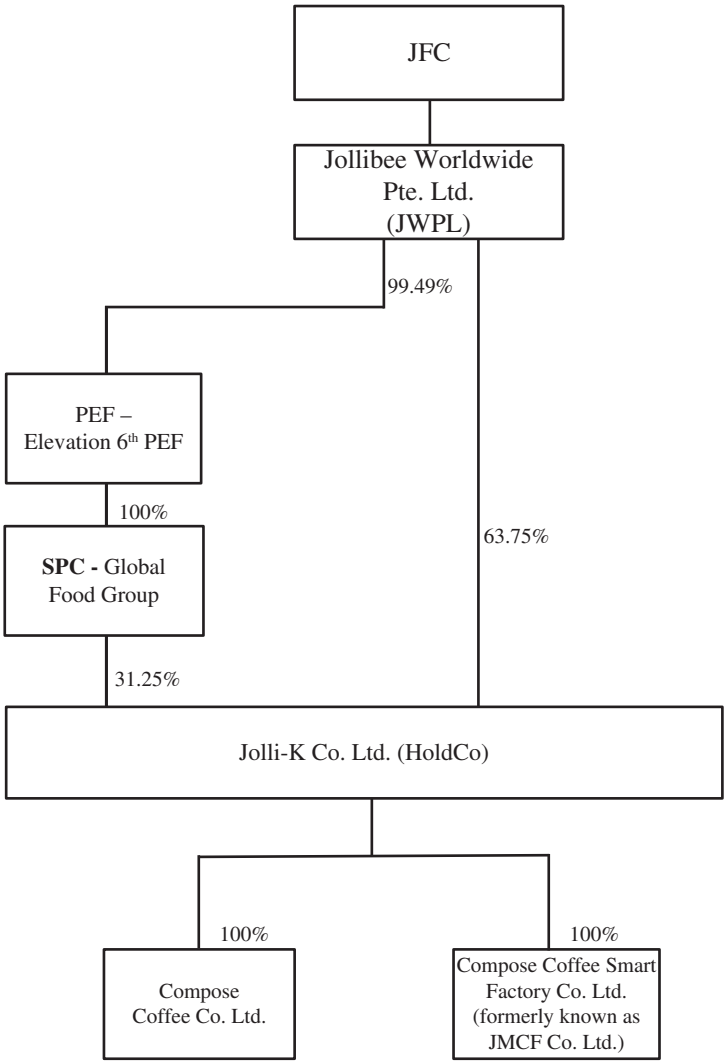
SMASHBURGER



MILKSHA



COMPOSE COFFEE



The table below sets forth the Company's equity interest in each consolidated subsidiary as of 31 December 2024.

			As of 31 December 2024	
	Country of Incorporation	Principal Activities	Direct Ownership (%)	Indirect Ownership[1] (%)
Fresh N' Famous Foods Inc.	Philippines	Food service	100	—
- Chowking Food Corporation USA	United States of America (USA)	Holding company	—	100
Zenith Foods Corporation	Philippines	Food service	100	—
Pinnacle Quality Food Inc.	Philippines	Food service	—	100
Freemont Foods Corporation	Philippines	Food service	100	—
RRB Holdings, Inc.:	Philippines	Holding company	100	—
Red Ribbon Bakeshop, Inc	Philippines	Food service	—	100
Red Ribbon Bakeshop, Inc. USA	USA	Food service	—	100
Mang Inasal Philippines Inc.	Philippines	Food service	100	—
Grandworth Resources Corporation:	Philippines	Leasing	100	—
Adgraphix, Inc.	Philippines	Digital printing	—	100
IConnect Multi Media Network, Inc.	Philippines	Dormant	—	60
FCJB Foods Inc	Philippines	Food service	60	—
Chanceux, Inc.	Philippines	Holding company	100	—
BKTitans Inc	Philippines	Holding company	—	54
PFN Holdings Corporation	Philippines	Holding company	—	99
PERF Restaurants, Inc	Philippines	Food service	—	100
PERF Trinoma, Inc.	Philippines	Food service	—	100
PERF MOA Pasay Inc.	Philippines	Food service	—	100
Jollibee Foods Corporation (USA)	USA	Holding company	100	—
Honeybee Foods Corporation	USA	Food service	—	100
Tokyo Teriyaki Corporation	USA	Food service	—	100
Honeybee Foods (Canada) Corporation	Canada	Food service	—	100
Bee Good! Inc.	USA	Holding company	—	100
SJBF LLC	USA	Food service	—	100
Jolly USA Services LLC	USA	Holding company	—	100
JBM LLC	USA	Franchising	—	100
MKSA LLC	USA	Franchising	—	100
Jollibee Worldwide Pte. Ltd.	Singapore	Holding company	100	—
Regional Operating Headquarters of JWPL (Jollibee Worldwide Services, JWS)	Philippines	Financial accounting, human resources and logistics services	—	100
Golden Plate Pte. Ltd.	Singapore	Holding company	—	100
- Golden Beeworks Pte. Ltd.	Singapore	Food service	—	60
- Golden Piatto Pte. Ltd.	Singapore	Holding company	—	75
• Cibo Felice S.R.L	Italy	Food service	—	100
- Bee World Spain, Sociedad Limitada	Spain	Food service	—	100
- Hong Yun Hong (Shanghai) Food and Beverages Management Company Ltd.	PRC	Food service	—	60
• Beijing Tianhaoyun (Tim Ho Wan) Food and Beverages Management Co., Ltd.	PRC	Food service	—	100
- Meko Holdings Limited	Hong Kong	Food service	—	60
• Golden Cup Pte. Ltd.[4]	Singapore	Holding company	—	60
Beijing New Hongzhuang Yuan Food and Beverage Management Co., Ltd.	PRC	Food service	—	100
Southsea Binaries Ltd.	British Virgin Island (BVI)	Holding company	—	100
Beijing Yong He King Food and Beverage Co., Ltd.	PRC	Food service	—	100
Shenzhen Yong He King Food and Beverage Co., Ltd.	PRC	Food service	—	100
Hangzhou Yongtong Food and Beverage Co., Ltd.	PRC	Food service	—	100
Hangzhou Yong He King Food and Beverage Co., Ltd.	PRC	Food service	—	100
Wuhan Yong He King Food and Beverage Co., Ltd.	PRC	Food service	—	100
Tianjin Yong He King Food and Beverage Co., Ltd.	PRC	Food service	—	100
Happy Bee Foods Processing Pte. Ltd	Singapore	Holding company	—	100
- Happy Bee Foods Processing (Anhui) Co. Ltd.	PRC	Food service	—	100
Jollibee (China) Food & Beverage Management Co., Ltd.	PRC	Management company	—	100
- Jollibee (Shanghai) Consulting Management Co., Ltd.	PRC	Management company	—	100
Jollibee International (BVI) Ltd.:	BVI	Holding company	—	100
- Jollibee Vietnam Corporation Ltd.	Vietnam	Food service	—	100
• Goldstar Food Trade and Service Company	Vietnam	Food service	—	100
- PT Chowking Indonesia	Indonesia	Dormant	—	100

[4] Currently undergoing a member's voluntary liquidation.

	Country of Incorporation	Principal Activities	As of 31 December 2024 Direct Ownership (%)	As of 31 December 2024 Indirect Ownership[1] (%)
- PT Jollibee Indonesia	Indonesia	Dormant	—	100
- Jollibee (Hong Kong) Limited	Hong Kong	General trading/ holding company	—	85
- Belmont Enterprises Ventures Limited (Belmont):	BVI	Holding company	—	100
• Yong He Holdings Co., Ltd	BVI	Holding company	—	100
• Centenary Ventures Ltd	BVI	Holding company	—	100
Bee World UK Limited (UK)	UK	Food service	—	100
JWPL Management Co., Pte. Ltd.	Singapore	Management company	—	100
- Branch of JWPL Management Co., Pte. Ltd.	Hong Kong	Management company	—	100
- JWPL Technology Co. Ltd.	Thailand	Digital services	—	100
Jolli-K Co. Ltd.	Korea	Food service	—	70
- Compose Coffee Co. Ltd.	Korea	Food service	—	100
- Compose Coffee Smart Factory Co. Ltd (formerly JMCF Co. Ltd.).	Korea	Food service	—	100
Super Magnificent Coffee Company Pte. Ltd.	Singapore	Holding company	—	80
Super Magnificent Coffee Company Ireland Limited	Ireland	Holding company	—	100
Super Magnificent Coffee Company Hungary Kft.	Hungary	Holding company	—	100
- ICT Holdings, LLC (USA)	USA	Holding company	—	100
• International Coffee & Tea, LLC	USA	Food service	—	100
• 6000 Jefferson BH, LLC	USA	Holding company	—	80
• CBTL Ventures, LLC	USA	Food service	—	100
• CBTL Gift Card LLC	USA	Food service	—	100
The Coffee Bean & Tea Leaf (Singapore) Pte. Ltd.	Singapore	Food service	—	100
• The Coffee Bean & Tea Leaf (Malaysia) Sdn. Bhd.	Malaysia	Food service	—	100
• The Coffee Bean & Tea Leaf (Hong Kong) Limited	Hong Kong	Dormant	—	100
Magnificent Coffee Trading Pte. Ltd.	Singapore	Food service	—	100
JSF Investments Pte. Ltd	Singapore	Holding company	—	100
SF Vung Tau Joint Stock Company	Vietnam	Holding company	—	60
• Highland Coffee Service Joint Stock Company	Vietnam	Food service	—	100
• Highland Coffee Roastery Company Ltd.	Vietnam	Food service	—	100
• Quantum Corporation	Vietnam	Food service	—	100
• Pho Viet Joint Stock Company	Vietnam	Food service	—	100
• Pho 24 Service Trade Manufacture Corporation	Vietnam	Food service	—	100
Blue Sky Holdings Limited	Hong Kong	Holding company	—	60
Milkshop International Co. Ltd. (Milksha)	Taiwan	Food service	—	51
Donut Magic Phils., Inc	Philippines	Dormant	100	—
Ice Cream Copenhagen Phils., Inc	Philippines	Dormant	100	—
Mary's Foods Corporation	Philippines	Dormant	100	—
QSR Builders, Inc.	Philippines	Dormant	100	—

Joint Ventures and Associates

A list of selected joint ventures and associates of the Company as of 31 December 2024 is set out below.

Entrek (B) SDN BHD

On 24 January 1987, Entrek (B) SDN BHD (**Entrek**), the entity that operates Jollibee stores in Brunei, was incorporated. As of 31 December 2024, the Company, through Jollibee International (BVI) Ltd., had a 33.3 per cent. equity interest in Entrek.

Golden Bee Foods Restaurants LLC

On 25 February 2014, the Company, through Golden Plate Pte. Ltd. (**GPPL**), entered into an agreement to establish a joint venture with Golden Crown Foods LLC to own and operate the Jollibee brand in the United Arab Emirates (**UAE**). As of 31 December 2024, the Company had a 49.0 per cent. stake in the joint venture.

C-Joy Poultry Meats Production Inc. (formerly Cargill Joy Poultry Meats Production Inc.)

On 24 May 2016, the Company entered into an agreement with Cargill Philippines Inc., a wholly owned subsidiary of Cargill, Inc. to establish a joint venture entity to build and operate a poultry processing plant in the Philippines. The poultry processing plant commenced commercial operations on 5 December 2017. On 20 May 2020, the Board approved the conversion of advances to C-Joy Poultry Meats Production Inc. in the amount of ₱1,236.7 million to equity. As of 31 December 2024, the Company had a 30.0 per cent. stake in the joint venture.

C-Joy Poultry Realty Inc. (formerly Cargill Joy Poultry Realty Inc.)

On 24 May 2016, the Company entered into an agreement with Cargill Philippines Inc. and the Bank of the Philippine Islands as trustee of Cargill Philippines and Affiliated Companies Retirement Plan to establish C-Joy Poultry Realty Inc. which leases the land where the C-Joy poultry processing plant is located. As of 31 December 2024, the Company had a 30.0 per cent. stake in the joint venture.

Titan Dining LP

On 23 May 2018, the Company, through the Issuer, committed to invest 45.0 per cent. of the total maximum fund of S$100.0 million in Titan, a private equity fund that has executed (through a wholly owned subsidiary) a binding agreement for the acquisition of 100.0 per cent. of the Asia Pacific master franchise holder of the "Tim Ho Wan" brand, Tim Ho Wan Pte. Ltd. (**THWPL**) and its affiliate, Dim Sum Pte. Ltd. (**DSPL**), which owns and operates Tim Ho Wan stores in Singapore.

On 2 October 2019, the total maximum fund of Titan increased from S$100.0 million to S$200.0 million. Accordingly, the Issuer increased its capital commitment to Titan from S$45 million to S$120.0 million, which constituted 60.0 per cent. of the total maximum fund upon completion.

On 30 October 2020, the Issuer acquired the 25.0 per cent. interest of a partner in Titan for a total cash consideration of S$36.3 million, which increased the Issuer's interest in Titan from 60.0 per cent. to 85.0 per cent.

On 11 August 2021, the Issuer acquired the 15.0 percent remaining interest of the other partners in Titan for a total cash consideration of S$71.6 million, which increased the Issuer's interest in Titan from 85.0 per cent. to 100.0 per cent.

On 1 November 2021, the Limited Partnership Agreement for Titan was amended. As part of the amendment, the fund size increased from S$200.0 million to S$250.0 million to fund working capital requirements of Tim Ho Wan and to facilitate completion of other projects. In addition, additional investors took up a 10.0 per cent. participating interest in Titan. With the increase in fund size and entry of additional investors, the Issuer's total commitment to the fund then amounted to S$225.0 million, comprising 90.0 per cent. of the increased fund size and total commitments.

On 5 November 2021, the Issuer made an additional investment amounting to S$86.5 million proportionate to its participating interest in Titan.

On 28 September 2022, the fund size of Titan increased from S$250.0 million to S$350.0 million to fund the store expansion plans and working capital requirements of Tim Ho Wan and to facilitate completion of other projects. With the increase in fund size, the Issuer's total commitment to the fund then amounted to S$315.0 million.

On 29 September 2022, the Issuer made an additional investment of S$11.3 million, proportionate to its participating interest in Titan. Subsequently, on 24 February 2023 and 11 September 2023, the Issuer made an additional investment of S$9.0 million and S$39.2 million, respectively, proportionate to its participating interest in Titan.

On 1 January 2024, Titan increased its fund size from S$350.0 million to S$450.0 million to fund the store expansion plans and working capital requirements of Tim Ho Wan and the completion of other projects. The Issuer also purchased an additional 2.0 per cent. participating interest of another partner in the fund for a total consideration of S$7.7 million.

As of 31 December 2024, the Issuer had a 92.0 per cent. stake in Titan and its total commitment to the fund amounted to S$414.0 million.

Tortazo, LLC (formerly known as Tortas Frontera LLC)

On 7 September 2018, the Company, through Jollibee Foods Corporation (USA), made an investment of U.S.$12.6 million in consideration for 47.0 per cent. of the fully diluted membership interest in Tortazo, a company that owns and operates a Mexican fast-food casual restaurant business in the USA, founded by award-winning Chef Rick Bayless.

On 31 July 2022 and 6 July 2023, the Group made additional investments of U.S.$2.2 million and U.S.$3.5 million in Tortazo, respectively.

As of 31 December 2024, the Group, through Jollibee Foods Corporation (USA), had a 52.3 per cent. stake in Tortazo.

JBPX Foods Inc.

On 27 September 2018, the Company entered into an agreement to establish a 50/50 joint venture with Panda Restaurant Group Inc. to bring Panda Express stores to the Philippines. As of 31 December 2024, the Company had a 50.0 per cent. stake in JBPX Foods Inc.

Yoshinoya International Philippines, Inc.

On 15 February 2021, the Company entered into an agreement to establish a 50/50 joint venture with YIPI to operate and expand the "Yoshinoya" brand in the Philippines. On 18 June 2021, the incorporation of Yoshinoya Jollibee Foods, Inc. was approved by the SEC. As of 31 December 2024, the Company had a 50.0 per cent. stake in Yoshinoya Jollibee Foods, Inc.

Beeworks Food SDN. BHD.

On 29 July 2021, the Company, through its wholly owned subsidiary, GPPL, executed a joint venture agreement with Beeworks Investment Pte. Ltd. to form Beeworks Food SDN. BHD (BFSB), a private company limited by shares under the laws of Malaysia. BFSB owns and operates Jollibee stores in West Malaysia which covers the country's capital, Kuala Lumpur. As of 31 December 2024, the Company, through GPPL, had a 30.0 per cent. stake in BFSB.

Meko Holdings Limited

On 5 April 2023, the Company disclosed that it will purchase a majority stake in Meko, Jollibee brand's master franchisee in Hong Kong. Golden Plate Pte. Ltd., a Singapore-based wholly owned subsidiary of the Issuer, will acquire shares from the shareholders of Meko for a total of 60.0 per cent. ownership equivalent to U.S.$16.08 million, subject to adjustments. The remaining 40.0 per cent. will continue to be owned by the current shareholders of Meko.

The transaction has been completed on 1 September 2023 with its disclosure to the public approved by the PSE on 4 September 2023.

As of 31 December 2024, the Company, through Golden Plate Pte. Ltd., had a 60.0 per cent. stake in Meko.

Food Collective, Pte. Ltd.

On 3 August 2023, the Company and FCPL announced the establishment of FCJB Foods Inc. (**FCJB**), a joint venture company that will own, introduce and operate two well-loved Singaporean brands in the Philippine market: Tiong Bahru Bakery and Common Man Coffee Roasters. FCPL is a majority-owned subsidiary of Titan Lifestyle Holdings, Pte. Ltd., a subsidiary of Titan, in which the Group already has a 92.0 per cent. participating interest in. As of 31 December 2024, the Company held a 60.0 per cent. stake in FCJB.

Botrista

On 27 March 2024, the Company, through the Issuer, invested U.S.$28.0 million for a 10.0 per cent. stake in Botrista. Botrista, a leader in the beverage technology space, which holds more than 100 patents globally for its proprietary dispense technology which provides automated solutions to serve cold specialty coffee and tea-based drinks with premium and all-natural ingredients. As of 31 December 2024, the Company, through the Issuer, held a 10.8 per cent. stake in Botrista.

Titan Fund Dining II LP

On 3 April 2024, the Company, through the Issuer, committed to invest S$90.0 million in Titan Fund II. The fund size of Titan Fund II is S$100.0 million, which will be used to fund strategic investments in food and beverage concepts with the objective to further grow Asia Pacific food service brands and/or bring strong global food service brands to Asia Pacific, in line with the Group's four product pillar strategy (i.e., chicken, Chinese cuisine, coffee and tea and better burgers). As of 31 December 2024, the Company, through the Issuer, had a 90.0 per cent. participating interest in Titan Fund II.

ACQUISITIONS, INVESTMENTS AND DISPOSALS DURING THE YEARS ENDED 31 DECEMBER 2022, 2023 AND 2024

The discussion below sets forth the acquisitions and disposals of the Group for the periods indicated.

Year ended 31 December 2022

On 22 February 2022, the Company announced the completion of the acquisition of a majority stake equivalent to 51.0 per cent. ownership in Milkshop through its wholly owned subsidiary, the Issuer, for U.S.$12.8 million. One of the co-founders of Milkshop continued to retain 49.0 per cent. ownership of Milkshop. The Company had earlier announced on 24 June 2021 that it had entered into a licensing agreement with Milkshop to sell and market products under the Milksha brand in the Company's subsidiaries' stores in the Philippines.

On 28 September 2022, the Company disclosed that its wholly owned subsidiary, the Issuer, announced its additional capital call commitment to Titan, the private equity fund which then owned the Tim Ho Wan brand and company-owned Tim Ho Wan stores. The fund size of Titan increased from S$250.0 million to S$350.0 million to fund the store expansion plans and working capital requirements of Tim Ho Wan as well as facilitate the completion of other projects. With the increase in fund size, the Issuer's total commitment to the fund amounted to S$315 million and it had a 90.0 per cent. participating interest in Titan.

On 8 November 2022, the Company disclosed the termination of the master franchise agreement for Dunkin' which covers certain territories in the Chinese mainland, Hong Kong and Macau. The operations of Beijing Golden Cup Corporation, which operated seven Dunkin' restaurants in Beijing, has been terminated as well.

Year ended 31 December 2023

The Company disclosed on 10 May 2023 that the SuperFoods Group which owns Highlands Coffee and PHO24 signed agreements to transfer the assets of the PHO24 business to East-West Restaurant Concepts. The franchise agreement for the operation of PHO24 stores in the Philippines was also terminated.

On 5 April 2023, the Company disclosed that it will purchase a majority stake in Meko, Jollibee brand's master franchisee in Hong Kong. Golden Plate Pte. Ltd., a Singapore-based wholly owned subsidiary of the Issuer, will acquire shares from the shareholders of Meko for a total of 60.0 per cent. ownership equivalent to U.S.$16.08 million, subject to adjustments. The remaining 40.0 per cent. will continue to be owned by the current shareholders of Meko. The transaction completed on 1 September 2023 with its disclosure to the public approved by the PSE on 4 September 2023.

On 6 July 2023, the Group, through Jollibee Foods Corporation (USA), made an additional investment of U.S.$3.5 million in Tortazo, which increased its ownership interest in Tortazo from 52.22 per cent. to 52.60 per cent.

On 4 August 2023, the Company (60.0 per cent. shareholding) and FCPL (40.0 per cent. shareholding) announced the establishment of a joint venture company that will own and operate Tiong Bahru Bakery and Common Man Coffee Roasters in the Philippines.

Year ended 31 December 2024

On 1 January 2024, the Company announced its additional capital commitment to Titan. The fund size of Titan increased from its current S$350,000,000 to S$450,000,000, to fund the store expansion plans and working capital requirements of Tim Ho Wan and the completion of other projects. The Issuer's participating interest in Titan also increased from 90.0 per cent. to 92.0 per cent. through the purchase of 2.0 per cent. participating interest of another limited partner in the fund for a total consideration of S$7.7 million. With the increase in fund size, the Issuer's total commitment to the fund amounted to S$414.0 million.

On 27 March 2024, the Company, through the Issuer, invested U.S.$28.0 million for a 10.0 per cent. stake in Botrista. Botrista, a leader in the beverage technology space, holds more than 100 patents globally for its proprietary dispense technology which provides automated solutions to serve cold specialty coffee and tea-based drinks with premium and all-natural ingredients. This investment provides commercial and strategic synergies with the Group's coffee and tea brands and the opportunity to grow exponentially in one of its key product pillars, the coffee and tea segment. Through Botrista's DrinkBot machines, the Group will be able to increase its distribution footprint in the important US market, at zero to minimal capital expenditure as well as deliver superior commercial returns. The Group's existing stores can subscribe to Drinkbots and get an instant sales lift.

On 3 April 2024, the Company, through the Issuer, announced its participation and capital call commitment to Titan Fund II. The fund size of Titan Fund II will be S$100.0 million, which will be used to fund strategic investments in food and beverage concepts with the objective to further grow Asia Pacific food service brands and/or bring strong global food service brands to Asia Pacific. The Issuer will have a 90.0 per cent. participating interest in Titan Fund II, with a capital commitment of S$90.0 million.

On 2 July 2024, the Company disclosed that it has, through the Issuer, signed definitive agreements to acquire a majority shareholding of 70.0 per cent. in Compose Coffee, which is one of South Korea's leading coffee franchises in the fast-growing value coffee segment. The remaining shareholding in Compose Coffee will be held by Elevation Equity Partners Korea Ltd. and Titan Fund II, each with effective shareholdings of 25.0 per cent. and 5.0 per cent., respectively. The total consideration for the acquisition is U.S.$340.0 million. The transaction was completed on 16 August 2024.

On 5 November 2024, the Company disclosed that the Issuer signed an agreement to acquire 100.0 per cent. of the ownership of THWHPL, the holding company of the Tim Ho Wan business from a subsidiary of Titan for a cash consideration of S$20.2 million. The transaction was completed on 2 January 2025.

OPERATIONS

The Group primarily operates through its food service and franchising segments.

The food service segment conducts the operation of the stores and the manufacture of food products to be sold to Group-owned and franchise-operated stores. See "*Business—Operations—Brands"*. The franchising segment handles the franchising of the Group's brands. See "*Business—Operations—The Group's Store Network—Franchise-Operated Stores"*.

The Group also operates through its leasing segment which leases sites to the Group's franchisees.

The food service segment operates through the following brands: "Jollibee", "Chowking", "Greenwich", "Red Ribbon", "Mang Inasal", "Yong He King", "Hong Zhuang Yuan", "Smashburger", "Tim Ho Wan", "Highlands Coffee", "The Coffee Bean & Tea Leaf®", "Milksha", "Tortazo", "Compose Coffee", "Burger King", "Panda Express", "Yoshinoya", "Common Man Coffee Roasters", and "Tiong Bahru Bakery".

Brands

The Group's principal business comprises the development, operation and franchising of stores under the following brands:

Jollibee

The Group believes Jollibee is the largest QSR company in the Philippines with 1,279 Jollibee stores as of 31 December 2024, of which 439 were owned and operated by the Group and 840 were franchised. In addition, there were 480 Jollibee stores in Vietnam, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, the UAE, North America, Brunei, Hong Kong SAR, Singapore, Canada, Italy, Macau, SAR, Malaysia, the United Kingdom, Guam and Spain as of the same date, of which 358 were owned and operated by the Group and 122 were franchised.

Jollibee offers a quality menu of food, beverages and set meals that includes Chickenjoy, Yumburger, Jolly Hotdog, Jolly Spaghetti, rice meals, Jolly Crispy fries, side dishes, pies, sundaes, soft serve cones, coffee, juice and soft drinks. It also serves a full breakfast menu that includes breakfast Yumburger, bacon & egg pancake sandwich, breakfast Burger Steak and breakfast rice meals. In addition, Jollibee introduces special menus and sells other food products during limited-time promotions to ensure that the brand remains exciting and relevant. Certain Jollibee stores are open 24 hours daily. Jollibee also offers themed party packages that include the venue, food, cake, appearance of mascots and party favours.

The Corporate Supply Chain provides manufacturing and logistics services to the various brands of JFC in the Philippines through Zenith Foods Corporation (**ZFC**) and JWS Logistics. ZFC, a wholly owned subsidiary of the Company, is the manufacturing arm of the Group in the Philippines. ZFC's main facility in Carmelray Industrial Park 1 in Canlubang, Laguna has a combined capacity of approximately 900 metric tons of various food products. The second facility of ZFC in Mandaue City, Cebu, has a combined capacity of approximately 70 metric tons of various food products. Manufacturing expansion plans are underway in Luzon and in Visayas and Mindanao to support the projected growth of the JFC brands.

As of 31 December 2024, the Group had 11 commissaries in the Philippines.

Chowking

Chowking was acquired by the Company in 2000.

Chowking combines traditional Chinese cuisine with modern fast-food service. It offers freshly made and affordably priced Chinese food and beverages, including *chao fan* (Chinese fried rice), dim sum, noodles and milk tea. Chowking also offers breakfast rice meals, combination meals and Chinese lauriat-style individual and family meals. In 2013, Chowking launched its first drive-thru store in the Philippines. Certain Chowking stores are open 24 hours daily.

As of 31 December 2024, there were 571 Chowking stores in the Philippines, of which 168 were owned and operated by the Group and 403 were franchised. As of the same date, there were 50 Chowking stores in operation in six countries and territories outside the Philippines, including the United States, UAE, Qatar, Oman, Kuwait and Saudi Arabia. 35 of the 50 overseas stores were franchised and 15 were owned and operated by the Group.

Greenwich

Greenwich was the first brand acquired by the Company in 1994 and became a wholly owned subsidiary of the Company in 2006.

Greenwich offers a menu, with a variety of pizzas and pastas, that caters to the local taste. It also offers individual and group combination meals, side dishes and desserts. Over the years, the Group transformed the brand in terms of food offerings, appearance and heightened social media presence from Greenwich Pizza & Pasta to Greenwich Pizzeria, reflecting dynamism and promoting a stronger culture of *barkadahan* (a group of friends). The Group believes that Greenwich is the first pizza chain in the Philippines to use heated thermal bags to ensure that food stays hot even after transit.

As of 31 December 2024, there were 272 Greenwich stores in the Philippines, of which 108 were owned and operated by the Group and 164 were franchised.

Red Ribbon

Red Ribbon was acquired by the Company in 2005.

Red Ribbon offers an extensive variety of high-quality cakes, pastries and bread and provides cake customisation services for special occasions. The Group believes that Red Ribbon is a leading bakeshop for round cakes and that it has an increasing market share in dedication and roll cakes. Red Ribbon's best-selling products include its chocolate cakes, namely, Black Forest cake, Chocolate Dedication cake, Chocolate Mousse and Triple Chocolate roll. Red Ribbon also offers traditional Filipino bakeshop products such as *empanada* (baked turnover with filling), *ensaymada* (soft, sweet dough pastry) as well as *mamon and taisan* (chiffon or sponge cakes). In the United States, Red Ribbon serves hot meals and cold desserts in-store.

As of 31 December 2024, there were 507 Red Ribbon stores in the Philippines, of which 183 were owned and operated by the Group and 324 were franchised. As of the same date, there were 37 Red Ribbon stores in operation in the United States, all of which were owned and operated by the Group, including in the states of California, Nevada, Washington, Hawaii, New York, New Jersey, Virginia, Texas and Illinois.

Yong He King

In 2004, the Company acquired an 85.0 per cent. equity interest in Yong He King. In 2007, Yong He King became a wholly owned subsidiary of the Company.

Yong He King is the largest QSR brand of the Group in the PRC in terms of sales and store network. Its top three flagship products are premium tomato beef noodle soup, crispy tender chicken thigh with minced pork rice and soya milk. The Group believes that Yong He King's competitive position is differentiated by, among others, its soya milk being made fresh in-store daily. The expansion of delivery channels, including partnerships with food delivery aggregators and the implementation of mobile payment through Alipay and WeChat, are key aspects of Yong He King's sales growth.

As of 31 December 2024, there were 493 Yong He King stores in the PRC, of which 254 were owned and operated by the Group and 239 were franchised.

Hong Zhuang Yuan

Hong Zhuang Yuan was acquired by the Company in 2008.

Hong Zhuang Yuan specialises in congee. Its bestselling products include eight treasures congee, century egg congee, spring onion pancake and beef pies. In addition, it regularly offers, for a limited time, certain seasonal food products to provide additional variety to its menu. In 2018, Hong Zhuang Yuan launched a self-service digital ordering system in all of its stores that enabled customers to place their orders by simply scanning the QR code on the table. Certain Hong Zhuang Yuan stores also have open kitchens to attract diners and enable them to experience the food "show".

As of 31 December 2024, there were 47 Hong Zhuang Yuan stores in the PRC, of which 36 were owned and operated by the Group and 11 franchised.

Mang Inasal

In 2010, the Company acquired a 70.0 per cent. equity interest in Mang Inasal. In 2016, Mang Inasal became a wholly owned subsidiary of the Company.

Mang Inasal offers grilled food products such as chicken *inasal* (chicken marinated in local spices before being skewered and grilled) and traditional Filipino dishes and desserts such as pork *sisig* (chopped pork seasoned with chilli pepper, local citrus fruit and onion) and *halo-halo* (a layered dessert made of sweetened beans and fruits and shaved ice and milk), respectively. In addition, Mang Inasal offers value meals, combination meals and party pans.

As of 31 December 2024, there were 575 Mang Inasal stores in the Philippines, of which 14 were owned and operated by the Group and 561 were franchised.

Burger King

In 2011, the Company acquired a 54.0 per cent. equity interest in BK Titans Inc., the parent company of the entities that own the franchises for Burger King stores.

Burger King is a hamburger QSR chain that offers the Whopper or flame-grilled hamburgers, specialty hamburgers, chicken and other specialty sandwiches, rice meals, side dishes, beverages and desserts. The launch of its delivery website in 2018 is a key aspect of Burger King's sales growth.

As of 31 December 2024, there were 131 Burger King stores in the Philippines, all of which were owned and operated by the Group.

Highlands Coffee

Highlands Coffee is a brand under the Company's majority-owned subsidiary, SuperFoods.

Highlands Coffee serves coffee prepared in the traditional Vietnamese way using the *phin* filter, espresso-based beverages, ice blended coffee and non-coffee-based beverages, modern tea beverages that include fresh fruits and toppings, *banh mi* and Vietnamese flavour-inspired pastries in trendy coffee shops. It also sells packaged coffee and other merchandise through its cafés and wholesale to an exclusive distributor.

As of 31 December 2024, there were 850 Highlands Coffee cafés in Vietnam and the Philippines, of which 716 were owned and operated by the Group and 134 were franchised. As of the same date, there were 50 Highlands Coffee cafés in the Philippines, all of which were franchised. The Philippines is the first international market of Highlands Coffee.

Smashburger

In 2015, the Company acquired a 40.0 per cent. equity interest in SJBF LLC, the parent company of the entities comprising the Smashburger business. In 2018, Smashburger became a wholly owned subsidiary of the Company after the Company acquired an additional 45.0 per cent. and subsequently, remaining 15.0 per cent. equity interest in SJBF LLC.

Smashburger is a fast-casual better burger restaurant known for its Certified Angus Beef burgers that are smashed on the grill to sear in the juices and seal in the flavour. In addition to burgers, Smashburger offers veggie burgers, signature side items such as SmashFries and SmashTots, and hand-spun shakes. Founded in 2007 in Denver, Colorado, Smashburger is recognised as a 2023 Stevie American Business Award winner for Achievement in Product Innovation, named one of the 2023 Top Workplaces by The Denver Post and ranked as one of Fast Casual's top 50 brands in its 2024 Top 100 Movers & Shakers Award. In celebration of its 17th anniversary, Smashburger launched a refreshed brand identity and a revamped menu in October 2024.

As of 31 December 2024, there were 214 Smashburger stores in operation in six countries and territories, including the United States, Canada, Costa Rica, Panama, Saudi Arabia, and the United Kingdom. 87 stores were franchised and 127 stores were owned and operated by the Group, with all of the Group-owned stores located in the United States. As of the same date, there were 192 Smashburger stores in the United States, of which 65 were franchised.

Tim Ho Wan

From 2018 to 2024, the Company, through the Issuer, made a series of investments in Titan which, among other things, enabled the Company to obtain rights to enter into franchise agreements to operate and expand Tim Ho Wan in certain areas in the PRC.

On 18 November 2019, Hong Yun Hong (Shanghai) Food and Beverages Management Co. Ltd. (**Hong Yun Hong**) was incorporated. It is a joint venture in which the Group holds 60.0 per cent. equity interest through a wholly owned company and DSPL holds the remaining equity interest. On 13 March 2020, Hong Yun Hong entered into a unit franchise agreement with THWPL whereby THWPL granted Hong Yun Hong the right and licence to open and operate a Tim Ho Wan store in Shanghai.

On 5 November 2024, the Company disclosed that the Issuer has signed an agreement to acquire 100.0 per cent. of the ownership of THWHPL, the holding company of the Tim Ho Wan business, from a subsidiary of Titan for a cash consideration of S$20.2 million. Following the completion of this acquisition on 2 January 2025, THWHPL has been consolidated into the Group's portfolio and financial reports and Tim Ho Wan is now the Group's flagship brand of its Chinese cuisine business segment.

Tim Ho Wan serves fresh and made-to-order Cantonese-style dim sum. It offers an assortment of steamed, fried and baked dim sum, steamed rice dishes, congee, rice rolls and desserts.

As of 31 December 2024, there were 16 Tim Ho Wan stores in mainland China owned and operated by the Group.

Following the acquisition of 100.0 per cent. of the ownership of THWHPL in January 2025, there were 31 Tim Ho Wan stores owned and operated by the Group as of the date of the Offering Circular.

Tortazo

Following a series of investments from 2018 to 2024, the Group, through Jollibee Foods Corporation (USA), held a 52.3 per cent. stake in Tortazo as of 31 December 2024.

Tortazo is a Mexican fast-food casual chain in the United States created by Chef Rick Bayless. The Group believes that its competitive position is differentiated by, among other factors, its use of high-quality ingredients from top local providers that are named on its menu. Tortazo offers a quality menu which features *tortas* (griddle-baked sandwiches), *molletes* (warm, open-faced sandwiches), soups, salads, side dishes, a guacamole bar and beverages. It also serves a full breakfast menu that includes breakfast *tortas*, *cazuelas* (stew-like dishes cooked in a traditional pot of the same name) and a yoghurt bar. Tortazo has an online ordering platform that enables customers to order food for pick up.

As of 31 December 2024, the Company's portfolio of restaurants included: three Company-owned and operated Tortazo stores in operation in the United States and two open locations licensed to Caesars Palace. There were also three Tortas Frontera stores opened—two of which were licensed to HMS Host to operate and one was licensed to Areas to operate. Lastly, one Frontera Cocina store was licensed to Palmas Group to operate.

The Coffee Bean & Tea Leaf®

On 24 September 2019, the Company acquired an 80.0 per cent. equity interest in CBTL.

CBTL is a specialty coffee and tea chain that uses only hand-roasted coffee beans and hand-blended teas from farms in various countries such as Costa Rica, Colombia, Kenya, Indonesia, Jamaica, Thailand and Sri Lanka. It offers original Ice Blended® coffee and tea drinks, hot coffee drinks and hot and iced tea drinks. CBTL also sells a variety of whole bean coffees, whole leaf teas, flavoured powders, baked goods as well as coffee and tea accessories including coffee grinders, French presses, tea pots and tea infusers through its stores and retail outlets.

As of 31 December 2024, there were 1,232 CBTL stores worldwide. Of these stores, 203 were located in the Philippines, all of which were franchised. As of the same date, there were 1,029 CBTL stores in operation in 23 countries and territories outside the Philippines, of which 389 were owned and operated by the Group and 640 were franchised, including in Qatar, India, South Korea, Brunei, Malaysia, Indonesia, Singapore, Saudi Arabia and Kuwait.

Panda Express

On 27 September 2018, the Company entered into an agreement to establish a 50/50 joint venture with Panda Restaurant Group Inc. to bring Panda Express stores to the Philippines.

Panda Express offers a menu inspired by the flavours of Chinese cuisine. It offers a wide variety of entrees, sides, appetisers and desserts. Panda Express also offers Wok Smart™ selections, menu items that are 300 calories or less and have at least eight grams of protein and Family Feast boxes for groups dining together. Panda Express' bestselling products include The Original Orange Chicken®, Beijing Beef® and Honey Walnut Shrimp.

As of 31 December 2024, there were 28 Panda Express stores owned and operated by the Group.

Yoshinoya

On 15 February 2021, the Company entered into an agreement with YIPI to establish a joint venture entity to own and expand Yoshinoya restaurants in the Philippines.

The joint venture entity, incorporated as Yoshinoya Jollibee Foods, Inc. on 18 June 2021, is 50.0 per cent. owned by Jollibee and 50.0 per cent. owned by YIPI. On 20 May 2021, the Company made an initial investment amounting to ₱65.0 million.

On 29 October 2021, Yoshinoya executed a Franchise Agreement with YIPI with effective date on 1 November 2021. Subsequently, Yoshinoya acquired from YIPI and operated the existing Yoshinoya stores in the Philippines.

Yoshinoya is one of the brands owned by Yoshinoya Holdings Co. Ltd, a Japanese multinational food restaurant company and the longest-established fast food chain in Japan. Established in 1899, Yoshinoya boasts more than 120 years of tradition. "Gyudon" beef bowl, which already became well-known food to everyone in Japan, was originally developed by Yoshinoya.

As of 31 December 2024, Yoshinoya operates 9 stores in the Philippines.

Milksha

On 24 June 2021, the Company and its subsidiaries, Fresh N' Famous Foods, Inc. and Mang Inasal Philippines, Inc., entered into a licence agreement with Milkshop, which owns Milksha, a popular Taiwanese bubble tea brand. The agreement grants the exclusive rights to sell and market products under the Milksha brand in the Company's stores. Since then, the Company has rolled out Milksha products in its Chowking stores and intends to expand it to its other Philippine restaurant brands.

In February 2022, the Company, through the Issuer, completed the acquisition of a 51.0 per cent. stake in Milkshop.

On 13 September 2024, the Company disclosed that its subsidiaries, Milkshop Japan Inc. and MKSA LLC (**MKSA**), have entered into a licence agreement whereby MKSA has been granted the right to open and operate Milksha branded stores in California, New York and Texas in the United States. Franchising opportunities for other locations in the United States outside of these three states are likewise available through Milkshop Japan Inc.

As of 31 December 2024, there were 336 Milksha stores worldwide. Of these stores, 313 were located in Taiwan, of which 26 stores were Group-owned and 287 stores were franchised. As of the same date, there were 23 Milksha stores in operation in three countries and territories outside Taiwan, all of which were franchised.

On 20 January 2025, the Group opened Milksha's first standalone concept store at SM North EDSA in Quezon City, Philippines.

Common Man Coffee Roasters/Tiong Bahru Bakery

On 3 August 2023, the company entered into an agreement with FCPL to establish a joint venture company to own and operate Common Man Coffee Roasters and Tiong Bahru Bakery restaurants in the Philippines. Common Man Coffee Roasters operates all-day dining restaurants in Singapore and Malaysia, with an aim to be a Champion for Specialty Coffee and the Best All-Day Dining concept in Asia. Common Man Coffee Roasters also does coffee roasting, sale of coffee products and operates a Coffee Barista Academy.

As of 31 December 2024, Common Man Coffee Roasters and Tiong Bahru Bakery each had one store in the Philippines.

Tiong Bahru Bakery officially opened in the Philippines in January 2025.

Compose Coffee

In August 2024, the Company, through the Issuer, completed the acquisition of a majority shareholding of 70.0 per cent. in Compose Coffee, which is one of South Korea's leading coffee franchises in the fast-growing value coffee segment.

Compose Coffee and its roasting facility Compose Coffee Smart Factory Co. Ltd. (formerly known as JMCF Co. Ltd.) were founded in Busan in 2014. Compose Coffee's menu boasts a huge variety of coffee and non-coffee options led by its flagship product, the KRW1,500 Americano. Its stores are fully supported by Compose Coffee's largest in-house roasting plant in Korea, enabling the provision and distribution of high-quality, specialty beans at a low cost. Compose Coffee is on track to be the largest, fastest growing and leading value coffee player in South Korea, with V of BTS as its current brand ambassador.

As of 31 December 2024, Compose Coffee had 2,629 stores in South Korea, all of which are franchised.

THE GROUP'S STORE NETWORK

As of 31 December 2024, the Group's store network comprised 9,766 stores. Of these stores, 3,382 were located in the Philippines, of which 1,082 were owned and operated by the Group and 2,300 were franchised. There were 6,384 stores in operation in 31 countries and territories outside the Philippines, of which 1,974 were owned and operated by the Group and 4,410 were franchised, including in Brunei, Canada, Indonesia, India, Italy, Spain, Guam, Malaysia, the Middle East (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, the UAE), the PRC (including Hong Kong, Macau and Taiwan), Singapore, South Korea, the United Kingdom, the United States, Vietnam and Australia. The Group continually reviews its mix of Group-owned and franchise-operated stores to help optimise the Group's overall performance.

Group-Owned Stores

The expertise and experience of the Group from operating its own stores allows it to enhance the operations of all stores in its network and to be a credible franchisor and franchisee. In addition, the Group continually develops and improves policies, standards and specifications for food products and services as well as store operating procedures which the Group believes will ultimately benefit all stores in its network.

The table below sets forth the total number of Group-owned stores as of the dates indicated.

	As of 31 December		
	2022	2023	2024
	Number of stores		
Group-owned	2,766	2,992	3,056

The table below sets forth a breakdown of Group-owned stores by region in the Philippines as of the dates indicated.

	As of 31 December		
Region	2022	2023	2024
	Number of stores		
Metro Manila	336	341	333
Luzon[(1)]	436	439	441
Visayas	203	169	170
Mindanao	115	143	138

Note:

(1) Excluding Metro Manila

The table below sets forth a breakdown of Group-owned stores by country/territory (outside the Philippines) as of the dates indicated.

Country/Territory	As of 31 December 2022	2023	2024
	Number of stores		
Canada	25	27	28
Hong Kong SAR	—	15	15
Italy	2	2	2
Macau SAR	—	—	—
Malaysia	140	188	201
PRC	373	350	306
Singapore	80	89	91
United Kingdom	12	12	12
United States of America	361	370	363
Vietnam	664	826	929
Spain	1	1	1
Taiwan	18	20	26

Franchise-Operated Stores

The Group's franchise-operated stores are located on property which is owned or directly leased by the franchisee, and, in certain instances, subject to a tripartite agreement among the lessor, the franchisee and the relevant member of the Group under which the relevant member of the Group may exercise their right to assume or takeover the lease in the event of default of the lease or breach of the franchise agreement. The amount of a franchisee's investment depends on the size of and facilities at the store. Such investment will cover the construction of the store, store layout and design, kitchen equipment and facilities, furniture and fixtures, air-conditioning system, signage and pre-operating expenses.

The Group has existing franchise agreements with franchisees, for the latter to operate stores under the Jollibee, Chowking, Greenwich, Red Ribbon, Mang Inasal, Yong He King, Hong Zhuang Yuan, Smashburger, Tim Ho Wan, Highlands Coffee, CBTL, Milksha, and Compose Coffee brands. The Group enters into a franchise agreement with a standard set of terms and conditions for each brand. The term of franchise agreements range between five to ten years. The franchise agreements provide the franchisee the right to own and operate a store on a site approved by the Group and to utilise the Group's system in connection with the operation of the store. Where a site is under a lease or tenancy agreement, the Group requires the relevant franchisee, to the extent permitted by local law, to include provisions which shall allow the sublease or assignment of the lease of the outlet to the franchisor. In some jurisdictions, the franchise agreement allows the franchisor to take over the site occupied by the franchisee once the latter ceases to be a franchisee. Franchisees are required to purchase supplies and equipment for store operations from the Group's commissaries or accredited suppliers, comply with the Group's computer system requirements, procure insurance for the store and participate in system wide projects, tie-ups and promotional activities. Franchisees pay set-up fees, monthly royalty fees equivalent to a certain percentage of the franchisees' net sales and service fees for various services, including repairs and maintenance services, rendered by the Group's personnel. In the Philippines, franchisees also pay for their share in the Group's nationwide advertising and marketing efforts as well as fees for the Group's administration of various advertisements, network and media placements. Franchisees are required to comply with the Group's policies, standards and specifications for food products and services as well as store operating procedures. In addition, franchisees are generally prohibited from selling, assigning, transferring, conveying, pledging, mortgaging or encumbering their shares, ownership or assets without the prior written consent of the Group. The Group monitors and inspects stores periodically through, among others, onsite assessment by franchise business managers, site visits by the Group's franchise operations team or appointment of a third-party testing company, to ensure compliance with required practices and procedures. Certain franchisees are evaluated on the basis of a specific criteria pertaining to product quality, quality of service, quality of environment, training and development as well as equipment and maintenance. In the event a franchisee fails to comply with its obligations under the franchise agreement, the Group may avail of various remedies, including imposition of interest and penalty, termination of the franchise agreement and takeover of the franchise-operated store.

As of 31 December 2024, no single franchisee accounts for more than 5.0 per cent. of the total SWS of the Group.

The table below sets forth the total number of franchise-operated stores as of the dates indicated.

	As of 31 December 2022	2023	2024
	Number of stores		
Franchise-operated	3,714	3,893	6,710

The table below sets forth a breakdown of franchise-operated stores by region in the Philippines as of the dates indicated.

Region[1]	As of 31 December		
	2022	2023	2024
	Number of stores		
Metro Manila	871	883	930
Luzon[2]	905	953	961
Visayas	380	342	343
Mindanao	257	306	319

Note:

(1) Including CBTL and Highlands in the Philippines

(2) Excluding Metro Manila

The table below sets forth a breakdown of franchise-operated stores by country/territory (outside the Philippines) as of the dates indicated.

Country/Territory	As of 31 December		
	2022	2023	2024
	Number of stores		
Australia	3	7	6
Bahrain	4	5	7
Brunei	37	39	41
Cambodia	5	—	—
Canada	8	7	6
Costa Rica	5	5	4
Egypt	2	2	—
Hong Kong SAR	31	19	20
Indonesia	88	72	63
Kuwait	64	85	112
Macau SAR	4	4	4
Malaysia	9	16	26
Mongolia	7	7	10
Myanmar	4	3	3
Oman	6	6	6
Panama	12	13	14
PRC	123	193	250
Qatar	44	47	41
Saudi Arabia	20	21	29
Singapore	15	7	10
South Korea	239	229	2,858
Sri Lanka	5	3	3
Taiwan	239	267	287
United Arab Emirates	39	40	43
United Kingdom	8	9	10
United States of America	164	154	144
Vietnam	63	83	90
Others[1]	53	66	70

Note:

(1) Others include Bangladesh, Guam, India, Israel, Jordan, Kurdistan—Iraqi, Pakistan and Paraguay.

The Company as a Franchisee

The Group entered into franchise agreements with franchisors to operate stores under the Burger King, Panda Express, Yoshinoya, and Common Man Coffee Roasters and Tiong Bahru Bakery brands. The terms of the franchise agreements vary and some of the franchise agreements generally have an option to renew or extend. Certain of the franchise agreements: (i) provide the Group the right to construct a store and to utilise the franchisor's system in connection with the operation of the store; (ii) require the Group to purchase supplies from accredited suppliers; and (iii) require the Group to pay certain fees such as royalty and franchise fees, among others. In general, the Group is required to comply and ensure compliance with the franchisor's policies, standards, specifications and procedures to ensure consistency and quality in food products and service across the stores under the franchise agreements for a particular brand.

Network and Business Expansion

The Group continually evaluates store network expansion opportunities in its existing markets and in new markets, including the plans for Group-owned and franchised restaurants. In addition to expanding its network, the Group's expansion plans are also focused on expanding guest frequency and new user base.

In selecting the location of a new store, the Group utilises various criteria including, among others, consumer preferences, demographic trends, customer foot traffic volume and patterns, accessibility and visibility, the type, number and location of competing food retailers and economic conditions.

The Group continually reviews business expansion opportunities in its existing markets and in new markets.

The typical store payback period is two to six years, depending on store type and geography.

Sales Channels

The Group employs comprehensive sales channels, including dine-in, take-away, drive-thru, kiddie party, bulk order and delivery. It believes that store technology initiatives and delivery arrangements are becoming increasingly important aspects of its sales channel and the consumer experience. The technology that the Group has implemented includes, among other things, website ordering, mobile ordering, interactive mobile ordering via chatbot, mobile payment, cashless payment and in-store self-service technologies. The Group has also established delivery arrangements with third-party delivery platforms such as Deliveroo, Foodpanda, GrabFood, DoorDash and Uber Eats, Grubhub, Postmates, Ele.me and Meituan. In addition, the Group has "cloud kitchens" to cater to the expanding delivery services.

Store Format

The Group employs the following store formats to cater to a wide target market.

- Free standing—Stores in this format are situated in a single detached building with covered or street parking.
- In-line—Stores in this format are situated in a building, adjacent to other tenants.
- In-mall—Stores in this format are situated in a shopping centre.
- Food court—Stores in this format are situated in a facility with adjacent counters of food vendors and with a common area for self-serve dining.
- "Cloud kitchen" or unmarked delivery outlets—Stores in this format have no dine-in facility and are situated in low rent sites. The Group's first cloud kitchen was established in UAE in March 2020. As of 31 December 2024, the Group has opened Cloud kitchens in the following locations:

Location	No. of Cloud kitchens
Singapore	5
United Arab Emirates	2
Kuwait	2
Bahrain	1
Saudi Arabia	1
TOTAL	**11**

The Group selects each store format and its location based on a set of criteria (including traffic generator data) to ensure that each store is located in an optimal area. Certain store formats have facilities such as delivery and take-out options for customers, as well as drive-thru.

SUPPLY AND DISTRIBUTION

The Group and its franchisees purchase food and packaging products, equipment, fixtures and other supplies from numerous independent suppliers in accordance with its sourcing procedures and safety and quality standards. These products and supplies are distributed to individual stores by third-party distributors. Outside the Philippines, the Group and its franchisees utilise a decentralised sourcing and distribution system involving various third-party suppliers and distributors. The Group is not dependent on any of its major suppliers. The only supplier that accounted for more than 5.0 per cent. of the Group's supply purchases in the last three years was San Miguel Foods Inc. Group which supplies poultry and processed meats. To ensure continuity of supply, purchasing efficiencies and quality control, the supply chain unit of the Group works closely with each business unit and implements a demand planning system.

ZFC, a wholly owned subsidiary of the Company, is the manufacturing arm of the Group in the Philippines. ZFC's main facility in Carmelray Industrial Park 1 in Canlubang, Laguna has a combined capacity of approximately 900 metric tonnes of various food products. The second facility of ZFC in Mandaue City, Cebu, has a combined capacity of approximately 70 metric tonnes of various food products.

As of 31 December 2024, the Group had 11 manufacturing sites in the Philippines. As of the same date, the Group also had three manufacturing sites in the United states, two in the PRC, one in South Korea, three in Malaysia, one in Singapore and two in Vietnam.

Jollibee Worldwide Services Logistics (**JWSL**) performs supply planning, warehousing, distribution, customer support and order management functions for the Group in the Philippines. It operates distribution centres in strategic locations to service the growing network of the Group's stores and ensures the timely delivery of goods. JWSL's biggest distribution centre is located in Paranaque City. As of 31 December 2024, there were three pallet locations for cold storage and three pallet locations for dry storage in the Philippines nationwide.

To keep up with demand, the Group leases and operates various warehousing and distribution centres nationwide. The Group has taken measures to identify alternative sources of supply and spread its inventories in different parts of the Philippines in various warehouses and depots, as well as to diversify supply chain components in other major markets. The Group also consistently seeks to improve its supply chain optimisation by enhancing the metrics in reducing cost relative to inflation, without compromising the quality of its supply chain cycle.

FOOD SAFETY AND QUALITY ASSURANCE

Food safety, quality management and cleanliness at stores and various supply chain facilities are top priorities of the Group. Quality control and assurance policies and standards are implemented across the Group's supply chain. Such policies and standards are based on global standards on food safety and quality management systems. The Group believes that the implementation of such systems builds capacities and capabilities, improves supplier partnerships, protects the Group's brands and promotes sustainability. The Group has established policies, standards, operating systems and maintenance procedures, from supplier accreditation to performance management and service contract renewal. There is also an end-to-end Food Safety management strategy at par with the best practices in the global food industry across the Group's entire value-chain. To ensure the integrity and consistency of the quality management system (**QMS**), the Group subjects its supply chain operations to Food Safety systems audit and certification by internationally recognised certifying bodies, to regular government inspection and third-party surveillance activities. The Group also has internal quality assessors conducting facility audits and certification to constantly evaluate ongoing health and progress of QMS implementation.

The Group has a large in-house quality assurance team comprised of licenced professionals and individuals with the relevant industry certifications. To ensure the quality and safety of food products, the Group's quality assurance and internal audit teams, as well as third-party certifying bodies, conduct meticulous and regular audits (announced or unannounced) at Group-owned and franchise-operated stores, covering process and quality systems, good manufacturing practices and standard sanitation operating procedures, hazard analysis critical control points as well as food safety and quality management system requirements. Furthermore, the Group implements the Gold Standard Consistency programme developed by its research and development team, across all its brands by focusing on supply quality at source, training of its personnel and regular assessments. The Group continuously improves its food safety and quality standards through proactive evaluation and monitoring of emerging risks and trends affecting the Group's products and stakeholders.

External vendors supplying to the Group are required to be certified in internationally recognised food safety and quality management system frameworks. Compliance by external vendors with the relevant certification requirements is monitored and assessed by accredited third-party certifying bodies. Process monitoring and verification at onsite and offsite manufacturing facilities are also performed. In addition, operations personnel of the Group visit and oversee distribution centres regularly. Product sampling and inspection is conducted on raw and packaging materials, in-process materials and finished goods after production and during dispatch. The commissary quality assurance and global quality management, as well as research and development teams of the Group, supervise periodic product testing. The Group employs a robust Feedback Management System with clear channels of communication, defined process of investigation and functional responsibilities to manage both external and internal incidences related to food safety, quality of product or service and people issues. The Group also implements a verification system for raw materials and finished products, covering testing on sensory, physico-chemical, microbiological and regulatory, in accordance with the Group's internal requirements and country requirements. Third-party testing, allergen declarations and certifications on the absence of prohibited substances, such as banned veterinary drugs and pesticides, are used.

As of 31 December 2024, nine of the Group's 11 commissaries in the Philippines have the Food Safety Systems Certification 22000. Two of these have the FSSC V5.1 Certification and seven of these have the FSSC V6.0 Certification. JWSL Bicutan has earned multiple certifications on Food Safety and Quality Systems (FSSC-Q), ISO Quality Management System Certification and Transported Asset Protection Association Facility Security Requirement Level A (TAPA). All its third-party logistics providers have the ISO 9001 Quality Management

System certification and meet the Transported Asset Protection Association facility security requirements aimed at, among other things, preventing pilferages and theft. The Group has instituted a two-way traceability and product recovery process throughout the supply chain to enable immediate recovery of defective products from manufacturing sites and restaurants as necessary.

The Group conducts training for all its employees on food safety, quality standards and operating procedures in the entire food chain, covering vast operations in food manufacturing, handling, packaging, storage, distribution, up until final products are prepared and served to customers in all restaurant locations. The Group strictly implements health screening, safety protocols and control measures across all facilities and sites of operation. In the Philippines, the Group has an occupational health and safety programme and certified safety officers at its stores who conduct the mandatory occupational health and safety training.

Apart from the 7-star rating received for its best practices on Food Safety and Quality (FSQ) at the 9th International Best Practice Competition 2023 *(See Strengths—Best-in-class operational expertise across the value chain)*, the Group achieved a remarkable Net Promoter Score (**NPS**) of 93 in 2024, which is relatively higher than foodservice industry benchmark NPS of 50 as well as an Overall Satisfaction Rating of 98 per cent., which is higher than previous years. This accomplishment underscores the satisfaction and loyalty of the Group's customers across its global brands, including eleven of its 19 brands worldwide. Additionally, the Group conducted over 9,750 Food Service Cleanliness & Condition Audits in our stores globally, further demonstrating our commitment to maintaining the highest standards in 2024.

EMPLOYEES

The Company, its local subsidiaries and its support units have approximately 12,604 employees in the Philippines as of 31 December 2024. The regular daily-paid employees of Company-owned Jollibee stores are subject to a collective bargaining agreement which was renewed and signed on 11 April 2022.

Aside from all benefits mandated by law, the Company provides training opportunities (internal and external) to its employees. Qualified employees are also entitled to avail options under the Company's Stock Options Plan.

The table below sets forth the number of the Group's employees by region.

Region	Number of employees As of 31 December 2024
Philippines	12,604
PRC	3,306
North America	4,677
EMEAA	4,384
Others	5,133
Total	30,104

The Group believes that it has a well-trained and experienced pool of employees. It aims to support its various operating functions and grow the capability of its employees by implementing a variety of internal and external development and training programmes such as JFC University, a collaboration between the Company and Ateneo Graduate School of Business—Center for Continuing Education, which offers, among other things, quick service restaurant management programmes.

The Group has granted supplemental benefits to its employees, which includes, among others:

- Implementation of the highest level of safety protocols, which includes regular health checks, temperature checks for those working on site, weekly pulse checks to determine state of wellness of employees, regular provision for basic support like face shields, masks, vitamins, alcohol, sanitisers and, in some areas, shuttle services;
- Provision of subsistence allowance for employees who are unable to work on site due to store and/or plant closures, co-morbidities and/or vulnerabilities;
- Grant of Special Premium Pay for employees working on site;
- Implementation of regular wellness sessions and online counselling programmes;
- Retirement benefits; and
- Implementation of retention programmes for key and critical talents.

The franchisees of the Group maintain control over all employment-related matters at their respective franchise-operated stores.

MARKETING AND ADVERTISING PROGRAMMES

The Group takes a media-agnostic approach, selecting platforms and media channels that best reach each brand's most valuable audiences, whether through digital channels, network and cable television, radio programs, social media, print ads, billboards, direct mail/leaflet marketing, or in-store merchandise sales. It partners with top-tier creative and media agencies to ensure the high quality of its marketing campaigns. To assess the effectiveness of its marketing efforts, the Group employs a range of research methods to track brand health and awareness, ensuring the impact of all marketing levers—including promotions, media, and advertising—is fully understood. The Group utilizes platform dashboards from Meta, Google, and TikTok, alongside its own JFC Marketing Analytics dashboard, to identify opportunities for campaign optimization. Additionally, the Group monitors competitors' activities using available industry tools to inform its strategies. Marketing initiatives are tailored to significant tentpole moments / red letter days such as Valentine's Day, Mother's Day, Father's Day, Christmas, and New Year.

In the Philippines, franchisees pay an advertising fee which represents their share in the franchisor's nationwide advertising and marketing efforts as well as fees for the franchisor's administration of various advertisements, network and media placements. Given the marked increase in the usage of social media by the Group in recent years, the Group has established its Digital Media Policy to guide employees and franchisee managers in using social media platforms for business use. The Group also engages social media agencies to help manage the communication of different brands in various social media platforms. The Group has also placed an emphasis on keeping track of consumers' feedback on its brands from various social media platforms. It has in place a Crisis Management System which includes the use of a global social listening platform to track and monitor mentions and concerns online related to the Group's brands. The Group also designate teams dedicated to each of the Group's brands' social media accounts to attend to consumers' concerns promptly. In addition, the Group has also implemented a Customer Feedback Management System that enhances the Group's ability to effectively handle in-store and online inquiries and complaints.

RESEARCH AND DEVELOPMENT

The Group believes that the continued success of its business will be affected in part by its ability to be innovative and attentive to consumer preferences and market conditions. The Group's in-house research and development team is committed to focusing on technical inputs to capture opportunities in food product diversification and optimisation and to enhance the production unit capabilities of its manufacturing business. In particular, the Group continually focuses on launching new or an improved variety of its existing food products and implementing new food product formats. For example, in 2019, the Group launched new breakfast sandwiches (bacon, egg and cheese, egg and cheese) and meal (*tocino* (sweet cured meat) mixed rice), new Yumburgers (Bacon Cheesy and Bacon Cheesy Deluxe), crispy spice fries, *buko* (coconut) pie, *halo-halo* sundae, cookies and cream sundae twirl and an improved vanilla soft serve, all under its Jollibee brand.

Technical support is also provided by the Group's in-house research and development team to the Group's commissaries and supply chain to ensure cost efficiency and maintenance of quality. The Group believes that technological improvements in manufacturing equipment and capabilities are crucial to new product development and improvement of production efficiencies. For example, the Group invested in the Batter Breader Line, a new equipment technology for spaghetti sauce processing and cake production. The Group intends to invest in the latest technology to improve efficiency and customer experience.

The following table provides the budget of the Company for Research and Development for the Jollibee Philippines brand for the years ended 31 December 2022, 2023 and 2024:

	For the year ended 31 December		
	2022	2023	2024
Amount	₱104,401,030.13	₱103,487,031.19	₱109,105,000.00
Percentage to SWS of Jollibee Brand	0.1%	0.1%	0.1%

INTELLECTUAL PROPERTY

The Group's intellectual property is material to its operations and the growth of its businesses. In particular, trademarks are important because brand name recognition is a key factor in the success of the businesses of the Group. The Group owns valuable intellectual property. As of 31 December 2024, it has over 3,000 trademarks registered in over 100 countries and territories. The Company's subsidiaries procure and renew the relevant

trademark registrations for their respective brands. Depending on the jurisdiction, trademarks are generally valid as long as they are used and/or registered. While the Group has pending trademark registrations and generally expects that these will be granted, it does not expect any material adverse effect if some pending applications for intellectual property registration are denied. The Group is also a party to certain trademark disputes arising out of the ordinary course of its business. The Group believes that a negative outcome on any one of these disputes will not have a material adverse effect on its business, financial condition or results of its operations.

The Group has established policies, standards and specifications for food products and services used in the development, improvement and operation of its stores. These proprietary policies, standards, specifications and store operating procedures are the Group's trade secrets and are crucial to the Group's overall performance.

The Group licenses the use of its registered trademarks to franchisees through franchise agreements. These agreements set out the parameters for the use of the Group's trademarks and require franchisees to comply with proprietary standards and specifications and strictly follow store operating procedures.

PROPERTIES

The Group's head office is located at 10th floor, Jollibee Plaza Building, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City, Philippines. Each floor occupied by the Group has different lease terms and the average lease term is three years. It also leases additional office spaces in certain buildings, including the Jollibee Center.

As of 31 December 2024, the Group leased the land or the building for Group-owned stores, the term of which typically ranges between three to 20 years. The rates and terms of the lease vary for each Group-owned store. Franchisees may own the land on which a store is located or enter into independent leasing arrangements. The Group enters into independent leasing arrangements for brands where the Group is a franchisee. The Group intends to lease additional lots and/or buildings from third parties for the expansion of its network.

The Group maintains a dedicated real estate team to anticipate and ensure business continuity whose scope includes the timely store lease renewal, rental negotiation, site mapping and due diligence on leased and potential properties.

As of 31 December 2024, all of the real estate properties owned by the Company are free of liens and encumbrances.

Leases for Group-Owned Stores

Under the Group's lease agreements for its stores, the Group is obligated to pay all costs and expenses with respect to the property leased by the Group from a third party, including all taxes and assessments and repairs and maintenance, as well as insurance. As of 31 December 2024, there were 1,083 properties leased for Group-owned stores.

Leases for Franchise-Operated Stores

Under the Group's franchise agreement with a franchisee, the latter is obligated to pay all costs and expenses with respect to the leased property, including all taxes and assessments and repairs and maintenance, as well as insurance.

INSURANCE

The Group obtains and maintains adequate and comprehensive insurance coverage on its properties, assets and liability exposures pertaining to its business operations, including coverage for the Group's directors and officers from reputable insurance companies. It employs risk management initiatives for the purpose of analysing the risks faced by its businesses in determining the appropriate cover, policies and amount of insurance for the Group. The Group's insurance coverage includes, but is not limited to, the following: property all-risk with business interruption cover, comprehensive general liability, construction all-risk cover, marine (import/export) cover and management liability. The Group believes that its insurance coverage is in accordance with its business exposure and in compliance with the regulatory requirements of each country or territory where the Group operates.

CORPORATE SOCIAL RESPONSIBILITY

Through the JGF, the Group is committed to creating positive social impact through programmes in agriculture, education and disaster response.

Farmer Entrepreneurship Programme

FEP is a comprehensive agro-entrepreneurship programme that engages partners to help organise small-scale farming communities all over the Philippines. The programme sharpens the technical skills and business acumen of farmers, and links them with institutional markets for increased and steady income.

In 2024, FEP farmer groups delivered two million kilos of vegetables to the Group, earning ₱174 million worth of sales. Since the programme began in 2008, 34 farmer groups have delivered over 14 million kilos of vegetables to Jollibee Group, equivalent to nearly ₱11 million worth of sales.

JGF recognises the need for a comprehensive set of interventions to develop farmers' mindsets and business skills, enabling them to successfully engage with the company and other corporate markets. Close cooperation and coordination among various stakeholders, including local government units, non-government organisations, financing institutions, academic institutions and the farmers themselves are essential. Within the Group, collaboration between different business units such as Procurement, Research and Development, Commissaries, Logistics and Finance was crucial to strengthen inclusive business practices and provide the necessary support for farmers to participate in economic success.

JGF partnered with PUM Netherlands Senior Experts, seed companies and the Group's Research and Development team to identify suitable onion and bell pepper varieties that meet the company's requirements and are easier for farmers to produce. Recently, JGF collaborated with BanKo, the micro-finance arm of the Bank of the Philippine Islands, to launch a financing programme offering FEP farmers access to low-interest loans. These initiatives demonstrate JGF's systemic approach, leveraging core strengths and fostering collaboration.

A Memorandum of Agreement with the Philippine Department of Agriculture (**DA**) for the "Integration of the Value- Chain-based Agro-Entrepreneurship Clustering Approach" was formalised in 2023. The partnership aims to enable the DA's Farm and Fisheries Clustering and Consolidation Programme implementers and staff of relevant DA attached agencies to integrate Agro-Enterprise Clustering Approach as a complementary strategy in helping smallholder farmers improve their livelihood and in support of the Philippine Rural Development Project.

Jollibee Group FoodAID

Jollibee Group FoodAID is a programme in the Philippines that brings together the efforts of the Group to provide relief and aid during times of disaster. Since 2013, this programme has been actively responding to calls for help and ensuring that communities affected by disasters have immediate access to food. By utilising the Group's expertise in producing and distributing food items that are easy to prepare and store, the programme has been able to support communities in provinces and regions that have been hit by calamities, including the COVID-19 pandemic. In 2024, JGF distributed 2.69 million meals to vulnerable communities.

Access, Curriculum and Employability Scholarship Programme

JGF has implemented the ACE Scholarship Programme since 2005 to empower underprivileged Filipino youths. In recent years, JGF focused on strengthening the curriculum aspect by establishing Agro-Enterprise Resource Centers (**AERCs**) to support agricultural initiatives. These collaborations with ACE partners involve curriculum development and scholarships, aiming to foster interest in agro-entrepreneurship among the youth. The AERCs offer the Agro-entrepreneurship National Certificate II course, accredited by the Technical Education and Skills Development Authority. Currently, there are five AERCs located in different regions of the Philippines: Don Bosco Training Centers in San Jose City, Nueva Ecija, Mati City, Davao Oriental and in Legazpi City, Albay as well as Sacred Heart Savings Cooperative community-based training centre located in Ilocos Sur and the Lamac Multi-Purpose Cooperative in Cebu. For 2024, 350 youth scholars were assisted.

In 2024, the Group and JGF also partnered with Primary Structures Educational Foundation, Inc. and Philippine Business for Education, to implement a customized food service training program for the Quick Service Restaurant Operations (QSRO) track, which is designed to fill the gap for professional training in the food service industry. The inaugural batch of 18 youth trainees completed their on-the-job training in select stores in Cebu of Jollibee, Chowking, and Greenwich. JGF has supported over 3,100 scholars since the start of the ACE programme.

COMPETITION

The food service and restaurant industry in the Philippines and other countries where the Company has operations is highly competitive. The Group's stores compete within the QSRs and fast casual segments and other food service and restaurant companies. The Group competes on the basis of food quality and variety, price, value perception, customer service reputation and location, as well as cleanliness and maintenance of stores. New product development, digital engagement, development of delivery services, as well as advertising levels and promotional initiatives, are also key factors.

The Group's primary competition includes McDonald's, KFC, Burger King (outside the Philippines), Starbucks, Luckin Coffee other chicken, burger, pizza and pasta chains, Chinese fast-food restaurants, grilled chicken and Filipino restaurants, coffee and tea restaurants as well as bakeshops. Competition from independent restaurants, grocers, food packs and convenience stores offering take-away options has also increased.

The Group's stores compete within the QSRs and fast casual segments and other food service and restaurant companies. The Group competes on the basis of food quality and variety, price, value perception, customer service reputation and location, as well as cleanliness and maintenance of stores. New product development, digital engagement and development of delivery services, as well as advertising levels and promotional initiatives, are also key factors.

Regarding the size and financial and market strengths of the competitors, kindly note that the Company does not have readily available reliable data, except for public representations made by the competitors, which may be inaccurate. In order to ensure that only accurate data is provided in this Preliminary Offer Supplement, the Company has omitted matters concerning financial and market strengths of its competitors.

The Group also competes not only for customers but also for personnel, suitable land or buildings and franchisees who have the commitment, capability and capitalisation.

The Group believes that its competitive position is differentiated by, among others, the taste of its food products and value-for-money product offerings.

The Group plans to continue to increase market share through, among other factors, store network expansion supported by new product launches, tie-ups and increasing visit frequency and targeting certain consumer groups that are not yet part of the customer base through, among other things, promotions and target advertising.

CUSTOMERS

The Company serves a wide spectrum of customers from all economic classes. It is not dependent on a single customer or a few customers, nor is there a single customer that accounts for 20.0 per cent. or more of the Company's sales.

INFORMATION TECHNOLOGY AND DATA PROTECTION

The Group views IT as an integral part of its operations. It has invested and will continue to invest in digital transformation initiatives, specifically in global and regional dedicated teams based in countries such as the Philippines and the United States that focus on digital transformation. The Group believes that its current IT systems streamline its operations and enhance its overall organisational efficiency. IT services are provided mainly by third-party service providers under contracts entered into by the Group. The IT products and services provided by these third-party service providers include professional services for management of IT resources.

The Group utilises enterprise resource planning software such as Microsoft Dynamics, NetSuite, SAGE and SAP as well as cloud-hosting services. The information security and cybersecurity governance and risk management programmes were patterned after the National Institute of Standards cybersecurity framework. The Group treats its cybersecurity risk to be at the same level as compliance, operational, financial and reputational risks, with suitable measurement criteria to ensure that results are monitored and managed.

To reduce system downtime and to safeguard information in the event of a technical or operational failure, the Group maintains an off-site IT back-up recovery centre, which is updated in real time. The Group also conducts IT disaster recovery drills to enhance the effectiveness of its backup systems.

Furthermore, the Company has established various policies that support information security and data privacy. For instance, the Company has implemented the Data Privacy Standards which serves as its privacy manual. These standards, among other things, require various assessment, testing, and documentation measures and conduct to ensure due diligence and adherence to internal policies and regulatory requirements. Various employee training channels, vendor orientation and/or agreements, and other information drives are conducted periodically to ensure awareness and compliance to the policies. The Group has also registered with the National Privacy Commission and has appointed a data protection officer. It has in place standard warranties and obligations with its third-party data processors to ensure compliance with applicable data privacy laws. The Group also closely monitors updates on recent data privacy regulations and legal issuances, and trends on data protection to ensure implementation of industry best practices by the Group.

The Company remains steadfast in reviewing and assessing technology capabilities and investments and when necessary, conduct upgrades to ensure it is able to keep up with the industry demands. Digital technology, including management information systems, remains in the forefront of priorities, as an imperative to the Company's expansion and growth.

PERMITS AND APPROVALS

The Company holds various permits and licences for permits for the opening and continued operations of its stores, commissary facilities and distribution centres which include, but are not limited to, the following:

- Business permits of Jollibee and its Philippine operating subsidiaries;
- Sanitary permits, certificates of water potability, fire safety inspection permits, occupancy permits, building permits and locational clearance issued for Group-owned stores;
- National Meat Inspection Services (**NMIS**) Certificate of Accreditation as Meat Processing Plant;
- NMIS Hazard Analysis and Critical Control Point Certificate;
- Food and Drug Administration (**FDA**) Licence to Operate as a Food Manufacturer; and
- Bureau of Animal Industry Permit to Transport Meat Products.

ENVIRONMENTAL LAWS

In keeping with its Corporate Social Responsibility, the Company recognises its responsibility on environmental conservation and protection. While manufacturing standards are currently being used to monitor the Restaurant Sector, the Company exerts efforts to meet the standards being applied to it by government regulators. Several measures were included in its operations, covering both procedural and technological aspects, which pay heed to the environmental laws and regulations being applied to the quick-service restaurant sector.

As part of the proactive measures being undertaken at the store level, the Company continues to implement information, education and communication campaigns that equip store personnel with the knowledge and skills on environmental management, best management practices in the kitchen and proper operation and maintenance of pollution control equipment. For 2023, the Company increased the frequency of JFC-exclusive training for Pollution Control Officers from 14 sessions last 2022 to 15 sessions which was attended by 1,108 participants. Apart from this, three sessions of Managing Head training were facilitated to provide an orientation on environmental laws and regulations for Area Managers, and Group Managers and Managing Directors of franchisees.

The Company continuously optimises the water management practices in the stores. The pilot project of the improved rainwater harvesting system was successfully implemented in 2022 with initial roll-out to select stores having mandatory requirement by local authorities in 2023. For wastewater management, the existing design of the treatment systems is being upgraded with the introduction of Automated Grease Removal Unit for new stores of select brands. Pilot installations of new wastewater treatment technologies were explored to meet the prescribed effluent quality of the regulators. These initiatives increase the options of the Company to implement cost-effective solutions to sustain regulatory compliance. In addition to this, the stores religiously perform the Cleaner Production and Pollution Prevention initiatives to reduce the environmental impact of the store operation.

The Group continues to make significant strides in optimizing operations and managing energy more efficiently. The manufacturing sites have adopted a weekly PDCA (Plan-Do-Check-Act) review across all locations to enhance governance of performance measures. This proactive approach enables the development of more strategic action plans to eliminate losses, optimize production processes, and improve operational efficiency. For instance, at the Canlubang Baking Facility, the Group installed time-in piping to optimize the use of the air compressor and air drier, ensuring backflow of compressed air. Additionally, the Group revised shift transition activities for the production line to reduce stoppages, increasing capacity and maximizing baseload while better controlling utilities during nonproduction periods.

To further improve energy efficiency, the Group rolled out Enercon 2.0 across various sites. This program adopts a standardized approach to enhancing utility systems, including refrigeration, ammonia compressors, steam systems, and lighting. These measures are designed to drive energy savings and operational efficiency.

Aligned with the Energy Efficiency and Conservation Act (Republic Act No. 11285) and renewable energy policies, the Group remains committed to decarbonizing its value chain. The Corporate Supply Chain issued a Sustainability in Energy, Water, and Waste Management Policy, which emphasizes improving systems, programs, and processes for more efficient resource use. To encourage participation, the Group recognize and reward outstanding sites and individuals contributing to energy, water, and food loss reductions through programs like the 2022 Sustainability Champions for Energy, Water, and Food Loss Reduction. These initiatives inspire the Group‘s teams to continue advancing sustainability efforts and reducing environmental impact.

In the Group’s China manufacturing sites, it achieved measurable reductions in energy consumption per ton of product through technological advancements. By implementing pre-cooling technology, the Group reduced electricity usage in quick-freezing processes. Additionally, the replacement of high energy-consuming power frequency air compression equipment with energy-efficient frequency conversion alternatives further decreased energy consumption in refrigeration. Energy usage under refrigeration is monitored daily, allowing the Group to analyse reductions compared to previous years. For example, between April and September 2023, air compressor electricity consumption totalled 84,000 kWh, which decreased to 74,540 kWh in 2024.

The Group also eliminated coal usage by replacing coal-fired boiler equipment with advanced gas-fired alternatives. Other energy conservation measures include combining equipment usage, utilizing microwave ovens, and shutting down certain equipment during peak periods.

In the U.S., the Group implemented multiple energy-saving initiatives, such as converting to LED lighting and installing temperature sensors to monitor cooling storage and detect open doors. Red Ribbon US commissaries began transitioning to LED lights in 2020, followed by the installation of sensors in 2021. These measures have reduced electricity consumption and improved energy efficiency.

Across both China and the United States, the Group prioritise routine maintenance and inspections of critical equipment and facilities on a weekly, monthly, and annual basis. This proactive approach ensures optimal performance, enhances efficiency, and reduces energy consumption, reinforcing our commitment to sustainability and operational excellence.

The Company continues its energy saving initiatives with the use of a grid-tied solar power system in selected stores to reduce power consumption from the grid. Use of solar power, even with limited capacity, provides environmental benefits. These solar photovoltaic roof panels have a cumulative capacity of 20–40 kW and reduce consumption from the grid by 3.0–7.0 per cent. in each store. In 2023, solar photovoltaic roof panels were installed in 26 more stores such as 15 stores for Jollibee, six stores for Chowking, three stores for Mang Inasal and one store for Red Ribbon. On these installations, over 410,000 kW of electricity use from the grid was reduced. In 2023, solar-powered perimeter and parking area lighting was installed in 73 stores, 53 of these stores being newly opened and renovated, to replace the conventional LED and metal-halide lamps, resulting in an annual decrease in electricity from the grid by 86,700 kW. On average, this initiative reduces energy utilisation by around 4,000 kWh annually per store. Most new stores will be equipped with solar-powered perimeter and parking area lighting moving forward.

The Company is actively studying various renewable energy sources for its commissaries as part of its supply chain decarbonisation strategy. During the year, the Company took significant steps to enhance its sustainable business practices within its commissaries and logistics centres in the Philippines, aiming to reduce the environmental impact of its operations. By the end of 2024, energy use across the Company's Philippine manufacturing sites had decreased by 32 per cent. compared to the 2020 baseline, driven by the installation of 16,800 solar panels which generated 9.1 megawatts of clean energy. As of 31 December 2024, solar panels have been installed in 119 stores across the Philippines including 64 Jollibee stores, 17 Chowking stores, one Red Ribbon stores, five Mang Inasal stores, 13 Burger King stores, and four Panda Express stores. Additionally, 21,500 mangrove propagules were planted in 2024.

This initiative will enable approximately 30 per cent. of the energy consumption at these three facilities to be sourced from renewable energy. The implementation of solar panel systems is a transformative step towards harnessing clean energy, emphasising the Company's responsible practices and the commitment to a sustainable future.

In 2024, the Group derived 1,083kWh from renewable sources in the Company's manufacturing operations. As the Company continues to explore and implement sustainable energy solutions, the Company is confident that it can further reduce our environmental impact and contribute to a greener future.

Prior to the effectivity of the Extended Producer Responsibility Act of 2022, JFC and its subsidiaries launched initiatives to reduce the environmental impact of store operation through reduction of plastic wastes and improvement of the overall management of solid waste generated from the stores. As part of the store's solid and plastic waste management, the following are some of the programmes being implemented: (1) Project Wash—launched in 2004 across all Jollibee stores to shift the use of reusable wares and utensils for dine-in transactions resulted in a significant decrease in plastic waste generated; (2) Skip the Straw Movement—launched in 2019 across the stores for all JFC brands to encourage customers to lessen the usage of plastic straws by making it available per request; and (3) Use of Paper Packaging—shifted to paper-based containers on take-out transaction of food and beverages of select brands such as Jollibee, Chowking, Mang Inasal and Burger King. The Company continuously complies with local ordinances on banning single use plastic by replacing the disposable plastic cutlery and straws with alternatives made of wood and paper materials. In 2022, the Company established the plastic footprint for the year and explored viable solutions and strategies to meet the recovery targets mandated by the EPR law. JFC has complied with the committed diversion target indicated in the Company's Extended Producers Responsibility Programme.

In 2023, the Group unveiled its global Sustainability Agenda, "Joy For Tomorrow," which serves as its guiding strategic framework, uniting the group towards common goals. This initiative is built around three pillars: Food, People, and Planet. With ten focus areas and goals aligned with the Sustainable Development Goals (SDGs), it

serves as a comprehensive roadmap and framework, unifying the Group's efforts towards achieving its sustainability goals. In an effort to provide greater transparency, the Group released its first Global Sustainability Report in March 2023, and once again in March 2024, in accordance with GRI standards, the Sustainability Accounting Standards Board standards, and the Task Force on Climate-related Financial Disclosures. The reports offers disclosures on various programmes, systems, processes, and performance related to the Group's environmental impact, social responsibility efforts, and governance practices.

LEGAL AND OTHER PROCEEDINGS

The Group is a party to certain legal and other proceedings or disputes arising out of the ordinary course of its business. While the results of these proceedings or disputes cannot be predicted with certainty, the Group believes that a negative outcome on any one of these other proceedings or disputes will not have a material adverse effect on its business, financial condition or results of operations.

DIRECTORS

The following table sets forth the persons who serve as Directors of the Board of the Guarantor as of the date of this Offering Circular:

Tony Tan Caktiong	Chairman
Ernesto Tanmantiong	President and Chief Executive Officer
William Tan Untiong	Director and Corporate Secretary
Ret. Chief Justice Artemio V. Panganiban	Director
Ang Cho Sit	Director
Antonio Chua Poe Eng	Director
Cesar V. Purisima	Lead Independent Director
Ee Rong Chong	Independent Director
Kevin Goh	Independent Director

The Directors were elected at the annual stockholders' meeting held on 28 June 2024 and will hold office until the next succeeding annual meeting and until their respective successors have been appointed or elected and qualified.

The following describes the background of the Directors:

Tony Tan Caktiong, Filipino, 72, Chairman of the Board. He has been a member of the Board of Jollibee Foods Corporation since 1978 and was president and chief executive officer of Jollibee Foods Corporation until 1 July 2014. He holds the following positions in a publicly listed company: non-executive director and co-chairman of DoubleDragon Properties Corp. He is director of Honeystar Holdings Corporation; Bee Good! Inc.; Honeybee Foods (Canada) Corporation; Honeybee Foods Corp.; Red Ribbon Bakeshop Inc. (USA); Chowking Food Corporation (USA); Yong He Holdings Co. Ltd.; Centenary Ventures Limited; Southsea Binaries Limited; Belmont Enterprises Ventures Ltd.; Jollibee International (BVI) Ltd.; Jollibee Worldwide Pte. Ltd.; JSF Investments Pte. Ltd.; Golden Plate Pte. Ltd.; Golden Beeworks Pte. Ltd.; Happy Bee Foods Processing Pte. Ltd.; Super Magnificent Coffee Company Pte. Ltd.; The Coffee Bean & Tea Leaf (Singapore) Pte. Ltd.; The Coffee Bean & Tea Leaf (Malaysia) Sdn. Bhd.; SF Vung Tau Joint Stock Company; Blue Sky Holdings Limited; Jollibee (China) Food & Beverage Management Co. Ltd.; Beijing Golden Coffee Cup Food & Beverage Management Co. Ltd.; Beijing New Hongzhuangyuan Food & Beverage Management Co. Ltd.; Hangzhou Yonghe Food and Beverage Co. Ltd.; Hangzhou Yongtong Food and Beverage Co. Ltd.; Tianjin Yong He King Food & Beverage Co. Ltd.; Beijing Yong He King Food and Beverage Co. Ltd.; Wuhan Yong He King Food and Beverage Co. Ltd.; Jollibee Foods Processing (Anhui) Co. Ltd.; Yoshinoya Jollibee Foods, Inc.; JWPL Management Co Ltd.; Milkshop International Co. Ltd.; Botrista, Inc.; Honeysea Corporation; Hyper Dynamic Corporation; Mainspring Resources Corporation; Winall Holding Corporation; Imperial Premium Treasures, Inc.; Queenbee Resources Corporation; Centregold Corporation; STI College Tanauan Inc.; Highland Coffee Joint Stock Company; International Coffee & Tea, LLC; Jollibee Foods Corporation (USA); Jollibee Shanghai Consulting Management Co. Ltd.; Magnificent Coffee Trading Pte. Ltd.; Super Magnificent Coffee Company Ireland Limited; Super Magnificent Coffee Company Pte. Ltd.; Tokyo Teriyaki Corporation; Tortazo LLC; and Meko Holdings Limited; trustee of Jollibee Group Foundation, Inc.; and board director of Temasek Foundation International CLG Limited. He is the Honorary Chairman of Chiang Kai Shek College Inc. He graduated with a Bachelor of Science degree in chemical engineering from the University of Santo Tomas in 1975.

Ernesto Tanmantiong, Filipino, 67, president and chief executive officer of Jollibee Foods Corporation since 2014. He has been a member of the board of directors of Jollibee Foods Corporation since 1987. He is director of Fresh N' Famous Foods, Inc.; BK Titans, Inc.; Grandworth Resources Corp.; C-Joy Poultry Meats Production Inc.; Cargill Joy Poultry Realty Inc.; Bee World UK Limited; Cibo Felice S.R.L.; Bee World Spain Sociedad Limitada; Honeybee Foods (Canada) Corporation; Honeybee Foods Corporation; Red Ribbon Bakeshop Inc. (USA); Chowking Food Corporation (USA); SJBF LLC; Jollibee Worldwide Pte. Ltd.; Golden Plate Pte. Ltd.; Golden Beeworks Pte. Ltd.; Happy Bee Foods Processing Pte. Ltd.; Yong He Holdings Co. Ltd.; Centenary Ventures Limited; Belmont Enterprises Ventures Ltd.; Jollibee International (BVI) Ltd.; Jollibee Hong Kong Ltd.; Hanover Holdings Ltd.; Jollibee Vietnam Co. Ltd.; Golden Bee Foods Restaurant LLC; FCJB Foods Inc.; JBPX Foods Inc.; Happy Bee Foods Processing (Anhui) Co. Ltd.; Jollibee (China) Food & Beverage Management Co. Ltd.; Hangzhou Yonghe Food and Beverage Co. Ltd.; Tianjin Yong He King Food & Beverage Co. Ltd.; Beijing Yong He King Food and Beverage Co. Ltd.; Wuhan Yonghe King Food and Beverage Co. Ltd.; Adgraphix, Inc.; EST58 Corporation; Kingsworth Corporation; Imperial Premium Treasures, Inc.; Honeystar Holdings Corporation; Hyper Dynamic Corporation; Centregold Corporation; Honeysea Corporation; Queenbee

Resources Corporation; Winall Holding Corporation; and Mainspring Resources Corporation; Pinnacle Quality Food, Inc.; JWPL Management Co. Ltd.; JWPL Technology Co. Ltd.; commissioner of P.T. Jollibee Indonesia and P.T. Chowking Indonesia;[5] and trustee of Jollibee Group Foundation, Inc. and Philippine Business for Social Progress. He is not a director of any publicly listed company in the Philippines other than Jollibee Foods Corporation. He graduated with a Bachelor of Science degree in business management from Ateneo de Manila University in 1979.

William Tan Untiong, Filipino, 71, corporate secretary of Jollibee Foods Corporation since 1994, Director of Jollibee Foods Corporation since 1993, served as the Chief Real Estate Officer, and is now the Chief Business Support Officer of Jollibee Foods Corporation since December 2023. He holds the following position in a publicly listed company: non-executive director of DoubleDragon Properties Corp. He is director of Mang Inasal Phils. Inc.; BK Titans, Inc.; Grandworth Resources Corporation; Zenith Foods Corporation; Belmont Enterprises Ventures Ltd. (BVI); Yong He Holdings Co. Ltd.; Centenary Ventures Limited; Honeybee Foods (Canada) Corporation; Honeybee Foods Corporation; Red Ribbon Bakeshop Inc. (USA); Chowking Food Corporation (USA); Golden Plate Pte. Ltd.; Entrek (B) SDN BHD; Blue Sky Holdings Limited; Jollibee (China) Food & Beverage Management Co. Ltd.; Hangzhou Yong He Food and Beverage Co. Ltd.; Tianjin Yong He King Food & Beverage Co. Ltd.; Beijing Yong He King Food and Beverage Co. Ltd.; Shenzhen Yong He King Food and Beverage Co. Ltd.; Wuhan Yong He King Food and Beverage Co. Ltd.; Beijing Golden Coffee Cup Food & Beverage Management Co. Ltd.; FCJB Foods Inc., Adgraphix, Inc.; JC Properties & Ventures Corporation; Honeystar Holdings Corporation; Centregold Corporation; Winall Holding Corporation; Iconnect Multimedia Network, Inc.; Honeyworth Corporation; Mainspring Resources Corporation; Queenbee Resources Corporation; Hyper Dynamic Corporation; Kingsworth Corporation; and Honeysea Corporation; and trustee of Jollibee Group Foundation, Inc. He graduated with a Bachelor of Science degree in Civil Engineering from Adamson University in 1975.

Ret. Chief Justice Artemio V. Panganiban, Filipino, 88, Director of Jollibee Foods Corporation since 2012. He holds the following positions in publicly listed companies: independent director of Asian Terminals, Inc.; GMA Network, Inc.; GMA Holdings, Inc.; JG Summit Holdings, Inc.; MERALCO; Petron Corporation; Philippine Long Distance Telephone Company; and RL Commercial REIT, Inc.; senior adviser of Metropolitan Bank and Trust Company; member of the Advisory Council of Bank of the Philippine Islands; and Adviser of DoubleDragon Properties Corp. and MerryMart Consumer Corporation. He is independent director of Metro Pacific Investment Corp.; Asian Hospital Inc.; TeaM Energy Corporation; and Metro Pacific Tollways Corp.; chairman of the Board of Advisers of Metrobank Foundation; Pan Philippine Resources Corp.; Board of Trustees of Foundation for Liberty and Prosperity; Board of Trustees of the Philippine Judges Foundation; chairman emeritus of the Philippine Chapter of ASEAN Law Association; president of Manila Metropolitan Cathedral—Basilica Foundation; Vice Chairman of the Board of Trustees of Claudio Teehankee Foundation; Member of the Tan Yan Kee Foundation, Inc.; adviser of Asian Institute of Management Corporate Governance Center; Member of the World Bank (Philippines) Advisory Group; founder and chairman of Arpan Investment and Management, Inc., founder and chairman emeritus of Arpan Air, Inc., The Baron Travel Corporation; and Adviser of the Mapa Blue Falcon Honor Society. He was the chief justice of the Philippine Supreme Court from 2005 to 2006. Concurrent with his position as chief justice, he was also the chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to his elevation as chief justice in 2005, he was a justice of the Supreme Court in 1995 to 2005. He graduated with an Associate in Arts degree from Far Eastern University in 1956. He obtained his Bachelor of Laws degree from Far Eastern University in 1960.

Ang Cho Sit, Filipino, 74, Director of Jollibee Foods Corporation since 1978. He is director of Freemont Foods Corporation; Grandworth Resources Corporation; A-Star Holding Company; Longshore Corporation; Hyper Dynamic Corporation; and Venice Corporation. He is not a director of any publicly listed company in the Philippines other than Jollibee Foods Corporation. He graduated from Grace Christian Academy High School in 1968 and has extensive industry, corporate and operational expertise and an unparalleled perspective on the growth of the Company.

Antonio Chua Poe Eng, Filipino, 77, Director of Jollibee Foods Corporation since 1978. He is chairman and president of Honeyworth Corporation; and director of Albany Resources Corporation; and Hyper Dynamic Corporation. He is not a director of any publicly listed company in the Philippines other than Jollibee Foods Corporation. He graduated from St. Stephen High School in 1965 and has extensive industry, corporate and operational expertise and an unparalleled perspective on the growth of the Company.

Cesar V. Purisima, Filipino, 64, Director of Jollibee Foods Corporation since 2020. He is a Lead Independent Director of the Board. He holds the following positions in publicly listed companies: independent director of

5 Both Indonesia companies are currently dormant and non-operating.

Ayala Land, Inc., Ayala Corporation; Universal Robina Corporation, AIA Group Limited, Bank of the Philippine Islands; a member of the Global Advisory Council of Sumitomo Mitsui Banking Corporation; and a Member of the Board of Advisors of ABS-CBN Corporation. For non-listed companies, he is an Executive-in-Residence of Asian Institute of Management; independent director of BPI Capital Corporation; member of the Board of Trustees of International School Manila, independent non-executive director of Unistar Credit and Finance Corporation; Founding Partner of Ikhlas Capital Singapore Pte. Ltd.; Asia Fellow of Milken Institute and a member of the International Advisory Council (Phils.) of Singapore Management University. He graduated from De La Salle University Manila in 1979 with a degree in Bachelor of Science in Commerce, Majors in Accounting & Financial Institutions and is a Certified Public Accountant. He finished his Master of Business Administration in Kellogg School of Management; Northwestern University, Chicago, Illinois, in 1983, and Doctor of Humanities Honoris Causa, Angeles University in 2012. He completed the Executive Program from Singularity University in Silicon Valley, Santa Clara, California in 2019.

Kevin Goh, Singaporean, 49, Independent Director of Jollibee Foods Corporation since 2021. He is currently the Chief Executive Officer of Lodging for CapitaLand Investment Limited which is a publicly listed company in Singapore, and The Ascott Limited, as well as director for CapitaLand India Trust Management Pte. Ltd. In addition, Mr. Goh also oversees CapitaLand's Group Centre of Excellence for Digital & Technology. Under his leadership, Ascott continued its global expansion in 2020 despite the COVID-19 pandemic, adding over 14,200 new units across 71 properties and opening of over 3,900 units in 25 properties. He also played an instrumental role in the combination of Ascott Residence Trust (ART) and Ascendas Hospitality Trust in December 2019, which has resulted in the creation of the largest hospitality trust in Asia-Pacific. Mr. Goh was previously the COO of Ascott, a role he assumed in December 2016, where he oversaw operational aspects of the serviced residence business and new growth opportunities. Prior to this, he was Ascott's MD for North Asia since 2013, where he spearheaded Ascott's investments and operations in China, Japan and Korea. After joining Ascott China in 2007, Mr. Goh was based in China for over 10 years. During his stay in China, he served as Regional GM for South & East China, Vice President for Asset Management and Vice President for Corporate Services. Prior to joining Ascott, Mr. Goh was with Accenture, one of Fortune 500's largest global management consulting, technology services and outsourcing companies. Throughout his seven-year career with Accenture, he worked on various systems implementation projects in the telecommunications and high-technology industries in both Singapore and Australia. Mr. Goh was awarded the prestigious Medal of Commendation at the NTUC Singapore May Day Awards 2020 for his strong advocate for productivity improvement and upgrading of employees' capabilities to ensure a dynamic and digitally savvy workforce. Moreover, Mr. Goh holds a Bachelor of Mechanical Engineering (Honours) from National University of Singapore (NUS) and is a Chartered Financial Analyst charter holder.

Ee Rong Chong, Singaporean, 49, Independent Director of Jollibee Foods Corporation since 2021, and serves as director in the Certis Group; vice-chair of the National Volunteer and Philanthropy Centre; Singapore Business Federation, and director of SDAX Exchange Pte. Ltd. She is a business leader, Non-Executive Director and an active Committee Member with over twenty five years of board and executive management experience across corporate, professional services and not-for-profit organisations. Ms. Chong's expertise include business consulting, risk and reputation management, stakeholder engagement, strategic brand management and integrated marketing. Additionally, Ms. Chong has an impressive track record as a commercial and marketing leader. She was most recently Deputy Managing Director of Raffles Medical Group (RMG), charged with transforming the commercial operations of one of the region's largest healthcare players. Prior to RMG she spent eighteen years with Ogilvy & Mather, in local and regional roles across Singapore, Australia and Malaysia. Her last role was Group Managing Director, Company Director and Executive Committee Member of Ogilvy Singapore where she spearheaded the agency's growth and transformation to realign capabilities, digitising the core, expansion of the client portfolio and strategic investments into digital marketing and social commerce. Moreover, Ms. Chong has worked extensively around the region, collaborating across multi-cultural organisations and teams. A large part of her experience is strategic stakeholder engagement, working with public and private sector clients across FMCG, financial services, hospitality and Government Agencies across B2C, B2B, B2G and G2G campaigns. She has a stellar reputation and business network and is active in the local community having served on several high-profile National Committees, Statutory Agencies, non-profit and corporate entities. She completed her Bachelor of Economics degree in University of Adelaide in 1996 and Master of Arts from the University of South Australia in 2004. She has a Diploma in Executive Directorship from the Singapore Management University, given in 2019.

BOARD COMMITTEES

The Board has the following Committees to aid and support it in the effective performance of its functions.

Executive Committee

The Board of Directors constituted the Executive Committee for purposes of delegating to it such powers and functions as the Board may exercise, subject to limitations under applicable laws. The Executive Committee reports directly to the Board.

The Executive Committee shall be constituted and shall be composed of not less than three members of the Board, to be appointed by the Board. The current chairman of the committee is Mr. Tony Tan Caktiong, Chairman and its members are Ernesto Tanmantiong, William Tan Untiong, and Ret. Chief Justice Artemio V. Panganiban.

Nomination Committee

The Board of Directors constituted the Nomination Committee for purposes of installing and institutionalising a process to pre-screen and shortlist all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and/or disqualifications as described in the Company's Corporate Governance Manual, By-Laws, and all applicable laws.

The Nomination Committee is composed of at least three members of the Board, one of whom is an independent director. The Board may appoint other additional members to the Nomination Committee who may or may not be members of the Board. The current chairman of the committee is Ret. Chief Justice Artemio V. Panganiban and its members are Tony Tan Caktiong, Ernesto Tanmantiong, William Tan Untiong, and Cesar V. Purisima.

Compensation Committee

The Board of Directors constituted the Compensation Committee for purposes of establishing a formal and transparent procedure for developing a policy on executive remuneration and ensuring that compensation and benefit programmes of corporate officers, directors, senior management and other key personnel are consistent with the Company's culture, strategy and control environment.

The Compensation Committee is composed of at least three members of the Board, one of whom is an independent director. The Board may appoint other additional members to the Compensation Committee who may or may not be members of the Board. The current chairman of the committee is Tony Tan Caktiong and its members are Ret. Chief Justice Artemio V. Panganiban, Ang Cho Sit, and Ee Rong Chong.

Audit, Ethics and Compliance Committee

The Board of Directors constituted the Audit, Ethics and Compliance Committee for purposes of providing oversight on the integrity of financial reporting process, internal controls, the audit process, and the Company's process of monitoring compliance with laws and regulations.

The Audit, Ethics and Compliance Committee is composed of at least four members of the Board, two of whom are independent directors. The chairman of the Audit, Ethics, and Compliance Committee is an independent director and not the chairman of the Board of Directors or of any other committees. The current chairman of the Audit, Ethics and Compliance Committee is Cesar V. Purisima and its members are Antonio Chua Poe Eng, William Tan Untiong, and Kevin Goh.

Corporate Governance Committee

The Board of Directors constituted the Corporate Governance Committee for purposes of overseeing the implementation, including periodic review, of the corporate governance framework of the Company to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as its business and regulatory environments.

The Corporate Governance Committee is composed of at least three members of the Board. The chairman of the Corporate Governance Committee is an independent director. The current chairman of the committee is Ee Rong Chong and its members are Ernesto Tanmantiong and Cesar V. Purisima.

CORPORATE OFFICERS

The following table sets forth the members of the Company's corporate officers as of the date of this Offering Circular:

Jollibee Foods Corporation Corporate Officers

Tony Tan Caktiong*	Chairman
Ernesto Tanmantiong*	President and Chief Executive Officer
Don Alexander C. Lim	Treasurer
William Tan Untiong*	Corporate Secretary
Valerie Feria Amante	Assistant Corporate Secretary and Compliance Officer
Richard Chong Woo Shin	Chief Financial Officer

* Members of the Board

Don Alexander C. Lim, Filipino, 42, is the Treasurer and Global Chief Strategist and M&A Officer of the Group. He also serves as a Director on the Board of several of the Company's subsidiaries. He joined Jollibee Foods Corporation in 2005. Mr. Lim has been a part-time faculty with the Ateneo de Manila University and was previously a Finance Manager of Procter & Gamble. He graduated with a Bachelor of Science degree in Business Management, Honors Program, with Latin Honors and with the departmental award from the Ateneo de Manila University in 2003.

Valerie Feria Amante, Filipino, 50, is the Assistant Corporate Secretary and Global Chief Legal, Ethics and Compliance Officer of the Group. She joined the Company in 2007, and was previously connected with Ayala Land, Inc. and SyCip Salazar Hernandez & Gatmaitan. She obtained her Bachelor of Arts degree in Psychology, *cum laude*, from the University of the Philippines in 1995 and graduated as salutatorian from the University of the Philippines College of Law in 2000 and placed 7th in the Philippine Bar Examinations of the same year.

Richard Chong Woo Shin, Canadian, 57, is the Chief Financial and Risk Officer and Chief Executive Officer of JFC International. He joined the Company in 2022 and was previously the Group Chief Financial Officer for Grobest Group Holdings Limited. He was also the Regional APAC CFO for 12 years in William Grant & Sons Singapore, Ralph Lauren Asia Pacific, and Bacardi Martini Asia Pacific. He has a Masters in Accountancy from McGill University, Canada, a Bachelor's Degree in Commerce, Double Major in Finance and Accountancy, Concordia University, Canada, and has a Chartered Accountant qualification from Canada.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Guarantor transacts with its related parties, such as its Subsidiaries and certain of its Affiliates, and members of the Group enter into transactions with each other. These transactions have principally consisted of sale and purchase of food items to/from related parties at market prices, purchased items warehoused with related parties which are charged for logistics and warehousing costs, short-term advances made to related parties, advances made by a related party for another (including payments for various expenditures incurred on behalf of another party) and entering into commercial property leases with related party lessees.

The Guarantor's policy with respect to material related party transactions is to ensure that these transactions are entered into under terms comparable to those available from unrelated third parties under similar circumstances. In addition, related party transactions that amount to 10.0 percent or higher of the Guarantor's total consolidated assets based on its latest audited financial statements shall be subject to the review of the Corporate Governance Committee and the approval by at least 2/3 of the Board of Directors, with at least a majority of independent directors voting to approve the transaction.

For further information on the Group's related party transactions, see Note 27 to the Group's audited consolidated financial statements included elsewhere in this Offering Circular.

SUBSTANTIAL SHAREHOLDERS' AND DIRECTORS' INTERESTS

As of 31 December 2024, the Guarantor had 1,119,090,609 outstanding common shares (net of 16,447,340 treasury common shares). The shareholdings of the Guarantor's directors and certain substantial shareholders as of 31 December 2024 are set out in the table below. The table below includes the shareholdings of certain substantial shareholders as filed publicly with the PSE and to the best of the Guarantor's knowledge.

Security ownership of certain record and beneficial owners (of more than 5 per cent.) as of 31 December 2024

Title of class of voting shares	Name of beneficial owner	Citizenship	No. of shares held and nature of beneficial ownership	Per cent. of outstanding shares
Common	Hyper Dynamic Corporation	Filipino	466,723,749 (direct) 18,142,790 (indirect)	43.33
Common	PCD Nominee Corporation	Non-Filipino	— (direct) 266,942,332 (indirect)	23.85

Security ownership of directors as of 31 December 2024

Title of class of outstanding shares	Name of beneficial owner	Amount and nature of beneficial ownership	Citizenship	Per cent. of total direct and indirect outstanding shares
Common	Tony Tan Caktiong	9,354,565 (direct) 786,666 (indirect—through PCD) 50,908,863 (indirect—Honeysea Corporation)	Filipino	5.46
Common	Ernesto Tanmantiong	8,035,141 (direct) 827,019 (indirect—through PCD) 145,000 (indirect—through spouse) 5,808,198 (indirect—Kingsworth Corporation)	Filipino	1.32
Common	William Tan Untiong	8,323,388 (direct) 494,667 (indirect—through PCD) 6,254,927 (indirect—Centregold Corporation)	Filipino	1.35
Common	Ang Cho Sit	11 (direct) 8,892,237 (indirect—Venice and Longshore Corporation)	Filipino	0.79
Common	Antonio Chua Poe Eng	1 (direct) 24,803,526 (indirect—Honeyworth Corporation)	Filipino	2.22
Common	Ret. C.J. Artemio V. Panganiban	1 (direct) 54,300 (indirect)	Filipino	0
Common	Cesar V. Purisima	1 (indirect)	Filipino	0
Common	Ee Rong Chong	1 (indirect)	Singaporean	0
Common	Kevin Goh	1 (indirect)	Singaporean	0
All Directors as a group		**25,713,107 (direct)** **98,975,406 (indirect)**		**11.14**

REGULATIONS

The statements herein are based on the laws in force as of the date of this Offering Circular and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the regulatory and environmental considerations that may be relevant to the Issuer or the Offer.

GENERAL BUSINESS REGULATORY FRAMEWORK

Revised Corporation Code of the Philippines

Republic Act No. 11232, also known as the Revised Corporation Code, was signed into law on 20 February 2019 and took effect on 23 February 2019. Among the salient features of the Revised Corporation Code are:

- Corporations are granted perpetual existence, unless the articles of incorporation provide otherwise. Perpetual existence shall also benefit corporations whose certificates of incorporation were issued before the effectivity of the Revised Corporation Code, and which continue to exist, unless a corporation, upon a vote of majority of the stockholders of the outstanding capital stock notifies the Philippine SEC that it elects to retain its specific corporate term under its current Articles of Incorporation.

- A corporation vested with public interest must submit to its shareholders and to the Philippine SEC an annual report of the total compensation of each of its directors or trustees, and a director or trustee appraisal or performance report and the standards or criteria used to assess each director, or trustee.

- The boards of the following corporations vested with public interest must have independent directors constituting at least twenty per cent. (20 per cent.) of the members therein: (a) Corporations covered by Section 17.2 of the SRC, namely those whose securities are registered with the Philippine SEC, corporations listed with an exchange or with assets of at least Fifty million pesos (₱50,000,000.00) and having two hundred (200) or more shareholders, each holding at least one hundred (100) shares of a class of its equity shares, (b) Banks, quasi-banks, pawnshops, non-stock savings and loan associations, and corporations engaged in money service business, preneed, trust and insurance companies, and other financial intermediaries, and (c) other corporations engaged in businesses imbued with public interest as may be determined by the Philippine SEC, after considering relevant factors which are germane to the objective and purpose of requiring the election of an independent director, such as the extent of minority ownership, type of financial products or securities issued or offered to investors, public interest involved in the nature of business operations, and other analogous factors.

- The Revised Corporation Code allows the creation of a "One Person Corporation." However, it expressly prohibits banks and quasi-banks, preneed, trust, insurance, public and publicly listed companies, and non-chartered government-owned and controlled corporations, from being incorporated as such. Similarly, any corporation may be incorporated as a "Close Corporation", except mining or oil companies, stock exchanges, banks, insurance companies, public utilities, educational institutions and corporations declared to be vested with public interest.

- In case of corporations vested with public interest, material contracts between the corporation and one or more of its own directors, trustees, officers, or their spouses and relatives within the fourth civil degree of consanguinity or affinity must be approved by at least two-thirds (2/3) of the entire membership of the Board, with at least a majority of the independent directors voting to approve the same.

- The right of stockholders to vote in the election of directors or trustees, or in shareholders meetings, may now be done through remote communication or *in absentia* if authorized by the corporate by-laws or by a majority of the board of directors. However, as to corporations vested with public interest, these votes are deemed available, even if not expressly stated in the corporate by-laws. The shareholders who participate through remote communication or *in absentia* are deemed present for purposes of quorum. When attendance, participation, and voting are allowed by remote communication or *in absentia*, the notice of meetings to the stockholders must state the requirements and procedures to be followed when a stockholder or member elects either option.

- As to the filing of the by-laws and any amendments made to the by-laws of any bank, banking institution, building and loan association, trust company, insurance company, public utility, and other special corporations governed by special laws, the Revised Corporation Code requires that a certificate of the appropriate government agency to the effect that such bylaws or amendments are in accordance with law, must be submitted.

- A favourable recommendation by the appropriate government agency is likewise required for banks or banking institutions, loan associations, trust companies, insurance companies, public utilities, educational institutions, and other special corporations governed by special laws, before the Philippine SEC approves any merger or consolidation; or any voluntary dissolution.

- In case of transfer of shares of listed companies, the Philippine SEC may require that these corporations whose securities are traded in trading markets, and which can reasonably demonstrate their capability to do so, to issue their securities or shares of stock in uncertificated or scripless form in accordance with the Rules of the Philippine SEC.

The Revised Corporation Code refers to the Philippine Competition Act or Republic Act No. 10667 in case of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the Philippine Competition Act thresholds.

The Philippine Competition Act

Republic Act No. 10667, otherwise known as the Philippine Competition Act, was signed into law on 21 July 2015 and took effect on 8 August 2015. This Act aims to codify anti-trust laws in the Philippines, and it provides the competition framework in the country. The Philippine Competition Act was enacted to provide free and fair competition in trade, industry, and all commercial economic activities.

To implement its objectives, the PCA provides for the creation of the PCC, an independent quasi-judicial agency to be composed of a Chairperson and four commissioners. Among the PCC's powers are to: conduct investigations, issue subpoenas, conduct administrative proceedings, and impose administrative fines and penalties. To conduct a search and seizure, the PCC must apply for a warrant with the relevant court.

The PCA prohibits anti-competitive agreements between or among competitions, and mergers and acquisitions which have the object or effect of substantially preventing, restricting, or lessening competition. It also prohibits practices which involve abuse of dominant position, such as selling goods or services below cost to drive out competition, imposing barriers to entry or prevent competitors from growing, and setting prices or terms that discriminate unreasonably between customers or sellers or the same goods, subject to exceptions.

The PCA also introduces the pre-notification regime for mergers and acquisitions, which requires covered transactions to be notified to the PCC for its approval.

On 3 June 2016, the PCC issued the implementing rules and regulations of the Philippine Competition Act (**PCA IRR**), which took effect on 18 June 2016. Under the PCA IRR, as a general rule, parties to a merger or acquisition are required to provide notification when: (a) the aggregate annual gross revenues in, into or from the Philippines, or value of the assets in the Philippines of the ultimate parent entity of the acquiring or the acquired entities, including that of all the entities that the ultimate parent entity controls, exceeds ₱1.0 billion; (**Size of Party**), and (b) the value of the transaction exceeds ₱1.0 billion, as determined in the PCC IRR (**Size of Transaction**); while the acquiring entity in a joint venture transaction shall also be subject to the notification requirement if either: (a) the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed joint venture exceeds ₱1.0 billion, or (b) the gross revenues generated in the Philippines by assets to be combined in the Philippines or contributed into the proposed joint venture exceed ₱1.0 billion. The Size of Party and Size of Transactions set forth in the PCA IRR have subsequently been increased by the PCC to ensure that the thresholds maintain their real value over time and relative to the size of the economy.

Beginning 1 March 2019, and for every subsequent year, the notification thresholds will be indexed based on the official estimates by the PSA of the nominal GDP growth for the previous calendar year rounded up to the nearest hundred million. The most recent issuance on the notification thresholds is PCC Resolution No. 01-2024, which took effect on 1 March 2024 and provides that parties to a merger or acquisition are required to provide notification with the PCC when the Size of the Party exceeds ₱7,800,000,000.00 and the Size of Transaction exceeds ₱3,200,000,000.00.

The revised Size of Party and Size Transaction shall also apply to joint venture transactions, where an acquiring entity shall be subject to the notification requirements if either the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed joint venture exceeds ₱3,200,000,000.00 or the gross revenues generated in the Philippines by assets to be combined in the Philippines or contributed into the proposed joint venture exceeds ₱3,200,000,000.00. In determining the assets of the joint venture, the following shall be included: (a) all assets which any entity contributing to the formation of the joint venture has agreed to

transfer, or for which agreements have been secured for the joint venture to obtain at any time, whether or not such entity is subject to the requirements of the PCA; and (b) any amount of credit or any obligations of the joint venture which any entity contributing to the formation has agreed to extend or guarantee, at any time.

The Size of Party is determined by computing the aggregate value of the assets in the Philippines and revenues from sales in, into, or from the Philippines of the filing ultimate parent entity (**UPE**), including all entities that it controls, directly or indirectly. The UPE is the juridical entity that, directly or indirectly, controls a party to the transaction, and is not controlled by any other entity.

For transactions involving the purchase of assets such as land, the Size of Transaction is determined by taking the higher of the gross revenues the asset generates in the Philippines or the value of the asset itself, both as indicated in the most recently audited financial statements. For joint venture transactions, the Size of Transaction is determined by computing the higher of the aggregate value of the assets combined or contributed "in" the Philippines or the gross revenues generated "in" the Philippines by the assets to be combined or contributed "in" the Philippines. In determining the value of the assets, the following shall be included: (1) Value of all assets that are not owned by any of the joint venture parties for which agreements have been secured by any of the joint venture parties for the joint venture to obtain at any time, whether or not such entity is subject to the requirements of the act; (2) any amount of credit or any obligations of the joint venture which any of the joint venture parties agreed to extend or guarantee to the joint venture, at any time; and (3) the value of the assets owned by any of the joint venture parties that will be combined in the Philippines or contributed into the proposed joint venture.

The PCC also has released its "Guidelines on the Computation of Merger Notification Thresholds", providing the method for calculation of the aggregate value of assets and gross revenues from sales for the purposes of determining whether a proposed merger or acquisition is notifiable to the PCC.

Violations of the PCA and its IRR carry administrative and criminal penalties. A transaction that meets the thresholds and does not comply with the notification requirements and waiting periods shall be considered void and will subject the parties to an administrative fine of 1 per cent. to 5 per cent. of the value of the transaction. Criminal penalties for entities that enter into these defined anti-competitive agreements include: (i) a fine of not less than ₱50.00 million but not more than ₱250.00 million; and (ii) imprisonment for two to seven years for officers, directors, or employees holding managerial positions who knowingly and wilfully participate in such criminal offenses. Administrative fines of up to ₱100.00 million to ₱250.00 million may be imposed on entities found violating prohibitions against anti-competitive agreements and abuse of dominant position. Treble damages may be imposed by the PCC or the courts, as the case may be, where the violation involves the trade or movement of basic necessities and prime commodities.

On 15 September 2017, the PCC published the 2017 Rules of Procedure (**PCC Rules**) which apply to investigations, hearings, and proceedings of the PCC, except to matters involving mergers and acquisitions unless otherwise provided. It prescribes procedures for fact-finding or preliminary inquiry and full administrative investigations by the PCC. The PCC Rules also include non-adversarial remedies such as the issuance of binding rulings, show cause orders, and consent orders.

On 10 September 2019, the Supreme Court of the Philippines approved the Rules on Administrative Search and Inspection under the PCA, which took effect on 16 November 2019. The rules govern the application, issuance, and enforcement of inspection orders for administrative investigations of alleged violations of the Philippine Competition Act. Inspection orders allow the PCC and its deputized agents to enter, search, and inspect business premises and other offices, land, and vehicles to examine, copy, photograph, record, or print information in order to prevent their removal, concealment, tampering with, or destruction.

Foreign Investments Act of 1991

Republic Act No. 7042, as amended, otherwise known as the Foreign Investments Act of 1991 (**FIA**), liberalized the entry of foreign investment into the Philippines. Under the FIA, in domestic market enterprises, foreigners may own as much as 100 per cent. equity, except in industries and activities that are listed in the Twelfth Regular Foreign Investment Negative List (the "**Negative List**"). This Negative List enumerates industries and activities that have foreign ownership limitations under the FIA and other existing laws. Nationalized activities include, among others, land ownership, mining, and the operation of public utilities.

In connection with the ownership of private land, the Philippine Constitution states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60 per cent. of whose capital is owned by such citizens. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against

foreigners owning buildings and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to 40 per cent. A corporation with more than 40 per cent. foreign equity may be allowed to lease land for a period of 25 years, renewable for another 25 years.

In addition, under the Philippine Constitution, only citizens of the Philippines or corporations or associations organized under the laws of the Philippines at least 60 per cent. of whose capital is owned by such citizens may engage in activities relating to the exploration, development, and utilization of natural resources, which covers the utilization of natural resources for the operation of renewable energy power plants.

For the purpose of complying with nationality laws, the term Philippine National is defined under the FIA as any of the following:

- a citizen of the Philippines;
- a domestic partnership or association wholly owned by citizens of the Philippines;
- a corporation organized under the laws of the Philippines of which at least 60 per cent. of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines;
- a corporation organized abroad and registered to do business in the Philippines under the Revised Corporation Code, of which 100 per cent. of the capital stock outstanding and entitled to vote is wholly owned by Filipinos; or
- a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60 per cent. of the fund will accrue to the benefit of Philippine Nationals.

In SEC Memorandum Circular No. 08 dated 20 May 2013, or the Guidelines on Compliance with the Filipino-Foreign Ownership Requirements Prescribed in the Constitution and/or Existing Laws by Corporations Engaged in Nationalized and Partly Nationalized Activities, it is provided that for purposes of determining compliance with the nationality requirement, the required percentage of Filipino ownership shall be applied both to (a) the total number of outstanding shares of stock entitled to vote in the election of directors, and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors. A petition for certiorari questioning the constitutionality of SEC Memorandum Circular No. 8 dated 20 May 2013 was filed in June 2013. In *Jose M. Roy III v. Chairperson Teresita Herbosa* (G.R. No. 207246) dated 18 April 2017, the Supreme Court affirmed the validity of SEC Memorandum Circular No. 08 dated 20 May 2013.

In the 2014 case of *Narra Nickel Mining and Development Corporation, et.al vs. Redmont Consolidated Mines Corp* (G.R. No. 195580) and its corresponding motions for reconsideration (the "**Narra Nickel Case**"), the Supreme Court affirmed that the Grandfather Rule, wherein shares owned by corporate shareholders are attributed either as Filipino or foreign equity by determining the nationality not only of such corporate shareholders, but also such corporate shareholders' own shareholders, until the nationality of shareholder individuals is taken into consideration, is to be used jointly and cumulatively with the Control Test, which merely takes into account the nationality of the listed shareholders of the corporation. Such joint and cumulative application shall be observed as follows: (i) if the corporation's Filipino equity falls below 60 per cent., such corporation is deemed foreign-owned, applying the Control Test; (ii) if the corporation passes the Control Test, the corporation will be considered a Filipino corporation only if there is no doubt as to the beneficial ownership and control of the corporation; and (iii) if the corporation passes the Control Test but there is doubt as to the beneficial ownership and control of the corporation, the Grandfather Rule must be applied. The Supreme Court stated that "doubt" refers to various indicia that the "beneficial ownership" and "control" of the corporation do not in fact reside in Filipino shareholders but in foreign stakeholders.

Retail Trade Liberalisation Act

Republic Act No. 8762, or the Retail Trade Liberalisation Act of 2000 (**R.A. 8762**), as amended by Republic Act No. 11595 (**R.A. 11595**), liberalised the Philippine retail industry to encourage Filipino and foreign investors to forge an efficient and competitive retail trade sector in the interest of empowering the Filipino consumer through lower prices, high quality goods, better services, and wider choices. It allowed non-Filipino citizens to participate in retail on a limited basis. Prior to the passage of R.A. 8762, retail trade was limited to Filipino citizens or corporations that are 100 per cent. Filipino-owned.

Retail trade is defined by R.A. 8762 to cover any act, occupation, or calling of habitually selling direct to the general public merchandise, commodities, or goods for consumption. Under R.A. 8762 as amended, foreign-owned partnerships, associations, and corporations formed and organized under the laws of the Philippines may, upon registration with the Philippine SEC or the Department of Trade and Industry (**DTI**) or in case of foreign-owned single proprietorships, with the DTI, engage or invest in the retail trade business, in accordance with the following conditions:

(a) **Minimum paid-up capital**: A foreign retailer shall have a minimum paid-up capital of ₱25,000,000.00.

(b) **Reciprocity**: The foreign retailer's country of origin does not prohibit the entry of Filipino retailers.

(c) **Minimum Investment Per Store**: In the case of foreign retailers engaged in retail trade through more than one physical store, the minimum investment per store must be at least ₱10,000,000.00, provided, that this requirement shall not apply to foreign investors and foreign retailers who are legitimately engaged in retail trade and were not required to comply with the minimum investment per store at the time of the effectivity of R.A. 11595: Provided, further, that proof of qualification to engage in retail trade under R.A. 8762 and its implementing rules and regulations is submitted to the DTI.

The foreign retailer shall be required to maintain in the Philippines at all times the required minimum paid-up capital unless the foreign retailer has notified the SEC or the DTI, whichever is appropriate, of its intention to repatriate its capital and cease operations in the Philippines. The actual use in Philippine operations of the minimum paid-up capital shall be monitored by the SEC, or by the DTI, whichever is appropriate.

Failure to maintain in the Philippines the paid-up capital required in the preceding paragraph, prior to notification of the SEC or the DTI, whichever is appropriate, shall subject the foreign retailer to penalties or restrictions on any future trading activities/business in the Philippines.

For purposes of registration with the SEC or DTI, the foreign retailer shall submit a certification from the Bangko Sentral ng Pilipinas (**BSP**) of the inward remittance of its capital investment, or in lieu thereof, such other proof certifying that its capital investment is deposited and maintained in a bank in the Philippines.

The implementing rules and regulations of R.A. 8762 provide that any foreign investor, whether or not it is presently engaged in retail trade, may acquire shares in existing retail stores, whether publicly listed or not, subject to the paid up capitalization amounts expressed in net worth, investment per store, and equity requirements under the same rules. A foreign investor is defined as an individual who is not a Filipino citizen, or a duly formed and organized corporation, partnership, association, or entity that is not wholly owned by Filipinos, whether or not engaged in retail trade.

Data Privacy Act of 2012

Republic Act No. 10173, or the Data Privacy Act, protects all forms of private, personal, or sensitive information. It applies to any natural or juridical persons involved in the processing of information (which refers to any operation or any set of operations performed upon personal data including, but not limited to, the collection, recording, organisation, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure or destruction of data), whether in the government or private sector, and whether in or outside the Philippines.

The law defines "personal information" as any information whether recorded in a material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual. On the other hand, sensitive personal information refers to personal information:

- About an individual's race, ethnic origin, marital status, age, colour, and religious, philosophical or political affiliations;
- About an individual's health, education, genetic or sexual life or a person, or to any proceeding for any offense committed or alleged to have been committed by such person, the disposal of such proceedings, or the sentence of any court in such proceedings;
- Issued by government agencies peculiar to an individual which includes, but not limited to, social security numbers, previous or current health records, licences or its denials, suspension or revocation, and tax returns; and
- Specifically established by an executive order or an act of the Philippine Congress to be kept classified.

In general, the processing of sensitive personal information and privileged information is prohibited except where: (1) the data subject has given his or her consent, specific to the purpose prior to the processing, or in the case of privileged information, all parties to the exchange have given their consent prior to processing; (2) the processing is provided for by existing laws and regulations; (3) the processing is necessary to protect the life and health of the data subject or another person, and the data subject is not able to give consent; (4) the processing is carried out for limited non-commercial purposes by public organisations and their associations; (5) the processing is necessary for purposes of medical treatment, is carried out by a medical practitioner or a medical treatment institution, and an adequate level of protection of personal information is ensured; or (6) the processing is necessary for court proceedings or legal claims, or is provided to the government or a public authority.

Under the Data Privacy Act, the appointment of a Data Protection Officer (**DPO**) is a legal requirement for all personal information controllers (**PICs**) and personal information processors (**PIPs**). The DPO is accountable for ensuring the company's compliance with all data privacy and security laws and regulations.

A PIC may be a natural or juridical person who exercises control over the processing of personal data and furnishes instructions to another person or entity to process personal data on its behalf. A PIP on the other hand, refers to a person or body instructed or outsourced by a PIC to engage in the processing of the personal data of a data subject.

The PIC or PIP that employs fewer than 250 persons shall not be required to register unless the processing it carries out is likely to pose a risk to the rights and freedoms of data subjects, the processing is not occasional, or the processing includes sensitive personal information of at least 1,000 individuals.

Advertising Regulations

The Ad Standards Council, a non-stock, non-profit organisation, established by the Kapisanan ng mga Brodkaster ng Pilipinas, the Philippine Association of National Advertisers, and the Association of Accredited Advertising Agencies, issues circulars in the Advertising Industry and handles the screening and settlement of disputes of all broadcast, out-of-home, and print advertising content.

CONSUMER PROTECTION LAWS

The Consumer Act

Republic Act No. 7394, or Consumer Act of the Philippines (the "**Consumer Act"**), seeks to: (a) protect consumers against hazards to health and safety, (b) protect consumers against deceptive, unfair, and unconscionable sales acts and practices; (c) provide information and education to facilitate sound choice and the proper exercise of rights by the consumer; (d) provide adequate rights and means of redress; and (e) involve consumer representatives in the formulation of social and economic policies. Consumer products and services, as defined by the Consumer Act, means goods, services and credits, debts or obligations which are primarily for personal, family, household or agricultural purposes, which includes, but is not limited to, food, drugs, cosmetics, and devices. The DTI is the implementing agency tasked to promulgate the policies under the Consumer Act.

Furthermore, it regulates the following: (1) consumer product quality and safety; (2) the production, sale, distribution and advertisement of food, drugs, cosmetics and devices as well as substances hazardous to the consumer's health and safety; (3) fair, honest consumer transactions and consumer protection against deceptive, unfair, and unconscionable sales acts or practices; (4) practices relative to the use of weights and measures; (5) consumer product and service warranties; (6) compulsory labelling and fair packaging; (7) liabilities for defective products and services; (8) consumer protection against misleading advertisements and fraudulent sales promotion practices; and (9) consumer credit transactions.

The Consumer Act establishes quality and safety standards with respect to the composition, contents, packaging, labelling and advertisement of products and prohibits the manufacture for sale, offer for sale, distribution, or importation of products which are not in conformity with applicable consumer product quality or safety standards promulgated thereunder. Under the Consumer Act, it is prohibited to manufacture, import, export, sell, offer to sell, distribute or transfer food products that do not conform to applicable consumer product quality or safety standards.

The minimum labelling requirements for consumer products sold in the Philippines are: (a) the correct and registered trade name or brand name; (b) the duly registered trademark; (c) the duly registered business name; (d) the address of the manufacturer, importer, repacker of the consumer product in the Philippines; (e) the general make or active ingredients; (f) the net quantity of contents, in terms of weight, measure or numerical count

rounded off to at least the nearest tenths in the metric system; (g) the country of manufacture, if imported; and (h) if a consumer product is manufactured, refilled, or repacked under license from a principal, the label shall so state the fact.

Violation of the Consumer Act shall warrant administrative penalties and/or imprisonment of not less than one (1) year but not more than five (5) years, or a fine of not less than ₱5,000.00 but not more than ₱10,000.00 or both, at the discretion of the court. Should the offense be committed by a juridical person, the chairman of the board of directors, the president, general manager, or the partners and/or the persons directly responsible therefor shall be penalised.

The Price Act

Republic Act No. 7581, as amended by Republic Act No. 10623, or the Price Act (the "**Price Act"**), provides that the President of the Philippines, upon the recommendation of the implementing agency, or the Price Coordinating Council, may impose a price ceiling on basic necessities and prime commodities in the event of a calamity, an emergency, illegal price manipulation, or when the prevailing prices have risen to unreasonable levels. "Basic necessities" are goods vital to the needs of consumers for their sustenance and existence, which include but are not limited to rice, corn, bread, fresh, dried, and canned fish and other marine products, while "prime commodities" are goods not considered as basic necessities but are essential to consumers in times of any of the following cases: (1) the impendency, existence, or effects of a calamity; (2) the threat, existence, or effect of an emergency; (3) the prevalence or widespread acts of illegal price manipulation; (4) the impendency, existence, or effect of any event that causes artificial and unreasonable increase in the price of the basic necessity or prime commodity; and (5) whenever the prevailing price of any basic necessity or prime commodity has risen to unreasonable levels, such as, but not limited to, flour, dried, processed or canned pork, beef and poultry meat.

The Price Act imposes an automatic price control on the prices of basic commodities in areas declared as disaster areas or under a state of calamity, under emergency, suspension of the privilege of writ of *habeas corpus*, under martial law, or in a state of rebellion or war. Unless sooner lifted by the President of the Philippines, prices shall remain frozen for a maximum period of 60 days, except in the case of basic necessities that are wholly imported and deregulated under existing laws, price control thereon shall remain effective for a period of not more than 15 days, taking into consideration the current inventory or supply levels thereof.

The implementing Government agencies of the Price Act are also given the authority thereunder to issue suggested retail prices, whenever necessary, for certain basic necessities and/or prime commodities for the information and guidance of concerned trade, industry, and consumer sectors.

The Internet Transactions Act

Republic Act No. 11967 or the Internet Transactions Act of 2023 (**ITA**) was signed into law on 5 December 2023 and took effect on 20 December 2023. The ITA is aimed at building trust in e-commerce by providing a regulatory framework for both consumer and merchant protection. The ITA applies to business-to-business and business-to-consumer internet transactions where: (i) at least one (1) party is located in the Philippines, or (ii) when a digital platform, e-retailer, or online merchant is availing of the Philippine market and has minimum contacts within.

The ITA does not apply to the following: (1) customer-to-customer internet transactions; and (2) transactions that do not constitute e-commerce such as those solely and exclusively executed, consummated, and perfected offline: (a) a foreign entity that does not avail of the Philippine market through e-commerce; (b) a domestic entity that does not avail of the Philippine market through e-commerce; and (c) online media content; provided, however, that live-selling shall be considered advertising, and the monitoring of live-selling by DTI shall not be considered regulation of content nor censorship of online media.

The implementing rules and regulations of the ITA (**ITA IRR**) were signed on 24 May 2024. The ITA IRR enumerated instances where the transaction is presumed to be business-to-consumer. These are when a person: (1) sells or offers to sell a product or service through an organized business entity; (2) sells or offers to sell a product or service as a continuous business activity to generate income; (3) engages in e-commerce by "doing business" as defined by Republic Act No. 7042, or the Foreign Investments Act of 1991, as amended; or (4) engages in transactions not for personal, family, or household purposes.

In general, all digital platforms, e-marketplaces, e-retailers, and online merchants engaged in e-commerce in the Philippines or purposely availing of the Philippine market must comply with the provisions of the ITA and ITA

IRR. Further, upon the establishment of the Online Business Database (**OBD**), all digital platforms, e-marketplaces, e-retailers, and online merchants engaged in e-commerce in the Philippines must register with the OBD.

The DTI is also developing an Online Dispute Resolution System (**ODRS)** as a platform to facilitate an alternative mode of dispute resolution for online consumers, online merchants, e-retailers, e-marketplaces, and other digital platforms

The ITA IRR establishes the E-Commerce Code of Conduct that provides guidelines for persons engaged in e-commerce and sets out best practices. It also provides for an Online Consumers Code of Conduct, prescribing rules of conduct for consumers availing of e-commerce goods or services, which reiterate the same principles of ordinary diligence and good faith.

The ITA IRR imposes fines for violations by consumers of the Online Consumers Code of Conduct of up to ₱20,000.00 depending on the value of goods. The ITA and the ITA IRR do not provide for express penalties in case of non-compliance with the obligations provided under the E-Commerce Code of Conduct. Liability for non-compliance would be governed by the specific violations under the ITA (*e.g.*, violation of obligations as an e-marketplace) and statutes or rules that specifically govern the relevant acts (*e.g.,* the Civil Code for damages, or other penalties provided under special laws such as the Data Privacy Act).

FOOD BUSINESS

Health Regulations

The Food and Drug Administration (**FDA**) administers and enforces the law, and issues any circular, on safety and good quality supply of food, drug and cosmetic to consumers. It also regulates the production, sale, and traffic of the same to protect the health of the people.

Consistent with the mandate to adopt and establish mechanisms and initiatives that are aimed to protect and promote the right to health of every Filipino, the FDA issued the Rules and Regulations on the Licensing of Food Establishments and Registration of Processed Food, which require all food establishments obtain a license to operate (**LTO**) from the FDA before they can validly engage in the manufacture, importation, exportation, sale, offer for sale, distribution, and transfer of food products in the Philippine market. Such rules cover processed food and food products and exclude fresh or raw food derived from plant, animal, fisheries and aquaculture products, or foods in the primary production and post-harvest stages of the supply chain. An initial LTO is valid for a period of two years, while a renewed license is valid for five years.

In addition to an LTO, the FDA also requires a Certificate of Product Registration (**CPR**) for processed food products, including food additives, food supplements, and bottled water, before said products are distributed, supplied, sold, or offered for sale or use in the market. A CPR covering a particular health product constitutes *prima facie* evidence of the registrant's marketing authority for said health product in connection with the activities permitted pursuant to the registrant's LTO. In case of initial registration, a CPR is valid for a minimum period of two years to a maximum period of five years. Any renewal thereafter is valid for five years.

The operation of a food business without the proper authorisation from the FDA is prohibited and punishable with a fine. The closure of the establishment may also be imposed as a penalty upon a finding of a commission of a prohibited act.

The DOH is the Government agency tasked to implement the Consumer Act with respect to food products. The DOH also prescribes the Guidelines on Current Good Manufacturing Practice in Manufacturing, Packaging, Repacking, or Holding Food for food manufacturers. Under the Consumer Act, the DOH also has the authority to order the recall, ban or seizure from public sale or distribution of food products found to be injurious, unsafe, or dangerous to the general public.

The Food Safety Act

In 2013, Republic Act No. 10611, or the Food Safety Act of 2013 (**Food Safety Act**) was enacted into law to strengthen the food safety regulatory system in the country. The food safety regulatory system encompasses all the regulations, food safety standards, inspection, testing, data collection, monitoring, and other activities carried out by the Department of Agriculture (**DA**) and the DOH, their pertinent bureaus, and the LGUs. The National Dairy Authority, NMIS, and Bureau of Fisheries and Aquatic Resources under the DA are the government agencies responsible for the development and enforcement of food safety standards and regulations in the primary production and post-harvest stages for milk, meat, and fish, respectively, while the FDA under the DOH is responsible for the safety of processed and pre-packaged foods.

The purpose of the law is to:

- protect the public from food-borne and water-borne illnesses and unsanitary, unwholesome, misbranded or adulterated foods;
- enhance industry and consumer confidence in the food regulatory system; and
- achieve economic growth and development by promoting fair trade practices and sound regulatory foundation for domestic and international trade.

To protect consumer interest, the Food Safety Act seeks to prevent the adulteration, misbranding, fraudulent practices and practices which mislead the consumer, and prevent misrepresentation in the labelling and false advertising in the presentation of food. The DA and the DOH are mandated to set food safety standards, which are the requirements that food or food processors have to comply with to safeguard human health.

The law likewise mandates the use of science-based risk analysis in food safety regulation and prescribes the adoption of precautionary measures when the available relevant information for use in risk assessment is sufficient to show a certain type of food or food product does not pose a risk to consumer health.

In addition, food imported, produced, processed and distributed for domestic and export markets should comply with the following requirements:

- food to be imported into the country must come from countries with an equivalent food safety regulatory system and shall comply with international agreements to which the Philippines is a party; and
- imported foods shall undergo inspection and clearance procedures by the DA and the DOH at the first port of entry to determine compliance with national regulations and regulations of the importing country.

The Food Safety Act imposes the following responsibilities on food business operators:

- food business operators shall be knowledgeable of the specific requirements of food law with respect to their activities in the food supply chain and the procedures adopted by relevant Government agencies, and adopt, apply and be well informed of codes and principles for good practices;
- in the event a food business operator considers or has reason to believe that food which it produced, processed, distributed or imported is not safe or not in compliance with food safety requirements, it shall immediately initiate procedures to recall the product and inform the regulator;
- food business operators shall allow inspection of their businesses and collaborate with the regulatory authorities to avoid risks posed by the food product/s which they have supplied; and
- where the unsafe or non-compliant food product may have reached the consumer, the food business operators shall have effectively and accurately informed the consumers of the reason for the withdrawal, and if necessary, recall the same from the market.

To enforce the Food Safety Act, food safety regulatory agencies are authorized to perform regular inspection of food business operators taking into consideration the compliance with mandatory safety standards, implementation of the Hazard Analyses at Critical Control Points or the science-based system that identifies, evaluates, and controls hazards for food safety at critical points during a given stage in the food supply chain. It is prohibited to refuse access to pertinent records or entry of inspection officers of the food safety regulatory agencies. It is likewise prohibited, among others, to produce, handle, or manufacture for sale, offer for sale, distribute in commerce, or import any food or food product, which is banned or is not in conformity with applicable quality or safety standard. The commission of any of the prohibited acts under the Food Safety Act may result in imprisonment and/or a fine.

The Livestock and Poultry Feeds Act

The Philippine Livestock and Poultry Feeds Act and its implementing rules and regulations (**Livestock and Poultry Feeds Act**), regulates and controls the manufacture, importation, labelling, advertising, and sale of livestock and poultry feeds. The Bureau of Animal Industry (**BAI**) is the governmental office under the DA tasked to implement and enforce the Livestock and Poultry Feeds Act.

Under the Livestock and Poultry Feeds Act, any entity desiring to engage in the manufacture, importation, exportation, sale, trading, or distribution of feeds or other feed products must first register with the BAI. There must be a separate registration for each type and location of feed establishment. Furthermore, the Livestock and Poultry Feeds Act provides that no feeds or feed products may be manufactured, imported or exported, traded,

advertised, distributed, sold, or offered for sale, or held in possession for sale in the Philippines unless the same has been registered with the BAI. There must be also a separate registration for each type, kind and form feed of feed product. Feeds and feed products produced through toll manufacturing shall be registered with the company that owns the same. All commercial feeds must comply with the nutrient standards prescribed by the DA. Registration of feed and feed products and feed establishments is required to be renewed on a yearly basis.

The Livestock and Poultry Feeds Act also provides branding, labelling and advertising requirements for feeds and feed products and the establishment of in-house quality control laboratories by manufacturers and traders of feed and feed products. Any person found in violation of the provisions of the Livestock and Poultry Feeds Act shall be subject to administrative penalties or imprisonment or both.

The Meat Inspection Code

Republic Act No. 9296 or The Meat Inspection Code of the Philippines (**Meat Inspection Code**) establishes quality and safety standards for the slaughter of food animals and the processing, inspection, labelling, packaging, branding and importation of meat (including, but not limited to, pork, beef and chicken meat) and meat products. The National Meat Inspection Service "**NMIS**," a specialized regulatory service attached to the DA, serves as the national controlling authority on all matters pertaining to meat and meat product inspection and meat hygiene to ensure meat safety and quality from farm to table. It has the power to accredit meat establishments and exporters, importers, brokers, traders and handlers of meat and meat products. On the other hand, the different LGUs, in accordance with existing laws, policies, rules and regulations and quality and safety standards of the DA, have the authority to regulate the construction, management and operation of slaughterhouses, meat inspection, and meat transport and post-abattoir control within their respective jurisdictions, and to collect fees and charges in connection therewith.

The Meat Inspection Code covers all meat establishments, including, but not limited to, slaughterhouses, poultry dressing plants, and meat processing plants where food animals or meat products are slaughtered, prepared, processed, handled, packed, or, stored. It requires the inspection of food animals before it shall be allowed for slaughter in licensed private slaughterhouses in which meat or meat products thereof are to be sold. A *post-mortem* examination is also required for carcasses and parts thereof of all food animals prepared as articles of commerce which are capable of use as human food. Only meat or meat products from meat establishments that have passed inspection and have been so marked may be sold or offered for sale to the public.

The Meat Inspection Code provides for labelling, branding, and packaging requirements for meat and meat products to enable consumers to obtain accurate information and ensure product traceability. The Meat Inspection Code also requires all meat establishments to:

- comply with the Animal Welfare Act of 1998 for the adequate protection of food animals awaiting slaughter and all pollution control and environmental laws and regulations relating to the disposal of carcasses and parts thereof; and
- adopt Good Manufacturing Practices and Sanitation Standard Operating Procedures programs for the production, storage, and distribution of its meat products.

Further, the DA requires all operators and/or owners of post-harvest meat establishments to subject their facilities for evaluation for the issuance of an LTO by the NMIS.

Any person found in violation of the provisions of the Meat Inspection Code shall be subject to administrative penalties or imprisonment or both. Furthermore, any carcasses, parts of carcasses or products of carcasses found to have been prepared, handled, packed, stored, transported or offered for sale as human food not in accordance with the provisions thereof shall be confiscated and disposed of at the expense of the person found to be in violation thereof.

The Philippine Food Fortification Act

Republic Act No. 8976 or The Philippine Food Fortification Act of 2000 (**PFF Act**) provides for the mandatory fortification of wheat flour, cooking oil, and other staple foods and the voluntary fortification of processed food products or food products for sale or distribution in the Philippines. The fortification of food products is required to be undertaken by manufacturers and processors thereof. The FDA is the Government agency responsible for the implementation the PFF Act with the assistance of the different LGUs which are tasked under the said law to monitor foods mandated to be fortified which are available in public markets, retail stores and food service establishments and to check if the labels of fortified products contain nutrition facts stating the nutrient added and

its quantity. Any person in violation of the PFF Act shall be subject to administrative penalties. Furthermore, the FDA may refuse or cancel the registration or order the recall of food products in violation of said law.

The Food, Drug and Cosmetics Act

Republic Act No. 3720 or The Food, Drug and Cosmetics Act, as amended by E.O. 175 and Republic Act No. 9711, or the Food and Drug Administration Act of 2009, seeks to ensure that safe and quality food is available in the Philippines, and regulates the production, sale, and trade of food to protect the health of the citizens. The FDA is the Governmental agency tasked to implement the Food, Drug and Cosmetics Act.

Under the Food, Drug and Cosmetic Act, the following acts, among others, are prohibited:

- the manufacture, importation, exportation, sale, offering for sale, distribution, transfer, non-consumer use, promotion, advertising, or sponsorship of any "health product" that is adulterated, unregistered, or misbranded (Health product means food, drugs, cosmetics, devices, biologicals, vaccines, in-vitro diagnostic reagents, and household/urban hazardous substances. On the other hand, food means any processed substance which is intended for human consumption and includes drinks for human beings, beverages, chewing gum, and any substance which have been used as an ingredient in the manufacture, preparation, or treatment of food.);

- the adulteration or misbranding of any health product;

- the refusal to permit entry to or inspection of premises or vehicles or to allow samples to be collected for the purposes authorized under the Food, Drug and Cosmetics Act;

- the giving of a guaranty or undertaking referred to in section 12(b) of R.A. No. 3720, as amended, which guaranty or undertaking is false, except by a person who relied upon a guaranty or undertaking to the same effect, signed by, and containing the name and address of the person or entity from whom he received in good faith the health products or the giving of a guaranty or undertaking referred to in section 12(b) of R.A. No. 3720, as amended which guaranty or undertaking is false;

- forging, counterfeiting, simulating, or falsely representing or without proper authority using any mark, stamp, tag label, or other identification device authorized or required by regulations promulgated under the provisions of the Food, Drug and Cosmetics Act;

- the using by any person to his own advantage, or revealing, other than to the Secretary or officers and employees of the FDA or to the courts when relevant in any judicial proceeding, any information concerning any method or process which as a trade secret;

- the alteration, mutilation, destruction, obliteration or removal of the whole or any part of the labelling of, or the doing of any other act with respect to health products if such act is done while the article is held for sale, whether or not the first sale, and results in the article being adulterated or misbranded; provided that a retailer may sell in smaller quantities, subject to guidelines issued by the FDA;

- the use, in labelling, advertising or other sales promotion of any reference to any report or analysis furnished in compliance with section 26 of R.A. No. 3720, as amended;

- the manufacturer, importation, exportation, sale, offering for sale, distribution, transfer, non-consumer use, promotion, advertisement, or sponsorship of any health product which, although requiring registration, is not registered with the FDA;

- the manufacturer, importation, exportation, transfer or distribution of any food, cosmetic or household/urban hazardous substance by any natural or juridical person without the licence to operate from the FDA; and

- the sale, offering for sale, importation, exportation, distribution, or transfer of any health product beyond its expiration or expiry date, if applicable.

Any person who commits any of the prohibited acts stated above shall, upon conviction, suffer the penalty of imprisonment ranging from one year but not more than 10 years or a fine of not less than ₱50,000.00 but not more than ₱500,000.00, or both, at the discretion of the court. If the offender is a manufacturer, importer or distributor of any health product, the penalty of at least five years imprisonment but not more than 10 years and a fine of at least ₱500,000.00 but not more than ₱5,000,000.00 shall be imposed. Further, an additional fine of one per cent. of the economic value/cost of the violative product or violation, or ₱1,000.00, whichever is higher, shall be imposed for each day of continuing violation.

Furthermore, health products found in violation of the provisions of the Food, Drug and Cosmetics Act and other relevant laws, rules and regulations may be seized and held in custody pending proceedings, without a hearing or court order, when the director general of the FDA has reasonable cause to believe from facts found by him or an authorized officer or employee of the FDA that such health products may cause injury or prejudice to the consuming public.

Designated officers or employees of the DOH, for purposes of enforcing of the Food, Drug and Cosmetics Act, are authorized to enter, at reasonable hours, any factory, warehouse, or establishment in which food, drugs, devices, or cosmetics are manufactured, processed, packed, or held for introduction into domestic commerce and to inspect, in a reasonable manner, such factory, warehouse, establishment, or vehicle and all pertinent equipment, finished or unfinished materials, containers, and labelling therein.

When there is a finding of prohibited actions and determination of the persons liable thereto, after notice and hearing, the director-general may impose one or more of the following administrative penalties: (1) the cancellation of any authorisation which may have been granted by the FDA, or suspension of the validity thereof which shall not exceed one year, (2) a fine of not less than ₱50,000.00 but not more than ₱500,000.00, and (3) the destruction and/or appropriate disposition of the subject health product and/or closure of the establishment for any violation of the Food, Drug and Cosmetics Act.

REAL PROPERTY REGULATION

Land Ownership

The Philippine Constitution and related statutes set forth restrictions on foreign ownership of owning land in the Philippines. Article XII, Section 7 of the Philippine Constitution, in relation to Article XII, Section 2 of the Philippine Constitution, states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least sixty percent (60 per cent.) of whose capital is owned by such citizens.

Investors' Lease Act

Republic Act No. 7652, or the Investors' Lease Act allows any foreign investor investing in the Philippines through actual remittance of foreign exchange, transfer of assets, or other technological rights or processes, upon registration with the Philippine SEC, to lease private lands, subject to the following conditions:

- No lease contract shall be for a period exceeding 50 years, renewable once for a period of not more than 25 years;
- The leased area shall be used solely for the purpose of the investment upon the mutual agreement of the parties; and
- The leased premises shall comprise such area as may reasonably be required for the purpose of the investment, subject however, to the Comprehensive Agrarian Reform Law and the Local Government Code.

The leasehold right acquired under long-term lease contracts entered into pursuant to the Investors' Lease Act may be sold, transferred, or assigned; Provided, that when the buyer, transferee, or assignee is a foreigner or a foreign-owned enterprise, the conditions and limitations in respect to the use of the leased property as provided for under this law shall continue to apply.

However, foreign individuals, corporations, associations, or partnerships not otherwise investing in the Philippines, as described above, may only be allowed to lease private lands at a maximum period of 25 years, renewable for another period of 25 years upon mutual agreement of the parties.

A withdrawal of the approved investments (which means either failure to operate the investment project for any three consecutive years, or outright abandonment of the investment project at any time during the approved lease period, including the failure to pay lease rental for three consecutive months coupled with the failure to operate the investment project within the same period) within the period of the lease agreement or use of the leased area for purpose other than that authorized, shall warrant an *ipso facto* termination of the lease agreement, without prejudice to the right of the lessor to be compensated for the damages he may have suffered thereby.

The Secretary of Trade and Industry shall terminate any lease contract if the investment project is not initiated within three years from signing of the lease contract. Any contract made or executed in violation of any of the following prohibited acts shall be deemed void and both contracting parties shall be punished by a fine of not less than ₱100,000.00 nor more than ₱1,000,000.00, or imprisonment of six months to six years, or both:

- Any provision in the lease agreement stipulating a lease period in excess of 50 years, renewable for a period not more than 25 years;
- Use of the leased premises for the purpose contrary to existing laws of the land, public order, public policy, morals or good customs; and
- Any agreement or agreements resulting in the lease of land in excess of the area approved by the DTI: Provided, That, where the excess of the totality of the area leased is due to the acts of the lessee, the lessee shall be held solely liable therefor: Provided, further, That, in the case of corporations, associations, or partnerships, the president, manager, director, trustee, or officers responsible for the violation hereof shall bear the criminal liability.

LABOUR AND EMPLOYMENT

Labour Code of the Philippines

The Department of Labor and Employment (**DOLE**) is the Government agency mandated to formulate policies, implement programs and services, and serves as the policy-coordinating arm of the executive branch of the Government in the field of labour and employment. The DOLE has exclusive authority in the administration and enforcement of labour and employment laws such as the Labor Code of the Philippines (the Labor Code) and the Occupational Safety and Health Standards, as amended, and such other laws as specifically assigned to it or to the Secretary of the DOLE.

On 15 March 2017, Department Order No. 174 (2017) (**D.O. 174**) was issued by the DOLE providing for the guidelines on contracting and subcontracting, as provided for under the Labor Code. It has reiterated the policy that labour-only contracting is absolutely prohibited where: (1) (a) the contractor or subcontractor does not have substantial capital, or does not have investments in the form of tools, equipment, machineries, supervision, work premises, among others; and (b) the contractor's or subcontractor's employees recruited and placed are performing activities which are directly related to the main business operation of the principal; or (2) the contractor or subcontractor does not exercise the right to control over the performance of the work of the employee. Subsequently, DOLE issued Department Circular No. 1 (2017) clarifying that the prohibition under D.O. 174 does not apply to business process outsourcing, knowledge process outsourcing, legal process outsourcing, information technology infrastructure outsourcing, application development, hardware and/or software support, medical transcription, animation services and back-office operations or support.

Occupational Safety and Health Standards Law

On 17 August 2018, Republic Act No. 11058 or the Occupational Safety and Health Standards Law was signed into law. It mandates employers, contractors or subcontractors, and any person who manages, controls or supervises the work, to furnish the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness or physical harm to the workers. It also requires employers, contractors or subcontractors to give complete job safety instructions or orientation and to inform the workers of all hazards associated with their work, health risks involved or to which they are exposed, preventive measures to eliminate or minimise the risks and steps to be taken in cases of emergency.

An employer, contractor or subcontractor who wilfully fails or refuses to comply with the Occupational Safety and Health Standards Law shall be administratively liable for a fine. Further, the liability of the employer, project owner, general contractor, contractor or subcontractor, if any, and any person who manages, controls or supervises the work, shall be solidary.

Social Security System, PhilHealth and the Pag-IBIG Fund

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under Republic Act No. 11199, otherwise known as the Social Security Act of 2018, to ensure coverage of employees following procedures set out by the law and the Social Security System. Under the said law, social security coverage is compulsory for all employees not over 60 years of age. An employer must deduct and withhold from its compulsorily covered employees their monthly contributions based on a given schedule, pay its share of contribution and remit these to the Social Security System within a period set by law and/or Social Security System regulations.

Employers are likewise required to ensure enrolment of its employees in a National Health Programme administered by the Philippine Health Insurance Corporation, a Government corporation attached to the DOH tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of the National Health Insurance Act of 1995, as amended by the Republic Act No. 11223, otherwise known as the Universal Health Care Act. The registration, accurate and timely deductions and remittance of contributions to the Philippine Health Insurance Corporation is mandatory as long as there is employer-employee relationship.

Under Republic Act No. 9679 or the Home Development Mutual Fund Law of 2009, all employees who are covered by the Social Security System must also be registered with and covered by the Home Development Mutual Fund, more commonly referred to as the Pag-IBIG Fund. It is a national savings programme as well as a fund to provide affordable shelter financing to Filipino employees. The employer is likewise mandated to deduct and withhold, pay and remit to the Pag-IBIG Fund the respective contributions of the employees under the prescribed schedule.

Labor Code Provision on Retirement Pay

The Philippine Labor Code provides that, in the absence of a retirement plan provided by their employers, private sector employees who have reached 60 years of age or more, but not beyond 65 years of age, the compulsory retirement age for private-sector employees without a retirement plan, and who have rendered at least five years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month's salary for every year of service, with a fraction of at least six months being considered as one whole year.

For the purpose of computing the retirement pay, "one-half month's salary" shall include all of the following: 15 days salary based on the latest salary rate; in addition, 1/12 of the 13th month pay and the cash equivalent of five days of service incentive leave pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement.

DOLE Mandated Work-Related Programs

Under the Comprehensive Dangerous Drugs Act, a national drug abuse prevention program implemented by the DOLE must be adopted by private companies with 10 or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labour and employer organisations, human resource development managers and other such private sector organisations. DOLE Department Order No. 053-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational or training environment or institution also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases. Under the Anti-Sexual Harassment Act, the employer will be solidarily liable for damages arising from the acts of sexual harassment committed in the workplace if the employer is informed of such acts by the offended party and no immediate action is taken. Notwithstanding this, the victim of sexual harassment is not precluded from instituting a separate and independent action for damages and other affirmative relief. Any person who violates the provisions of this law shall, upon conviction, be penalised by imprisonment of not less than one month nor more than six months, or a fine of not less than ₱10,000.00 nor more than ₱20,000.00, or both such fine and imprisonment, at the discretion of the court. Any action arising from the violation of the provisions of this law shall prescribe in three years.

Moreover, the Philippines AIDS Prevention and Control Act and its implementing rules and regulations require all private workplaces to have a policy on HIV and AIDS and to implement a workplace programs in accordance with the Philippines AIDS Prevention and Control Act. The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it is strictly limited to medical personnel.

All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control.

ENVIRONMENTAL LAWS

Environmental Impact Statement System

Undertakings or operations on any declared environmentally critical project or area are required to obtain an Environmental Compliance Certificate (**ECC**) prior to commencement. The ECC is a government certification that (i) the proposed project or undertaking will not cause a significant negative environmental impact; (ii) that the proponent has complied with all the requirements of the Environment Impact Statement (**EIS**) System; and (iii) that the proponent is committed to implementing its approved Environmental Management Plan in the EIS or, if an Initial Environmental Examination (**IEE**) was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the abandonment phase of the project. The Department of Environment and Natural Resources (**DENR**), through its regional offices or through the Environmental Management Bureau (**EMB**), determines whether a project is environmentally critical or located in an environmentally critical area and processes all applications for an ECC.

As a requirement for the issuance of an ECC, an environmentally critical project must submit an EIS to the EMB, which is a result of a positive determination by the EMB on the preventive, mitigating and enhancement measures adopted to address possible adverse consequences of the project to the environment. The EIS refers to the document prepared and submitted by the project proponent and/or the Environmental Impact Assessment Consultant, which provides for a comprehensive study of the material impacts of a project to the environment.

On the other hand, a non-environmentally critical project in an environmentally critical area is generally required to submit an IEE to the proper EMB regional office.

The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas. In the case of an environmentally critical project within an environmentally critical area, an EIS is required in addition to the IEE.

While the terms and conditions of an EIS or an IEE may vary from project to project, as a minimum, it contains all relevant information regarding the project's environmental effects. The entire process of organisation, administration and assessment of the effects of any project on the quality of the physical, biological and socioeconomic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund (**EGF**) when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property and the environment or where the project requires rehabilitation or restoration. The Environmental Guarantee Fund is intended to meet any damage caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are also mandated to include a commitment to establish an Environmental Monitoring Fund (**EMF**) when an ECC is eventually issued. The EMF shall be used to support activities of a multi-partite monitoring team that will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

In certain instances, the EMB may determine and issue a certification that a certain project is not covered by the EIS System and an ECC is not required. Consequently, a Certificate of Non-Coverage may be issued in lieu of an ECC.

DENR Memorandum Circular No. 2023-04 has since required clearance from the agency's Office of the Secretary for projects applying for ECCs, which are within or with close proximity to protected areas, as defined under said department issuance, or sites covered under the Ramsar List of Wetlands of International Importance dated 1 July 1994.

Philippine Clean Air Act of 1999

Republic Act No. 8749, otherwise known as the Philippine Clean Air Act, provides more stringent fuel specifications over a period of time to reduce emission that pollutes the air. The Philippine Clean Air Act specifies the allowable sulphur and benzene content for gasoline and automotive diesel. Under the law, oil firms are mandated to lower the sulphur content of automotive diesel oils to 0.05 per cent. by weight by 1 January 2004 nationwide. The law also prohibits a manufacturer, processor or trader of any fuel or additive to import, sell, offer for sale, or introduce into commerce such fuel or fuel additive unless these have been registered with the Department of Energy. All the requirements of the said law have been implemented, starting with the phase-out of leaded gasoline in Metro Manila in April 2000 and all over the country in December 2000.

The Technical Committee on Petroleum Products and Additives sets the standards for all types of fuel and fuel related products, to improve fuel consumption for increased efficiency and reduced emissions. The committee is guided by strict time-bound and quality-specific targets under the mandate of the Philippine Clean Air Act and the Department of Energy initiative on alternative fuels.

Philippine Clean Water Act of 2004

In 2004, Republic Act No. 9275 or the Philippine Clean Water Act was enacted to streamline processes and procedures in the prevention, control, and abatement of pollution in the country's water resources and provide for a comprehensive water pollution management programme focused on pollution prevention. The law primarily applies to the abatement and control of water pollution from land-based sources. The EMB, in partnership with other Government agencies and the respective LGUs, is tasked by the Implementing Rules of the Philippine Clean Water Act to identify existing sources of water pollutants and strictly monitor pollution sources which are not in compliance with the effluent standards provided in the law. The Philippine Clean Water Act also authorizes the DENR to formulate water quality criteria and standards for oil and gas exploration which encounter re-injection constraints.

Ecological Solid Waste Management Act

Republic Act No. 9003, otherwise known as the Ecological Solid Waste Management Act of 2000, provides for the proper management of solid waste which includes discarded commercial waste and non-hazardous institutional and industrial waste. The said law prohibits, among others, the transporting and dumping of collected solid wastes in areas other than prescribed centres and facilities. The same law mandates all, especially, the LGUs, to adopt a systematic, comprehensive and ecological solid waste management programme which shall ensure protection of public health and environment, utilise environmentally sound methods, set targets and guidelines for solid waste avoidance and reduction and ensure proper segregation, collection, transport and storage of solid waste.

The National Solid Waste Management Commission, together with other Government agencies and the different LGUs, are responsible for the implementation and enforcement of the said law.

The Code on Sanitation of the Philippines

The Code on Sanitation (Presidential Decree No. 856) provides for sanitary and structural requirements in connection with the operation of certain establishments such as food establishments which include such places where food or drinks are manufactured, processed, stored, sold or served. Under Presidential Decree 856, which is implemented by the DOH, food establishments are required to secure sanitary permits prior to operation which shall be renewable on a yearly basis.

Further, the Code on Sanitation provides that no person shall be employed in any food establishment without a health certificate issued by the local health authority. This certificate will be issued only after the required physical and medical examinations are performed and immunisations are administered at prescribed intervals. The health certificate must be renewed every year or as often as required by local ordinance.

Non-compliance with the provisions of the Code on Sanitation may result in the revocation of the sanitary permit, which is a requisite for the operation of a food establishment. Moreover, a food establishment that employs a person without the appropriate health certificate may be punished by fine or imprisonment, or both.

Toxic Substances and Hazardous and Nuclear Wastes Control Act

Republic Act No. 6969, otherwise known as The Hazardous Wastes Act, governs the programme for the control and management of the importation, manufacture, processing and all other actions involving toxic substances and hazardous and nuclear tastes.

New chemicals are listed in the Philippine Inventory of Chemicals and Chemical Substances (**PICCS**). The PICCS is a list of existing industrial chemicals and chemical substances used, sold, distributed, imported, processed, manufactured, stored, exported, treated, or transported in the Philippines.

Once a chemical is listed in the PICCS, it may be manufactured or imported with no control, provided it is not included in the Priority Chemicals List or subject to a Chemical Control Order (**CCO**).

A CCO prohibits, limits or regulates the use, manufacture, import, export, transport, processing, storage, possession and wholesale of priority chemicals that are determined to be regulated, phased-out, or banned

because of the serious risks they pose to public health, the workplace, and the environment. The objective of a CCO is to ensure the proper management of the chemicals so that danger to human health and the environment is reduced.

Violations of are punishable by fine and/or imprisonment and possible administrative fines.

Extended Producer Responsibility Act

Under Sec. 44-D of Republic Act No. 11898 otherwise known as the "Extended Producer Responsibility Act of 2022" (**EPR Act of 2022**), covered enterprises shall institute an Extended Producer Responsibility (**EPR**) Program within six months from effectivity of the EPR Act of 2022, either individually or collectively, whether with or without a Producer Responsibility Organization (**PRO**).

The EPR pertains to the environmental policy approach and practice that requires producers to be environmentally responsible throughout the life cycle of a product, particularly, its post-consumer or end-of-life stage. The EPR shall include, among others, the following components: (i) reduction of non-environment friendly products; and (ii) product waste recovery programs to prevent waste from leaking to the environment.

Covered enterprises that generate either rigid or flexible plastic packaging are obliged to recover or offset plastic packaging footprint by following the targets set for the recovery of plastic product footprint, as follows: (i) by 31 December 2023—20 per cent.; (ii) by 31 December 2024—40 per cent.; (iii) by 31 December 2025—50 per cent.; (iv) by 31 December 2026—60 per cent.; (v) by 31 December 2027—70 per cent.; and (vi) by 31 December 2028 and every year thereafter—80 per cent..

The EPR Act of 2022 likewise mandates covered enterprises to register its EPR programs with the National Solid Waste Management Commission.

INTELLECTUAL PROPERTY LAW

Intellectual Property Code

Under the Intellectual Property Code of the Philippines, the rights to a trademark are acquired through the registration with the Bureau of Trademarks of the Intellectual Property Office, which is the principal government agency involved in the registration of brand names, trademarks, patents and other registrable intellectual property materials.

Upon registration, the Intellectual Property Office shall issue a certificate of registration to the owner of the mark, which shall confer the right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the mark is registered. The said certificate of registration shall also serve as prima facie evidence of the validity of registration and the registrant's ownership of the mark. A certificate of registration shall remain in force for an initial period of 10 years and may be renewed for periods of 10 years at its expiration.

LOCAL GOVERNMENT CODE

Republic Act No. 7160, otherwise known as the Local Government Code (**LGC**) establishes the system and powers of provincial, city, municipal, and barangay governments in the country. The LGC general welfare clause states that every LGU shall exercise the powers expressly granted, those necessarily implied, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare.

An LGU, through its respective legislative bodies, may enact ordinances and approve resolutions, as shall be necessary and proper to provide for health and safety, comfort and convenience, maintain peace and order, improve the morals, and promote the prosperity and general welfare of the community and the inhabitants thereof, and the protection of property therein. Ordinances can reclassify land, impose real property taxes, order the closure of business establishments, and require permits and licences from businesses operating within the territorial jurisdiction of the LGU.

Businesses are required to obtain a local business permit from the LGU having jurisdiction over the territory where the entity seeks to operate before commencement of actual operations. In order to obtain a local business permit for any business or activity, a clearance must first be obtained from the barangay where such business or activity is located or conducted.

Subject to certain limitations, the power to tax is also exercised by the LGU through their respective legislative bodies, upon enactment of an appropriate ordinance.

TAXATION

The statements herein regarding taxation are based on the laws in force as of the date of this Offering Circular and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis.

The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in bonds or commodities) may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or any persons acquiring, selling or otherwise dealing in the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes.

Prospective investors considering the purchase of the Notes should consult their own tax advisers concerning the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile.

PHILIPPINE TAXATION

The following is a discussion of the material Philippine tax consequences of the acquisition, ownership and disposition of the Notes. This general description does not purport to be a comprehensive description of all the Philippine tax aspects of the Notes and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the Notes under applicable tax laws of any other applicable jurisdictions nor of the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding and disposing of the Notes in such other jurisdictions. This discussion is based upon Philippine laws, regulations, rulings, and income tax conventions (treaties) in effect as at the date of this Offering Circular.

The tax treatment applicable to a holder of the Notes may vary depending upon such holder's particular situation, and certain holders may be subject to special rules not discussed below. This summary does not purport to address all tax consequences and tax aspects that may be important to a holder of the Notes or relevant to a decision to purchase the Notes.

PROSPECTIVE PURCHASERS OF THE NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL OR FOREIGN TAX LAWS.

The following is a general description of certain Philippine tax aspects of the Notes. It is based on the present provisions of the National Internal Revenue Code of 1997 (the "**Tax Code**"), as amended by Republic Act No. 10963, otherwise known as the TRAIN Law, by Republic Act No. 11534, otherwise known as CREATE, by Republic Act No. 11976, otherwise known as the Ease of Paying Taxes Act, by Republic Act No. 12066, otherwise known as CREATE MORE, and the regulations, issuances, circulars and memoranda promulgated thereunder and judicial and ruling authorities in force as of the date of this Offering Circular, all of which are subject to changes occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. You should consult your tax advisors as to the laws of other applicable jurisdictions and the specific tax consequences of acquiring, holding and disposing of the Notes, and the overall tax consequences of your acquisition, ownership or disposal of the Notes.

As used in this section, and based on the Tax Code, the term resident alien refers to an individual whose residence is within the Philippines and who is not a citizen of the Philippines while the term non-resident alien means an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who stays in the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "*non-resident alien doing business in the Philippines*"; otherwise, such non-resident alien is considered a "non-resident alien not engaged in trade or business within the Philippines". A "*resident foreign corporation*" is a foreign corporation engaged in trade or business in the Philippines and a "*non-resident foreign corporation*" is a foreign corporation that is not engaged in trade or business within the Philippines. A "*domestic corporation*" is a corporation created or organised under Philippine laws. A "*resident foreign corporation*" is a foreign corporation engaged in trade or business in the Philippines; and a "*non-resident foreign corporation*" is a foreign corporation not engaged in trade or business in the Philippines.

Of the different classes of taxpayers under the Tax Code, only (1) resident citizens and (2) domestic corporations are subject to Philippine tax in respect of all sources of income whether these are derived from within or outside the Philippines. The rest of the aforementioned classes of taxpayers (**Philippine-sourced Taxpayers**) are subject to Philippine tax only if the relevant source of income is derived from within the Philippines (**Philippine-sourced income**).

Documentary Stamp Taxes

Under Republic Act No. 10963, which amended certain provisions of the Tax Code, a documentary stamp tax is imposed upon every original issue of debt instruments such as bonds and notes, at the rate of ₱1.50 on each ₱200.00, or fractional part thereof, of the face value of such debt instruments. The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted or transferred when the obligation or right arises from Philippine sources, the property is situated in the Philippines, or where the object of the contract is located or used in the Philippines.

No documentary stamp tax is imposed in the Philippines upon the issuance of the Notes, as the Issuer is a non-resident foreign corporation and the issuance of the Notes takes place outside the Philippines.

Repayment of the Principal on the Notes

The Issuer's payment of the principal on the Notes will not subject the Noteholder to taxation in the Philippines by reason solely of the holding of the Notes or the receipt of principal.

Interest on the Notes

Interest derived from bonds, notes or other interest-bearing obligations of Philippine residents is considered Philippine-sourced income under the Tax Code. Since the Issuer is a non-resident foreign corporation, and therefore not a Philippine resident, the interest on the Notes will generally not be considered as Philippine-sourced income.

Resident citizens and domestic corporations of the Philippines are subject to Philippine tax on their income, whether Philippine-sourced or not. As such, their receipt of interest on the Notes will be subject to Philippine tax. Interest on the Notes received by said types of taxpayers will form part of their taxable income subject to ordinary income tax rates under the Tax Code at graduated rates from 0-35 per cent. for resident citizens, 25 per cent. for domestic corporations (or further reduced to 20 per cent. in respect of domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million, excluding land on which the corporation's office, plant and equipment are situated during the taxable year for which the tax is imposed), or 20 per cent. for registered business enterprises under the enhanced deduction regime implemented by CREATE MORE (if such interest on the Notes constitutes income from their registered activities).

Interest income on the Notes received by domestic corporations also generally forms part of their gross income (i.e., gross sales or gross receipts less cost of goods sold, cost of goods manufactured and sold, or cost of services) for purposes of computing the 2 per cent. minimum corporate income tax (**MCIT**) which may be imposed on a corporation beginning on its fourth taxable year. A domestic corporation pays the MCIT instead of the regular corporate income tax when the MCIT is greater than the regular corporate income tax.

Any payment made by the Guarantors to a non-resident holder under the guarantee which is attributable to interest on the Notes, however, could be subject to withholding taxes in the Philippines.

Sale or Other Disposition of the Notes

A holder of a Note will recognise a gain or loss upon the sale or other disposition (including a redemption at maturity) of the Notes in an amount equal to the difference between the amount realised from such disposition and such holder's basis in the Notes.

Any gain, profit or income from the sale or disposition of personal property will generally be considered as Philippine-sourced income only if sold within the Philippines (subject to a special rule if the personal property is a bond, note or obligation considered as a Long-Term Bond, as discussed below) and will thus form part of gross income, given that the situs of the income derived from the sale of personal property is the place where the sale is perfected and consummated. Since the Issuer is a non-resident foreign corporation, and presumably the situs of any transfer involving the Notes will be facilitated in and take place outside of the Philippines, any gain, profit or income from any sale or disposition of the Notes will generally not be considered as Philippine-sourced income insofar as the Philippine-sourced Taxpayers (i.e., taxpayers other than resident citizens and domestic corporations) are concerned and thus the receipt by said taxpayers of any gain from sale of the Notes will not be subject to Philippine tax.

On the other hand, since resident citizens and domestic corporations are subject to Philippine tax on their income whether these are Philippine-sourced income or not, their realisation of any gain, profit or income from sale or disposition of the Notes will generally be subject to Philippine tax. A holder of the Notes will recognise a gain or loss upon the sale or other disposition (including a redemption at maturity or otherwise) of the Notes in an amount equal to the difference between the amount realised from such disposition and such holder's basis in the Notes.

Under Section 32(B)(7)(g) of the Tax Code, gains realised from the sale, exchange or retirement of bonds, debentures, and other certificates of indebtedness with an original maturity date of more than five years as measured from the date of the issuance of such bonds, debentures, or other certificates of indebtedness (**Long-Term Bonds**) are exempt from income tax. If the Notes will be construed by Philippine tax authority as Long-Term Bonds, gains realised by resident citizens and domestics corporations from the sale or transfer of the Notes will be exempt from Philippine tax.

If the Notes are not Long-Term Bonds, or will not be construed by the Philippine tax authority as Long-Term Bonds, any gain realised by resident citizens and domestic corporations from the sale or transfer of the Notes will form part of their taxable income subject to ordinary income tax rates under the Tax Code at graduated rates from 0 per cent.-35 per cent. for resident citizens, 25 per cent., 20 per cent. or 2 per cent. MCIT for domestic corporations, as the case may be. Additionally, in the case where the seller of the Notes (i) is a resident citizen, (ii) is not a dealer in securities, and (iii) has held the Notes for a period of more than 12 months prior to the sale, only 50.0 per cent. of any capital gain will be recognised and included in said seller's gross income for Philippine tax purposes.

Estate and Gift Taxes

As the Notes are issued by a corporation organised outside the Philippines, they should not be deemed to have a Philippine situs. Having no Philippine situs, the transfer of the Notes (1) to the estate or heirs of a deceased non-resident alien holder should not be subject to Philippine estate taxes and (2) by way of donation done outside the Philippines by a non-resident alien should not be subject to Philippine donor's taxes.

However, the following obligations of a foreign corporation are deemed to have a Philippine situs and are subject to Philippine estate or donor's gift taxes upon their transfer: (1) obligations of a foreign corporation, 85 per cent. of the business of which is located in the Philippines, and (2) obligations issued by a foreign corporation if such obligation has acquired a business situs in the Philippines. The Notes may acquire a Philippine situs if the foregoing requisites become applicable to the Issuer or the Notes.

If the Notes are deemed to have a Philippine situs, the transfer of the Notes by a deceased Noteholder to his heirs by way of succession shall be subject to Philippine estate tax at a fixed rate of 6 per cent. of the net estate.

If the Notes are deemed to have a Philippine situs, a Noteholder who transfers the Notes by way of gift or donation shall be subject to Philippine donor's tax at the fixed rate of 6 per cent. based on the total gifts or donations in excess of ₱250,000.00 exempt gifts made during the calendar year, whether or not the donee or beneficiary is a stranger.

Capital Markets Efficiency Promotion Act

On 5 February 2025, the House of Representatives and the Senate have approved and adopted a reconciled bill which consolidates Senate Bill No. 2865 and House Bill No. 9277 or the Capital Markets Efficiency Promotion Act (**CMEPA**). If enacted into law, the provisions of the CMEPA indicate that it shall take effect by 1 July 2025 following its complete publication in the Official Gazette or in at least one newspaper of general circulation. The CMEPA bill proposes, among others, (i) the removal of the preferential tax treatment of the expanded foreign currency deposit system, (ii) the removal of tax exemption for long-term deposit or investment in the form of savings, common or individual trust funds, deposit substitutes, investment management accounts, and other investments, (iii) the reduction of the stock transaction tax, which applies to sale of shares through a local or foreign stock exchange, from 0.6 per cent. to 0.1 per cent., (iv) the reduction of the documentary stamp tax on original issuance of shares from ₱2.00 for every ₱200.00 or 1 per cent. based on par value of shares issued, to 0.75 per cent., and (v) standardization of the final withholding tax rate on certain passive income to 20 per cent., except for non-resident aliens not engaged in trade or business and non-resident foreign corporations, both of whom shall still be subject to a final withholding tax rate of 25 per cent..

While the tax reform program ensures fiscal sustainability, the dampening impact of higher taxes on consumer demand and affected industries (in terms of added costs), could slow down the country's growth pace and affect the business of the Company. Further, the new regulations may directly affect the business and results of operations of the Company.

SINGAPORE TAXATION

*The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by Inland Revenue Authority of Singapore (**IRAS**) and the Monetary Authority of Singapore (the **MAS**) in force as at the date of this Offering Circular and are subject to any changes in such laws, announcements, administrative guidelines or circulars, or the interpretation of those laws, announcements, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis including amendments to the Income Tax (Qualifying Debt Securities) Regulations to include the conditions for the income tax and withholding tax exemptions under the qualifying debt securities (**QDS**) scheme for early redemption fee (as defined in the Income Tax Act 1947 of Singapore, as amended or modified from time to time (the **ITA**)) and redemption premium (as such term has been amended by the ITA). These laws, announcements, guidelines and circulars are also subject to various interpretations and no assurance can be given that the relevant tax authorities or the courts will agree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant financial sector incentive(s)) may be subject to special rules or tax rates. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. The statements also do not consider any specific facts or circumstances that may apply to any particular purchaser. Holders and prospective holders of the Notes are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Guarantor the Joint Lead Managers and any other persons involved in the issue of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.*

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(A) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(B) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is 24 per cent. with effect from the Year of Assessment 2024. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(A) interest from debt securities derived on or after 1 January 2004;

(B) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(C) early redemption fee or redemption premium from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

Qualifying Debt Scheme

Debt securities that are issued on or after 15 February 2023 must be substantially arranged in Singapore by specified licensed persons in order to satisfy the requirement to be QDS for the purposes of the ITA. As the Notes are issued on or before 31 December 2028 and more than half of the lead managers are specified licensed persons, the Notes issued as debt securities would be qualifying debt securities for the purposes of the ITA, to which the following treatments shall apply:

(A) subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities to the MAS for the Notes within such period as the relevant authorities may specify and such other particulars in connection with the Notes as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Notes of a statement to the effect that where interest, discount income, early redemption fee or redemption premium from the Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the **Qualifying Income**) from the Notes derived by a holder who is not resident in Singapore and who (i) does not have any permanent establishment in Singapore or (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(B) subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities to the MAS in respect of the Notes within such period as the MAS may specify and such other particulars in connection with the Notes as the MAS may require), Qualifying Income from the Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant financial sector incentive(s) who may be taxed at different rates); and

(C) subject to:

(i) the Issuer including in all offering documents relating to the Notes a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium derived from the Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(ii) the furnishing to the MAS of a return on debt securities for the Notes within such period as the MAS may specify and such other particulars in connection with the Notes as the MAS may require,

payments of Qualifying Income derived from the Notes are not subject to withholding of tax by the Issuer.

Where interest, discount income, early redemption fee or redemption premium is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the ITA shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

However, notwithstanding the foregoing:

(A) if during the primary launch of the Notes, the Notes are issued to fewer than four persons and 50 per cent. or more of the issue of such Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Notes would not qualify as "qualifying debt securities"; and

(B) even though the Notes are "qualifying debt securities", if at any time during the tenure of such Notes, 50 per cent. or more of the issue of such Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Notes held by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term **related party**, in relation to a person (**A**), means any person (a) who directly or indirectly controls A, (b) who is being controlled directly or indirectly by A, or (c) who, together with A, is directly or indirectly under the control of a common person.

For the purposes of the ITA and/or this Singapore tax disclosure:

(A) **early redemption fee** means, in relation to debt securities and qualifying debt securities, any fee payable by the issuer of the securities on the early redemption of the securities;

(B) **redemption premium** means, in relation to debt securities and qualifying debt securities, any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities; and

(C) **specified licensed persons** means any of the following persons:

(i) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;

(ii) a finance company licensed under the Finance Companies Act 1967 of Singapore;

(iii) a person who holds a capital markets services licence under the Securities and Futures Act 2001 of Singapore to carry on a business in any of the following regulated activities:

(a) advising on corporate finance; or

(b) dealing in capital markets products; or

(iv) such other person as may be prescribed by rules made under Section 7 of the ITA.

Gains on Disposal of Notes

Any gains considered to be in the nature of capital made from the sale of the Notes will generally not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature. In addition, any foreign-sourced disposal gains received in Singapore from outside Singapore from the sale of the Notes that occurs on or after 1 January 2024 by an entity of a multinational group that does not have adequate economic substance in Singapore may be taxable as further described in Section 10L of the ITA.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard 39 (**FRS 39**), Financial Reporting Standard 109—Financial Instruments **(FRS 109**) or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) (SFRS(I) 9) (as the case may be) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "*Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes*".

Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes

Section 34A of the ITA requires taxpayers who adopt or are required to adopt FRS 39 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 39, subject to certain exceptions provided in that section and certain "opt-out" provisions. The IRAS has also issued an e-tax guide entitled "Income Tax Implications Arising from the Adoption of FRS 39—Financial Instruments: Recognition and Measurement" to provide guidance on the Singapore income tax treatment of financial instruments.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who adopt or who are required to adopt FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions provided in that section. The IRAS has also issued an e-tax guide entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under the FRS 39 tax regime, FRS 109 tax regime or the SFRS(I) 9 tax regime should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

CLEARANCE AND SETTLEMENT OF THE NOTES

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream (together, the **Clearing Systems**) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, the Guarantor, nor any Joint Lead Manager, the Trustee or any Agents takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Guarantor or any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Custodial and depositary links have been established with Euroclear and Clearstream to facilitate the initial issue of the Notes and transfers of the Notes associated with secondary market trading.*

THE CLEARING SYSTEMS

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book- entry of changes in the accounts of their participants. Euroclear and Clearstream provide their respective participants with, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the Principal Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

Registration and Form

Book-entry interests in the Notes held through Euroclear and Clearstream will be evidenced by the Global Certificate, registered in the name of nominee of the common depositary of Euroclear and Clearstream. The Global Certificate will be held by a common depositary for Euroclear and Clearstream. Beneficial ownership in Notes will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream.

The aggregate holdings of book-entry interests in the Notes in Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. Euroclear and Clearstream, as the case may be, and every other intermediate holders in the chain to the beneficial owner of book-entry interests in the Notes, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interest in the Notes. The Registrar will be responsible for maintaining a record of the aggregate holdings of Notes registered in the name of a common nominee for Euroclear and Clearstream and/or if individual Certificates are issued in the limited circumstances described under "*The Global Certificate—Registration of Title*", holders of Notes represented by those individual Certificates. The Principal Paying Agent will be responsible for ensuring that payments received by it from the Issuer for holders of interests in the Notes holding through Euroclear and Clearstream are credited to Euroclear or Clearstream, as the case may be.

The Issuer will not impose any fees in respect to the Notes; however, holders of book-entry interest in the Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream.

CLEARANCE AND SETTLEMENT PROCEDURES

Initial Settlement

Upon their original issue, the Notes will be in global form represented by the Global Certificate. Interests in the Notes will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Notes through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Notes will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the Closing Date against payment (for value the Closing Date).

Secondary Market Trading

Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream to purchasers of book-entry interests in the Notes through Euroclear or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream and will be settled using the procedures applicable to conventional participants.

GENERAL

Although the foregoing sets out the procedures of Euroclear and Clearstream in order to facilitate the transfers of interests in the Notes among participants of Euroclear and Clearstream, none of Euroclear and Clearstream is under any obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

Neither of the Issuer, the Guarantor nor any of their agents will have any responsibility for the performance by Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations.

SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with the Joint Lead Managers dated 25 March 2025 (the **Subscription Agreement**), pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to sell, and the Joint Lead Managers have agreed severally and not jointly, to subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Notes.

Joint Lead Managers	Principal Amount of the Notes to be Subscribed
J.P. Morgan Securities Asia Private Limited	U.S.$97,500,000
Morgan Stanley Asia (Singapore) Pte.	U.S.$97,500,000
BPI Capital Corporation	U.S.$52,500,000
The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch	U.S.$52,500,000
Total	U.S.$300,000,000

In addition, the Issuer (failing which the Guarantor) has agreed to reimburse the Joint Lead Managers for certain of their expenses in connection with the issue of the Notes.

The Subscription Agreement provides that the Issuer and the Guarantor will indemnify the Joint Lead Managers against certain liabilities. The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Joint Lead Managers and their affiliates have performed and may perform in the future various financial advisory, investment banking and commercial banking services for the Issuer and the Guarantor and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and the Guarantor, and/or its affiliates in the ordinary course of their business.

The Joint Lead Managers or certain of their affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. The Issuer, the Guarantor or the Joint Lead Managers may pay commissions to certain third parties (including, without limitation, commission to private banks).

The Joint Lead Managers have entered into certain arrangements with the Domestic Managers in connection with the sale of the Notes in the Philippines, for which the Domestic Managers will receive customary fees.

The Joint Lead Managers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Joint Lead Managers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer and the Guarantor or its subsidiaries, jointly controlled entities or associated companies and may be paid fees in connection with such services from time to time. In the ordinary course of their various business activities, the Joint Lead Managers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer and the Guarantor or its subsidiaries, jointly controlled entities or associated companies, including the Notes, may be entered into at the same time or proximate to offers and sales of the Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. The Joint Lead Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

If a jurisdiction requires that the offering of Notes be made by a licenced broker or dealer and the Joint Lead Managers or any of their respective affiliates is a licenced broker or dealer in that jurisdiction, such offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction. The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Notes is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

OFFERING AND SELLING RESTRICTIONS

General

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Notes are subject to restrictions and may not be made except pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

None of the Issuer, the Guarantor or the Joint Lead Managers makes any representation that any action has been or will be taken in any jurisdiction by the Issuer, the Guarantor or the Joint Lead Managers that would, or is intended to permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Notes, or possession or distribution of this Offering Circular (in preliminary, proof or final form), any amendment or supplement thereto issued in connection with the proposed resale of the Notes or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Each of the Joint Lead Managers will comply with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes this offering circular (in preliminary, proof or final form) or any such other material, in all cases at its own expense. The Joint Lead Managers are not authorised to make any representation or use any information in connection with the issue, subscription and sale of the Notes other than as contained in, or which is consistent with, this Offering Circular or any amendment or supplement to it.

Persons into whose hands this Offering Circular comes are required by the Issuer, the Guarantor and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Offering Circular or any other offering material relating to the Notes, in all cases at their own expense.

If a jurisdiction requires that the offering be made by a licenced broker or dealer and the Joint Lead Managers or any of their respective affiliates is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

United States of America

The Notes and the Notes Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States except in accordance with Regulation S or pursuant to any other exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Joint Lead Manager has, severally and not jointly, represented and warranted that it has not offered or sold, and agreed that it will not offer or sell, any Notes and the Notes Guarantee constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes and the Notes Guarantee. Terms used in this paragraph have the meanings given to them by Regulation S.

United Kingdom

Each Joint Lead Manager has, severally and not jointly, represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA received by it in connection with the issue or sale of any of the Notes in circumstances in which Section 21(1)) of the FSMA does not apply to the Issuer or the Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

U.K PRIIPs Regulation / Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has, severally and not jointly, represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular to any retail investor in the U.K. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or

(b) customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

The expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Consequently, no key information document required by the U.K. PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the U.K. PRIIPs Regulation.

PRIIPS Regulation / Prohibition of Sales to EEA retail investors

Each Joint Lead Manager has, severally and not jointly, represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular to any retail investor in a member state of the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a "professional client" as defined in point (10) of Article 4(1) of MiFID II.

The expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Hong Kong

Each Joint Lead Manager has, severally and not jointly, represented, warranted and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (A) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (B) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provision) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Hong Kong—Notice to CMIs and Prospective Investors Pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct—Important Notice to CMIs (Including Private Banks)

This notice to CMIs (including private banks) is a summary of certain obligations the Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the Code as having an Association with the Issuer, the Guarantor, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Guarantor or any CMI (including its group companies) and inform the relevant Joint Lead Manager accordingly. CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, the Joint Lead Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated bookrunner (if any) to categorize it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

(a) the name of each underlying investor;

(b) a unique identification number for each investor;

(c) whether an underlying investor has any "Associations" (as used in the Code);

(d) whether any underlying investor order is a "Proprietary Order" (as used in the Code);

(e) whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: investor.info.hk.bond.deals@jpmorgan.com and omnibus_debt@morganstanley.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the Code, including to the Issuer, the Guarantor, relevant regulators and/or any other third parties as may be required by the Code, for the purpose of complying with the Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering.

The relevant Joint Lead Manager may be asked to demonstrate compliance with their obligations under the Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Joint Lead Manager with such evidence within the timeline requested.

Singapore

Each Joint Lead Manager has, severally and not jointly, acknowledged that this Offering Circular has not been and will not be lodged or registered as a prospectus with the MAS. Accordingly, each Joint Lead Manager has, severally and not jointly, represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as amended or modified from time to time, the **SFA**) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**). Each Joint Lead Manager has, severally and not jointly, represented, warranted and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Korea

The Notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea. Each Joint Lead Manager, severally and not jointly, represents and agrees that it has not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, any Notes in Korea or to, or for the account or benefit of, any Korean resident (as such term is defined in the Foreign Exchange Transactions Act of Korea and the decree, rules and regulations promulgated thereunder), except as otherwise permitted under applicable Korean laws and regulations. Furthermore, each Joint Lead manager is aware that a holder of any Notes will be prohibited from offering, selling or delivering any Notes, directly or indirectly, in Korea or to any resident of Korea (as such term is defined in the Foreign Exchange Transactions Act of Korea and the decree, rules and regulations promulgated thereunder) for a period of one year from the date of issuance of the Notes, except as otherwise permitted by applicable Korean laws and regulations; provided that any investor to which any Joint Lead Manager sells the Notes confirms that it is purchasing such Notes as principal and agrees that it will comply with the restrictions described above. Each Joint Lead Manager, severally and not jointly, further represents that it will take commercially reasonable best measures as underwriter in the ordinary course of its business to prevent any Notes from being offered, sold or delivered to any resident of Korea within one year from the issuance of the Notes.

Philippines

THE NOTES BEING OFFERED OR SOLD HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE PHILIPPINE SEC AS REQUIRED UNDER THE SRC. ANY FUTURE OFFER OR SALE OF THE NOTES WITHIN THE PHILIPPINES IS SUBJECT TO THE REGISTRATION REQUIREMENTS UNDER THE SRC UNLESS SUCH OFFER OR SALE IS MADE UNDER CIRCUMSTANCES IN WHICH THE OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION UNDER THE SRC.

Under Republic Act No. 8799, known as the SRC, and its implementing rules, securities, such as the Notes, are not permitted to be sold or offered for sale or distribution within the Philippines unless such securities are registered with the Philippine SEC or are otherwise exempt securities or sold pursuant to an exempt transaction.

The offer or sale of the Notes in the Philippines to persons who are qualified buyers pursuant to Section 10.1(l) of the SRC and Rule 10.1.3 of the implementing rules of the SRC (as amended) qualify as an exempt transaction. The Company has not applied for or obtained and will not obtain confirmation from the Philippine SEC that the offer and sale of the Notes within the Philippines qualifies as an exempt transaction. It is not required that the Philippine SEC confirm the exemption of such offers or sales from the registration requirements of the SRC. Each of the Joint Lead Managers has, severally and not jointly, represented, warranted and agreed that it has not and will not sell or offer for sale or distribution any Notes in the Philippines except to "qualified buyers" pursuant to Section 10.1(l) of the SRC and Rule 10.1.3 of the implementing rules of the SRC (as amended). Prospective investors should take note of the transfer restrictions set out in the implementing rules of the SRC.

GENERAL INFORMATION

(1) **Clearing Systems**: The Notes have been accepted for clearance through Euroclear and Clearstream under Common Code number 303437258. The International Securities Identification Number (ISIN) for the Securities is XS303437258.

(2) **LEI**: The LEI of the Issuer is 213800FIP2SRT2BTBR79.

(3) **Listing of Securities**: Approval in-principle has been obtained for the listing and quotation of the Notes on the Official List of the SGX-ST. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Certificate is exchanged for Certificates. In addition, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Certificates, including details of the paying agent in Singapore. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies). Accordingly, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of U.S.$200,000.

(4) **Authorisations**: The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The Guarantor has obtained all necessary consents, approvals and authorisations in connection with the provision of and performance of its obligations under the Guarantee. The issuance of the Notes was authorised by resolutions of the directors of the Issuer dated 24 March 2025. The provision of the Notes Guarantee was authorised by resolutions of the Board dated as of 24 March 2025.

(5) **No Material Adverse Change**: Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Group since 31 December 2024 and no material adverse change in the financial position, trading position or prospects of the Group since 31 December 2024.

(6) **Litigation**: Save as disclosed in this Offering Circular, neither the Issuer nor the Guarantor is involved in any litigation or arbitration proceedings which may have, or have had during the 12 months preceding the date of this Offering Circular, a significant adverse effect on the financial position or trading position of the Issuer or the Guarantor nor is Issuer or the Guarantor aware that any such proceedings are pending or threatened.

(7) **Independent Auditors**: The audited consolidated financial statements of the Group as of 31 December 2024 and 2023 and for the years ended 31 December 2024, 2023 and 2022 appearing in this Offering Circular, have been audited by SyCip Gorres Velayo & Co., independent auditors, as set forth in their reports appearing herein.

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Jollibee Foods Corporation
Doing business under the name and style of Jollibee
and Subsidiaries

Consolidated Financial Statements
December 31, 2024 and 2023
and Years Ended December 31, 2024, 2023
and 2022

and

Independent Auditor's Report

SGV
Building a better working world

A member firm of Ernst & Young Global Limited

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Jollibee Foods Corporation
Doing business under the name and style of Jollibee
and Subsidiaries
10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue, Ortigas Center
Pasig City

Opinion

We have audited the consolidated financial statements of Jollibee Foods Corporation Doing business under the name and style of Jollibee (the Parent Company) and its subsidiaries (the Jollibee Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit 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 period. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Accounting for Business Combination - Acquisition of Compose Coffee

On July 2, 2024, the Jollibee Group, through its wholly owned subsidiary, Jollibee Worldwide Pte. Ltd., acquired majority shareholding in Compose Coffee Co., Ltd. and JMCF Co., Ltd. (collectively Compose Coffee). The Jollibee Group recognized provisional goodwill of ₱3,416.5 million and trademark and supplier relationships of ₱12,204.5 million based on the provisional purchase price allocation performed. We considered the accounting for this acquisition to be a key audit matter because it required significant amount of management judgment and estimation in identifying the underlying acquired assets and liabilities and in determining their fair values, specifically the acquired property, plant and equipment, trademark and supplier relationships.

The disclosures in relation to the acquisition of Compose Coffee are included in Notes 4 and 11 to the consolidated financial statements.

Audit Response

We reviewed the share purchase agreement covering the acquisition, the consideration paid and the provisional purchase price allocation. We evaluated the competence, capabilities and objectivity of the external appraiser who prepared the appraisal report for the property, plant and equipment and the external valuation specialist who valued the trademark and supplier relationships by considering their qualifications, relevant experience and reporting responsibilities. We involved our internal specialist in the review of the methodologies and assumptions used in arriving at the fair values of the property, plant and equipment, trademark and supplier relationships. We compared the key assumptions used such as the list prices and adjustment factors by reference to relevant market data for the valuation of property, plant and equipment. We also compared the key assumptions in the valuation of trademark and supplier relationships such as revenue growth rate, long-term growth rate and store churn rate. We tested the parameters used in determining the discount rate against market data. We reviewed the presentation and disclosures in the consolidated financial statements.

Recoverability of Goodwill and Trademark with Indefinite Life

Under Philippine Accounting Standard (PAS) 36, Impairment of Assets, the Jollibee Group is required to annually test the amount of goodwill and trademark with indefinite life for impairment. This annual impairment test was significant to our audit because the balance of goodwill and trademark with indefinite life amounting to ₱20,114.6 million and ₱40,854.3 million, respectively, as at December 31, 2024, respectively, are material to the consolidated financial statements.

In addition, management's assessment process is complex and highly judgmental and is based on assumptions, specifically discount rate, which is applied to the cash flows, net sales forecasts, long-term revenue growth rate, and earnings before interest, taxes, depreciation and amortization (EBITDA) which are affected by expected future market or economic conditions, particularly those in the Philippines, the People's Republic of China, Vietnam, South Korea, Taiwan, Hongkong and the United States of America.

The Jollibee Group's disclosures about goodwill and trademarks with indefinite life are included in Note 14.

Audit Response

We involved our internal specialist in evaluating the methodologies and the assumptions used in determining the recoverable amounts of the cash-generating units (CGUs) for goodwill and the trademarks with indefinite life. These assumptions include the discount rate, net sales forecasts, long-term revenue growth rate, and EBITDA. We compared the key assumptions used, such as forecasted long-term revenue growth rate, forecasted net sales and EBITDA against the historical data of the CGUs and inquired from management and operations personnel about the plans to support the forecasts. Furthermore, we tested the parameters used in the determination of discount rate against market data. We also reviewed the Jollibee Group's disclosures about the assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of goodwill and trademarks with indefinite life.

Recognition of Deferred Income Tax Assets

The Parent Company and certain subsidiaries (foreign and local) have recognized deferred tax assets amounting to ₱22,867.1 million as at December 31, 2024. Of that amount, around 28% relates to net operating loss carryover and excess minimum corporate income tax over regular corporate income tax. Management evaluated the recognition of these deferred tax assets based on the forecasted taxable income taking into account the period in which the deductible temporary differences can be claimed in the Philippines, the People's Republic of China, Europe, Singapore and the United States of America. The recognition of deferred tax assets is significant to our audit because the assessment process is complex and judgmental, and is based on assumptions that are affected by expected future market or economic conditions and the expected future performance as well as management's plans and strategies of the relevant taxable entities.

The disclosures in relation to deferred income taxes are included in Note 24 to the consolidated financial statements.

Audit Response

We updated our understanding of the Parent Company and its subsidiaries' deferred income tax calculation process and, together with our internal specialist, the applicable tax rules and regulations. We evaluated management's assessment on the availability of future taxable income with reference to financial forecasts and tax strategies. We evaluated management's forecast by comparing the forecasts of future taxable income against approved budgets, historical performance of the relevant entities like past revenue growth rates and with relevant external market information such as inflation. We also assessed the timing of the reversal of future taxable and deductible temporary differences.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditor's 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 auditor's 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 Jollibee 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 Jollibee Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 PSAs 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 PSAs, 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 Jollibee 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 Jollibee 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 auditor's 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 auditor's report. However, future events or conditions may cause the Jollibee 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 Jollibee Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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 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.

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 auditor's 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 auditor's report is Julie Christine O. Mateo.

SYCIP GORRES VELAYO & CO.

Julie Christine O. Mateo
Partner
CPA Certificate No. 93542
Tax Identification No. 198-819-116
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-068-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465357, January 2, 2025, Makati City

March 13, 2025

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousand Pesos)

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 31 and 32)	**₱29,326,649**	₱33,232,488
Short-term investments (Notes 6, 31 and 32)	**85,455**	624,800
Financial assets at fair value through profit or loss (Notes 10, 31 and 32)	**211,534**	7,853,800
Receivables and contract assets (Notes 7, 31 and 32)	**10,802,515**	8,567,416
Inventories (Note 8)	**13,872,706**	12,340,206
Other current assets (Note 9)	**11,476,061**	11,556,492
Total Current Assets	**65,774,920**	74,175,202
Noncurrent Assets		
Financial assets at fair value through profit or loss (Notes 10, 31 and 32)	**374,046**	316,182
Interests in and advances to joint ventures, co-venturers and associates (Note 11)	**26,827,599**	21,092,982
Property, plant and equipment (Note 12)	**43,893,416**	39,825,319
Investment properties (Note 13)	**89,395**	101,585
Right-of-use assets (Note 29)	**44,529,498**	44,966,055
Trademarks, goodwill and other intangible assets (Note 14)	**67,794,488**	51,926,645
Finance lease receivables (Notes 29, 31 and 32)	**-**	811
Deferred tax assets - net (Note 24)	**9,372,429**	7,424,064
Other noncurrent assets (Notes 15, 31 and 32)	**4,895,103**	4,345,371
Total Noncurrent Assets	**197,775,974**	169,999,014
	₱263,550,894	₱244,174,216
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities and contract liabilities (Notes 16, 31 and 32)	**₱48,364,343**	₱46,835,455
Short-term debt (Note 18)	**6,472,199**	5,751,730
Income tax payable	**787,740**	309,755
Current portion of:		
Lease liabilities (Notes 29, 31 and 32)	**8,106,429**	8,442,985
Long-term debt (Notes 18, 31 and 32)	**3,955,607**	6,180,695
Provisions (Note 17)	**733,014**	237,835
Total Current Liabilities	**68,419,332**	67,758,455
Noncurrent Liabilities		
Senior debt securities (Notes 18 and 31)	**34,582,581**	33,077,780
Noncurrent portion of:		
Lease liabilities (Notes 29, 31 and 32)	**44,115,015**	43,288,544
Long-term debt (Notes 18, 31 and 32)	**12,096,973**	6,436,348
Provisions (Note 17)	**1,200,938**	1,399,273
Pension liability (Note 25)	**2,851,393**	2,331,230
Deferred tax liabilities - net (Note 24)	**5,717,243**	3,625,931
Total Noncurrent Liabilities	**100,564,143**	90,159,106
Total Liabilities (*Carried Forward*)	**168,983,475**	157,917,561

(Forward)

	December 31	
	2024	2023
Total Liabilities *(Brought Forward)*	**₱168,983,475**	₱157,917,561
Equity Attributable to Equity Holders of the Parent Company (Note 31)		
Capital stock:		
Preferred (Note 19)	**12,000,000**	12,000,000
Common (Note 19)	**1,135,538**	1,132,331
Additional paid-in capital (Note 19)	**13,907,912**	12,662,905
Other reserve (Note 11)	**1,877,400**	1,877,400
Cumulative translation adjustments of foreign subsidiaries and interests in joint ventures and associates (Note 11)	**1,817,231**	1,405,390
Remeasurement loss on net defined benefit plan - net of tax (Note 25)	**(1,074,763)**	(990,150)
Excess of cost over the carrying value of non-controlling interests acquired (Notes 11 and 19)	**(2,026,340)**	(2,026,340)
Retained earnings (Note 19):		
Appropriated for future expansion	**23,400,000**	18,700,000
Unappropriated	**25,182,366**	23,341,856
	76,219,344	68,103,392
Less cost of stock held in treasury (Note 19):		
Preferred stock	**3,000,000**	–
Common stock	**180,511**	180,511
	73,038,833	67,922,881
Senior perpetual securities (Notes 10 and 19)	**20,264,804**	20,264,804
Non-controlling interests (Note 11)	**1,263,782**	(1,931,030)
Total Equity	**94,567,419**	86,256,655
	₱263,550,894	₱244,174,216

See accompanying Notes to Consolidated Financial Statements.

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousand Pesos, Except Per Share Data)

	Years Ended December 31		
	2024	2023	2022
REVENUES			
Gross sales	**₱254,957,686**	₱232,474,410	₱201,375,231
Sales discount	**(6,027,714)**	(5,772,849)	(4,717,946)
Net sales	**248,929,972**	226,701,561	196,657,285
Royalty, set-up fees and others (Note 20)	**16,147,781**	13,345,378	11,845,358
	265,077,753	240,046,939	208,502,643
PFRS 15 impact on system-wide advertising fees	**4,864,579**	4,060,409	3,399,573
	269,942,332	244,107,348	211,902,216
DIRECT COSTS (Note 21)	**218,223,014**	198,806,694	174,945,874
GROSS PROFIT	**51,719,318**	45,300,654	36,956,342
EXPENSES			
General and administrative expenses - net (Note 22)	**29,748,423**	26,084,005	22,905,918
Advertising and promotions	**5,081,824**	4,802,645	4,109,053
	34,830,247	30,886,650	27,014,971
INTEREST INCOME (EXPENSE) (Note 23)			
Interest income	**959,043**	863,515	341,189
Interest expense	**(5,771,552)**	(5,382,041)	(4,768,732)
	(4,812,509)	(4,518,526)	(4,427,543)
EQUITY IN NET EARNINGS OF JOINT VENTURES AND ASSOCIATES - Net (Note 11)	**329,176**	580,009	4,062
OTHER INCOME - Net (Note 23)	**1,780,346**	1,866,867	5,669,710
INCOME BEFORE INCOME TAX	**14,186,084**	12,342,354	11,187,600
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 24)			
Current	**5,526,758**	4,441,107	3,514,740
Deferred	**(2,136,514)**	(1,084,206)	334,367
	3,390,244	3,356,901	3,849,107
NET INCOME	**10,795,840**	8,985,453	7,338,493
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent years:			
Translation adjustments of foreign subsidiaries	**(1,521,358)**	204,908	1,309,602
Translation adjustments of foreign joint ventures and associates (Note 11)	**1,637,514**	(489,415)	(923,487)
Comprehensive income on derivative liability (Note 18)	**–**	–	12,795
	116,156	(284,507)	398,910
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent years:			
Remeasurement gain (loss) on pension - net of tax (Note 25)	**(84,613)**	(296,803)	447,460
	31,543	(581,310)	846,370
TOTAL COMPREHENSIVE INCOME	**₱10,827,383**	₱8,404,143	₱8,184,863
Net Income (Loss) Attributable to:			
Equity holders of the Parent Company (Note 28)	**₱10,316,529**	₱8,766,116	₱7,558,503
Non-controlling interests	**479,311**	219,337	(220,010)
	₱10,795,840	₱8,985,453	₱7,338,493
Total Comprehensive Income (Loss) Attributable to:			
Equity holders of the Parent Company	**₱10,643,757**	₱8,175,669	₱8,635,683
Non-controlling interests	**183,626**	228,474	(450,820)
	₱10,827,383	₱8,404,143	₱8,184,863
Earnings Per Share for Net Income Attributable to Equity Holders of the Parent Company (Note 28)			
Basic	**₱8.851**	₱7.455	₱6.400
Diluted	**8.826**	7.444	6.382

See accompanying Notes to Consolidated Financial Statements.

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 and 2022
(Amounts in Thousand Pesos)

	Equity Attributable to Equity Holders of the Parent Company (Note 31)														
	Preferred Stock (Note 19)	Capital Stock - Net of Subscription Receivable (Note 19)	Additional Paid-in Capital (Note 19)	Other Reserve (Note 11)	Cumulative Translation Adjustments of Foreign Subsidiaries and Interests in Joint Ventures and Associates (Note 11)	Remeasurement Gain (Loss) on Net Defined Benefit Plan - Net of tax (Note 25)	Comprehensive Income (Loss) on Derivative Liability (Note 18)	Excess of Cost Over the Carrying Value of Non-controlling Interests Acquired (Note 19)	Retained Earnings (Note 19)		Cost of Stock Held in Treasury (Note 19)	Total	Senior Perpetual Securities (Note 19)	Non-controlling Interests (Note 11)	Total Equity
									Appropriated for Future Expansion	Unappropriated					
Balance at January 1, 2024	**₱12,000,000**	**₱1,132,331**	**₱12,662,905**	**₱1,877,400**	**₱1,405,390**	**(₱990,150)**	**₱–**	**(₱2,026,340)**	**₱18,700,000**	**₱23,341,856**	**(₱180,511)**	**₱67,922,881**	**₱20,264,804**	**(₱1,931,030)**	**₱86,256,655**
Net income	–	–	–	–	–	–	–	–	–	**10,316,529**	–	**10,316,529**	–	**479,311**	**10,795,840**
Other comprehensive income (loss)	–		–	–	**411,841**	**(84,613)**	–	–	–	–	–	**327,228**	–	**(295,685)**	**31,543**
Total comprehensive income (loss)	–	–	–	–	**411,841**	**(84,613)**	–	–	–	**10,316,529**	–	**10,643,757**	–	**183,626**	**10,827,383**
Movements in other equity accounts:															
Issuances and subscriptions to common stock (Note 19)	–	**3,207**	**694,320**	–	–	–	–	–	–	–	–	**697,527**	–	–	**697,527**
Cost of stock options granted - net of tax (Note 26)	–	–	**550,687**	–	–	–	–	–	–	–	–	**550,687**	–	–	**550,687**
Cash dividends (Note 19)	–	–	–	–	–	–	–	–	–	**(3,776,019)**	–	**(3,776,019)**	–	–	**(3,776,019)**
Cash dividend received by a non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	–	–	**(87,941)**	**(87,941)**
Redemption of Series A - preferred shares	–	–	–	–	–	–	–	–	–	–	**(3,000,000)**	**(3,000,000)**	–	–	**(3,000,000)**
Acquisition of a subsidiary (Note 11)	–	–	–	–	–	–	–	–	–	–	–	–	–	**4,244,962**	**4,244,962**
Capital reduction of a subsidiary (Note 11)	–	–	–	–	–	–	–	–	–	–	–	–	–	**(258,461)**	**(258,461)**
Reversal of appropriated retained earnings during the year (Note 19)	–	–	–	–	–	–	–	–	**(18,700,000)**	**18,700,000**	–	–	–	–	–
Appropriation during the year (Note 19)	–	–	–	–	–	–	–	–	**23,400,000**	**(23,400,000)**	–	–	–	–	–
Distribution on senior perpetual securities (Note 19)	–	–	–	–	–	–	–	–	–	–	–	–	–	**(887,374)**	**(887,374)**
	–	**3,207**	**1,245,007**	–	–	–	–	–	**4,700,000**	**(8,476,019)**	**(3,000,000)**	**(5,527,805)**	–	**3,011,186**	**(2,516,619)**
Balances at December 31, 2024	**₱12,000,000**	**₱1,135,538**	**₱13,907,912**	**₱1,877,400**	**₱1,817,231**	**(₱1,074,763)**	**₱–**	**(₱2,026,340)**	**₱23,400,000**	**₱25,182,366**	**(₱3,180,511)**	**₱73,038,833**	**₱20,264,804**	**₱1,263,782**	**₱94,567,419**
Balance at January 1, 2023	₱12,000,000	₱1,131,217	₱12,091,767	₱1,877,400	₱1,699,034	(₱693,347)	₱–	(₱2,026,340)	₱18,700,000	₱17,621,540	(₱180,511)	₱62,220,760	₱20,264,804	(₱1,570,531)	₱80,915,033
Net income	–	–	–	–	–	–	–	–	–	8,766,116	–	8,766,116	–	219,337	8,985,453
Other comprehensive income (loss)	–		–	–	(293,644)	(296,803)	–	–	–	–	–	(590,447)	–	9,137	(581,310)
Total comprehensive income (loss)	–	–	–	–	(293,644)	(296,803)	–	–	–	8,766,116	–	8,175,669	–	228,474	8,404,143
Movements in other equity accounts:															
Issuances and subscriptions to common stock (Note 19)	–	1,114	207,927	–	–	–	–	–	–	–	–	209,041	–	–	209,041
Cost of stock options granted - net of tax (Note 26)	–	–	363,211	–	–	–	–	–	–	–	–	363,211	–	–	363,211
Cash dividends (Note 19)	–	–	–	–	–	–	–	–	–	(3,045,800)	–	(3,045,800)	–	–	(3,045,800)
Cash dividend received by a non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	–	–	(33,168)	(33,168)
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	–	203,261	203,261
Distribution on senior perpetual securities (Note 19)	–	–	–	–	–	–	–	–	–	–	–	–	–	(859,066)	(859,066)
Additional investment during the year (Note 11)	–	–	–	–	–	–	–	–	–	–	–	–	–	100,000	100,000
	–	1,114	571,138	–	–	–	–	–	–	(3,045,800)	–	(2,473,548)	–	(588,973)	(3,062,521)
Balances at December 31, 2023	₱12,000,000	₱1,132,331	₱12,662,905	₱1,877,400	₱1,405,390	(₱990,150)	₱–	(₱2,026,340)	₱18,700,000	₱23,341,856	(₱180,511)	₱67,922,881	₱20,264,804	(₱1,931,030)	₱86,256,655

	Equity Attributable to Equity Holders of the Parent Company (Note 31)														
	Preferred Stock (Note 19)	Capital Stock - Net of Subscription Receivable (Note 19)	Additional Paid-in Capital (Note 19)	Other Reserve (Note 11)	Cumulative Translation Adjustments of Foreign Subsidiaries and Interests in Joint Ventures and Associates (Note 11)	Remeasurement Gain (Loss) on Net Defined Benefit Plan - Net of tax (Note 25)	Comprehensive Income (Loss) on Derivative Liability (Note 18)	Excess of Cost Over the Carrying Value of Non-controlling Interests Acquired (Note 19)	Retained Earnings (Note 19)		Cost of Stock Held in Treasury (Note 19)	Total	Senior Perpetual Securities (Note 19)	Non-controlling Interests (Note 11)	Total Equity
Balance at January 1, 2022	₱12,000,000	₱1,107,164	₱10,331,342	₱1,877,400	₱1,082,109	(₱1,140,807)	(₱12,795)	(₱2,026,340)	₱18,700,000	₱13,863,987	(₱180,511)	₱55,601,549	₱20,264,804	(₱1,682,198)	₱74,184,155
Net income (loss)	–	–	–	–	–	–	–	–	–	7,558,503	–	7,558,503	–	(220,010)	7,338,493
Other comprehensive income (loss)	–	–	–	–	616,925	447,460	12,795	–	–	–	–	1,077,180	–	(230,810)	846,370
Total comprehensive income (loss)	–	–	–	–	616,925	447,460	12,795	–	–	7,558,503	–	8,635,683	–	(450,820)	8,184,863
Movements in other equity accounts:															
Issuances and subscriptions to common stock (Note 19)	–	8,884	1,589,033	–	–	–	–	–	–	–	–	1,597,917	–	–	1,597,917
Reversal of subscription receivable (Note 19)	–	15,169	(15,169)	–	–	–	–	–	–	–	–	–	–	–	–
Cost of stock options granted - net of tax (Note 26)	–	–	186,561	–	–	–	–	–	–	–	–	186,561	–	–	186,561
Cash dividends (Note 19)	–	–	–	–	–	–	–	–	–	(3,036,203)	–	(3,036,203)	–	–	(3,036,203)
Cash dividend received by a non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	–	–	(32,565)	(32,565)
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	–	464,810	464,810
Distribution on senior perpetual securities (Note 19)	–	–	–	–	–	–	–	–	–	(764,747)	–	(764,747)	–		(764,747)
Additional investment during the year (Note 11)	–	–	–	–	–	–	–	–	–	–	–	–	–	130,242	130,242
	–	24,053	1,760,425	–	–	–	–	–	–	(3,800,950)	–	(2,016,472)	–	562,487	(1,453,985)
Balances at December 31, 2022	₱12,000,000	₱1,131,217	₱12,091,767	₱1,877,400	₱1,699,034	(₱693,347)	₱–	(₱2,026,340)	₱18,700,000	₱17,621,540	(₱180,511)	₱62,220,760	₱20,264,804	(₱1,570,531)	₱80,915,033

See accompanying Notes to Consolidated Financial Statements.

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousand Pesos)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱14,186,084**	₱12,342,354	₱11,187,600
Adjustments for:			
Depreciation and amortization (Notes 12, 13, 14, 15, 21, 22 and 29)	**17,746,934**	16,953,816	15,598,591
Interest expense (Note 23)	**5,771,552**	5,382,041	4,768,732
Interest income (Note 23)	**(959,043)**	(863,515)	(341,189)
Impairment losses on:			
Receivables (Notes 7 and 22)	**450,373**	278,846	415,412
Property, plant and equipment (Notes 12 and 22)	**204,836**	160,354	107,900
Inventories (Notes 8 and 22)	**60,390**	177,937	274,297
Other current assets (Note 22)	**–**	8,058	121,458
Trademark (Notes 14 and 22)	**–**	–	463,101
Stock options expense (Notes 22 and 26)	**497,273**	353,863	185,016
Movement in pension liability (Note 25)	**407,433**	44,191	84,089
Equity in net losses (earnings) of joint ventures and associates (Note 11)	**(329,176)**	(580,009)	(4,062)
Provisions - net (Notes 17 and 23)	**296,844**	35,808	565,664
Loss on retirements and disposals of property, plant and equipment and other intangibles (Notes 12, 13, 14 and 22)	**279,780**	400,881	363,148
Reversals of provision for impairment on:			
Inventories (Notes 8 and 22)	**(70,855)**	(44,702)	(49,311)
Property, plant and equipment (Notes 12 and 22)	**(68,965)**	(49,777)	(262,266)
Receivables (Notes 7 and 22)	**(67,173)**	(7,800)	(4,136)
Right-of-use assets (Notes 29 and 22)	–	(130,843)	(86,960)
Pre-termination of leases (Notes 23 and 29)	**(69,424)**	(78,840)	(166,816)
Unrealized loss (gain) from financial assets at fair value through profit or loss (Notes 10 and 23)	**(178,589)**	(530,939)	1,053,738
Amortization of debt issue cost (Note 18)	**51,873**	46,047	50,693
Net unrealized foreign exchange loss (gain)	**13,219**	19,662	(22,167)
Gain from land conveyance (Note 23)	–	–	(4,896,610)
Rent concessions (Note 29)	–	–	(152,196)
Gain from disposal of club share (Notes 10 and 23)	–	–	(3,500)
Income before working capital changes	**38,223,366**	33,917,433	29,250,226
Decreases (increases) in:			
Receivables	**(1,868,389)**	811,612	(2,682,294)
Inventories	**(1,354,612)**	4,835,259	(8,124,264)
Other current assets	**1,950,089**	(1,332,449)	(1,559,306)
Increase in trade payables and other current liabilities	**1,186,044**	3,209,591	10,069,263
Net cash generated from operations	**38,136,498**	41,441,446	26,953,625
Income taxes paid	**(5,048,772)**	(4,457,417)	(3,337,293)
Interest received	**943,194**	829,071	305,579
Net cash provided by operating activities	**34,030,920**	37,813,100	23,921,911
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property, plant and equipment (Note 12)	**(11,979,797)**	(11,272,203)	(9,682,661)
Interest in joint ventures and associates (Note 11)	**(5,996,869)**	(2,214,475)	(1,210,024)
Financial assets at fair value through profit or loss (Note 10)	**(3,907,874)**	(283,800)	(1,531,200)
Intangible assets (Note 14)	**(51)**	(65,591)	–
Proceeds from:			
Redemption of financial assets at fair value through profit or loss (Note 10)	**11,854,808**	884,127	7,584,842
Property, plant and equipment (Note 12)	**421,399**	366,265	396,617
Assets held for sale (Note 9)	**–**	–	2,768,202
Club share (Note 10)	**–**	–	25,000

(Forward)

	Years Ended December 31		
	2024	2023	2022
Decreases (increases) in:			
Short term-investments	**₱539,345**	(₱5,632)	(₱539,468)
Other noncurrent assets	**(678,960)**	(261,723)	(382,611)
Cash paid for acquisition of business - net of cash received (Note 11)	**(11,611,754)**	(765,015)	(409,672)
Collection from (advances to) joint ventures and an associate - net (Note 11)	**604,011**	(250,030)	(30,341)
Dividends received from a joint venture and an associate net of dividend paid to non-controlling interest (Note 11)	**114,269**	96,861	40,861
Net cash used in investing activities	**(20,641,473)**	(13,771,216)	(2,970,455)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Lease liabilities (Note 29)	**(11,343,098)**	(11,158,642)	(10,094,676)
Long-term debt (Note 18)	**(7,740,918)**	(4,711,976)	(6,975,614)
Cash dividends (Note 19)	**(3,781,488)**	(3,271,009)	(2,804,324)
Short-term debt (Note 18)	**(3,247,320)**	(1,020,696)	(1,102)
Distributions for senior perpetual securities	**(882,389)**	(844,389)	(835,189)
Proceeds from:			
Long-term debt (Note 18)	**10,973,991**	1,077,288	573,300
Short-term debt (Note 18)	**3,748,172**	2,515,645	3,868,308
Issuance of Common stock (Note 19)	**697,527**	209,040	1,597,917
Redemption of Series A - preferred shares (Note 19)	**(3,000,000)**	–	–
Interest paid	**(2,694,551)**	(2,560,368)	(2,231,208)
Contributions from non-controlling interests	–	100,000	130,242
Net cash used in financing activities (Note 33)	**(17,270,074)**	(19,665,107)	(16,772,346)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(3,880,627)**	4,376,777	4,179,110
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(25,212)**	(13,568)	(2,506)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**33,232,488**	28,869,279	24,692,675
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱29,326,649**	₱33,232,488	₱28,869,279

See accompanying Notes to Consolidated Financial Statements.

1. General Information

Corporate Information
Jollibee Foods Corporation Doing business under the name and style of Jollibee (the Parent Company or Ultimate Parent Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on January 11, 1978. The Parent Company and its subsidiaries (collectively referred to as "the Jollibee Group") and affiliates are involved primarily in the development, operations and franchising of quick service restaurants (QSRs) under the trade names "Jollibee", "Greenwich", "Chowking", "Yong He King", "Red Ribbon", "Hong Zhuang Yuan", "Mang Inasal", "Burger King", "Highlands Coffee", "Smashburger", "Tortazo", "Tim Ho Wan", "The Coffee Bean & Tea Leaf", "Panda Express", "Yoshinoya", "Milksha", "Common Man Coffee Roasters", "Compose Coffee" and "Tiong Bahru Bakery". The Parent Company is also primarily organized to invest in, acquire, own, hold, use, sell, assign, transfer, lease, mortgage, exchange, or otherwise dispose of real and personal properties, of every kind and description, or interests in the foregoing, pursuant to its business objectives. The other activities of the Jollibee Group include manufacturing and support services for the QSR systems and other business activities (see Notes 2 and 5).

The common and preferred shares of the Parent Company are listed and traded in the Philippine Stock Exchange (PSE) beginning July 14, 1993 and October 14, 2021, respectively.

The registered office address of the Parent Company is 10/F Jollibee Plaza Building, 10 F. Ortigas Jr. Ave., Ortigas Center, Pasig City.

Approval and Authorization for Issuance of Audited Consolidated Financial Statements
The audited consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years ended December 31, 2024 were authorized for issue by the Board of Directors (BOD), on March 13, 2025, as reviewed and recommended for approval by the Audit Committee, on the same date.

2. Basis of Preparation, Statement of Compliance, Changes in Accounting Policies and Basis of Consolidation

Basis of Preparation
The consolidated financial statements of the Jollibee Group have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL) which are measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency. All values are rounded to the nearest thousand pesos, except par values, per share amounts, number of shares and when otherwise indicated.

Statement of Compliance
The accompanying consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

New Standards, Interpretations and Amendments adopted by the Jollibee Group
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Jollibee Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, the adoption of these new standards did not have significant impact on the consolidation of the financial statements.

- Amendments to PAS 1*, Classification of Liabilities as Current or Noncurrent*

  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current;
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right; and,
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

  The amendments had no impact to the Jollibee Group.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising from a sale and leaseback transaction in a way that it does not recognize any amount of gain or loss that relates to the right of use retained.

  The amendments had no material impact to the Jollibee Group.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

  The amendments had no material impact to the Jollibee Group.

Future Changes in Accounting Policies
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Jollibee Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements.

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21*, Lack of exchangeability*

Effective beginning on or after January 1, 2026
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
- Amendments to PFRS 7, *Gain or Loss on Derecognition*
- Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
- Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity
- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Basis of Consolidation

The Jollibee Group is considered to have control over an investee when the Jollibee Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and,
- The ability to use its power over the investee to affect its returns.

When the Jollibee Group has less than majority of voting or similar rights of an investee, the Jollibee Group considers all relevant facts and circumstances in assessing whether it has power over an investee including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and,
- The Jollibee Group's voting rights and potential voting rights.

The Jollibee Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Jollibee Group obtains control over the subsidiary and ceases when the Jollibee Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Jollibee Group gains control until the date the Jollibee Group ceases to control the subsidiary.

The reporting dates of the Parent Company and the associates or joint ventures are identical and the latter's accounting policies conform to those used by the Parent Company for like transactions and events in similar circumstances.

Non-controlling interests represent the interests in the subsidiaries not held by the Parent Company, and are presented separately in the consolidated statement of comprehensive income and consolidated statement of financial position, separately from equity attributable to equity holders of the Parent Company.

A change in ownership interest in a subsidiary that does not result in a loss of control is accounted for as an equity transaction. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in the Jollibee Group's relative interests in the subsidiary. The Jollibee Group recognizes directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the equity holders of the Parent Company. In particular cases where the Jollibee Group acquires non-controlling interest in a subsidiary at a consideration in excess of its carrying amount, the excess is charged to the "Excess of cost over the carrying value of non-controlling interests acquired" account under equity. These changes in the ownership interest in a subsidiary do not result in the recognition of a gain or loss in profit or loss. These include acquisitions of non-controlling interests of Greenwich, Yong He King, Adgraphix, Mang Inasal, Happy Bee Foods Processing Pte. Ltd. and Smashburger.

The consolidated financial statements include the accounts of the Parent Company and the following wholly owned and majority-owned subsidiaries as at December 31, 2024 and 2023:

	Country of Incorporation	Principal Activities	**2024** **Direct Ownership**	**2024** **Indirect Ownership**	2023 Direct Ownership	2023 Indirect Ownership
Fresh N' Famous Foods Inc. (Fresh N' Famous)	Philippines	Food service	**100**	**–**	100	–
Chowking Food Corporation USA	United States of America (USA)	Holding company	**–**	**100**	–	100
Zenith Foods Corporation (Zenith)	Philippines	Food service	**100**	**–**	100	–
Pinnacle Quality Food Inc. (PQF)	Philippines	Food service	**–**	**100**	–	100
Freemont Foods Corporation (Freemont)	Philippines	Food service	**100**	**–**	100	–
RRB Holdings, Inc. (RRBH):	Philippines	Holding company	**100**	**–**	100	–
Red Ribbon Bakeshop, Inc. (RRBI)	Philippines	Food service	**–**	**100**	–	100
Red Ribbon Bakeshop, Inc. USA (RRBI USA)	USA	Food service	**–**	**100**	–	100
Mang Inasal Philippines Inc. (Mang Inasal)	Philippines	Food service	**100**	**–**	100	–
Grandworth Resources Corporation (Grandworth):	Philippines	Leasing	**100**	**–**	100	–
Adgraphix, Inc. (Adgraphix)	Philippines	Digital printing	**–**	**100**	–	100
Iconnect Multi Media Network, Inc. (Iconnect)	Philippines	Dormant	**–**	**60**	–	60
FCJB Foods, Inc. [g]	Philippines	Food service	**60**	**–**	60	–
Jollibee Worldwide Pte. Ltd. (JWPL):	Singapore	Holding company	**100**	**–**	100	–
Regional Operating Headquarters of JWPL (JWS)	Philippines	Financial accounting, human resources and logistics services	**–**	**100**	–	100
Golden Plate Pte., Ltd. (GPPL):	Singapore	Holding company	**–**	**100**	–	100
- Golden Beeworks Pte. Ltd.	Singapore	Food service	**–**	**60**	–	60
- Golden Piatto Pte. Ltd.	Singapore	Holding company	**–**	**75**	–	75
• Cibo Felice S.R.L.	Italy	Food service	**–**	**100**	–	100
- Bee World Spain, Sociedad Limitada	Spain	Food service	**–**	**100**	–	100
- Hong Yun Hong (Shanghai) Food and Beverages Management Company Ltd.	PRC	Food service	**–**	**60**	–	60
- Meko Holdings Limited [f]	Hong Kong	Food service	**–**	**60**	–	60
Golden Cup Pte. Ltd.	Singapore	Holding company	**–**	**60**	–	60
Beijing New Hongzhuang Yuan Food and Beverage Management Co., Ltd. (Hong Zhuang Yuan)	PRC	Food service	**–**	**100**	–	100
Southsea Binaries Ltd. (Southsea)	British Virgin Island (BVI)	Holding company	**–**	**100**	–	100
Beijing Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Shenzhen Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Hangzhou Yongtong Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Hangzhou Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Wuhan Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Tianjin Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Happy Bee Foods Processing Pte. Ltd. (HBFPPL)	Singapore	Holding company	**–**	**100**	–	100
- Happy Bee Foods Processing (Anhui) Co. Ltd.	PRC	Food service	**–**	**100**	–	100
JSF Investments Pte. Ltd. (JSF):	Singapore	Holding company	**–**	**100**	–	100
- SF Vung Tau Joint Stock Company	Vietnam	Holding company	**–**	**60**	–	60
• Highland Coffee Service Joint-stock Company	Vietnam	Food service	**–**	**100**	–	100
• Quantum Corporation	Vietnam	Food service	**–**	**100**	–	100
▪ Pho Viet Joint Stock Company	Vietnam	Food service	**–**	**100**	–	100
▪ Pho 24 Service Trade Manufacture Corporation	Vietnam	Food service	**–**	**100**	–	100
- Blue Sky Holdings Limited	Hong Kong	Holding company	**–**	**60**	–	60
• Sino Ocean Limited	Hong Kong	Food service	**–**	**100**	–	100
• Blue Sky Holdings (Macau) Limited	Macau	Food service	**–**	**100**	–	100
Jollibee (China) Food & Beverage Management Co.Ltd.	PRC	Management company	**–**	**100**	–	100
- Jollibee (Shanghai) Consulting Management Co., Ltd. [h]	PRC	Management company	**–**	**100**	–	100
Jollibee International (BVI) Ltd. (JIBL):	BVI	Holding company	**–**	**100**	–	100
- Jollibee Vietnam Corporation Ltd.	Vietnam	Food service	**–**	**100**	–	100
• Goldstar Food Trade and Service Company Limited (GSC)	Vietnam	Food service	**–**	**100**	–	100
- PT Chowking Indonesia	Indonesia	Dormant	**–**	**100**	–	100
- PT Jollibee Indonesia	Indonesia	Dormant	**–**	**100**	–	100
- Jollibee (Hong Kong) Limited	Hong Kong	Dormant	**–**	**85**	–	85
- Belmont Enterprises Ventures Limited (Belmont)	BVI	Holding company	**–**	**100**	–	100
• Yong He Holdings Co., Ltd.	BVI	Holding company	**–**	**100**	–	100

	Country of Incorporation	Principal Activities	2024 Direct Ownership	2024 Indirect Ownership	2023 Direct Ownership	2023 Indirect Ownership
・ Centenary Ventures Ltd.	BVI	Holding company	–	**100**	–	100
Bee World UK Limited (UK)	UK	Food service	–	**100**	–	100
JWPL Management Co., Pte. Ltd.	Singapore	Management company	–	**100**	–	100
- Branch of JWPL Management Co., Pte. Ltd.	Hong Kong	Management company	–	**100**	–	100
- JWPL Technology Co. Ltd.[e]	Thailand	Digital services	–	**100**	–	–
Super Magnificent Coffee Company Pte. Ltd. (SMCC-SG)	Singapore	Holding company	–	**80**	–	80
- Super Magnificent Coffee Company Ireland Limited (SMCC-IE)	Ireland	Holding company	–	**100**	–	100
- Super Magnificent Coffee Company Hungary Kft. (SMCC-HU)	Hungary	Holding company	–	**100**	–	100
• International Coffee & Tea, LLC (ICTL)	USA	Food service	–	**100**	–	100
・ 6000 Jefferson BH, LLC [i]	USA	Holding company	–	**80**	–	80
・ CBTL Ventures, LLC	USA	Food service	–	**100**	–	100
・ CBTL Franchising, LLC[c]	USA	Franchising company	–	–	–	100
・ CBTL Gift Card LLC [b]	USA	Sale of gift cards	–	**100**	–	100
- The Coffee Bean & Tea Leaf (Singapore) Pte., Ltd. (CBTL-SG)	Singapore	Food service	–	**100**	–	100
• The Coffee Bean & Tea Leaf (Malaysia) Sdn. Bhd.	Malaysia	Food service	–	**100**	–	100
• The Coffee Bean & Tea Leaf (Hongkong) Limited	Hong Kong	Dormant	–	**100**	–	100
- Magnificent Coffee Trading Pte. Ltd	Singapore	Food service	–	**100**	–	100
Milkshop International Inc. (Milksha)	Taiwan	Food service	–	**51**	–	51
Jolli-K Co. Ltd. (Jolli-K) [a]	South Korea	Holding company	–	**70**	–	–
- Compose Coffee Co. Ltd. (Compose Coffee) [a]	South Korea	Food service	–	**100**	–	–
- JMCF Co. Ltd. (JMCF) [a]	South Korea	Food service	–	**100**	–	–
Chanceux, Inc.	Philippines	Holding company	**100**	–	100	–
BKTitans Inc. (BKTitans)	Philippines	Holding company	–	**54**	–	54
- PFN Holdings Corporation	Philippines	Holding company	–	**99**	–	99
• PERF Restaurants, Inc.	Philippines	Food service	–	**100**	–	100
・ PERF Trinoma, Inc.	Philippines	Food service	–	**100**	–	100
・ PERF MOA Pasay Inc.	Philippines	Food service	–	**100**	–	100
Jollibee Foods Corporation (USA)	USA	Holding company	**100**	–	100	–
Honeybee Foods Corporation (HFC)	USA	Food service	–	**100**	–	100
- Tokyo Teriyaki Corporation (TTC)	USA	Food service	–	**100**	–	100
- Honeybee Foods (Canada) Corporation (HFCC)	Canada	Food service	–	**100**	–	100
Bee Good! Inc. (BGI)	USA	Holding company	–	**100**	–	100
- SJBF LLC (SJBF)	USA	Food service	–	**100**	–	100
Jolly USA Services LLC	USA	Holding company	–	**100**	–	100
- JBM LLC	USA	Franchising	–	**100**	–	100
- MKSA LLC [d]	USA	Food service	–	**100**	–	–
Donut Magic Phils., Inc. (Donut Magic)[j]	Philippines	Dormant	**100**	–	100	–
Ice Cream Copenhagen Phils., Inc. (ICCP)[j]	Philippines	Dormant	**100**	–	100	–
Mary's Foods Corporation (Mary's)[j]	Philippines	Dormant	**100**	–	100	–
QSR Builders, Inc.	Philippines	Dormant	**100**	–	100	–

(a) On August 16, 2024, the Parent company, through its wholly owned subsidiary, JWPL, completed the acquisition of 70% ownership in Compose Coffee Co., Ltd. and JMCF Co. Ltd. (collectively called "Compose Coffee").
(b) On August 2, 2024, the Jollibee Group, through ICTL, incorporated CBTL Gift Card LLC in the State of Arizona, USA.
(c) On July 17, 2024, CBTLF was deregistered.
(d) On March 21, 2024, MKSA LLC was incorporated in the State of Delaware.
(e) On March 6, 2024, JWPL Technology was incorporated in Thailand.
(f) On September 1, 2023, the Parent company, through its wholly owned subsidiary, GPPL, completed the acquisition of 60% ownership in Meko Holdings Limited.
(g) On August 29, 2023, FCJB Foods, Inc. was incorporated in the Philippines which is 60% owned by the Parent Company.
(h) On August 21, 2023, Jollibee (Shanghai) Consulting Management Co., Ltd. was incorporated in PRC.
(i) Effective January 1, 2023, pursuant to a recapitalization, ICTL is now an 80% holder of 6000 Jefferson BH LLC.
(j) On June 18, 2004, the stockholders of the Jollibee Group approved the Plan of Merger of the three (3) dormant companies. The application is pending approval from the SEC as at December 31, 2024.

3. **Material Accounting Policy Information**

The material accounting policies adopted in the preparation of the consolidated financial statements are summarized below:

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Jollibee Group.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations, without any deduction for transaction costs. Where the Jollibee Group has financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, it has elected to use the measurement exception to measure the fair value of its net risk exposure by applying the bid or ask price to the net open position as appropriate. For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities), the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible) and the cost approach (i.e., based on the amount required to replace the service capacity of an asset).

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

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

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable.

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

The Jollibee Group's management determines the policies and procedures for both recurring fair value measurement and non-recurring measurement. At each reporting date, the management analyzes the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per the Jollibee Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

Cash and Cash Equivalents
Cash includes cash on hand and in banks. 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 the date of acquisition and are subject to an insignificant risk of change in value.

Short-term Investments
Short-term investments are deposits with original maturities of more than three months to one year from acquisition date.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition. The Jollibee Group recognizes a financial asset or a financial liability in the consolidated statements of financial position, when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Jollibee Group commits to purchase or sell the asset.

Financial Instruments – Initial Recognition and Subsequent Measurement

Financial Assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Jollibee Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Jollibee Group has applied the practical expedient, the Jollibee Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Jollibee Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Jollibee Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Jollibee Group has no financial assets at FVOCI as at December 31, 2024 and 2023.

Financial Assets at Amortized Cost (Debt Instruments). This category is the most relevant to the Jollibee Group. The Jollibee Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Jollibee Group's cash in banks, short-term deposits, short-term investments, receivables (excluding receivables from government agencies), security and other deposits, operating lease receivables and finance lease receivables are classified under this category as at December 31, 2024 and 2023.

Financial Assets at FVTPL. Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they 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 they 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 FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the consolidated statements of financial position at fair value with net changes in fair value recognized in the consolidated statements of comprehensive income.

The Jollibee Group's investments in golf, leisure club shares, bond funds and private equity are classified under this category as at December 31, 2024 and 2023.

Impairment of Financial Assets. The Jollibee Group recognizes an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows the Jollibee Group expects to receive discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For receivables and contract assets, and operating lease receivables, the Jollibee Group applies a simplified approach in calculating ECLs. Therefore, the Jollibee Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Jollibee Group 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 security and other deposits, the Jollibee Group applies the general approach and calculates ECL based on the 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instruments since initial recognition.

For cash in banks, short-term deposits and short-term investments, the Jollibee Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Jollibee Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there is a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Jollibee Group assesses that there is a significant increase in credit risk of a financial asset when default occurs.

The Jollibee Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Jollibee Group may also consider a financial asset to be in default when internal or external information indicates that the Jollibee Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Jollibee Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Jollibee Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. To do this, the Jollibee Group has considered a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs.

Based on the Jollibee Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Jollibee Group considers two or more economic scenarios and the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The Jollibee Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Jollibee Group considers macro-economic factors such as gross domestic product growth rates and inflation rates in its analysis.

Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Jollibee Group's financial liabilities include loans and borrowings, payables and derivative financial liabilities as at December 31, 2024 and 2023.

Subsequent Measurement

- *Loans and Borrowings, and Other Payables*. This is the category most relevant to the Jollibee Group. After initial recognition, interest-bearing loans and borrowings, and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

  Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs, including debt issue costs for the Jollibee Group's debts that are an integral part of the EIR. The EIR amortization is included as interest expense in the consolidated statements of comprehensive income.

  This category includes the Jollibee Group's trade payables and other current liabilities (excluding local and other taxes payable and unearned revenue from gift certificates), short-term and long-term debts, senior debt securities and lease liabilities as at December 31, 2024 and 2023.

- *Debt Issue Costs.* Debt issue costs are specific incremental costs, other than those paid to the lender, that are directly related to issuing a debt instrument. These are presented in the consolidated statements of financial position as a reduction from the related debt instrument and are amortized through the EIR amortization process.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Jollibee Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or,

- The Jollibee Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Jollibee Group has transferred substantially all the risks and rewards of the asset, or (b) the Jollibee Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Jollibee Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Jollibee Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Jollibee Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Jollibee Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Jollibee 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.

Derivative Financial Instruments and Hedge Accounting

Initial Recognition and Subsequent Measurement. The Jollibee Group uses derivative financial instruments, such as cross currency swaps and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; and,
- Hedges of a net investment in a foreign operation.

The Jollibee Group's interest rate swap is a cash flow hedge. The Jollibee Group has no fair value hedge and hedge of a net investment in a foreign operation as at December 31, 2024 and 2023.

At the inception of a hedge relationship, the Jollibee Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Jollibee Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship; and,
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Jollibee Group actually hedges and the quantity of the hedging instrument that the Jollibee Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Cash Flow Hedges. Cash flow hedges are hedges of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset, liability or a highly probable forecast transaction and could affect the consolidated statements of comprehensive income. Changes in the fair value of a hedging instrument that qualifies as a highly effective cash flow hedge are recognized as "Comprehensive income (loss) on derivative liability" in the consolidated statements of comprehensive income, whereas any hedge ineffectiveness is immediately recognized in profit or loss.

Amounts recognized as other comprehensive are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged income or expense is recognized or when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in other comprehensive income remains separately in equity until the forecasted transaction occurs or the foreign currency firm commitment is met.

Contract Balances

Trade Receivables. A receivable represents the Jollibee Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

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

Inventories
Inventories are valued at the lower of cost and net realizable value. Costs are accounted for as follows:

Processed inventories	-	Standard costing, which is reviewed on a quarterly basis and revised as necessary to approximate current costs determined using first in, first out (FIFO). Cost includes direct materials, labor and a proportion of manufacturing overhead costs based on normal operating capacity.
Food supplies, packaging, store and other supplies, and novelty items	-	Standard costing which is reviewed on a quarterly basis and revised as necessary to approximate current costs determined using FIFO.

Net realizable value of processed inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Net realizable value of food supplies, packaging, store and other supplies is the current replacement cost. Food and other supplies are held for use in the production of processed inventories.

Net realizable value of novelty items is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Other Current Assets
Other current assets include prepaid expenses which are paid in advance and recorded as asset before these are utilized, deposits which pertain to advance payments to suppliers to be applied for future purchases, and creditable withholding taxes, which will be applied in the following year against corporate income tax or be claimed for refund with the Tax Authorities. Prepaid expenses are amortized over time and recognized as expense as the benefit is derived from the asset.

Interests in and Advances to Joint Ventures, Co-venturers and Associates
The Jollibee Group's investments in its associates and joint ventures are accounted for using the equity method based on the percentage share of ownership and capitalization. Interests in joint ventures are accounted for under the equity method from the date the joint control or influence is obtained.

Property, Plant and Equipment
Property, plant and equipment, except land and construction in progress, are stated at cost less accumulated depreciation and amortization and any accumulated impairment in value. Such cost includes the cost of replacing part of property, plant and equipment at the time that cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing. Land is stated at cost less any impairment in value.

The initial cost of property, plant and equipment consists of its purchase price, including import duties and nonrefundable taxes and any other costs directly attributable in bringing the asset to its working condition and location for its intended use. Cost also includes any related asset retirement obligation and interest incurred during the construction period on funds borrowed to finance the construction of the asset. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to profit or loss in the period in which 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, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the assets:

Land improvements	5 years
Plant, buildings, commercial condominium units and improvements	5 – 40 years
Leasehold improvements	2 – 10 years or term of the lease, whichever is shorter
Office, store and food processing equipment	1 – 15 years
Furniture and fixtures	3 – 5 years
Transportation equipment	3 – 5 years

The residual values, if any, useful lives and depreciation and amortization method of the assets are reviewed at the end of each financial period and adjusted prospectively, if appropriate.

Fully depreciated assets are retained in the accounts until they are disposed or retired.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is derecognized.

Construction in progress represents assets under construction and is stated at cost less any impairment in value. This includes the cost of construction and other direct costs. Cost also includes interest on borrowed funds incurred during the construction period. Construction in progress is not depreciated until such time that the relevant assets are completed and ready for use.

When one or more items of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, the cost of such property, plant and equipment is measured at fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received, nor the asset given up is reliably measurable. The acquired item is measured in this way even if an entity cannot immediately derecognize the asset given up. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

Investment Properties

Investment properties consist of buildings and building improvements held by the Jollibee Group for capital appreciation and rental purposes. Investment properties are carried at cost, including transaction costs, less accumulated depreciation and amortization and any impairment in value.

The depreciation of buildings and building improvements are calculated on a straight-line basis over the estimated useful lives of the assets which are five (5) to thirty-five (35) years.

Business Combinations

Business combinations are accounted for using the acquisition method. Applying the acquisition method requires the (a) determination whether the Jollibee Group will be identified as the acquirer; (b) determination of the acquisition date; (c) recognition and measurement of the identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree; and (d) recognition and measurement of goodwill or a gain from a bargain purchase.

When the Jollibee 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 acquisition date.

The cost of an acquisition is measured as the aggregate of the (a) consideration transferred by the Jollibee Group, measured at acquisition-date fair value, (b) amount of any non-controlling interest in the acquiree and (c) acquisition-date fair value of the Jollibee Group's previously held equity interest in the acquiree in a business combination achieved in stages. Acquisition costs incurred are expensed and included in "General and administrative expenses" account in the consolidated statements of comprehensive income.

Initial Measurement of Non-controlling Interest. For each business combination, the Jollibee Group measures the non-controlling interest in the acquiree using the proportionate share of the acquiree's fair value of identifiable net assets.

Business Combination Achieved in Stages. In a business combination achieved in stages, the Jollibee Group remeasures its previously held equity interests in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss, if any, in profit or loss.

Measurement Period. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Jollibee Group reports in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. The measurement period ends as soon as the Jollibee Group receives the information it was seeking about facts and circumstances that existed as at the acquisition date or learns that more information is not obtainable. The measurement period does not exceed one year from the acquisition date.

Initial Measurement of Goodwill or Gain on a Bargain Purchase. Goodwill is initially measured by the Jollibee Group at cost being the excess of the total consideration transferred over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as gain on a bargain purchase. Before recognizing a gain on a bargain purchase, the Jollibee Group determines whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognize any additional assets or liabilities that are identified in that review.

Subsequent Measurement of Goodwill. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Impairment Testing of Goodwill. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Jollibee Group's CGU, or groups of CGUs, 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 allocated:

- represents the lowest level within the Jollibee Group at which the goodwill is monitored for internal management purposes; and,
- is not larger than an operating segment as defined in PFRS 8, *Operating Segments*, before aggregation.

Frequency of Impairment Testing. Irrespective of whether there is any indication of impairment, the Jollibee Group tests goodwill acquired in a business combination for impairment annually as at December 31 and more frequently when circumstances indicate that the carrying amount is impaired.

Allocation of Impairment Loss. An impairment loss is recognized for a CGU if the recoverable amount of the unit or group of units is less than the carrying amount of the unit or group of units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit or group of units first to reduce the carrying amount of goodwill allocated to the CGU or group of units and then to the other assets of the unit or group of units pro rata on the basis of the carrying amount of each asset in the unit or group of units. In allocating the impairment loss, the Jollibee Group cannot reduce the carrying amount of an asset below the highest of its fair value less cost of disposal if measurable, its value in use if determinable and zero.

Intangible Assets

Intangible assets acquired separately are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment loss. The useful lives of intangible assets are assessed at the individual asset level as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life using the straight-line method and assessed for impairment whenever there is an indication that the intangible assets may be impaired. At a minimum, the amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level. Such intangible assets are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the 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.

Amortization of computer software, trademarks and other intangible assets are calculated on a straight-line basis over the following estimated useful lives of the assets:

Computer software	10 years
Trademarks	5 years
Other intangible assets	5 years

Gains or losses arising from derecognition of an intangible asset 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 values of interests in and advances to joint ventures, co-venturers and associates, property, plant and equipment, right-of-use assets, investment properties, trademarks and other intangible assets with definite useful life, and other noncurrent assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets or CGU are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell or value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable and willing parties, less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the

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

For nonfinancial assets, excluding goodwill, 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. 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 periods. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value on a systematic basis over its remaining useful life.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Jollibee Group expects to be entitled in exchange for those goods or services. The Jollibee Group assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or as an agent. The Jollibee Group has concluded that it is acting as principal in majority of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods. Revenue from sale of goods is recognized at the point in time when control is transferred to the customer, which is normally upon delivery. Sales returns and discounts are deducted from sales to arrive at net sales shown in the consolidated statements of comprehensive income.

Royalty Fees. Revenue from royalty fees is recognized as the royalty accrues based on certain percentages of the franchisees' net sales.

Set-up Fees. Revenue from set-up fees is recognized on a straight-basis over the term of the franchise agreement and when performance obligations relating to the payment of set-up fees have been satisfied.

System-wide Advertising Fees. Revenues consisting of reimbursements of network advertising and promotional costs from franchisees are recognized upon performance of service.

Service Fees. Revenue is recognized the period in which the service has been rendered.

Management Fees. Revenue is recognized in the period in which the administration services has been rendered based on a certain percentage of the total costs incurred.

Other Revenues

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

Rent Income. Rent income from short-term leases and leases of low-value asset is recognized on a straight-line basis over the lease terms.

Interest Income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset.

Other Income. Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Jollibee Group through an increase in asset or reduction in liability and that can be measured reliably.

Cost and Expenses

Cost and expenses are decreases in economic benefits during the reporting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Cost and expenses are recognized as incurred.

Advertising and promotion expenses include costs incurred for advertising schemes and promotional activities for new products.

Pension Benefits

The pension liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Pension expense comprises the following:

- Service cost; and,
- Net interest on the net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as part of pension expense. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the pension liability or asset is the change during the period in the liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the pension liability or asset. Net interest on the pension liability or asset is recognized under "Direct costs" and "General and administrative expenses" in the consolidated statements of comprehensive income.

Remeasurements comprising of actuarial gains and losses, return on plan liability or assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Jollibee Group, nor can they be paid directly to the Jollibee Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Jollibee Group also participates in various government-defined contribution schemes for the PRC-based and USA-based subsidiaries. Under these schemes, pension benefits of existing and retired employees are guaranteed by the local pension benefit plan, and each subsidiary has no further obligations beyond the annual contribution.

Share-based Payments

The Jollibee Group has stock option plans granting its management and employees an option to purchase a fixed number of shares of stock at a stated price during a specified period ("equity-settled transactions").

The cost of the options granted to the Jollibee Group's management and employees that becomes vested is recognized in profit or loss over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant management and employees become fully entitled to the award ("vesting date").

The fair value is determined using the Black-Scholes Option Pricing Model. The cumulative expense recognized for the share-based transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Jollibee Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit in profit or loss or the investment account for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest.

Where the terms of a share-based award are modified, at a minimum, an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any modification, which increases the total fair value of the share-based payment agreement or is otherwise beneficial to the management and employees as measured at the date of modification.

Where a share-based award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if there was a modification of the original award.

Leases

The Jollibee Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Jollibee Group as Lessee. The Jollibee Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Jollibee Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- *Right-of-Use Assets*. The Jollibee Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Jollibee Group is reasonably certain to

obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- *Lease Liabilities*. At the commencement date of the lease, the Jollibee Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

  In calculating the present value of lease payments, the Jollibee Group uses the incremental borrowing rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. In determining the IBR, the Jollibee Group uses risk-free rate plus credit spread where the credit spread is based on the credit risk of the lessee. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

  The Jollibee Group's lease liabilities are included in interest-bearing loans and borrowings.

- *Short-term Leases and Leases of Low-value Assets*. The Jollibee Group applies the short-term lease recognition exemption to its short-term leases of QSR outlets. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below USD5,000 or approximately ₱250,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Foreign Currency Transactions and Translations

The consolidated financial statements are presented in Philippine Peso, which is the Parent Company's functional and presentation currency. Each entity in the Jollibee Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of subsidiaries domiciled and operating in the Philippines are also determined to be the Philippine Peso. Where the functional currency is the Philippine Peso, transactions in foreign currencies are recorded in Philippine Peso using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the closing rate of exchange at reporting date. All differences are recognized in profit or loss. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

The functional currencies of the Jollibee Group's foreign operations are US dollar (USD), PRC Renminbi (RMB), Vietnam dong (VND), Singapore dollar (SGD), Malaysian ringgit (MYR), Canadian dollar (CND), Euro, Pound (GBP), Hong Kong dollar (HKD), Indonesia rupiah (IDR), Macau pataca (MOP), New Taiwan dollar (TWD) and Korean won (KRW). As at the reporting date, the assets and liabilities of foreign subsidiaries are translated into the presentation currency of the Parent Company at the rate of exchange ruling at the reporting date while the income and expense accounts are translated at the weighted average exchange rates for the year. The resulting translation differences are included in equity under the account "Cumulative translation adjustments of foreign subsidiaries and interests in joint ventures and associates." On disposal of a foreign subsidiary, the accumulated exchange differences are recognized in profit or loss.

Taxes

Current Tax. Current tax liabilities for the current and prior periods are measured at the amount expected to be paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity (not in the profit or loss). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided using balance sheet liability method, on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax credits from excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward benefits of excess of MCIT over RCIT and NOLCO can be utilized, except in certain circumstances as provided in the standard, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and,

- in respect of deductible temporary differences associated with investments in subsidiaries and interest in joint ventures and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences 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 assets 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 assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates 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 substantially enacted at the reporting date. Deferred tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax (VAT). Revenues, expenses and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as part of "Trade payables and other current liabilities" account in the consolidated statement of financial position. When VAT passed on from purchases of gods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as part of "Other current assets" account in the consolidated statement of financial position.

Earnings per Share (EPS) Attributable to Equity Holders of the Parent Company
Basic EPS is calculated by dividing the net income for the year attributable to the equity holders of the Parent Company, adjusted for the after-tax amounts of preferred dividends, by the weighted average number of common shares outstanding during the year, after considering the retroactive effect of stock dividend declaration, if any. The effect of cumulative distributions on perpetual capital securities classified as equity in accordance with PAS 32, *Financial Instruments: Presentation,* is deducted from net income attributable to equity holders of the Parent Company to arrive at the adjusted amount.

Diluted EPS is computed by dividing the net income for the period attributable to the equity holders of the Parent Company by the weighted average number of common shares outstanding during the period, adjusted for any potential common shares resulting from the assumed exercise of outstanding stock options. Outstanding stock options will have dilutive effect under the treasury stock method only when the average market price of the underlying common share during the period exceeds the exercise price of the option.

Where the EPS effect of the shares to be issued to management and employees under the stock option plan would be anti-dilutive, the basic and diluted EPS would be stated at the same amount.

Provisions
Provisions are recognized when the Jollibee 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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Business Segments
The Jollibee Group is organized and managed separately according to the nature of operations and geographical locations of businesses. The three major operating businesses of the Jollibee Group are food service, franchising and support services while geographical segments are segregated to Philippine businesses and International businesses. These operating and geographical businesses are the basis upon which the Jollibee Group reports its primary segment information presented in Note 5.

Events after the Reporting Period
Post period-end events that provide additional information about the Jollibee Group's financial position at reporting date (adjusting events) are reflected in the Jollibee Group's consolidated financial statements. Post period-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the consolidated financial statements and related notes at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

The Jollibee Group believes the following represents a summary of these significant judgments, estimates and assumptions and the related impact and associated risks on the Jollibee Group's consolidated financial statements.

Judgments

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

Revenue from Contracts with Customers – Determining the Timing of Satisfaction of Set-up Fees. The Jollibee Group undertakes activities prior to store opening (e.g., initial training, site development, systems set-up, etc.) as indicated in the franchise agreement. The Jollibee Group determines whether these activities are capable of being distinct (i.e., whether the franchisee can benefit on each of these activities on a standalone basis) and whether these activities are distinct within the context of the franchise agreement (i.e., whether these activities can be separated from the franchise license granted to the franchisee).

The Jollibee Group determined that revenue from set-up fees should be recognized on a straight-line basis over the term of the franchise agreement and when performance obligations relating to the payment of set-up fees have been satisfied.

Principal versus Agent Consideration. The Jollibee Group's agreement with the franchisee includes the right to charge the franchisee its share in the Jollibee Group's system-wide advertising and marketing efforts as well as fees for the Jollibee Group's administration of various advertisements, network and media placements. The Jollibee Group determined that it is acting as principal for the system-wide advertising because it is the Jollibee Group who retains the right to direct the service provider of the advertisements, network and media placements, and has the discretion on how to price the advertising fee charges. The Jollibee Group considers both the legal form and the substance of its agreement to determine each party's respective roles in the agreement.

Determining the Lease Term of Contracts with Renewal Options – Jollibee Group as Lessee. The Jollibee Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Jollibee Group has the option, under some of its leases to lease the assets for additional terms of 5 to 15 years. The Jollibee Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors (i.e., current and forecasted of the operations) that create an economic incentive for it to exercise the renewal. After the commencement date, the Jollibee Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). The Jollibee Group included the renewal period as part of the lease term for leases of QSR outlets and warehouses due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., 5 to 10 years) and there will be a significant negative effect on operations if a replacement is not readily available.

Assessing Joint Control of an Arrangement and the Type of Arrangement. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Jollibee Group assessed that it has joint control in all joint arrangements by virtue of a contractual agreement with other stockholders. The Jollibee Group's joint ventures have separate legal entities and the shareholders have right to their net assets (see Note 11).

Assessing Control over Investment in Associates. An associate is an entity over which the Jollibee Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Material Partly-Owned Subsidiaries. The consolidated financial statements include additional information about subsidiaries that have non-controlling interests that are material to the Jollibee Group (see Note 11). Management determined material partly-owned subsidiaries as those with balance of non-controlling interest greater than 5% of total non-controlling interests and those subsidiaries with activities that are important to the Jollibee Group as at end of the period.

Material Joint Ventures and Associates. The consolidated financial statements include additional information about joint ventures and associates that are material to the Jollibee Group (see Note 11). Management determined material joint ventures and associates as those joint ventures and associates where the Jollibee Group's carrying amount of investment is greater than 5% of the total interests in joint ventures and investments in associates as at end of the period.

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Jollibee Group based its assumptions and estimates on parameters available when the consolidated financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to changes on market circumstances arising beyond the control of the Jollibee Group. Such changes are reflected in the assumptions when they occur.

Determination of Purchase Price Allocation. Management has measured the trademarks and supplier relationships based on the valuation report prepared by the external valuation specialist and the property and equipment that were acquired using the appraisal reports that were prepared by an independent appraiser. The trademarks were valued using present value techniques wherein fair value of the trademarks is based on the present value of the cash flows attributable to the recurring royalty fees and upfront franchise fees as stipulated in the franchise agreement. Significant assumptions and estimates used include long-term growth rates and discount rates based on available market data. The property and equipment were valued using the replacement cost. Adjustments were made to replacement cost to reflect depreciation. The supplier relationships were valued using the multi-period excess earnings method wherein the fair value of supplier relationships is based on the present value of the cash flows attributable to the subject intangible asset after excluding the proportion of the cash flows that are attributable to other assets required to generate the cash flows ("contributory assets"). Significant assumptions and estimates used include long-term growth rates, discount rates based on available market data, revenue growth rate forecasts and store churn rate (see Note 11).

Recoverability of Trademarks and Goodwill. The Jollibee Group determines whether trademarks and goodwill with indefinite useful life is impaired at least on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the value in use of the CGU to which the goodwill is allocated. Estimating the value in use requires the Jollibee Group to make an estimate of the expected net sales, long-term growth rates and earnings before interest, taxes, depreciation and amortization (EBITDA) from the CGU and also consider market data in determining discount rate in order to calculate the present value of those cash flows.

Except for Pho24 trademark where Jollibee Group recognized impairment loss of ₱463.1 million in 2022 because it closed its stores in the Philippines and discontinued its Pho24 business in 2023, management has determined that trademarks, goodwill and other intangible assets are not impaired. The carrying

amount of trademarks and goodwill amounted to ₱60,968.8 million and ₱51,697.7 million as at December 31, 2024 and 2023, respectively (see Note 14).

Recoverability of Interests in and Advances to Joint Ventures, Co-venturers and Associates. The Jollibee Group performs impairment test of its interests in and advances to joint ventures, co-venturers and associates when there are facts and circumstances indicating that their carrying amounts exceed their recoverable amounts. Determining the recoverable amount of assets, which requires the determination of future cash flows expected to be generated from the continued operations of joint ventures and associates, requires the Jollibee Group to make significant assumptions that can materially affect the consolidated financial statements. These assumptions include long-term growth rates, EBITDA and discount rate. Future events could cause the Jollibee Group to conclude that the assets are impaired. Any resulting impairment loss could have a material adverse impact on the Jollibee Group's financial position and performance.

The carrying amounts of interests in and advances to joint ventures, co-venturers and associates as at December 31 are as follows (see Note 11):

	2024	2023
Interests in joint ventures	**₱18,288,433**	₱13,969,289
Interests in associates	**6,393,166**	4,766,622
Advances to a joint venture, associates and a co-venturer	**1,967,852**	2,357,071

Recognition of Deferred Income Tax Assets. The carrying amounts of deferred tax assets at each reporting date is reviewed and reduced to the extent that sufficient taxable profits are available to allow all or part of the deferred tax assets to be utilized. The Jollibee Group's assessment on the recognition of deferred tax assets is based on the forecasted taxable income taking into account the period in which the deductible temporary differences can be claimed in the Philippines, PRC, Europe, Singapore and USA. This forecast is based on assumptions that are affected by expected future market or economic conditions and the expected future performance as well as management's plans and strategies of the relevant taxable entities, including the Parent Company and certain subsidiaries.

The carrying amount of the recognized deferred tax assets amounted to ₱22,867.1 million and ₱20,458.3 million as at December 31, 2024 and 2023, respectively. Unrecognized deferred tax assets amounted to ₱2,764.2 million and ₱2,836.8 million as at December 31, 2024 and 2023, respectively (see Note 24).

Impairment of Property, Plant and Equipment, Right-of-use Assets and Investment Properties. The Jollibee Group performs impairment review of property, plant and equipment, right-of-use assets and investment properties when certain impairment indicators are present. Management has identified store closures and pre-termination of underlying lease agreements as impairment indicators and has performed impairment assessment on its property, plant and equipment and right-of-use assets and has identified the related lease pre-termination costs, if any.

Determining the fair value of assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Jollibee Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Jollibee Group to conclude that the assets are impaired. Any resulting impairment loss could have a material adverse impact on the Jollibee Group's financial position and performance.

Provision for impairment loss recognized on property, plant and equipment and right-of-use assets amounted to ₱204.8 million, ₱160.4 million and ₱107.9 million in 2024, 2023 and 2022, respectively. Reversal of previously recognized impairment loss amounted to ₱69.0 million, ₱180.6 million and ₱349.2 million in 2024, 2023 and 2022, respectively (see Notes 12, 22 and 29).

The aggregate carrying values of property, plant and equipment, right-of-use assets and investment properties as at December 31, 2024 and 2023 are as follows:

	2024	2023
Property, plant and equipment (see Note 12)	**₱43,893,416**	₱39,825,319
Right-of-use assets (see Note 29)	**44,529,498**	44,966,055
Investment properties (see Note 13)	**89,395**	101,585

Impairment of Receivables and Contract Assets. The Jollibee Group uses a provision matrix to calculate ECLs for its receivables and contract assets. The provision rates are based on days past due.

The provision matrix is initially based on the Jollibee Group's historical observed default rates. The Jollibee Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forward-looking information, and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Jollibee Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

Provision for impairment loss on receivables amounted to ₱450.4 million, ₱278.8 million and ₱415.4 million in 2024, 2023 and 2022, respectively (see Note 22). Reversal of previously recognized impairment loss amounted to ₱67.2 million, ₱7.8 million and ₱4.1 million in 2024, 2023 and 2022, respectively (see Note 22). The carrying amount of receivables and contract assets amounted to ₱10,802.5 million and ₱8,567.4 million as at December 31, 2024 and 2023, respectively (see Note 7).

Net Realizable Value of Inventories. The Jollibee Group writes down inventories to net realizable value, through the use of an allowance account, whenever the net realizable value of inventories becomes lower than the cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes.

The estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amounts the inventories are expected to be realized. These estimates take into consideration fluctuations of prices or costs directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at reporting date. The allowance account is reviewed on a regular basis to reflect the accurate valuation in the financial records.

The Jollibee Group assessed that the net realizable value for some inventories is lower than cost, hence, it recognized provision for inventory obsolescence amounting to ₱60.4 million, ₱177.9 million and ₱274.3 million in 2024, 2023 and 2022, respectively (see Note 22). Reversal of previously recognized impairment loss amounted to ₱70.9 million, ₱44.7 million and ₱49.3 million in 2024, 2023 and 2022, respectively (see Note 22). The carrying amount of inventories amounted to ₱13,872.7 million and ₱12,340.2 million as at December 31, 2024 and 2023, respectively (see Note 8).

Present Value of Defined Benefit Obligation. The pension expense as well as the present value of the defined benefit obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates and the future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Future salary increases are based on budgetary salary increases.

The carrying amount of pension liability amounted to ₱2,851.4 million and ₱2,331.2 million as at December 31, 2024 and 2023, respectively (see Note 25).

Share-based Payments. The Parent Company measures the cost of its equity-settled transactions with management and employees by reference to the fair value of the equity instruments at the grant date. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about these inputs. The fair value of the share option is being determined using the Black-Scholes Option Pricing Model. The expected life of the stock options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of the Parent Company.

Total expense arising from share-based payment recognized by the Jollibee Group amounted to ₱497.3 million, ₱353.9 million and ₱185.0 million in 2024, 2023 and 2022, respectively (see Notes 19, 22, 26 and 27).

Accrual of Liabilities. In the normal course of business, the Jollibee Group accrues liabilities based on management's best estimate of costs incurred, particularly in cases when the Jollibee Group has not yet received final billings from suppliers and vendors. There are also ongoing negotiations and reconciliations with suppliers and vendors on certain liabilities recorded. These balances are continuously reviewed by management and are adjusted based on these reviews, resulting to reversals of certain liabilities as other income.

Other income recognized by the Jollibee Group from reversals of liabilities amounted to ₱2,613.3 million, ₱1,200.2 million and ₱1,922.5 million in 2024, 2023 and 2022, respectively (see Note 23).

Fair Value of Financial Assets and Liabilities. When the fair values of financial assets and financial liabilities recorded or disclosed in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but when this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair value of financial assets and liabilities are discussed in Note 32.

Provisions and Contingencies. The Jollibee Group is involved in litigations, claims and disputes, and regulatory assessments which are normal to its business. The estimate of the probable costs for the resolution of these claims has been developed in consultation with the Jollibee Group's legal counsels and based upon an analysis of potential results (see Note 17). The inherent uncertainty over the outcome of these matters is brought about by the differences in the interpretation and application of laws and rulings. Management believes that the ultimate liability, if any, with respect to the litigations, claims and disputes, and regulatory assessments will not materially affect the financial position and performance of the Jollibee Group.

Total outstanding provisions amounted to ₱1,934.0 million and ₱1,637.1 million as at December 31, 2024 and 2023, respectively (see Notes 17 and 30).

5. Segment Information

For management purposes, the Jollibee Group is organized into segments based on the nature of the products and services offered and geographical locations. The Executive Management Committee monitors the operating results of its segments separately for resource allocation and performance assessment. Segment results are evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Business Segments

The Jollibee Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

- The food service segment is involved in the operations of QSRs and the manufacture of food products to be sold to Jollibee Group-owned and franchised QSR outlets.
- The franchising segment is involved in the franchising of the Jollibee Group's QSR store concepts.
- The support services segment is involved in providing various services mainly to the Jollibee Group's independent franchisees like but not limited to repairs and maintenance of store equipment, staffing, helpdesk services and other business activities in support of the QSR systems.

The following tables present certain information on revenues, expenses and other segment information of the different business segments in 2024, 2023 and 2022:

	2024				
	Food Service	Franchising	Support Services	Eliminations	Consolidated
Revenues from external customers	₱249,234,297	₱19,940,290	₱767,745	₱–	₱269,942,332
Inter-segment revenues	38,444,710	5,528,795	7,857,542	(51,831,047)	–
Segment revenues	287,679,007	25,469,085	8,625,287	(51,831,047)	269,942,332
Segment expenses	(286,029,217)	(10,393,374)	(7,953,111)	51,831,047	(252,544,655)
Provisions for impairment loss on receivables, inventories and property, plant and equipment – net of reversals	(508,606)	–	–	–	(508,606)
Equity in net earnings of joint ventures and associates – net	329,176	–	–	–	329,176
Other segment income – net	1,780,346	–	–	–	1,780,346
Segment result	₱3,250,706	₱15,075,711	₱672,176	₱–	18,998,593
Interest income					959,043
Interest expense					(5,771,552)
Income before income tax					14,186,084
Provision for income tax					3,390,244
Net income					₱10,795,840

	2023				
	Food Service	Franchising	Support Services	Eliminations	Consolidated
Revenues from external customers	₱227,035,697	₱16,587,677	₱483,974	₱–	₱244,107,348
Inter-segment revenues	35,977,969	5,617,689	6,055,802	(47,651,460)	–
Segment revenues	263,013,666	22,205,366	6,539,776	(47,651,460)	244,107,348
Segment expenses	(261,146,732)	(9,678,098)	(6,127,901)	47,651,460	(229,301,271)
Provisions for impairment loss on receivables, inventories, other current assets, property, plant and equipment and right-of-use assets – net of reversals	(392,073)	–	–	–	(392,073)
Equity in net earnings of joint ventures and associates – net	580,009	–	–	–	580,009
Other segment income – net	1,866,867	–	–	–	1,866,867
Segment result	₱3,921,737	₱12,527,268	₱411,875	₱–	16,860,880
Interest income					863,515
Interest expense					(5,382,041)
Income before income tax					12,342,354
Provision for income tax					3,356,901
Net income					₱8,985,453

	2022				
	Food Service	Franchising	Support Services	Eliminations	Consolidated
Revenues from external customers	₱197,436,005	₱14,158,863	₱307,348	₱–	₱211,902,216
Inter-segment revenues	31,330,117	5,565,429	7,309,091	(44,204,637)	–
Segment revenues	228,766,122	19,724,292	7,616,439	(44,204,637)	211,902,216
Segment expenses	(228,812,871)	(8,965,002)	(7,408,114)	44,204,637	(200,981,350)
Provisions for impairment loss on receivables, inventories, other current assets, property, plant and equipment and trademark – net of reversals	(979,495)	–	–	–	(979,495)
Equity in net earnings of joint ventures and associates – net	4,062	–	–	–	4,062
Other segment income – net	5,271,583	–	398,127	–	5,669,710
Segment result	₱4,249,401	₱10,759,290	₱606,452	₱–	15,615,143
Interest income					341,189
Interest expense					(4,768,732)
Income before income tax					11,187,600
Provision for income tax					(3,849,107)
Net income					₱7,338,493

The following tables present certain information on assets and liabilities and other segment information of the different business segments as at December 31, 2024 and 2023:

	2024				
	Food Service	**Franchising**	**Support Services**	**Eliminations**	**Consolidated**
Assets and Liabilities					
Segment assets	**₱253,979,057**	**₱–**	**₱199,408**	₱–	**₱254,178,465**
Deferred tax assets – net	**9,372,402**	**–**	**27**	–	**9,372,429**
Consolidated assets	**₱263,351,459**	**₱–**	**₱199,435**	₱–	**₱263,550,894**
Segment liabilities	**₱146,400,757**	**₱–**	**₱ 25,155**	₱–	**₱146,425,912**
Deferred tax liabilities – net	**5,717,243**	**–**	**–**	–	**5,717,243**
Long-term debt – including current portion	**16,052,580**	**–**	**–**	–	**16,052,580**
Income tax payable	**787,087**	**–**	**653**	–	**787,740**
Consolidated liabilities	**₱168,957,667**	**₱–**	**₱25,808**	₱–	**₱168,983,475**
Other Segment Information					
Capital expenditures	**₱11,979,848**	**₱–**	**₱–**	₱–	**₱11,979,848**
Depreciation and amortization	**17,745,718**	**–**	**1,216**	–	**17,746,934**

	2023				
	Food Service	Franchising	Support Services	Eliminations	Consolidated
Assets and Liabilities					
Segment assets	₱236,497,363	₱–	₱252,789	₱–	₱236,750,152
Deferred tax assets – net	7,424,037	–	27	–	7,424,064
Consolidated assets	₱243,921,400	₱–	₱252,816	₱–	₱244,174,216
Segment liabilities	₱141,328,172	₱–	₱36,660	₱–	₱141,364,832
Deferred tax liabilities – net	3,625,931	–	–	–	3,625,931
Long-term debt – including current portion	12,617,043	–	–	–	12,617,043
Income tax payable	309,755	–	–	–	309,755
Consolidated liabilities	₱157,880,901	₱–	₱36,660	₱–	₱157,917,561
Other Segment Information					
Capital expenditures	₱11,337,794	₱–	₱–	₱–	₱11,337,794
Depreciation and amortization	16,952,718	–	1,098	–	16,953,816

Geographical Segments

The Jollibee Group's geographical segments are based on the location of the assets producing revenues in the Philippines and in other locations which include PRC, USA, Canada, Vietnam, Singapore, Malaysia, Italy, UK, UAE, Hongkong, Macau, Brunei, Taiwan and South Korea. Sales to external customers disclosed in the geographical segments are based on the geographical location of the customers.

Majority of the Jollibee Group's revenues were generated from the Philippines, which is the Parent Company's country of domicile.

The Jollibee Group does not have a single external customer with revenues amounting to 10% or more of the Jollibee Group's revenues.

The following tables present segment revenues, segment assets and capital expenditures of the Jollibee Group's geographical segments:

	2024			
	Philippines	**International**	**Eliminations**	**Consolidated**
Segment revenues	**₱166,546,839**	**₱105,660,467**	**(₱2,264,974)**	**₱269,942,332**
Segment assets	**83,576,170**	**170,602,295**	**–**	**254,178,465**
Capital expenditures	**6,699,642**	**5,280,206**	**–**	**11,979,848**

	2023			
	Philippines	International	Eliminations	Consolidated
Segment revenues	₱152,457,059	₱93,452,384	(₱1,802,095)	₱244,107,348
Segment assets	85,123,447	151,626,705	–	236,750,152
Capital expenditures	4,373,038	6,964,756	–	11,337,794

	2022			
	Philippines	International	Eliminations	Consolidated
Segment revenues	₱131,580,480	₱82,223,763	(₱1,902,027)	₱211,902,216
Segment assets	84,418,668	142,957,195	–	227,375,863
Capital expenditures	3,486,984	6,195,677	–	9,682,661

Revenue from Contracts with Customers

Set out below is the disaggregation of the Jollibee Group's revenue from contracts with customers:

	2024			
Revenue Source	**Food Service**	**Franchising**	**Support Services**	**Total**
Sale of goods	**₱248,929,972**	**₱–**	**₱–**	**₱248,929,972**
Royalty fees	**–**	**14,318,894**	**–**	**14,318,894**
Set-up fees	**–**	**756,816**	**–**	**756,816**
System-wide advertising fees	**–**	**4,864,579**	**–**	**4,864,579**
Service fees	**–**	**–**	**713,259**	**713,259**
Other revenues	**304,326**	**–**	**54,486**	**358,812**
Total revenue from contracts with customers	**₱249,234,298**	**₱19,940,289**	**₱767,745**	**₱269,942,332**
Timing of recognition:				
Goods transferred at a point in time				**₱249,234,298**
Services transferred over time				**20,708,034**
				₱269,942,332

	2023			
Revenue Source	Food Service	Franchising	Support Services	Total
Sale of goods	₱226,701,561	₱–	₱–	₱226,701,561
Royalty fees	–	12,089,063	–	12,089,063
Set-up fees	–	438,205	–	438,205
System-wide advertising fees	–	4,060,409	–	4,060,409
Service fees	–	–	483,974	483,974
Other revenues	334,136	–	–	334,136
Total revenue from contracts with customers	₱227,035,697	₱16,587,677	₱483,974	₱244,107,348
Timing of recognition:				
Goods transferred at a point in time				₱227,035,697
Services transferred over time				17,071,651
				₱244,107,348

	2022			
Revenue Source	Food Service	Franchising	Support Services	Total
Sale of goods	₱196,657,284	₱–	₱–	₱196,657,284
Royalty fees	–	10,414,482	–	10,414,482
Set-up fees	–	344,808	–	344,808
System-wide advertising fees	–	3,399,573	–	3,399,573
Service fees			307,348	307,348
Other revenues	778,721	–	–	778,721
Total revenue from contracts with customers	₱197,436,005	₱14,158,863	₱307,348	₱211,902,216
Timing of recognition:				
Goods transferred at a point in time				₱197,436,005
Services transferred over time				14,466,211
				₱211,902,216

6. Cash and Cash Equivalents and Short-term Investments

Cash and Cash Equivalents
This account consists of:

	2024	2023
Cash on hand	**₱335,246**	₱401,355
Cash in banks	**21,620,463**	17,294,487
Short-term deposits	**7,370,940**	15,536,646
	₱29,326,649	₱33,232,488

Cash in banks earn interest at the respective savings or special demand deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Jollibee Group, and earn interest at the respective short-term deposit rates.

Short-term Investments
The Jollibee Group also has short-term investments amounting to ₱85.5 million and ₱624.8 million as at December 31, 2024 and 2023, respectively. These pertain to deposits with maturities of more than three months but less than a year.

Interest income earned from cash and cash equivalents and short-term investments amounted to ₱786.2 million, ₱755.5 million and ₱258.5 million in 2024, 2023 and 2022, respectively (see Note 23).

7. Receivables and Contract Assets

This account consists of:

	2024	2023
Trade	**₱7,600,569**	₱6,549,315
Less allowance for impairment loss	**1,381,857**	1,170,126
	6,218,712	5,379,189
Advances to employees	**1,473,304**	706,276
Receivable from retirement fund (see Notes 25 and 27)	**1,009,022**	770,297
Current portion of employee car plan receivables (see Note 15)	**63,478**	62,158
Interest receivable	**6,819**	20,104
Others	**84,740**	93,498
	8,856,075	7,031,522
Contract assets	**1,946,440**	1,535,894
	₱10,802,515	₱8,567,416

The terms and conditions of the receivables are as follows:

- Trade receivables are noninterest-bearing and are generally settled on a 14-day term. The Jollibee Group classified accrued receivables as contract assets, which are billed and collected in the next twelve (12) months.

- Receivable from retirement fund represents benefit payments made by the Jollibee Group for and on behalf of the retirement plans. The receivable is noninterest-bearing.

- Advances to employees, current portion of employee car plan receivables, interest and other receivables are normally collectible within the next financial year.

- Other receivables consist of receivables from the Social Security System (SSS) and insurance claims.

The movements in the allowance for impairment loss on trade receivables as at December 31 are as follows:

	2024	2023
Balance at beginning of year	**₱1,170,126**	₱919,192
Provisions (see Note 22)	**450,373**	278,846
Write-offs	**(202,455)**	(13,896)
Reversals (see Note 22)	**(67,173)**	(7,800)
Translation adjustments	**30,986**	(6,216)
Balance at end of year	**₱1,381,857**	₱1,170,126

8. Inventories

This account consists of:

	2024	2023
At net realizable value:		
Food supplies and processed inventories	**₱12,564,898**	₱11,177,602
Novelty items	**86,348**	96,199
	12,651,246	11,273,801
At cost -		
Packaging, store and other supplies	**1,221,460**	1,066,405
Total inventories at lower of cost and net realizable value	**₱13,872,706**	₱12,340,206

The cost of food supplies and processed inventories, and novelty items carried at net realizable value amounted to ₱12,936.6 million and ₱162.5 million, respectively, as at December 31, 2024 and ₱11,686.3 million and ₱137.0 million, respectively, as at December 31, 2023.

The movements in the allowance for inventory obsolescence as at December 31 are as follows:

	2024	2023
Balance at beginning of year	**₱549,518**	₱442,711
Write-offs	**(94,949)**	(25,801)
Reversals (see Note 22)	**(70,855)**	(44,702)
Provisions (see Note 22)	**60,390**	177,937
Translation adjustments	**3,750**	(627)
Balance at end of year	**₱447,854**	₱549,518

9. **Other Current Assets**

This account consists of:

	2024	2023
Prepaid expenses:		
Taxes	**₱6,372,012**	₱6,073,296
Rent	**1,013,849**	970,816
Supplies	**141,219**	100,844
Insurance and others	**1,308,330**	1,103,495
Deposit to suppliers and other third parties	**2,364,719**	3,152,957
Current portion of security and other deposits (see Note 15)	**275,932**	155,084
	₱11,476,061	₱11,556,492

Terms and conditions of other current assets are as follows:

- Prepaid taxes represent creditable withholding taxes that can be applied in the following year against the corporate income tax due or can be claimed as tax refund from Tax Authorities. This also includes prepaid real property and local business taxes which are expected to be utilized within the next twelve (12) months.

- Prepaid rent pertains to short-term leases of store and office spaces that are paid in advance. Supplies consist of various office and administrative supplies. Prepaid rent, insurance and others are normally utilized within the next financial year.

- Deposit to suppliers and other third parties are generally applied to purchase of inventories and availment of services within the next financial year.

10. **Financial Assets at FVTPL**

This account consists of:

	2024	2023
Investments in:		
Private equity fund	**₱335,363**	₱283,800
Bond funds	**211,535**	7,853,800
Club shares	**38,682**	32,382
	585,580	8,169,982
Less current portion	**211,534**	7,853,800
Noncurrent portion	**₱374,046**	₱316,182

On October 25, 2023, the Jollibee Group, through its wholly owned subsidiary, JFC USA, subscribed as a limited partner in LCGP3 Fresh Flavors Holdings, L.P., a private equity fund in the United States of America, for a committed amount of USD5.0 million (₱284.3 million). As at December 31, 2024 and 2023, total subscription amounted to USD5.8 million (₱335.4 million) and USD5.0 million (₱283.8 million), respectively.

Investment in club shares includes investment in shares of stocks of Tagaytay Highlands and other golf and leisure clubs.

Unused proceeds from the issuance of senior perpetual securities in January 2020 and senior debt securities in June 2020 totaling to USD759.8 million (₱37,857.1 million) were invested by the Jollibee Group in bond funds (see Notes 18 and 19).

In 2024 and 2023, JWPL redeemed bond funds amounting to USD207.5 million (₱11,854.8 million) and USD15.6 million (₱884.1 million), respectively. As at December 31, 2024 and 2023, remaining balance in investment in bond funds, including interest and dividends earned, amounted to USD3.7 million (₱211.5 million) and USD141.8 million (₱7,853.8 million), respectively.

The movements in financial assets at FVTPL are as follows:

	2024	2023
Balance at beginning of year	**₱8,169,982**	₱8,278,493
Redemptions	**(11,854,808)**	(884,127)
Additions	**3,907,874**	283,800
Mark-to-market gain on financial assets at FVTPL (see Note 23)	**178,589**	530,939
Translation adjustment	**183,943**	(39,123)
Balance at end of year	**₱585,580**	₱8,169,982

The fair value of financial assets at FVTPL has been determined directly by reference to quoted prices in active market or inputs other than quoted prices that are directly or indirectly observable.

11. Business Combinations, Incorporation of New Subsidiaries, Material Non-controlling Interests, Interests in and Advances to Joint Ventures, Co-venturers and Associates and Divestments

A. Business Combinations

Acquisition of Compose Coffee. On July 2, 2024, the Jollibee Group, through its wholly owned subsidiary, JWPL, in partnership with Elevation Equity Partners Korea Limited (EEP) and Titan Dining Investments Pte. Ltd. (TDIPL), signed definitive agreements to acquire majority shareholding in Compose Coffee Co., Ltd. and JMCF Co. Ltd. (collectively called "Compose Coffee"). JPWL, EEP and TDIPL acquired Compose Coffee through the creation of Jolli-K Co., Ltd. (Jolli-K). Jolli-K, with an initial capitalization of KRW470.0 billion (₱19,851.7 million), is 70% owned by JWPL while the remaining shareholdings are held by EEP and TDIPL with effective shareholdings of 25% and 5%, respectively.

On August 16, 2024, Jolli-K completed the acquisition of Compose Coffee for a total cash consideration of KRW455.0 billion (₱19,017.7 million) on a debt-free basis and cash accretive position. The completion of the transaction was effected after the completion of closing conditions, including required government approvals, provided under the definitive agreements.

Transaction costs of KRW1.1 billion (₱47.1 million) have been expensed and are included in general and administrative expenses in the consolidated statement of comprehensive income for the year ended December 31, 2024.

The Jollibee Group included Compose Coffee in its financial consolidation starting August 16, 2024 (the "acquisition date").

On August 16, 2024, following the completion of the acquisition of Compose Coffee, the BOD of Jolli-K approved the resolution to reduce its capitalization from KRW470.0 billion (₱19,851.7 million) to KRW435.0 billion (₱18,389.2 million) by way of distribution proportionate to the shareholders' ownership interest.

The fair value of the identifiable assets acquired, and liabilities assumed as at the date of the acquisition were as follows:

Cash and cash equivalents	₱1,694,557
Receivables	784,486
Inventories	167,423
Other current assets	1,869,658
Property, plant and equipment (see Note 12)	566,786
Supplier relationships (see Note 14)	6,796,001
Trademark (see Note 14)	5,408,469
Deferred tax assets	200
Other noncurrent assets	11,440
Total identifiable assets acquired	17,299,020
Less:	
Trade payables and other current liabilities	574,729
Deferred tax liabilities	2,589,494
Total identifiable liabilities assumed	3,164,223
Net identifiable assets acquired	₱14,134,797

The amount of provisional goodwill at acquisition date amounted to ₱3,416.5 million determined as follows:

Fair value of consideration transferred:	
Total consideration	₱13,306,311
Proportionate share of the non-controlling interest's share in fair value of the net identifiable assets acquired	4,244,962
Aggregate amount	17,551,273
Less fair value of net identifiable assets acquired	14,134,797
Provisional goodwill (see Note 14)	₱3,416,476

The net cash outflow from the acquisition is as follows:

Cash paid on acquisition	₱13,306,311
Less cash acquired from subsidiary	1,694,557
	₱11,611,754

The provisional goodwill of ₱3,416.5 million is attributable to synergies and other benefits from the acquisition of Compose Coffee.

The net assets recognized in the consolidated financial statements were based on the provisional assessment of their fair value while the Jollibee Group sought an independent valuation for trademark and other intangible assets owned by Compose Coffee. The valuation had not been completed by the date the consolidated financial statements were approved for issue by the BOD.

From the acquisition date, Compose Coffee contributed ₱2,376.7 million of revenue and ₱651.0 million net income to the Jollibee Group. If the business combination had taken place at the beginning of 2024, contribution to consolidated revenues and net income for the year would have been ₱6,465.3 million and ₱2,726.9 million, respectively.

Acquisition of MHL. On April 5, 2023, the Jollibee Group through GPPL, disclosed that it will purchase a majority stake from the shareholders of Meko Holdings Limited (MHL), Jollibee brand's master franchisee in Hong Kong. GPPL will acquire 60% ownership for USD16.1 million (₱910.1 million) subject to adjustments. The remaining 40% will continue to be owned by the current shareholders of MHL. Completion of this transaction is subject to the fulfillment of the agreed closing conditions.

On September 1, 2023, GPPL completed the acquisition of 60% ownership in MHL under the same terms as disclosed on April 5, 2023 for a total consideration of USD16.1 million (₱910.1 million). GPPL paid a total cash consideration of USD14.1 million (₱796.9 million). In accordance with the Purchase Agreement, the remaining amount of USD2.0 million (₱113.2 million), was withheld by the Jollibee Group to recover for potential liabilities of MHL until August 31, 2024. This amount is presented as part of "trade payables and other current liabilities and contract liabilities" in the consolidated statements of financial position as at December 31, 2023. Subsequently, the USD2.0 million (₱113.2 million) was paid on September 3, 2024.

The Jollibee Group included MHL in its financial consolidation starting September 1, 2023 (the "acquisition date").

The fair value of the identifiable assets acquired, and liabilities assumed as at the date of the acquisition were as follows:

Cash and cash equivalents	₱31,913
Receivables	382
Inventories	11,051
Other current assets	13,392
Property, plant and equipment (see Note 12)	419,833
Right-of-use assets	411,609
Deferred tax assets	73,954
Other noncurrent assets	145,162
Total identifiable assets acquired	1,107,296
Less:	
Trade payables and other current liabilities	77,413
Lease liabilities	411,609
Deferred tax liabilities	110,121
Total identifiable liabilities assumed	599,143
Net identifiable assets acquired	₱508,153

The amount of goodwill at acquisition date amounted to ₱605.2 million determined as follows:

Fair value of consideration transferred:	
Total consideration	₱910,128
Fair value of non-controlling interest's share in the net identifiable assets acquired	203,261
Aggregate amount	1,113,389
Less fair value of net identifiable assets acquired	508,153
Goodwill (see Note 14)	₱605,236

The net cash outflow from the acquisition is as follows:

Cash paid on acquisition	₱796,928
Less cash acquired from subsidiary	31,913
	₱765,015

The goodwill of ₱605.2 million is attributable to synergies and other benefits from the acquisition of MHL.

From the acquisition date, MHL contributed ₱10.8 million net income to the Jollibee Group. If the business combination had taken place at the beginning of 2023, contribution to consolidated revenues and net income for the year would have been ₱846.4 million and ₱60.7 million, respectively.

B. Incorporation of New Subsidiaries

CBTL Gift Card LLC. On August 2, 2024, the Jollibee Group, through ICTL, incorporated CBTL Gift Card LLC in the State of Arizona. Its main business will be to issue gift cards within the US.

MKSA LLC (MKSA). On March 21, 2024, the Jollibee Group, through its wholly owned subsidiary Jolly USA Services LLC, organized MKSA in the State of Delaware to operate Milksha stores and potential franchising in the United States of America. As at December 31, 2024, the capital investment to MKSA amounted to USD2.0 million (₱116.6 million) and has not started commercial operations.

JWPL Technology Co. Ltd. (JWPL Technology). On March 6, 2024, the Jollibee Group, through its wholly owned subsidiary, JWPLM, incorporated JWPL Technology in Thailand. Its main business will be digital services including in-house development of digital platforms, project and product management and digital center of excellence of the Jollibee Group. As at December 31, 2024, the capital investment to JWPL Technology amounted to USD0.6 million (₱34.7 million) and has not started commercial operations.

FCJB Foods Inc. (FCJB). On August 3, 2023, the Parent Company and Food Collective, Pte. Ltd. (FCPL) announced the establishment of a joint venture that will own and operate Tiong Bahru Bakery and Common Man Coffee Roaster brands in the Philippines.

The joint venture entity, incorporated as FCJB on August 29, 2023, is 60% owned by the Parent Company and 40% owned by FCPL. Both companies have committed to invest up to ₱250.0 million to the joint venture. FCJB started operations on December 8, 2023. The capital investment of the Parent Company to FCJB amounted to ₱250.0 million and ₱150.0 million as at December 31, 2024 and 2023, respectively.

Jollibee (Shanghai) Consulting Management Co., Ltd. (Shanghai Consulting Management). On August 21, 2023, the Jollibee Group, through its wholly owned subsidiary, Jollibee (China) Food & Beverage Management Co. Ltd., incorporated Shanghai Consulting Management to provide executive, human resources and business technology services in China. Shanghai Consulting Management started commercial operations on May 1, 2024. The capital investment to Shanghai Consulting Management amounted to RMB30.0 million (₱233.9 million) and RMB1.0 million (₱8.8 million) as at December 31, 2024 and 2023, respectively.

Pinnacle Quality Food Inc. (PQF). On June 6, 2022, the Jollibee Group, through its wholly owned subsidiary, Zenith, incorporated PQF to engage in, operate, conduct and maintain the business of manufacturing, importing, buying, selling or otherwise undertaking in wholesale and retail of all kinds of food products and any and all equipment, materials, supplies used or employed in or related

to the manufacture of such finished products; to engage, directly or indirectly, in the planting, raising, culture, harvesting and processing of raw agricultural and fishery products into semi-processed or finished products, the packaging and marketing of such products, and to engage in other farm activities and practices. As at December 31, 2024 and 2023, the capital investment to PQF amounted to ₱150.6 million and has not started commercial operations.

C. Material Non-Controlling Interests

The Jollibee Group has subsidiaries with material non-controlling interests as provided below.

Proportion of equity interest held by non-controlling interests in 2024 and 2023 are as follows:

	Country of incorporation and operation	**2024**	2023
SuperFoods Group	Vietnam	**40%**	40%
SMCC-SG	Singapore	**20%**	20%
GBPL	Singapore	**40%**	40%
Milksha	Taiwan	**49%**	49%
MHL	Hong Kong	**40%**	40%
Compose Coffee	South Korea	**30%**	–

The summarized financial information of SuperFoods Group, SMCC-SG, GBPL, Milksha, MHL and Compose Coffee in 2024, 2023 and 2022 are provided below. These information are based on amounts before intercompany eliminations.

Summarized Statements of Comprehensive Income for the year ended December 31

	SuperFoods Group		
	2024	2023	2022
Revenues	**₱10,230,363**	₱9,049,127	₱8,162,150
Net income	**218,824**	356,776	336,991
Other comprehensive loss	**(6,262)**	(4,940)	(37,822)
Total comprehensive income	**212,562**	351,836	299,169
Total comprehensive income attributable to non-controlling interests	**85,025**	140,734	119,668

	SMCC – SG		
	2024	2023	2022
Revenues	**₱20,551,240**	₱18,049,684	₱16,833,441
Net loss	**(1,907,142)**	(3,444,247)	(499,101)
Other comprehensive income (loss)	**(641,546)**	91,090	(923,517)
Total comprehensive loss	**(2,548,688)**	(3,353,157)	(1,422,618)
Total comprehensive loss attributable to non-controlling interests	**(509,738)**	(670,631)	(284,524)

	GBPL		
	2024	2023	2022
Revenues	**₱1,933,856**	₱1,146,923	₱1,446,668
Net income	**75,996**	50,013	54,365
Other comprehensive income	**3,485**	1,905	33,912
Total comprehensive income	**79,481**	51,918	88,277
Total comprehensive income attributable to non-controlling interests	**31,792**	20,767	35,311

	Milksha		
	2024	2023	2022
Revenues	**₱2,335,259**	₱2,127,378	₱1,775,301
Net income	**188,392**	156,384	141,772
Other comprehensive income (loss)	**631**	(16,337)	(3,595)
Total comprehensive income	**189,023**	140,047	138,177
Total comprehensive income attributable to non-controlling interests	**92,621**	68,623	67,707

	MHL	
	2024	2023
Revenues	**₱1,663,097**	₱512,369
Net income (loss)	**(99,434)**	1,796
Other comprehensive income	**6,203**	4,497
Total comprehensive income (loss)	**(93,231)**	6,293
Total comprehensive income (loss) attributable to non-controlling interests	**(37,292)**	2,517

	Compose Coffee
	2024
Revenues	**₱2,377**
Net income	**651**
Other comprehensive income	**–**
Total comprehensive income	**651**
Total comprehensive income attributable to non-controlling interests	**166**

Summarized Statements of Financial Position as at December 31

	SuperFoods Group	
	2024	2023
Current assets	**₱1,085,260**	₱1,116,943
Noncurrent assets	**7,982,398**	7,221,973
Current liabilities	**4,741,827**	4,313,442
Noncurrent liabilities	**3,645,629**	3,553,038
Total equity	**680,202**	472,436
Equity attributable to non-controlling interests	**272,081**	188,974

	SMCC – SG	
	2024	2023
Current assets	**₱4,035,210**	₱3,646,394
Noncurrent assets	**34,484,198**	34,255,083
Current liabilities	**28,128,762**	25,720,613
Noncurrent liabilities	**12,887,910**	11,969,037
Total equity (deficit)	**(2,497,264)**	211,827
Deficit attributable to non-controlling interests	**(3,419,093)**	(2,877,260)

	GBPL	
	2024	2023
Current assets	**₱366,267**	₱364,602
Noncurrent assets	**734,771**	298,217
Current liabilities	**282,610**	255,346
Noncurrent liabilities	**535,661**	131,581
Total equity	**282,767**	275,892
Equity attributable to non-controlling interests	**113,107**	110,357

	Milksha	
	2024	2023
Current assets	**₱1,098,898**	₱910,139
Noncurrent assets	**192,527**	175,865
Current liabilities	**612,424**	461,497
Noncurrent liabilities	**93,138**	79,752
Total equity	**585,863**	544,755
Equity attributable to non-controlling interests	**287,073**	266,930

	MHL	
	2024	2023
Current assets	**₱181,818**	₱180,946
Noncurrent assets	**969,646**	943,336
Current liabilities	**638,628**	523,494
Noncurrent liabilities	**103,532**	99,156
Total equity	**409,304**	501,632
Equity attributable to non-controlling interests	**163,722**	200,653

	Compose Coffee
	2024
Current assets	**₱4,296,146**
Noncurrent assets	**17,668,712**
Current liabilities	**984,814**
Noncurrent liabilities	**2,372,137**
Total equity	**18,607,907**
Equity attributable to non-controlling interests	**5,548,067**

Summarized Audited Cash Flow Information for the year ended December 31

	SuperFoods Group		
	2024	2023	2022
Net cash provided by operating activities	**₱977,022**	₱835,371	₱1,504,501
Net cash used in investing activities	**(1,137,921)**	(1,631,426)	(800,903)
Net cash provided by (used in) financing activities	**19,543**	327,180	(54,793)
Net increase (decrease) in cash and cash equivalents	**(141,356)**	(468,875)	648,805

	SMCC-SG		
	2024	2023	2022
Net cash provided by operating activities	**₱2,028,840**	₱760,812	₱1,986,690
Net cash used in investing activities	**(1,692,238)**	(1,820,796)	(173,752)
Net cash provided by (used in) financing activities	**18,515**	364,756	(1,172,545)
Net increase (decrease) in cash and cash equivalents	**355,117**	(695,228)	640,393

	GBPL		
	2024	2023	2022
Net cash provided by operating activities	**₱300,700**	₱296,635	₱305,821
Net cash used in investing activities	**(255,739)**	(183,252)	(186,414)
Net cash used in financing activities	**(55,249)**	(82,920)	(81,410)
Net increase (decrease) in cash and cash equivalents	**(10,288)**	30,463	37,997

	Milksha		
	2024	2023	2022
Net cash provided by operating activities	**₱37,298**	₱150,269	₱242,848
Net cash used in investing activities	**(48,905)**	(49,359)	(36,187)
Net increase (decrease) in cash and cash equivalents	**(11,607)**	100,910	206,661

	MHL	
	2024	2023
Net cash provided by operating activities	**₱67,363**	₱3,356
Net cash provided by (used in) investing activities	**(97,013)**	1,914
Net cash provided by financing activities	**3,643**	60,976
Net increase (decrease) in cash and cash equivalents	**(26,007)**	66,246

	Compose Coffee
	2024
Net cash provided by operating activities	**₱542,949**
Net cash used in investing activities	**(338,423)**
Net increase (decrease) in cash and cash equivalents	**204,526**

D. Interests in and Advances to Joint Ventures, Co-venturers and Associates

	2024	2023
Interests in joint ventures:		
Titan Dining LP	**₱16,264,727**	₱13,271,276
Titan Dining II LP	**1,358,801**	–
Golden Bee Foods Restaurant LLC	**417,172**	392,247
JBPX Foods Inc.	**156,271**	217,017
Yoshinoya Jollibee Foods, Inc.	**91,462**	88,749
	18,288,433	13,969,289
Interests in associates:		
CentralHub Industrial Centers, Inc.	**3,428,692**	3,419,135
Botrista, Inc.	**1,695,057**	–
Tortazo LLC	**628,063**	725,227
C-Joy Poultry Meats Production, Inc.	**669,639**	434,633
Entrek (B) SDN BHD	**186,267**	197,205
C-Joy Poultry Realty, Inc.	**15,390**	20,151
Beeworks Food SDN. BHD.	**(51,795)**	(29,729)
	6,571,313	4,766,622
Advances to a joint venture, associates and a co-venturer:		
VTI Group	**1,557,026**	2,066,012
Tortazo LLC	**183,156**	86,656
JBPX Foods Inc.	**133,077**	128,865
Beeworks Food SDN. BHD	**94,594**	75,538
	1,967,853	2,357,071
	₱26,827,599	₱21,092,982

Interests in Joint Ventures

Titan Dining LP (Titan). The Jollibee Group, through JWPL, as a Limited Liability Partner, has 92% and 90% participating interest in Titan as at December 31, 2024 and 2023, respectively. Titan is a private equity fund that owns the Asia Pacific master franchise holder of the "Tim Ho Wan" brand, Tim Ho Wan Pte. Ltd. and its affiliate Dim Sum Pte. Ltd., which owns and operates Tim Ho Wan stores in Singapore.

On January 1, 2024, JWPL announced the increase in the total maximum fund of Titan from SGD350.0 million (₱14,395.5 million) to SGD450.0 million (₱18,940.5 million) to fund the store expansion plans and working capital requirements of Tim Ho Wan and the completion of other projects. With the increase in fund size, JWPL's total commitment to the fund shall amount to SGD414.0 million (₱17,425.3 million). JWPL also increased its participating interest from 90% to 92% through the purchase of 2% participating interest of another limited partner in the fund for a total consideration of SGD7.7 million (₱324.8 million). These amendments are necessary to support the growth expansion of Tim Ho Wan, other brands and other future food and beverage concepts that will be part of Titan's portfolio.

On April 11 and November 18, 2024, JWPL made additional investments amounting to SGD15.6 million (₱659.4 million) and SGD41.4 million (₱1,813.6 million) proportionate to its participating interest in Titan.

On April 11 and November 18, 2024, JWPL made additional investments amounting to SGD15.6 million (₱659.4 million) and SGD41.4 million (₱1,813.6 million) proportionate to its participating interest in Titan.

On November 5, 2024, the Jollibee Group disclosed that its wholly owned subsidiary, JWPL, signed an agreement with a subsidiary of Titan Dining LP (Titan Fund) to transfer the ownership and management of Tim Ho Wan business from Titan Fund to JWPL, through the transfer of 100% ownership of Tim Ho Wan business to JWPL. The completion of this transaction is subject to closing conditions.

On January 2, 2025, JWPL completed the transfer of 100% ownership of Tim Ho Wan business under the same terms as disclosed on November 5, 2024, for a total consideration of SGD252.2 million (₱10,695.8 million).

The Jollibee Group included Tim Ho Wan business in its financial consolidation starting January 2, 2025 (the "acquisition date").

JWPL held a 92% participating interest in Titan Fund since January 2024. Accordingly, its cash payment for the transaction shall only be for SGD20.2 million (₱881.5 million), corresponding to the 8% participating interest held by the other investors in the Titan Fund.

The details of the Jollibee Group's participating interest in Titan as at December 31, 2024 and December 31, 2023 are as follows:

	2024	2023
Interest in a joint venture – cost:		
Balance at beginning of year	**₱12,786,939**	₱10,767,706
Additions during the year	**2,797,807**	2,019,233
Balance at end of year	**15,584,746**	12,786,939
Cumulative equity in net earnings:		
Balance at beginning of year	**484,337**	138,197
Equity in net earnings during the year	**195,644**	346,140
Balance at end of year	**679,981**	484,337
	₱16,264,727	₱13,271,276

Summarized financial information of Titan based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2024	2023
Current assets	**₱349,362**	₱680,984
Noncurrent assets	**18,961,700**	13,017,078
Total assets	**₱19,311,062**	₱13,698,062
Current liabilities	**₱39,382**	₱24,993

The amounts of assets and liabilities above include:

	2024	2023
Cash and cash equivalents	**₱248,897**	₱679,813

The amounts of the income accounts include the following:

	2024	2023	2022
Net income (loss)	**₱212,657**	₱384,600	(₱68,958)
Total comprehensive income (loss)	**212,657**	384,600	(68,958)

	2024	2023
Net assets	**₱19,271,680**	₱13,673,069
Proportion of the Jollibee Group's participating interest	**92%**	90%
	17,729,946	12,305,762
Goodwill	**61,901**	2,336,248
Cumulative translation adjustments	**(1,527,120)**	(1,370,734)
	₱16,264,727	₱13,271,276

Titan Dining II LP (Titan Fund II). On April 3, 2024, the Jollibee Group, through its wholly owned subsidiary, JWPL, announced its participation and capital call commitment to Titan Dining II LP (Titan Fund II).

The fund size of Titan Fund II will be SGD100.0 million (₱4,184.0 million) which will be used to fund strategic investments in food and beverage concepts with the objective to further grow the Asia Pacific food service brands and/or bring strong global food service brands to the Asia Pacific. JWPL will have 90% participating interest in Titan Fund II, with a capital commitment of SGD90.0 million (₱3,765.6 million). Titan Fund II will be managed by Titan Dining Partners II Ltd., consisting of individuals with extensive experience in the food and beverage sector in the Asia Pacific Region.

On July 29, 2024, JWPL made an initial capital contribution amounting to SGD31.5 million (₱1,387.7 million).

The details of the Jollibee Group's participating interest in Titan Fund II as at December 31, 2024 is as follows:

Interest in a joint venture – cost:	
Addition during the year	₱1,387,693
Cumulative equity in net earnings:	
Balance at beginning of year	–
Equity in net losses during the year	(28,892)
Balance at end of year	(28,892)
	₱1,358,801

Summarized financial information of Titan Fund II based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements as at December 31, 2024 are set out below:

Current assets	₱210,582
Noncurrent assets	1,278,241
Total assets	₱1,488,823
Current liabilities	₱26,625

The amounts of assets and liabilities above include:

Cash and cash equivalents	₱113,184

The amounts of the income accounts include the following:

Net loss	(₱32,102)
Total comprehensive loss	(32,102)
Net assets	1,462,198
Proportion of the Jollibee Group's participating interest	90%
	1,315,978
Cumulative translation adjustments	42,823
	₱1,358,801

Golden Bee Foods Restaurant LLC (Golden Bee). The Jollibee Group, through GPPL, has 49% ownership in Golden Bee, a company that owns and operates the Jollibee brand in the United Arab Emirates.

The details of the Jollibee Group's interest in the Golden Bee as at December 31 are as follows:

	2024	2023
Interest in a joint venture – cost	**₱33,926**	₱33,926
Cumulative equity in net earnings:		
Balance at beginning of year	**358,321**	308,848
Equity in net earnings during the year	**142,647**	138,503
Dividends received	**(117,722)**	(89,030)
Balance at end of year	**383,246**	358,321
	₱417,172	₱392,247

Summarized financial information of Golden Bee based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2024	2023
Current assets	**₱1,092,733**	₱1,270,781
Noncurrent assets	**881,002**	213,791
Total assets	**₱1,973,735**	₱1,484,572
Current liabilities	**₱818,433**	₱523,818
Noncurrent liabilities	**186,744**	88,663
Total liabilities	**₱1,005,177**	₱612,481

The amounts of assets and liabilities above include:

	2024	2023
Cash and cash equivalents	**₱752,045**	₱844,953

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱2,828,973**	₱2,376,616	₱2,106,493
Depreciation and amortization	**62,776**	55,052	77,914
Net income	**291,116**	282,659	214,994
Total comprehensive income	**291,116**	222,714	214,994

	2024	2023
Net assets	**₱968,558**	₱872,091
Proportion of the Jollibee Group's ownership	**49%**	49%
	474,593	427,325
Cumulative translation adjustments	**(57,421)**	(35,078)
	₱417,172	₱392,247

JBPX Foods Inc. (Panda Express). The Jollibee Group, through the Parent Company, has 50% ownership in JBPX Foods Inc., a company that owns and operates the Panda Express brand in the Philippines.

The details of Jollibee Group's interest in Panda Express as at December 31 are as follows:

	2024	2023
Interest in a joint venture – cost	**₱281,750**	₱281,750
Cumulative equity in net losses:		
Balance at beginning of year	**(64,733)**	(36,446)
Equity in net loss during the year	**(60,746)**	(28,287)
Balance at end of year	**(125,479)**	(64,733)
	₱156,271	₱217,017

Summarized financial information of Panda Express based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2024	2023
Current assets	**₱303,240**	₱450,063
Noncurrent assets	**933,074**	1,068,500
Total assets	**₱1,236,314**	₱1,518,563
Current liabilities	**₱299,405**	₱326,634
Noncurrent liabilities	**624,367**	757,895
Total liabilities	**₱923,772**	₱1,084,529

The amounts of assets and liabilities above include:

	2024	2023
Cash and cash equivalents	**₱256,798**	₱406,173
Current financial liabilities (excluding trade payables and other current liabilities and provisions)	**52,170**	59,171
Noncurrent financial liabilities (excluding trade and other payables and provisions)	**624,180**	757,833

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱1,353,878**	₱1,265,891	₱822,465
Depreciation and amortization	**183,383**	142,988	80,240
Taxes and licenses	**17**	2,041	283
Interest income	**9,875**	16,554	3,386
Interest expense	**(54,812)**	(42,442)	(19,046)
Net loss	**(121,492)**	(56,574)	(29,347)
Total comprehensive loss	**(122,135)**	(57,195)	(28,521)

	2024	2023
Net assets	**₱312,542**	₱434,034
Proportion of the Jollibee Group's ownership	**50%**	50%
	₱156,271	₱217,017

Yoshinoya Jollibee Foods, Inc. (Yoshinoya). The Jollibee Group, through the Parent Company, has 50% ownership in Yoshinoya, a company that owns and operates the Yoshinoya brand in the Philippines.

The details of Jollibee Group's interest in Yoshinoya as at December 31 are as follows:

	2024	2023
Interest in a joint venture – cost	**₱95,000**	₱95,000
Cumulative equity in net earnings(losses):		
Balance at beginning of year	**(6,251)**	(8,816)
Equity in net earnings during the year	**2,713**	2,565
Balance at end of year	**(3,538)**	(6,251)
	₱91,462	₱88,749

Summarized financial information of Yoshinoya based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2024	2023
Current assets	**₱115,242**	₱99,733
Noncurrent assets	**173,428**	191,884
Total assets	**₱288,670**	₱291,617
Current liabilities	**₱67,539**	₱72,792
Noncurrent liabilities	**38,207**	41,327
Total liabilities	**₱105,746**	₱114,119

The amounts of assets and liabilities above include:

	2024	2023
Cash and cash equivalents	**₱101,085**	₱89,039
Current financial liabilities (excluding trade payables and other current liabilities and provisions)	**11,445**	14,565
Noncurrent financial liabilities	**38,206**	41,327

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱397,362**	₱380,150	₱183,432
Depreciation and amortization	**38,699**	30,554	11,522
Taxes and licenses	**–**	18	26
Interest income	**3,091**	3,127	1,863
Interest expense	**(3,152)**	(1,763)	(2,090)
Net income (loss)	**5,427**	5,130	(20,210)
Total comprehensive income (loss)	**5,446**	5,025	(18,877)

	2024	2023
Net assets	**₱182,924**	₱177,498
Proportion of the Jollibee Group's ownership	**50%**	50%
	₱91,462	₱88,749

Interests in Associates

CentralHub Industrial Centers, Inc. (CentralHub). As at December 31, 2024 and 2023, the Jollibee Group, through the Parent Company and its wholly subsidiary, Zenith, owns 39% interest in CentralHub, a company in the industrial real estate business. CentralHub intends to register and operate as a Real Estate Investment Trust (REIT) company, with a planned initial public offering on or before December 2025.

The details of Jollibee Group's interest in CentralHub as at December 31 are as follows:

	2024	2023
Interest in an associate – cost	**₱3,390,073**	₱3,390,073
Cumulative equity in net earnings:		
Balance at beginning of year	**29,062**	26,318
Equity in net earnings during the year	**9,557**	2,744
Balance at end of year	**38,619**	29,062
	₱3,428,692	₱3,419,135

Summarized financial information of CentralHub based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements as at December 31 are set out below:

	2024	2023
Current assets	**₱3,131,280**	₱3,474,127
Noncurrent assets	**4,804,017**	4,282,876
Total assets	**₱7,935,297**	₱7,757,003
Current liabilities	**₱556,480**	₱486,775
Noncurrent liabilities	**376,883**	292,799
Total liabilities	**₱933,363**	₱779,574

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱52,882**	₱52,688	₱25,439
Taxes and licenses	**11,494**	11,732	4,910
Interest income	**21**	20,762	2,823
Interest expense	**(2,582)**	(2,385)	(410)
Net income	**24,506**	7,036	95,074
Total comprehensive income	**24,506**	7,036	95,074

	2024	2023
Net assets	**₱7,001,934**	₱6,977,429
Proportion of the Jollibee Group's ownership	**39%**	39%
	2,730,754	2,721,197
Goodwill	**697,938**	697,938
	₱3,428,692	₱3,419,135

Botrista, Inc. (Botrista). On March 27, 2024, the Jollibee Group, through JWPL, invested USD28.0 million (₱1,577.5 million) in Botrista's common and convertible preferred shares, in consideration for 10% fully-diluted interest. Botrista is a leader in the beverage technology space that holds more than 100 patents globally for its proprietary dispense technology which provides automated solutions to serve cold specialty coffee and tea-based drinks with premium and all-natural ingredients.

On December 14, 2024, JWPL made additional investment amounting to USD4.0 million (₱233.9 million). As a result, the ownership interest in Botrista increased from 10.0% to 10.8% on a fully diluted basis.

The details of Jollibee Group's interest in Botrista as at December 31, 2024 are as follows:

Interest in a joint venture – cost:	
Additions during the year	₱1,811,369
Cumulative equity in net earnings:	
Balance at beginning of year	–
Equity in net losses during the year	(116,312)
Balance at end of year	(116,312)
	₱1,695,057

Summarized financial information of Botrista based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements as at December 31, 2024 are set out below:

Current assets	₱2,238,380
Noncurrent assets	1,006,461
Total assets	₱3,244,841
Current liabilities	₱1,156,197
Noncurrent liabilities	356,270
Total liabilities	₱1,512,467

The amounts of the income and expense accounts include the following:

Revenues	₱561,725
Net loss	(2,944,600)
Net assets	₱1,732,374
Proportion of the Jollibee Group's ownership	10.8%
	187,096
Goodwill	1,538,946
Cumulative translation adjustments	(30,985)
	₱1,695,057

JWPL's investment in Botrista is a strong fit to Jollibee Group's goal of growing its coffee and tea business. It will pave strategic access to innovative and sustainable platform and technology, creating gateway to tap the USD3.0 trillion (₱168.7 trillion)-worth total addressable market for beverages industry globally, by expanding distribution channels and providing consumers with healthier options. This gives Jollibee Group an opportunity to leverage Botrista's technological capabilities, which will create significant learnings and synergies that will further enhance Jollibee Group's competitive advantage.

Tortazo LLC (Tortazo). As at December 31, 2024 and 2023, the Jollibee Group, through JFC USA, has 52.30% and 52.60% ownership in Tortazo, respectively. The company owns and operates the Tortazo business – a Mexican fast-casual restaurant business in the USA, founded by award-winning Chef Rick Bayless.

On July 6, 2023, the Jollibee Group made an additional investment in Tortazo amounting to USD3.5 million (₱195.2 million). The additional investments increased the ownership interest of the Jollibee Group from 52.22% to 52.60%.

The details of the Jollibee Group's interest in Tortazo as at December 31are as follows:

	2024	2023
Interest in an associate – cost:		
Balance at beginning of year	**₱978,230**	₱782,988
Additions during the year	**–**	195,242
Balance at end of year	**978,230**	978,230
Cumulative equity in net losses:		
Balance at beginning of year	**(253,003)**	(164,609)
Equity in net loss during the year	**(97,164)**	(88,394)
Balance at end of year	**(350,167)**	(253,003)
	₱628,063	₱725,227

Summarized financial information of Tortazo based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2024	2023
Current assets	**₱123,581**	₱229,385
Noncurrent assets	**625,421**	572,888
Total assets	**₱749,002**	₱802,273
Current liabilities	**₱241,897**	₱138,263

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱265,847**	₱264,627	₱163,320
Net loss	**(185,782)**	(168,675)	(164,868)
Total comprehensive loss	**(185,782)**	(168,675)	(164,868)

	2024	2023
Net assets	**₱507,105**	₱664,010
Proportion of the Jollibee Group's ownership	**52.30%**	52.60%
	265,216	349,269
Goodwill	**381,532**	381,532
Cumulative translation adjustments	**(18,685)**	(5,574)
	₱628,063	₱725,227

C-Joy Poultry Meats Production, Inc. (C-Joy Poultry). The Parent Company has 30% ownership interest in C-Joy Poultry, a company that operates a poultry processing plant in Sto. Tomas, Batangas, Philippines.

The details of Jollibee Group's interest in C-Joy Poultry as at December 31 are as follows:

	2024	2023
Interest in an associate – cost	**₱1,920,126**	₱1,920,126
Cumulative equity in net earnings(losses):		
Balance at beginning of year	**(1,485,493)**	(1,646,442)
Equity in net earnings during the year	**235,006**	160,949
Balance at end of year	**(1,250,487)**	(1,485,493)
	₱669,639	₱434,633

Summarized financial information of the C-Joy Poultry based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2024	2023
Current assets	**₱2,511,668**	₱2,367,899
Noncurrent assets	**2,234,770**	2,028,622
Total Assets	**₱4,746,438**	₱4,396,521
Current liabilities	**₱2,313,222**	₱2,819,212
Noncurrent liabilities	**201,087**	128,532
Total liabilities	**₱2,514,309**	₱2,947,744

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱14,693,261**	₱12,005,551	₱10,034,776
Depreciation and amortization	**298,507**	248,445	207,758
Taxes and licenses	**16,393**	17,606	25,239
Interest income	**4,597**	3,421	763
Interest expense	**(56,755)**	(100,032)	(78,794)
Net income	**783,352**	536,496	9,239
Total comprehensive income	**825,191**	579,145	38,720

	2024	2023
Net assets	**₱2,232,129**	₱1,448,777
Proportion of the Jollibee Group's ownership	**30%**	30%
	₱669,639	₱434,633

Entrek (B) SDN BHD (Entrek). The Jollibee Group, through JIBL, has 1/3 or 33.33% ownership in Entrek, a company that operates Jollibee stores in Brunei.

The details of the Jollibee Group's interest in Entrek as at December 31 are as follows:

	2024	2023
Interest in an associate – cost	**₱16,660**	₱16,660
Cumulative equity in net earnings:		
Balance at beginning of year	**180,545**	155,742
Equity in net earnings during the year	**73,550**	65,802
Dividends received	**(84,488)**	(40,999)
Balance at end of year	**169,607**	180,545
	₱186,267	₱197,205

Summarized financial information of Entrek based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2024	2023
Current assets	**₱784,351**	₱858,959
Noncurrent assets	**349,581**	322,206
Total assets	**₱1,133,932**	₱1,181,165
Current liabilities	**₱475,171**	₱622,578

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱1,732,600**	₱1,538,480	₱1,304,237
Depreciation	**94,324**	96,779	92,948
Net income	**220,651**	197,406	135,422
Total comprehensive income	**220,651**	197,406	135,422

	2024	2023
Net assets	**₱658,761**	₱558,587
Proportion of the Jollibee Group's ownership	**33.33%**	33.33%
	219,565	186,177
Cumulative translation adjustments	**(33,320)**	11,009
	₱186,245	₱197,186

C-Joy Poultry Realty, Inc. (C-Joy Realty). The Parent Company has 30% ownership interest in C-Joy Realty, a company which leases the land where the C-Joy Poultry plant is located.

The details of the Jollibee Group's interest in C-Joy Realty as at December 31 are as follows:

	2024	2023
Interest in an associate – cost	**₱10,586**	₱10,586
Cumulative equity in net earnings:		
Balance at beginning of year	**9,565**	6,661
Equity in net earnings (loss) during the year	**(4,761)**	2,904
Balance at end of year	**4,804**	9,565
	₱15,390	₱20,151

Summarized financial information of C-Joy Realty based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2024	2023
Current assets	**₱154,730**	₱6,402
Noncurrent assets	**310,322**	62,152
Total assets	**₱465,052**	₱68,554
Current liabilities	**₱65,753**	₱1,383
Noncurrent liabilities	**348,000**	–
Total liabilities	**₱413,753**	₱1,383

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱14,996**	₱14,177	₱14,177
Taxes and licenses	**13,951**	1	1
Interest income	**853**	112	41
Interest expense	**–**	(227)	(694)
Net income (loss)	**(15,871)**	9,681	9,233
Total comprehensive income (loss)	**(15,871)**	9,681	9,233

	2024	2023
Net assets	**₱51,299**	₱67,171
Proportion of the Jollibee Group's ownership	**30%**	30%
	₱15,390	₱20,151

Beeworks Food SDN. BHD. (Beeworks – West Malaysia). The Jollibee Group, through GPPL, has 30% ownership interest in Beeworks – West Malaysia, a company that owns and operates Jollibee stores in West Malaysia which covers the country's capital, Kuala Lumpur.

The details of the Jollibee Group's interest in Beeworks – West Malaysia as at December 31 are as follows:

	2024	2023
Interest in an associate – cost	**₱9,299**	₱9,299
Cumulative equity in net losses:		
Balance at beginning of year	**(39,028)**	(16,111)
Equity in net loss during the year	**(22,066)**	(22,917)
Balance at end of year	**(61,094)**	(39,028)
	(₱51,795)	(₱29,729)

Summarized financial information of Beeworks – West Malaysia based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements as at December 31 are set out below:

	2024	2023
Current assets	**₱131,943**	₱138,060
Noncurrent assets	**490,829**	251,069
Total assets	**₱622,772**	₱389,129
Current liabilities	**₱289,703**	₱110,733
Noncurrent liabilities	**514,237**	375,991
Total liabilities	**₱803,940**	₱486,724

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱544,248**	₱349,975	₱132,635
Depreciation	**45,335**	36,310	10,691
Net loss	**(73,555)**	(76,390)	(53,704)
Total comprehensive loss	**(73,555)**	(76,390)	(53,704)

	2024	2023
Net liabilities	**(₱181,168)**	(₱97,595)
Proportion of the Jollibee Group's ownership	**30%**	30%
	(54,350)	(29,279)
Cumulative translation adjustments	**2,555**	(450)
	(₱51,795)	(₱29,729)

Advances to a Co-venturer

Advances to VTI Group. The details of the Jollibee Group's advances to VTI Group as at December 31 are as follows:

	2024	2023
Balance at beginning of year	**₱2,066,012**	₱2,009,362
Payment during the year	**(700,028)**	–
Accrual of interest (see Note 23)	**85,531**	71,035
Translation adjustments and others	**105,511**	(14,385)
Balance at end of year	**₱1,557,026**	₱2,066,012

On December 14, 2016, a loan of USD9.0 million (₱447.5 million) was extended to the VTI Group with an interest rate of 3.5% per annum. The loan was agreed to be used for SuperFoods Group's capital needs. The loan is part of the total agreed loan of USD30.0 million payable in eight (8) years from the first utilization date. On June 2, 2017, the additional loan of USD21.0 million (₱1,060.0 million) was granted to the VTI Group. The loan is secured by pledged shares in SFVT and Blue Sky which will be released in proportion to the amount of the principal paid. On December 17, 2024, the USD9.0 million loan and related interest were paid in full.

Total interest from this loan, recognized as interest income, amounted to USD1.5 million (₱85.5 million), USD1.3 million (₱71.0 million) and USD1.1 million (₱57.5 million) in 2024, 2023 and 2022, respectively (see Note 23).

Advances to Associates

Advances to Tortazo. The details of the Jollibee Group's advances to Tortazo as at December 31 follows:

	2024	2023
Balance at beginning of year	**₱86,656**	₱–
Advances during the year	**111,205**	92,168
Payments during the year	**(23,342)**	(11,074)
Accrual of interest (see Note 23)	**5,787**	3,910
Translation adjustments	**2,850**	1,652
Balance at end of year	**₱183,156**	₱86,656

On February 9, 2023, the Jollibee Group, through JFC USA, granted a one-year loan to Tortazo amounting to USD0.7 million (₱37.6 million) subject to an interest rate of 6.0% per annum payable on maturity date. On January 26, 2024, the maturity date of the loan was extended to February 26, 2027.

On July 6, 2023, additional loan was granted amounting to USD1.0 million (₱54.6 million) subject to an interest rate of 7.0% per annum payable on July 5. 2024, the maturity date. Tortazo made partial payments totalling to USD0.2 million (₱11.7 million) and USD0.2 million (₱11.1 million) in 2024 and 2023, respectively. The maturity date of the loan was extended to July 5, 2025.

On June 21, 2024, Tortazo issued a four-year convertible promissory note to JFC USA amounting to USD0.9 million (₱53.5 million). Subsequently, additional notes were issued on September 4 and December 2, 2024 amounting to USD0.2 million (₱12.2 million) and USD0.2 million (₱12.3 million), respectively. The notes bear an interest rate of 14.0% per annum and payable on the maturity date.

On June 21, 2024, JFC USA granted a loan to its co-venturer amounting to USD0.4 million (₱22.7 million). On September 4 and December 2, 2024, additional loans were granted amounting to USD0.1 million (₱5.2 million) and USD0.9 million (₱5.3 million). The loans bear an interest rate of 7.0% per annum and payable on the maturity date.

Advances to Beeworks – West Malaysia. The details of the Jollibee Group's advances to Beeworks – West Malaysia as at December 31 are as follows:

	2024	2023
Balance at beginning of year	**₱75,538**	₱30,473
Accrual of interest (see Note 23)	**3,516**	1,894
Advances during the year	**12,413**	43,936
Translation adjustments	**3,127**	(765)
Balance at end of year	**₱94,594**	₱75,538

On May 11, 2022, the Jollibee Group, through GPPL, extended a 5-year loan to Beeworks – West Malaysia amounting to MYR2.4 million (₱30.0 million) available in two (2) tranches subject to an interest rate of 3.5% per annum. The first tranche amounting MYR1.2 million (₱15.0 million) was issued on June 10, 2022. Subsequently, the second tranche amounting to MYR1.2 million (₱15.3 million) was issued on September 1, 2022. The loan is payable in full on the 5th year from the date of the agreement.

On March 2, 2023, GPPL extended an 8-year loan amounting to MYR3.6 million (₱43.9 million), available in two (2) tranches subject to an interest rate of 4.74% per annum. The first tranche amounting MYR1.7 million (₱21.4 million) was issued on April 3, 2023. Subsequently, the second tranche amounting to MYR1.9 million (₱22.5 million) was issued on October 31, 2023. The loan is payable in full on the 8th year from date of agreement.

On October 18, 2024, GPPL extended a 7-year loan amounting to MYR0.9 million (₱12.4 million) subject to an interest rate of 5.12% per annum. The loan is payable in full upon maturity.

Advances to a Joint Venture

Advances to JBPX. The details of the Jollibee Group's advances to JBPX as at December 31 are as follows:

	2024	2023
Balance at beginning of year	**₱128,865**	~~₱–~~
Accrual of interest (see Note 23)	**8,471**	3,865
Payments during the year	**(4,259)**	–
Advances during the year	**–**	125,000
Balance at end of year	**₱133,077**	₱128,865

On July 14, 2023, the Parent Company extended a loan to JBPX amounting to ₱125.0 million subject to a variable interest rate based on the sum of six (6) month PHP BVAL plus spread of 0.7% to be repriced and paid semi-annually. The loan is payable in full on the 4th year from the date of the agreement.

E. Cessation of Business and Dissolution of a Subsidiary

Pho24 Business. On May 10, 2023, the SuperFoods Group which owns Highlands Coffee and Pho24 transferred the assets of the Pho24 business to East-West Restaurant Concepts resulting to a gain of ₱36.2 million. Pho24 operated fourteen (14) stores in Vietnam. The franchise agreement for the operation of Pho24 stores in the Philippines was also terminated.

BGCC. On November 8, 2022, the Jollibee Group and Jasmine Asset Holdings, Ltd., announced the termination of the Master Franchise Agreement for Dunkin' Donuts and ceased the operations of Beijing Golden Cup Food & Beverage Management Co., Ltd. (BGCC), which operated seven (7) Dunkin' Donuts restaurants in Beijing. Upon execution of the exit agreement on November 14, 2022, the remaining balance of market entry fee amounting to ₱77.3 million was written-off. BGCC completed its dissolution on July 19, 2023.

12. Property, Plant and Equipment

The rollforward analysis of property, plant and equipment are as follows:

	2024							
	Land and Land Improvements	Plant, Buildings, Commercial Condominium Units and Improvements	Leasehold Improvements	Office, Store and Food Processing Equipment	Furniture and Fixtures	Transportation Equipment	Construction in Progress	Total
Cost								
Balance at beginning of year	**₱73,169**	**₱10,252,710**	**₱36,075,887**	**₱32,026,096**	**₱3,818,069**	**₱583,952**	**₱6,295,443**	**₱89,125,326**
Additions	–	581,824	1,326,784	2,488,944	126,238	214,733	7,241,274	11,979,797
Acquisition of a business (see Note 11)	66,249	183,122	–	294,474	–	14,278	8,663	566,786
Retirements and disposals	–	(175,267)	(1,300,967)	(1,531,107)	(121,211)	(50,563)	(151,609)	(3,330,724)
Reclassifications	–	260,917	3,086,695	1,828,025	156,678	18,366	(5,350,681)	–
Translation adjustments	(39)	79,329	718,632	390,288	108,469	1,110	57,402	1,355,191
Balance at end of year	139,379	11,182,635	39,907,031	35,496,720	4,088,243	781,876	8,100,492	99,696,376
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	4,141,229	18,780,975	22,492,387	2,701,194	421,043	–	48,536,828
Depreciation and amortization (see Notes 21 and 22)	–	814,627	3,467,956	3,514,589	387,943	55,308	–	8,240,423
Retirements and disposals	–	(57,335)	(1,012,989)	(1,321,983)	(98,289)	(41,594)	–	(2,532,190)
Translation adjustments	–	50,594	354,240	271,227	69,851	3,165	–	749,077
Balance at end of year	–	4,949,115	21,590,182	24,956,220	3,060,699	437,922	–	54,994,138

(Forward)

	2024							
	Land and Land Improvements	**Plant, Buildings, Commercial Condominium Units and Improvements**	**Leasehold Improvements**	**Office, Store and Food Processing Equipment**	**Furniture and Fixtures**	**Transportation Equipment**	**Construction in Progress**	**Total**
Accumulated Impairment Loss								
Balance at beginning of year	**₱–**	**₱–**	**₱449,655**	**₱311,864**	**₱1,307**	**₱–**	**₱353**	**₱763,179**
Additions (see Note 22)	**–**	**4,104**	**197,133**	**2,249**	**1,350**	**–**	**–**	**204,836**
Reversals (see Note 22)	**–**	**–**	**(23,932)**	**(44,466)**	**(567)**	**–**	**–**	**(68,965)**
Write-offs	**–**	**–**	**(73,699)**	**(23,035)**	**(621)**	**–**	**–**	**(97,355)**
Translation adjustments	**–**	**–**	**3,169**	**3,933**	**25**	**–**	**–**	**7,127**
Balance at end of year	**–**	**4,104**	**552,326**	**250,545**	**1,494**	**–**	**353**	**808,822**
Net Book Value	**₱139,379**	**₱6,229,416**	**₱17,764,523**	**₱10,289,955**	**₱1,026,050**	**₱343,954**	**₱8,100,139**	**₱43,893,416**

	2023							
	Land and Land Improvements	Plant, Buildings, Commercial Condominium Units and Improvements	Leasehold Improvements	Office, Store and Food Processing Equipment	Furniture and Fixtures	Transportation Equipment	Construction in Progress	Total
Cost								
Balance at beginning of year	₱73,684	₱9,252,790	₱33,034,940	₱28,501,195	₱3,371,662	₱678,016	₱6,995,392	₱81,907,679
Additions	–	907,003	2,441,358	3,095,459	427,279	87,230	4,313,874	11,272,203
Acquisition of a business (see Note 11)	–	–	315,690	90,475	13,668	–	–	419,833
Retirements and disposals	–	(110,704)	(1,931,834)	(1,227,790)	(118,599)	(195,215)	(435,046)	(4,019,188)
Reclassifications (see Note 13)	–	255,872	2,368,133	1,669,695	152,045	14,742	(4,562,072)	(101,585)
Translation adjustments	(515)	(52,251)	(152,400)	(102,938)	(27,986)	(821)	(16,705)	(353,616)
Balance at end of year	73,169	10,252,710	36,075,887	32,026,096	3,818,069	583,952	6,295,443	89,125,326
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	3,552,153	17,641,035	20,504,199	2,498,687	558,481	–	44,754,555
Depreciation and amortization (see Notes 21 and 22)	–	721,767	3,032,077	3,145,084	336,749	47,680	–	7,283,357
Retirements and disposals	–	(98,523)	(1,765,276)	(1,078,090)	(111,508)	(184,367)	–	(3,237,764)
Translation adjustments	–	(34,168)	(126,861)	(78,806)	(22,734)	(751)	–	(263,320)
Balance at end of year	–	4,141,229	18,780,975	22,492,387	2,701,194	421,043	–	48,536,828
Accumulated Impairment Loss								
Balance at beginning of year	–	1,437	391,343	270,842	2,895	–	889	667,406
Additions (see Note 22)	–	–	63,564	96,118	672	–	–	160,354
Reversals (see Note 22)	–	(1,437)	(5,006)	(40,541)	(2,257)	–	(536)	(49,777)
Write-offs	–	–	–	(14,278)	–	–	–	(14,278)
Translation adjustments	–	–	(246)	(277)	(3)	–	–	(526)
Balance at end of year	–	–	449,655	311,864	1,307	–	353	763,179
Net Book Value	₱73,169	₱6,111,481	₱16,845,257	₱9,221,845	₱1,115,568	₱162,909	₱6,295,090	₱39,825,319

Construction in progress account mainly pertains to costs incurred for ongoing construction of properties, including soon-to-open stores.

Management reassessed the recoverable amount of the Jollibee Group's property and equipment and recognized net provision amounting to ₱135.9 million in 2024, ₱110.6 million in 2023 and net reversal of provision amounting to ₱154.4 million in 2022 (see Note 22). Consequently, allowance for impairment loss amounted to ₱808.8 million and ₱763.2 million as at December 31, 2024 and 2023, respectively.

In the normal course of business, certain stores of the Jollibee Group have been renovated or permanently closed resulting in loss on retirements and disposals of property, plant and equipment amounting to ₱279.8 million, ₱400.9 million and ₱363.1 million in 2024, 2023 and 2022, respectively (see Note 22).

There are no borrowing costs capitalized as at December 31, 2024 and 2023.

No property, plant and equipment as at December 31, 2024 and 2023 have been pledged as security or collateral for the Jollibee Group's debts.

13. Investment Properties

This account consists of buildings and building improvements reclassified from property, plant and equipment account in 2023 (see Note 12).

The rollforward analysis of this account follows:

	2024	2023
Cost		
Balance at beginning of year	**₱101,585**	₱–
Reclassifications (see Note 12)	**–**	101,585
	101,585	101,585
Accumulated Depreciation and Amortization		
Depreciation during the period (see Note 22)	**12,190**	–
Net Book Value	**₱89,395**	₱101,585

Rent income derived from income-generating properties amounted to ₱31.8 in 2024, ₱20.1 in 2023, and ₱7.0 million in 2022 (see Notes 20 and 29).

Operating costs relating to the investment properties which include maintenance expenses totaled to nil in 2024, nil in 2023, and ₱10.7 million in 2022.

No investment properties as at December 31, 2024 and 2023 have been pledged as security or collateral for the Jollibee Group's debts.

14. Trademarks, Goodwill and Other Intangible Assets

This account consists of:

	2024	2023
Trademarks	**₱40,854,263**	₱35,445,794
Goodwill	**20,114,567**	16,251,878
Computer software, net of accumulated amortization	**101,279**	196,576
Other intangible assets, net of accumulated amortization	**6,724,379**	32,397
	₱67,794,488	₱51,926,645

Trademarks and Goodwill
Trademarks and goodwill acquired through business combinations are attributable to the following group of CGUs as at December 31:

	2024	2023
Trademarks:		
CBTL	**₱18,484,721**	₱18,484,721
Smashburger	**10,414,000**	10,414,000
Compose Coffee (see Note 11)	**5,408,469**	–
Highlands Coffee	**3,681,912**	3,681,912
Mang Inasal	**2,004,256**	2,004,256
Milksha	**860,905**	860,905
Total	**40,854,263**	35,445,794
Goodwill:		
Smashburger	**5,938,867**	5,684,271
Compose Coffee (see Note 11)	**3,416,476**	–
Hong Zhuang Yuan	**2,981,358**	2,928,856
SuperFoods Group	**2,681,815**	2,616,404
Mang Inasal	**1,781,267**	1,781,267
Red Ribbon Bakeshop:		
Philippine operations	**737,939**	737,939
US operations	**457,673**	438,053
Yong He King	**631,286**	620,169
MHL (see Note 11)	**625,327**	605,236
Chowking US operations	**512,486**	490,516
GSC	**180,738**	176,330
Milksha	**164,090**	167,592
Burger King	**5,245**	5,245
	20,114,567	16,251,878
Trademarks and goodwill	**₱60,968,830**	₱51,697,672

As of December 31, 2024, and 2023, the intangible assets of the Jollibee Group with an indefinite useful life relate to trademarks acquired through various acquisitions. The Jollibee Group plans to maintain the use of these trademarks to target specific market segments. Consequently, these trademarks are regarded as having an indefinite useful life.

The rollforward analysis of the Jollibee Group's trademarks as at December 31 are as follows:

	2024	2023
Cost		
Balance at beginning of year	**₱35,445,794**	₱35,908,895
Addition (see Note 11)	**5,408,469**	–
Write-off	**–**	(463,101)
Balance at end of year	**40,854,263**	35,445,794
Allowance for Impairment		
Balance at beginning of year	**–**	463,101
Write-off	**–**	(463,101)
Balance at end of year	**–**	–
Net Book Value	**₱40,854,263**	₱35,445,794

The rollforward analysis of the Jollibee Group's goodwill as at December 31 are as follows:

	2024	2023
Cost		
Balance at beginning of year	**₱15,171,622**	₱14,566,386
Addition (see Note 11)	**3,416,476**	605,236
Balance at end of year	**18,588,098**	15,171,622
Translation Adjustments		
Balance at beginning of year	**1,080,256**	1,283,781
Translation adjustments of foreign subsidiaries	**446,213**	(203,525)
Balance at end of year	**1,526,469**	1,080,256
Net Book Value	**₱20,114,567**	₱16,251,878

Computer Software
The Jollibee Group's computer software pertains to the Enterprise Resource Planning (ERP) system which the Jollibee Group started to use on August 1, 2014 and cloud-based hosting arrangements and implementation costs of CBTL.

The rollforward analysis of the Jollibee Group's computer software as at December 31 are as follows:

	2024	2023
Cost		
Balance at beginning of year	**₱971,136**	₱907,354
Additions	**–**	63,782
Balance at end of year	**971,136**	971,136
Accumulated Amortization		
Balance at beginning of year	**779,596**	660,820
Amortization (see Note 22)	**97,945**	118,776
Balance at end of year	**877,541**	779,596
Translation adjustment	**7,684**	5,036
Net Book Value	**₱101,279**	₱196,576

Other Intangible Assets

The Jollibee Group's other intangible assets include other trademarks and patents, liquor licenses and customer list amortized over a useful life of five (5) years, while supplier relationships were amortized over a useful life of thirty (30) years.

The rollforward analysis of other intangible assets as at December 31 are as follows:

	2024	2023
Cost		
Balance at beginning of year	**₱742,095**	₱740,286
Acquisition of a business (see Note 11)	**6,796,001**	–
Additions	**51**	1,809
Balance at end of year	**7,538,147**	742,095

(Forward)

	2024	2023
Accumulated Amortization		
Balance at beginning of year	**₱698,375**	₱562,247
Amortization (see Note 22)	**104,576**	136,128
Balance at end of year	**802,951**	698,375
Translation adjustment	**(10,817)**	(11,323)
Net Book Value	**₱6,724,379**	₱32,397

Impairment Testing of Trademarks and Goodwill
Goodwill acquired through business combinations have been allocated to fourteen (14) groups of CGUs, which are subsidiaries of the Parent Company, owned directly or indirectly. The recoverable amounts of the groups of CGUs have been determined based on value in use calculations and fair value less cost of disposal calculation of the underlying net assets of the CGUs using cash flow projections derived from the BOD-approved long range planning process, taking into consideration effect of significant events on the macroeconomic factors used in developing the assumptions. Furthermore, the trademarks of Smashburger, SuperFoods Group and Mang Inasal are allocated to the CGU of Smashburger, SuperFoods Group and Mang Inasal, respectively. The recoverable amount of the trademark of CBTL was determined using the relief-from-royalty method wherein the value is based on cost savings from owning the trademark.

The calculation of value in use is most sensitive to the following assumptions which vary per geographical location:

CGUs	Geographical Location	Pre-tax Discount Rate	Long-term Revenue Growth Rate
Hong Zhuang Yuan	PRC	13.8%	4.4%
Yong He King	PRC	13.8%	4.4%
Mang Inasal	Philippines	15.5%	6.1%
Red Ribbon Bakeshop:			
Philippine operations	Philippines	16.1%	6.1%
US operations	USA	11.7%	2.5%
Burger King	Philippines	15.5%	6.1%
GSC	Vietnam	13.8%	6.3%
SuperFoods Group	Vietnam	14.9%	6.3%
Chowking US operations	USA	11.9%	2.5%
Smashburger	USA	11.9%	2.5%
CBTL	USA	15.6%	3.5%
MHL	Hongkong	12.6%	2.0%
Milksha	Taiwan	11.0%	2.0%
Compose Coffee	Korea	18.9%	1.0%

The recoverable amount of the CGUs as at December 31, 2024 and 2023, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the management covering a five-year period.

Key assumptions with respect to the calculation of value in use of the groups of CGUs as at December 31, 2024 used by management in its cash flow projections to undertake impairment testing of goodwill are as follows:

a) Discount rates - discount rates represent the current market assessment of the risks specific to each group of CGUs, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Jollibee Group's group of CGUs, derived from the

weighted average cost of capital (WACC) of each group of CGUs. The WACC takes into account both the cost of debt and equity. The cost of equity is calculated using the Capital Asset Pricing Model (CAPM). The cost of debt is based on the assumed interest-bearing borrowings each group of CGUs is obliged to service. CGU-specific risk is incorporated by applying individual alpha and beta factors. The beta factors are evaluated annually based on publicly available market data.

b) Long-term growth rates - rates are determined in consideration of historical and projected results, as well as the economic environment where the group of CGUs operate.

c) EBITDA - is based on the most recent value achieved in the year preceding the start of the budget period, and adjusted for planned efficiency improvement, if any.

In 2022, the Jollibee Group closed its Pho24 stores in the Philippines and discontinued its Pho24 business in 2023 (see Note 11). Management assessed that Pho24 trademark is impaired hence, the Jollibee Group recognized a provision for impairment loss amounting to ₱463.1 million in 2022 and written-off in 2023 with the discontinuance of the Pho24 business.

15. Other Noncurrent Assets

This account consists of:

	2024	2023
Security and other deposits (see Notes 9, 31 and 32)	**₱3,996,656**	₱3,642,633
Noncurrent portion of employee car plan receivables (see Notes 7, 31 and 32)	**123,877**	121,907
Franchise rights - net of accumulated amortization of ₱126.4 million and ₱110.8 million in 2024 and 2023, respectively	**69,468**	68,464
Deferred compensation	**24,483**	22,759
Returnable containers and others	**8,356**	5,035
Tools and other assets	**672,263**	484,573
	₱4,895,103	₱4,345,371

Terms and conditions of other noncurrent assets are as follows:

- Security and other deposits generally represent deposits for leases entered into by the Jollibee Group as lessee. The security deposits are recoverable from the lessors at the end of the lease terms, which range from three to twenty years. These are carried at amortized cost. The discount rates used range from 1.74%-14.02% in 2024 and 2023. The difference between the fair value at initial recognition and the notional amount of the security deposits is recognized as right-of-use asset.

- Employee car plan receivables are presented at amortized cost. The difference between the fair value at initial recognition and the notional amount of the employee car plan receivables is recognized as "Deferred compensation" and is amortized on a straight-line basis over the credit year.

Accretion of interest on security and other deposits and employee car plan receivables amounted to ₱21.2 million and ₱26.3 million in 2024 and 2023, respectively (see Note 23).

- Franchise rights pertain to franchise fees paid by PERF entities to Burger King Asia Pacific and by FCJB to Common Man Coffeee Roasters Pte Ltd for the license to operate Burger King and Common Man Coffee Roaster stores, respectively, in the Philippines. Franchise rights are amortized over ten (10) years.

  The rollforward analysis of franchise rights as at December 31 are as follows:

	2024	2023
Franchise Rights		
Balance at beginning of year	**₱179,254**	₱145,483
Additions	**16,635**	33,771
Balance at end of year	**195,889**	179,254
Accumulated Amortization		
Balance at beginning of year	**110,790**	95,795
Amortization (see Note 22)	**15,631**	14,995
Balance at end of year	**126,421**	110,790
	₱69,468	₱68,464

- Tools and other assets represent tools for repairs and maintenance of office and store equipment which are still unused as at December 31, 2024 and 2023.

16. Trade Payables and Other Current Liabilities and Contract Liabilities

This account consists of:

	2024	2023
Trade	**₱18,725,489**	₱18,628,725
Accruals for:		
Salaries, wages and employee benefits	**5,634,961**	5,077,099
Local taxes	**3,949,532**	3,500,937
Freight	**1,746,766**	1,789,427
Rent	**1,281,782**	1,384,043
Store operations	**1,199,455**	1,699,345
Advertising and promotions	**1,125,230**	1,772,713
Utilities	**594,398**	592,040
Interest (see Note 18)	**559,293**	542,234
Repairs and maintenance	**419,052**	488,149
Professional fees	**274,504**	259,719
Operating supplies	**222,830**	225,239
Security	**182,740**	208,612
Insurance	**88,901**	77,471
Transportation and travel	**46,531**	55,477
Communication	**34,280**	62,314
Trainings and seminars	**7,653**	10,799
Service fees and others	**3,608,077**	3,246,771

(Forward)

	2024	2023
Customer deposits	**₱1,772,619**	₱1,052,183
Contractors' retention	**275,811**	752,824
Dividends and distributions payable (see Note 19)	**605,844**	594,590
Staled checks	**80,499**	71,231
Other current liabilities	**3,101,653**	2,031,850
	45,537,900	44,123,792
Contract liabilities	**2,826,443**	2,711,663
	₱48,364,343	₱46,835,455

The terms and conditions of the above liabilities are as follows:

- Trade payables to suppliers are noninterest-bearing and are normally settled on a 30 to 60-day term.

- Accrued expenses are noninterest-bearing and are normally settled within the next financial year. Other accrued liabilities presented under "Service fees and others" consist of asset retirement obligation and other miscellaneous expenses.

- Customer deposits pertain to deposits from franchisees for sale of store assets and security deposits from operating leases with franchisees which are refundable at the end of the lease term.

  Accretion of interest on customer deposits amounted to ₱3.5 million and ₱3.1 million in 2024 and 2023, respectively (see Note 23).

- Other current liabilities consist of amounts withheld from the acquisition of Milksha and MHL totaling to ₱31.1 million and ₱140.9 million as at December 31, 2024 and 2023 (see Note 11), and other liabilities expected to be settled within the next financial year.

- Contract liabilities pertain to deferred revenues and unearned revenues from gift cards from international operations.

  Movements in contract liabilities arising from deferred revenues and unearned revenues from gift certificates from international operations are as follows:

	2024	2023
Balance at beginning of year	**₱1,947,344**	₱1,956,671
Additions	**3,330,978**	3,156,840
Utilization	**(2,464,609)**	(2,379,266)
Write-offs	**(40,771)**	(14,267)
Translation adjustments	**53,501**	(8,315)
Balance at end of year	**₱2,826,443**	₱2,711,663

  The amount of contract liabilities arising from deferred revenues and unearned revenues from gift certificates from international operations is expected to be earned within one year.

  Contract liabilities recognized as revenues in 2024 and 2023 amounted to ₱2,464.6 million, ₱2,379.3 million, respectively.

17. **Provisions**

The rollforward analysis of provisions is as follows:

	2024	2023
Balance at beginning of year	**₱1,637,108**	₱1,601,300
Additions (see Note 23)	**305,469**	361,227
Reversals (see Note 23)	**(8,625)**	(325,419)
Balance at end of year	**1,933,952**	1,637,108
Current portion	**733,014**	237,835
Noncurrent portion	**₱1,200,938**	₱1,399,273

The Jollibee Group's outstanding provisions consist mainly of provisions for asserted claims which are normal to the Jollibee Group's business. These include estimates of legal services, settlement amounts and other costs of claims made against the Jollibee Group. Other information on the claims is not disclosed as this may prejudice the Jollibee Group's position on such claims (see Note 30).

18. **Short and Long-term Debts and Senior Debt Securities**

Short-term Debt

The short-term debt of the subsidiaries consists of the following:

	Availment Date	Maturity Date	Interest Rate	Condition	**2024**	2023
USD-denominated						
Loan 1	October 27, 2020/ May 8, 2023	September 24, 2021/ March 24, 2022/ March 24, 2023/ March 22, 2024/ March 21. 2025	LIBOR plus spread; quarterly SOFR plus spread; quarterly	Unsecured	**₱289,250**	₱830,550
Loan 2	April 4, 2024	November 30, 2024/ September 30, 2025	SOFR plus spread; monthly	Unsecured	**289,250**	–
Loan 3	April 15, 2022/ July 1, 2022/ August 17, 2022	February 3, 2023/ February 2, 2024/ January 31, 2025/ February 2, 2026	SOFR plus spread; quarterly	Unsecured	**1,735,500**	1,661,100
Loan 4	February 2, 2023 - September 2023/ February 9, 2024/ April 26, 2024	January 17, 2024/ January 16, 2025/ January 16, 2026	SOFR plus spread; quarterly	Unsecured	**2,024,750**	1,107,400
Loan 5	November 21, 2024	November 21, 2025	SOFR or SORA plus spread; quarterly	Unsecured	**129,237**	–
PHP-denominated						
Loan 6	December 15, 2022	September 11, 2023/ March 8, 2024	5.5% per annum	Unsecured	–	1,000,000
SGD-denominated						
Loan 7	December 28, 2022/ March 1, 2023/ July 3, 2023	December 28, 2023/ July 3, 2024/ June 26, 2025	SORA plus spread; quarterly	Unsecured	**832,455**	820,755
Loan 8	November 18, 2024 December 18, 2024	November 18, 2025 December 18, 2025	COF plus spread; quarterly	Unsecured	**277,485**	–
MYR-denominated						
Loan 9	September 15, 2023	September 15, 2024/ September 15, 2025	KLIBOR plus spread; quarterly	Unsecured	**357,225**	331,925
Loan 10	December 9, 2024	December 8, 2025	COF plus spread; quarterly	Unsecured	**415,680**	–
VND-denominated						
Loan 11	April 24, 2024	April 24, 2025	Bank's three-month COF; quarterly	Unsecured	**121,367**	–
					₱6,472,199	₱5,751,730

LIBOR – London Interbank Offered Rate
SOFR – Secured Overnight Financing Rate
SORA – Singapore Overnight Rate Average
KLIBOR – Kuala Lumpur Interbank Offered Rate
COF – Cost of Funds

USD-denominated loan of ICTL. Loan 1 consists of a short-term uncommitted line of credit agreement signed on September 25, 2020 with a local bank in the US up to an aggregate amount of USD10.0 million (₱483.8 million). The loan was availed on October 27, 2020 and is subject to variable interest rate based on LIBOR plus spread determined by the bank and subject to quarterly repricing. The loan is payable in three months from drawdown date and can be rolled over until September 24, 2021, the maturity date. On September 24, 2021, the credit agreement was extended up to March 24, 2022 and was further extended up to March 24, 2023 subject to a new variable interest rate based on CME Term SOFR plus spread determined by the bank. On August 9, 2022, ICTL requested to increase the uncommitted line of credit to USD15.0 million (₱727.7 million) and payable to six months from drawdown date. On February 1, 2023, the credit agreement was extended until March 22, 2024. On May 8, 2023, final drawdown amounting to USD5.0 million (₱276.3 million) was availed. On January 18, 2024, the maturity of the loan was further extended to March 21, 2025. On December 23, 2024, principal repayment amounting to USD10.0 million (₱584.5 million) was made. As at December 31, 2024 and 2023, the carrying value of the loan amounted to USD5.0 million (₱289.3 million) and USD15.0 million (₱830.6 million), respectively.

Loan 2 consists of a short-term uncommitted line of credit agreement signed on March 15, 2024 with a local bank in the US up to an aggregate amount of USD5.0 million (₱277.7 million). The loan was availed on April 4, 2024 and is subject to variable interest rate based on SOFR plus spread of 1.5% and subject to monthly repricing. On December 17, 2024 the maturity of the loan was extended until September 30, 2025. As at December 31, 2024, the carrying value of the loan amounted to USD5.0 million (₱289.3 million).

USD-denominated loans of SJBF. Loan 3 consists of a restated short-term uncommitted line of credit agreement with a local bank in the US up to an aggregate amount of USD35.0 million (₱1,786.8 million) signed on February 3, 2022. The loan is subject to variable interest rate based on CME Term SOFR plus spread determined by the bank and subject to quarterly repricing. The initial drawdown was availed on April 15, 2022 amounting to USD10.0 million (₱549.8 million). The loan is payable in three months from drawdown date and can be rolled over until February 3, 2023, the last available date of the credit agreement. On August 30, 2022, SJBF requested to decrease the maximum amount for uncommitted line of credit to USD30.0 million (₱1,531.5 million). Subsequent drawdowns of USD10.0 million (₱586.3 million) each were made on July 1 and August 17, 2022. On January 30, 2023, the last available date of the credit facility was extended until February 2, 2024 and was further extended until January 31, 2025. On January 20, 2025, the credit facility was amended to extend the maturity date on February 2, 2026. As at December 31, 2024 and 2023, the carrying value of the loan amounted to USD30.0 million (₱1,735.5 million) and USD30.0 million (₱1,661.1 million), respectively.

Loan 4 consists of a restated short-term uncommitted line of credit agreement with a local bank in the US up to an aggregate amount of USD20.0 million (₱1,092.4 million) signed on January 18, 2023. Initial drawdown was made on February 2, 2023 amounting to USD5.0 million (₱271.8 million). Subsequent drawdowns totaling to USD15.0 million (₱835.9 million) were availed in April to September 2023. The loan is subject to variable interest rate based on CME Term SOFR plus spread determined by the bank and subject to quarterly repricing. The loan is payable in six months from drawdown date and can be rolled over until January 17, 2024, the maturity date. On January 26, 2024, the credit facility was increased to USD30.0 million (₱1,661.1 million) and extended until January 16, 2025. On December 11, 2024, the credit facility was increased to USD 45.0 million (₱2,603.2 million) and was extended until January 16, 2026. Multiple drawdowns totaling USD15.0 million (₱843.6 million) were availed from February to December 2024. As at December 31, 2024 and 2023, the carrying value of the loan amounted to USD35.0 million (₱2,024.8 million) and USD20.0 million (₱1,107.4 million), respectively.

USD loan of SMCC-SG. Loan 5 consist of a short-term uncommitted line of credit with a local bank in Singapore up to an aggregate amount of USD5.0 million (₱295.0 million) signed on November 8, 2024. The loan is available for drawdown either in USD or SGD and subject to variable interest rate based on SOFR or SORA, respectively, plus spread of 1.3% and subject to quarterly repricing. The initial drawdown was availed on November 21, 2024 amounting to SGD3.0 million (₱131.8 million). The loan is payable on November 21, 2025, the maturity date. As at December 31, 2024, the carrying value of the loan amounted to USD2.2 million (₱129.2 million).

PHP-denominated loan of Zenith. Loan 6 consists of a short-term loan availed on December 15, 2022 amounting to ₱2,000.0 million payable on September 11, 2023, the maturity date. The loan is subject to a fixed rate of 5.5% per annum. The loan was partially paid on September 11, 2023 amounting to ₱1,000.0 million and rolled over the balance of ₱1,000.0 million until March 8, 2024, the extended maturity date. The remaining balance of the loan was paid on maturity date. As at December 31, 2024 and 2023, the carrying value of the loan amounted to nil and ₱1,000.0 million, respectively.

SGD-denominated loan of CBTL-SG. Loan 7 consists of a short-term uncommitted line of credit agreement with a local bank in Singapore up to an aggregate amount of SGD13.0 million (₱540.5 million) signed on August 22, 2022. The loan is subject to variable interest rate based on SORA plus spread of 1.5% subject to quarterly repricing. The initial drawdown was availed on December 28, 2022 amounting to SGD3.0 million (₱124.7 million). Subsequent drawdown amounting to SGD10.0 million (₱410.0 million) was made on March 1, 2023. The loan is payable on December 28, 2023, the maturity date. On June 23, 2023, the aggregate amount of the credit agreement was increased to SGD19.5 million (₱806.3 million). Additional drawdown amounting to SGD6.5 million (₱265.4 million) was availed on July 3, 2023. The maturity date of the loan was extended to July 3, 2024, and was further extended to June 26, 2025. As at December 31, 2024 and 2023, the carrying value of the loan amounted to SGD19.5 million (₱832.5 million) and SGD19.5 million (₱820.8 million), respectively.

Loan 8 consist of a short-term uncommitted line of credit agreement with a local bank in Singapore up to an aggregate amount of SGD6.5 million (₱284.1 million) signed on November 13, 2024. The loan is subject to variable interest rate based on COF plus spread of 0.75% per annum. The initial drawdown was availed on November 18, 2024 amounting to SGD4.0 million (₱175.2 million). Subsequent drawdown amounting to SGD2.5 million (₱108.9 million) was made on December 18, 2024. The loan is payable one year after the drawdown date. As at December 31, 2024, the carrying value of the loan amounted to SGD6.5 million (₱277.5 million).

MYR-denominated loan of CBTL-MY. Loan 9 consists of a short-term uncommitted line of credit agreement with a local bank in Malaysia up to an aggregate amount of MYR27.5 million (₱333.3 million) signed on September 6, 2023. The loan is subject to variable interest rate based on KLIBOR plus spread of 1.0% subject to quarterly repricing. The drawdown was made on September 15, 2023 amounting to MYR27.5 million (₱333.3 million). The loan is payable on September 15, 2024, the maturity date. On September 17, 2024, the maturity of the loan was extended to September 15, 2025. As at December 31, 2024 and 2023, the carrying value of the loan amounted to MYR27.5 million (₱357.2 million) and MYR27.5 million (₱331.9 million), respectively.

Loan 10 consists of a three-year facility agreement with a local bank in Malaysia up to an aggregate amount of MYR70.0 million (₱418.6 million) available from November 13, 2024, the agreement date. The loan is subject to variable interest rate based on COF plus spread of 1.65% subject to quarterly repricing. The initial drawdown was availed on December 9, 2024 amounting to MYR32.0 million (₱418.6 million). The principal is payable on December 8, 2025, the maturity date. As at December 31, 2024, the carrying value of the loan amounted to MYR32.0 million (₱415.7 million).

Loans 10 is guaranteed by the Ultimate Parent Company.

VND-denominated loan of SuperFoods Group. Loan 11 consists of a short-term uncommitted line of credit agreement with a local bank in Vietnam up to an aggregate amount of VND70.0 billion (₱169.1 million) signed on April 24, 2024. The loan is subject to a variable interest rate based on the Bank's three-month COF subject to quarterly repricing. The principal is payable on April 24, 2025, the maturity date. Multiple drawdowns totaling to VND121.0 billion (₱288.3 million) were availed in May to December 2024. As at December 31, 2024, the carrying value of the loan amounted to VND51.0 billion (₱121.4 million).

Interest expense recognized on short-term debt amounted to ₱406.1 million, ₱358.1 million and ₱59.7 million in 2024, 2023 and 2022, respectively (see Note 23).

Long-term Debt

The long-term debt consists of the following:

	2024	2023
Principal	**₱16,127,742**	₱12,668,543
Unamortized debt issue cost	**(75,162)**	(51,500)
	₱16,052,580	₱12,617,043

The details of long-term debt follow:

	Availment Date	Maturity Date	Interest Rate	Condition	**2024**	2023
USD-denominated						
Subsidiaries						
Loan 1	November 29, 2016	November 29, 2024	3.0% per annum; annually	Unsecured	**₱–**	₱1,544,823
Loan 2	August 28 – November 12, 2024	April 19, 2027	SOFR plus spread; quarterly	Unsecured	**1,735,500**	–
VND-denominated						
Subsidiary						
Loan 3	November 19 - December 31, 2020	August 30, 2024	Bank's three-month COF plus spread; quarterly	Unsecured	–	69,600
Loan 4	August 27, 2020- July 30, 2021	July 26, 2025	Bank's three-month COF plus spread; quarterly	Unsecured	**90,010**	204,900
Loan 5	January 7, 2022- December 27, 2022	September 26, 2026	Bank's three-month COF plus spread; quarterly	Unsecured	–	367,941
Loan 6	August 25, 2022- June - July 2023	August 25, 2027	Bank's BLR plus spread; quarterly	Unsecured	**52,945**	70,437
Loan 7	March 1, 2023- September 30, 2023	March 1, 2028	Bank's three-month COF plus spread; quarterly	Unsecured	–	742,400
Loan 8	December 29, 2023- March 2024	December 29, 2028	Personal Savings Deposit plus spread; quarterly	Unsecured	–	76,638
Loan 9	December 29, 2023- March 2024	December 28, 2028	Bank's three-month COF plus spread; quarterly	Unsecured	**177,866**	7,399
Loan 10	August 13, 2024 September-December 2024	September 12, 2029	VND three-month BLR; quarterly	Unsecured	**258,393**	–
Loan 11	October 3, 2024	March 1, 2028	VND three-month BLR; quarterly	Unsecured	**618,280**	–
Loan 12	October 3, 2024	September 27, 2026	VND three-month BLR; quarterly	Unsecured	**239,998**	–
SGD-denominated						
Subsidiary						
Loan 13	November 28, 2023- July 2024	November 28, 2026	SORA plus spread; quarterly	Unsecured	**485,599**	189,405
MYR-denominated						
Subsidiary						
Loan 14	February 6, 2024	February 6, 2027	KLIBOR plus spread; quarterly	Unsecured	**240,315**	–
Loan 15	May 9, 2024	July 30, 2026	KLIBOR plus spread; quarterly	Unsecured	**305,265**	–

(Forward)

	Availment Date	Maturity Date	Interest Rate	Condition	**2024**	2023
PHP-denominated						
Parent Company						
Loan 16	March 27, 2018	March 27, 2025	PDST-R2 plus spread; quarterly	Unsecured	**₱208,875**	₱1,044,375
Loan 17	May 11, 2018	May 11, 2025	PDST R2 plus spread; quarterly	Unsecured	**298,661**	895,446
Loan 18	August 15, 2018	August 15, 2025	PDST-R2 plus spread; quarterly	Unsecured	**403,071**	940,179
Loan 19	October 6, 2021	October 7, 2026	BVAL plus spread	Unsecured	**1,989,000**	2,983,000
Loan 20	July 25, 2024	July 25, 2031	BVAL plus spread	Unsecured	**3,475,313**	–
Loan 21	July 23, 2024	July 23, 2029	BVAL plus spread	Unsecured	**2,979,375**	–
Subsidiaries						
Loan 22	May 8, 2019	May 8, 2026	BVAL plus spread	Unsecured	**8,507**	497,500
Loan 23	October 6, 2021	October 7, 2026	BVAL plus spread	Unsecured	**1,491,750**	2,237,250
Loan 24	October 6, 2021	October 8, 2026	Fixed	Unsecured	**497,250**	745,750
Loan 25	April 29, 2024	April 29, 2031	BVAL plus spread	Unsecured	**496,607**	–
					16,052,580	12,617,043
Less current portion - net of debt issue costs of ₱19.6 million and ₱23.7 million in 2024 and 2023					**3,955,607**	6,180,695
Noncurrent portion					**₱12,096,973**	₱6,436,348

COF – Cost of Funds
BLR – Base Lending Rate
SORA – Singapore Overnight Rate Average
KLIBOR – Kuala Lumpur Interbank Offered Rate
BVAL – Bloomberg Valuation Service
PDST-R2 – Philippine Dealing System Treasury - Reference Rate Two

USD-denominated loan of JWPL. Loan 1 consists of an 8-year unsecured loan acquired on November 29, 2016 amounting to USD30.0 million (₱1,491.9 million) with an interest rate of 3.0% per annum. The principal is payable in 7 yearly installments commencing on November 29, 2017 up to November 29, 2023 amounting to USD0.3 million (₱14.9 million), and the remaining balance on November 29, 2024, the maturity date. The remaining balance amounting to USD27.9 million (₱1,635.2 million) was prepaid in full on June 5, 2024. As at December 31, 2024 and 2023, the carrying value of the loan amounted to nil and ₱1,544.8 million, respectively.

USD-denominated loan of HFC. Loan 2 consists of a 3-year credit facility agreement signed on April 19, 2024, with an international cooperative bank in the US up to an aggregate amount of USD50.0 million (₱2,892.5 million). The credit facility is comprised of Term Loan and Uncommitted Revolving Credit Loan amounting to USD30.0 million (₱1,735.5 million) and USD20.0 million (₱1,157.0 million), respectively, available in multiple drawdowns. On August 28, 2024, USD15.0 million (₱844.2 million) of the term loan was availed subject to variable interest rate based on three-month SOFR plus spread of 1.5% subject to repricing. On November 12, 2024, USD15.0 million (₱882.4 million) of the uncommitted revolving credit loan was availed subject to variable interest rate based on one-month SOFR plus 1.5% spread. The USD15.0 million (₱882.4 million) from the uncommitted revolving credit loan was refinanced through the term loan on February 12, 2025, subject to variable interest rate based on three-month SOFR plus spread of 1.5% subject to repricing. The term loan is payable on April 19, 2027, the maturity date. The carrying value of the loan amounted to USD30.0 million (₱1,735.5 million) as at December 31, 2024.

VND-denominated loans of SuperFoods Group. Loan 3 consists of a 5-year unsecured loan acquired from a local bank in Vietnam amounting to VND160.0 billion (₱349.6 million) available in tranches within twelve (12) months from August 29, 2019, the date of loan agreement. The loan is subject to a variable interest rate based on the Bank's three-month COF plus spread of 1.35%. The principal is payable in sixteen (16) quarterly installments commencing on the 16th month from the date of agreement. The loan was paid in full on August 30, 2024, the maturity date. As at December 31, 2024 and 2023, the carrying value of the loan amounted to nil and VND30.0 billion (₱69.6 million), respectively.

Loan 6 consists of a 5-year facility agreement with a local bank in Vietnam up to an aggregate amount of VND114.0 billion (₱285.6 million) available in tranches within twelve (12) months from April 27, 2022, the agreement date. The loan is subject to a variable interest rate based on the Bank's

Based Lending Rate (BLR) plus spread of 0.7% payable quarterly. The principal is payable in seventeen (17) quarterly installments commencing on the 13th month from the first utilization date. Initial drawdown amounting to VND9.6 billion (₱24.1 million) was availed on August 25, 2022. Subsequent tranches totaling to VND24.8 billion (₱58.2 million) were availed in June to July 2023. As at December 31, 2024 and 2023, the carrying value of the loan amounted to VND22.3 billion (₱52.9 million) and VND30.4 billion (₱70.4 million), respectively.

Loan 7 consists of a 5-year facility agreement with a local bank in Vietnam up to an aggregate amount of VND320.0 billion (₱736.9 million) available in tranches within twelve (12) months from March 1, 2023, the agreement date. The loan is subject to a variable interest rate based on the Bank's three-month COF plus spread of 1.5%. The principal is payable in sixteen (16) quarterly installments commencing on the 15th month from the agreement date. Multiple drawdowns totaling to VND320.0 billion (₱745.6 million) were availed in 2023. The loan was prepaid in full on October 3, 2024. As at December 31, 2024 and 2023, the carrying value of the loan amounted to nil and VND320.0 billion (₱742.4 million), respectively.

Loan 8 consists of a 5-year facility agreement with a local bank in Vietnam up to an aggregate amount of VND108.0 billion (₱250.6 million) available in tranches within twelve (12) months from December 1, 2023, the agreement date. The loan is subject to a variable interest rate based on the Personal Savings Deposit rate plus spread of 2.5%. The principal is payable in sixteen (16) quarterly installments commencing on the 15th month from the first utilization date. Initial drawdown amounting to VND33.0 billion (₱76.6 million) was availed on December 29, 2023. Multiple drawdowns totaling to VND20.1 billion (₱47.0 million) were availed in 2024. On August 14, 2024, the loan was prepaid in full. As at December 31, 2024 and 2023, the carrying value of the loan amounted to nil and VND33.0 billion (₱76.6 million), respectively.

Loan 9 consists of a 5-year facility agreement with a local bank in Vietnam up to an aggregate amount of VND79.5 billion (₱184.4 million) available in tranches within twelve (12) months from December 1, 2023, the agreement date. The loan is subject to a variable interest rate based on the Bank's three-month COF plus spread of 0.7%. The principal is payable in seventeen (17) quarterly installments commencing on the 13th month from the first utilization date. Initial drawdown amounting to VND3.2 billion (₱7.4 million) was availed on December 29, 2023. Multiple drawdowns totaling to VND76.3 billion (₱182.3 million) were availed in 2024. As at December 31, 2024 and 2023, the carrying value of the loan amounted to VND74.8 billion (₱177.9 million) and VND3.2 billion (₱7.4 million), respectively.

Loans 2 to 9 are guaranteed by the Ultimate Parent Company.

Loan 10 consists of a 5-year facility agreement with a local bank in Vietnam up to an aggregate amount of VND400.0 billion (₱930.4 million) available in tranches within twelve (12) months from August 13, 2024, the agreement date. The loan is subject to a variable interest rate based on the VND three-month BLR. The principal is payable in seventeen (17) quarterly installments commencing on the 13th month from the first utilization date. Multiple drawdowns totaling to VND108.7 billion (₱257.6 million) were availed from September to December 2024. As at December 31, 2024, the carrying value of the loan amounted to VND108.7 billion (₱258.4 million).

Loan 11 consists of a 3.5-year facility agreement with a local bank in Vietnam up to an aggregate amount of VND300.0 billion (₱713.4 million). The loan is subject to a variable interest rate based on the VND three-month BLR. The principal is payable in fifteen (15) quarterly installments commencing on December 1, 2024. Initial drawdown amounting to VND280.0 billion (₱665.8 million) was availed on October 3, 2024. As at December 31, 2024, the carrying value of the loan amounted to VND261.0 billion (₱618.3 million).

Loan 12 consists of a 2-year facility agreement with a local bank in Vietnam up to an aggregate amount of VND129.8 billion (₱308.6 million). The loan is subject to a variable interest rate based on the VND three-month BLR. The principal is payable in nine (9) quarterly installments commencing on December 27, 2024. Initial drawdown amounting to VND115.3 billion (₱274.3 million) was availed on October 3, 2024. As at December 31, 2024, the carrying value of the loan amounted to VND100.9 billion (₱240.0 million).

SGD-denominated loan of CBTL-SG. Loan 13 consists of a 3-year facility agreement with a local bank in Singapore up to an aggregate amount of SGD13.0 million (₱547.2 million) available in tranches within four (4) months from November 2, 2023, acceptance date of the agreement. The loan is subject to variable interest rate based on SORA plus spread of 1.7% subject to quarterly repricing. Initial drawdown amounting to SGD4.5 million (₱189.4 million) was availed on November 28, 2023. Subsequent drawdowns totaling to SGD8.5 million (₱358.1 million) were availed in January, March and July 2024. The principal is payable in eight (8) quarterly installments, the first installment commencing in twelve (12) months from the date of the first drawdown. As at December 31, 2024 and 2023, the carrying value of the loan amounted to SGD11.4 million (₱485.6 million) and SGD4.5 million (₱189.4 million), respectively.

The loan is guaranteed by the Ultimate Parent Company.

MYR-denominated loans of CBTL-MY. Loan 14 consists of a 3-year facility agreement with a local bank in Malaysia up to an aggregate amount of MYR18.5 million (₱220.7 million) available from December 29, 2023, the agreement date. The loan is subject to variable interest rate based on three-months KLIBOR plus spread of 2.15% subject to quarterly repricing. The loan was availed in full on February 6, 2024. The principal is payable in four (4) quarterly installments commencing on the 25th month from the drawdown date. As at December 31, 2024, the carrying value of the loan amounted to MYR18.5 million (₱240.3 million).

Loan 15 consists of a 3-year revolving facility agreement with a local bank in Malaysia up to an aggregate amount of MYR23.5 million (₱285.1 million) available from April 25,2024, the agreement date. The loan is subject to variable interest rate based on three-months KLIBOR plus spread of 2.15% subject to quarterly repricing. The loan was availed in full on May 9, 2024. The principal is payable in four (4) quarterly installments commencing on July 30, 2026. As at December 31, 2024, the carrying value of the loan amounted to MYR23.5 million (₱305.3 million).

The loans are guaranteed by the Ultimate Parent Company.

PHP-denominated loans of the Parent Company. Loan 20 consists of a 7-year unsecured loan availed from a local bank on July 25, 2024 amounting to ₱3.5 billion. The loan is subject to a floating rate based on PHP BVAL Reference Rate for three (3) months tenor plus spread of 0.48% subject to quarterly repricing. The Parent Company incurred debt issue cost of ₱26.3 million, representing documentary stamp tax, in relation to this loan. The principal is payable in equal quarterly installment commencing on the 2nd anniversary from the drawdown date. The carrying amount of the loan amounted to ₱3,475.3 million, net of unamortized debt issue cost of ₱24.5 million, as at December 31, 2024.

Loan 21 consists of a 5-year unsecured loan availed from a local bank on July 23, 2024 amounting to ₱3.0 billion. The loan is subject to a floating rate based on PHP BVAL Reference Rate for three (3) months tenor plus spread of 0.48% subject to quarterly repricing. The Parent Company incurred debt issue cost of ₱22.5 million, representing documentary stamp tax, in relation to this loan. The principal is payable in equal quarterly installment commencing on the 1st anniversary from the

drawdown date. The carrying amount of the loan amounted to ₱2,979.4 million, net of unamortized debt issue cost of ₱20.6 million, as at December 31, 2024.

The Parent Company's PHP-denominated long-term debt (Loans 16 to 21) amounted to ₱9,354.3 million, net of unamortized debt issue cost of ₱60.7 million, and ₱5,863.0 million, net of unamortized debt issue cost of ₱32.0 million, as at December 31, 2024 and 2023, respectively. The current portion amounted to ₱2,092.1 million, net of unamortized debt issue cost of ₱10.4 million and ₱2,963.4 million, net of unamortized debt issue cost of ₱16.6 million, as at December 31, 2024 and 2023, respectively.

PHP-denominated loans of Zenith. Zenith's PHP-denominated long-term debt (Loans 22 to 24) amounted to ₱1,997.5 million, net of unamortized debt issue cost of ₱11.1 million, and ₱3,480.5 million, net of unamortized debt issue cost of ₱19.5 million, as at December 31, 2024 and 2023, respectively. The current portion amounted to ₱999.7.0 million, net of unamortized debt issue cost of ₱6.0 million and ₱1,192.9 million, net of unamortized debt issue cost of ₱7.1 million, as at December 31, 2024 and 2023, respectively.

PHP-denominated loan of PERFI. Loan 25 consists of a 7-year unsecured loan acquired from a local bank on April 29, 2024 amounting to ₱500.0 million. The loan is subject to a floating rate based on PHP BVAL Reference Rate for three (3) months tenor plus spread of 0.7%. PERFI incurred debt issue cost of ₱3.8 million, representing documentary stamp tax, in relation to this loan. The principal is payable annually commencing on the 4th quarter from the drawdown date amounting to ₱12.5 million and the remaining balance on the maturity date. The carrying amount of the loan amounted to ₱496.6 million, net of unamortized debt issue cost of ₱3.4 million, as at December 31, 2024.

The loans are guaranteed by the Parent Company. Consequently, the Parent Company is subject to certain debt covenants which include, among others, maintaining Debt-to-Equity ratio, Debt-to-EBITDA ratio and Debt-to-Service Coverage Ratio. The Parent Company is in compliance with the applicable debt covenants as at December 31, 2024 and 2023.

Interest expense recognized on long-term debt amounted to ₱780.2 million, ₱740.5 million and ₱697.8 million in 2024, 2023 and 2022, respectively (see Note 23).

The future expected principal settlements of the Jollibee Group's long-term debt follow:

	2024	2023
2024	**₱–**	₱6,476,731
2025	**4,160,035**	3,540,994
2026	**4,029,507**	2,404,731
2027	**3,900,700**	199,687
2028 to 2031	**4,037,500**	46,400
	16,127,742	12,668,543
Less debt issue costs	**(75,162)**	(51,500)
	₱16,052,580	₱12,617,043

Embedded Derivatives

Certain long-term loans of the Jollibee Group include provisions for an option to convert the variable interest rate into a fixed interest rate. Certain long-term loans are also subject to an interest rate floor. In addition, the Jollibee Group's long-term loans generally provide an option to pre-pay the loan in full before the maturity date.

The Jollibee Group assessed that the derivatives embedded in the loan contracts need not be bifurcated since they are clearly and closely related to the economic characteristics and risks of the host loan contract and do not qualify for separate accounting as at December 31, 2024 and 2023.

Senior Debt Securities (Notes)
On June 24, 2020, the Jollibee Group, through JWPL, issued a USD300.0 million (₱14,994.0 million) 5.5-year and USD300.0 million (₱14,994.0 million) 10-year Reg S dual tranche US dollar denominated guaranteed Notes with coupon rates of 4.125% and 4.750%, respectively, and payable semi-annually. This was listed in the Singapore Exchange Securities Trading Limited on June 25, 2020.

The proceeds from the issuance were used for general corporate purposes as well as fund initiatives of the Jollibee Group (see Note 10).

The Jollibee Group incurred debt issue cost of USD4.0 million (₱200.4 million) for this transaction. As at December 31, 2024 and 2023, the carrying value of the Notes amounted to USD597.8 million (₱34,582.6 million) and USD597.4 million (₱33,077.8 million), net of unamortized debt issue cost of USD2.2 million (₱127.4 million) and USD2.6 million (₱144.2 million), respectively.

Interest expense recognized on senior debt securities amounted to ₱1,525.3 million, ₱1,481.1 million and ₱1,451.1 million in 2024, 2023 and 2022, respectively (see Note 23).

19. Equity

a. Preferred Stock

On September 24, 2021, the Philippine SEC approved the shelf registration in the Philippines of 20,000,000 cumulative, non-voting, non-participating, non-convertible, redeemable, peso-denominated perpetual preferred shares to be offered within a period of three (3) years from the date of effectivity of the registration statement and granted the Parent Company the permit to sell 8,000,000 preferred shares and an over subscription option of up to 4,000,000 preferred shares, at an offer price of ₱1,000 per share in two (2) series: Preferred Shares-Series A and Series B with a dividend rate of 3.2821% and 4.2405% per annum, respectively.

On October 14, 2021, the Parent Company issued Preferred Shares-Series A and Series B totaling to 3,000,000 shares and 9,000,000 shares, respectively. The preferred shares were listed in the Philippine Stock Exchange (PSE) on the same day.

The total number of shareholders of the Parent Company for Preferred Shares-Series A is nil and 7 and Series B is 3 and 7, respectively, as at December 31, 2024 and 2023.

On March 8, 2024, the BOD of the Parent Company approved the plan to offer and issue in the Philippines an additional 5,000,000 preferred shares with an oversubscription option of up to 3,000,000 preferred shares. The preferred shares will be sold at a subscription price of ₱1,000.00 per share, with an estimated issue size of ₱5.0 billion to up to ₱8.0 billion, if the oversubscription option is fully exercised. These will be cumulative, non-voting, non-participating, non-convertible, redeemable, peso-denominated perpetual preferred shares.

On July 29, 2024, the Parent Company announced the withdrawal of its application to offer and list up to 8,000,000 preferred shares filed with the Philippine SEC and PSE in June 2024.

On September 13, 2024, the BOD of the Parent Company approved the redemption of all its 3,000,000 Preferred Shares-Series A issued and listed on the PSE on October 14, 2021.

In accordance with the terms of issuance, the Parent Company will redeem all outstanding Preferred Shares-Series A on October 14, 2024 at a redemption price equal to the offer price plus any accrued and unpaid cash dividends, after deducting transfer costs customarily chargeable to stockholders, as applicable, to effect the redemption (Redemption Price). Holders of Preferred Shares-Series A as at September 30, 2024 will receive the Redemption Price.

On October 15, 2024, the Parent Company redeemed all outstanding Preferred Shares-Series A and holders thereof as at September 30, 2024 were paid the Redemption Price.

The redeemed preferred shares shall not be considered retired and may be reissued by the Parent Company.

b. Common Stock

The movements in the account are as follows:

	2024	2023
Authorized - ₱1 par value		
Balance at beginning and end of year	**₱1,430,000**	₱1,430,000
Issued and subscribed:		
Balance at beginning of year	**₱1,132,331**	₱1,131,217
Issuances during the year	**3,207**	1,114
Balance at end of year	**₱1,135,538**	₱1,132,331

The total number of shareholders for common shares of the Parent Company is 2,905 and 2,922 as at December 31, 2024 and 2023, respectively.

c. Additional Paid-in-Capital

The movements in the additional paid in-capital pertain to the difference between the exercise prices of stock options exercised and the par value of Parent Company's shares. For the year ended December 31, 2024 and 2023, stock options totaling 3,207,065 shares and 1,114,129 shares, respectively, were exercised (see Note 26). This resulted to an additional paid-in capital amounting to ₱694.3 million and ₱207.9 million for the years ended December 31, 2024 and 2023, respectively.

Stock options expense, amounting to ₱497.3 million, ₱353.9 million and ₱185.0 million in 2024, 2023 and 2022, respectively, were also recognized as part of additional paid-in capital (see Notes 22, 26 and 27).

The Parent Company recognized deferred tax assets on MSOP and ELTIP in additional paid-in capital resulting to an increase of ₱53.4 million ₱9.3 million in 2024 and 2023.

As at December 31, 2024 and 2023, total additional paid-in capital amounted to ₱13,907.9 million and ₱12,662.9 million, respectively.

d. Treasury Shares

The cost of preferred and common stock of the Parent Company held in treasury of ₱3,000.0 million and ₱180.5 million consist of 3,000,000 shares and 16,447,340 shares as at December 31, 2024 and 2023.

e. Senior Perpetual Securities (Securities)

The Securities amounting to USD600.0 million (₱30,588.0 million) was issued by the Jollibee Group, through JWPL, on January 23, 2020 and was listed in the Singapore Exchange Securities Trading Limited (SGX-ST) on January 24, 2020. The Securities confer a right to receive a return on the Securities (the "Distribution") every Distribution Payment Date as described in the terms and conditions of the Securities. These distributions are payable semi-annually in arrears on the Distribution Payment Dates of each year. The Securities offered an initial distribution rate of 3.9%, noncallable in five (5) years and payable semi-annually. However, the Issuer may, at its sole and absolute discretion, prior to any Distribution Payment Date, resolve to defer payment of all or some of the Distribution which would otherwise be payable on that Distribution Payment Date subject to exceptions enumerated in the terms and conditions of the Securities. The Securities are perpetual securities in respect of which there is no fixed redemption date, but the Issuer may, at its option change the status of the Securities or redeem the same on instances defined under its terms and conditions. The Securities are unconditionally and irrevocably guaranteed by the Parent Company.

The proceeds from issuance of the Securities were partially used to refinance the short-term debt for the acquisition of CBTL while some were invested to bond funds (see Note 10).

The Securities are treated as equity as part of non-controlling interests in the consolidated financial statements of the Jollibee Group because nothing in the terms and conditions of the Securities gives rise to an obligation of the Jollibee Group to deliver cash or another financial asset in the future as defined by PAS 32.

In 2021, JWPL made a Tender Offer to the holders of the Securities and repurchased and cancelled an aggregate principal amount of USD203.5 million (₱10,323.2 million) Securities.

On December 19, 2024, the Jollibee Group disclosed that JWPL will redeem the remaining Securities on January 23, 2025. The redemption price will be the principal amount of the Securities, plus any accrued but unpaid Distributions and any Arrears of Distribution (including any amount of Distributions accrued thereon). Upon redemption, the Securities will be cancelled and subsequently delisted from the Singapore Exchange Securities Trading Limited.

As at December 31, 2024 and 2023, the Securities amounted to USD396.5 million (₱20,264.8 million).

Accrued distribution amounted to USD6.7 million (₱390.1 million) and USD6.7 million (₱373.4 million) as at December 31, 2024 and 2023, respectively (see Note 16).

On January 23, 2025, JWPL completed the redemption of the remaining Securities amounting to USD396.5 million (₱21,682.8 million) and paid the Distribution amounting to USD7.7 million (₱453.7 million). Subsequently, the Securities was delisted on January 23, 2025.

f. Excess of Cost Over the Carrying Value of Non-controlling Interests Acquired

The amount of excess of cost over the carrying value of non-controlling interests acquired as at December 31, 2024 and 2023, recognized as part of "Equity Attributable to Equity Holders of the Parent Company" section in the consolidated statements of financial position, resulted from the following acquisitions of non-controlling interests:

20% of Greenwich in 2006	₱168,257
15% of Yonghe King in 2007	375,721
40% of Adgraphix in 2010	(1,214)
30% of Mang Inasal in 2016	1,217,615
30% of HBFPPL in 2016	391,782
15% of SJBF in 2018	(347,395)
30% of Smashburger Long Island in 2020	95,774
49% of Smashburger Westchester in 2020	125,800
	₱2,026,340

g. Retained Earnings

The Jollibee Group has a cash dividend policy of declaring one-third of the Jollibee Group's net income for the year as cash dividends payable to all common stockholders. It uses best estimate of its net income as basis for declaring cash dividends. Actual cash dividends per share declared as a percentage of the EPS are 33.6%, 30.9% and 35.9% in 2024, 2023 and 2022, respectively.

Preferred Shares-Series A and Series B shareholders, subject to the discretion of the BOD to the extent permitted by law, are entitled to dividends. If cash dividends are declared, cash dividends shall be as follows:

- Preferred Shares-Series A shall be at the fixed rate of 3.2821% per annum; and,
- Preferred Shares-Series B shall be at the fixed rate of 4.2405% per annum.

Cash dividends on Preferred Shares-Series A and Series B will be payable quarterly.

The Parent Company's cash dividend declarations for 2024, 2023 and 2022 follow:

Declaration Date	Record Date	Payment Date	Cash Dividend per Share	Total Cash Dividends Declared
			(In Thousands, except dividend per share)	
2024				
Common Shares				
April 23	May 9	May 23	**₱1.15**	**₱1,284,336**
November 11	November 25	December 10	**1.82**	**2,036,190**
			₱2.97	**₱3,320,526**
Preferred Shares-Series A				
March 8	March 25	April 15	**₱8.21**	**₱24,616**
June 10	July 2	July 15	**8.21**	**24,616**
September 13	September 30	October 15	**8.21**	**24,616**
			₱24.63	**₱73,848**
Preferred Shares-Series B				
March 8	March 25	April 15	**₱10.60**	**₱95,411**
June 10	July 2	July 15	**10.60**	**95,411**
September 13	September 30	October 15	**10.60**	**95,411**
December 19	January 8, 2025	January 15,2025	**10.60**	**95,411**
			₱42.40	**₱381,644**

Declaration Date	Record Date	Payment Date	Cash Dividend per Share	Total Cash Dividends Declared
			(In Thousands, except dividend per share)	
2023				
Common Shares				
April 17	May 3	May 22	₱1.07	₱1,193,241
November 10	November 24	December 11	1.23	1,372,451
			₱2.30	₱2,565,692
Preferred Shares-Series A				
March 14	March 29	April 14	₱8.21	₱24,616
June 16	July 4	July 14	8.21	24,616
September 19	October 4	October 16	8.21	24,616
December 15	January 3, 2024	January 15, 2024	8.21	24,616
			₱32.84	₱98,464
Preferred Shares-Series B				
March 14	March 29	April 14	₱10.60	₱95,411
June 16	July 4	July 14	10.60	95,411
September 19	October 4	October 16	10.60	95,411
December 15	January 3, 2024	January 15, 2024	10.60	95,411
			₱42.40	₱381,644
2022				
Common Shares				
April 19	May 5	May 19	₱1.07	₱1,185,021
November 8	November 23	December 14	1.23	1,371,074
			₱2.30	₱2,556,095
Preferred Shares-Series A				
March 14	March 29	April 18	₱8.21	₱24,616
April 19	June 22	July 14	8.21	24,616
April 19	September 21	October 14	8.21	24,616
November 8	December 20	January 13, 2023	8.21	24,616
			₱32.84	₱98,464
Preferred Shares-Series B				
March 14	March 29	April 18	₱10.60	₱95,411
April 19	June 22	July 14	10.60	95,411
April 19	September 21	October 14	10.60	95,411
November 8	December 20	January 13, 2023	10.60	95,411
			₱42.40	₱381,644

An important part of the Jollibee Group's growth strategy is the acquisition of new businesses in the Philippines and abroad. Examples were acquisitions of 85% of Yonghe King in 2004 in PRC (₱1,200.0 million), 100% of Red Ribbon in 2005 (₱1,700.0 million), the remaining 20% minority share in Greenwich in 2006 (₱384.0 million), the remaining 15% share of Yonghe King in 2007 (₱413.7 million), 100% of Hong Zhuang Yuan restaurant chain in PRC in 2008 (₱2,600.0 million), 70% of Mang Inasal in 2010 (₱2,976.2 million), 100% of Chowking US operations in 2011 (₱693.3 million), 40% of SJBF LLC, the parent company of the entities comprising the Smashburger business in the US (₱4,812.8 million), including transaction costs in 2015, the remaining 30% minority share each in Mang Inasal (₱2,000.0 million) and HBFPPL (₱514.9 million), acquisition of GSC (₱8.6 million) in 2016, the acquisition of additional 10% share in SuperFoods Group (₱2,712.7 million) in 2017, acquisition of the remaining 60% share in SJBF LLC (₱5,735.8 million) in 2018, acquisition of 80% of The Coffee Bean & Tea Leaf (₱17,098.7 million) in 2019, the remaining 30% minority share in Smashburger Long Island (₱95.8 million) in 2020, acquisition of 51% of Milksha (₱654.5 million) in 2022, acquisition of 60% stake of MHL (₱910.1 million) in 2023 and acquisition of 70% share in Compose Coffee (₱13,851.6 million) in 2024.

The Jollibee Group plans to continue to make substantial acquisitions in the coming years. The Jollibee Group uses its cash generated from operations to finance these acquisitions and capital expenditures. These limit the amount of cash dividends that it can declare and pay.

On December 7, 2021, the BOD approved the appropriation of ₱18,700.0 million from the Parent Company's unappropriated retained earnings for capital expenditures in 2022.

On March 8, 2024, the BOD approved the release of the previously approved appropriated retained earnings in 2021 amounting to ₱18,700.0 million and new appropriation of ₱23,400.0 million from the Parent Company's unappropriated retained earnings for capital expenditures in 2024. Consequently, appropriated retained earnings for capital expenditures amounted to ₱23,400.0 million and ₱18,700.0 million as at December 31, 2024 and 2023, respectively.

The unappropriated retained earnings of the Parent Company is also restricted to the extent of cost of common and preferred stock held in treasury amounting to ₱3,180.5 million as at December 31, 2024 and 2023. The unappropriated retained earnings of the Jollibee Group includes accumulated losses from its subsidiaries.

The Parent Company's retained earnings available for dividend declaration, computed based on the guidelines provided in SEC Memorandum Circular No. 11, amounted to ₱33,528.1 million and ₱32,701.2 million as at December 31, 2024 and 2023, respectively.

In relation with the Securities Regulation Code, below is the summary of the Parent Company's track record of registration of securities.

	Number of Shares Registered	Initial Issue/ Offer Price	Listing date	Number of Holders of Securities	
				2024	2023
Common shares	75,000,000	₱9	July 14, 1993	**2,905**	2,922
Preferred shares-Series A	3,000,000	1,000	October 14, 2021	**–**	3
Preferred shares-Series B	9,000,000	1,000	October 14, 2021	**7**	7

20. Royalty, Set-up Fees and Others

This account consists of:

	2024	2023	2022
Royalty fees	**₱14,318,894**	₱12,089,063	₱10,414,482
Service fees	**713,259**	440,758	280,007
Set-up fees	**756,816**	438,205	344,808
Scrap sales	**164,293**	151,588	132,662
Rent income (see Notes 13 and 29)	**31,768**	20,084	6,971
Delivery fees and others	**162,751**	205,680	666,428
	₱16,147,781	₱13,345,378	₱11,845,358

The Jollibee Group has existing Royalty and Service Agreements with independent franchisees for the latter to operate QSR outlets under the "Jollibee", "Greenwich", "Chowking", "Yong He King", "Red Ribbon", "Hong Zhuang Yuan", "Mang Inasal", "Highlands Coffee", "Smashburger", " The Coffee Bean & Tea Leaf", "Milksha" and "Compose Coffee" concepts and trade names. In consideration thereof, the franchisees agree to pay set-up fees and monthly royalty fees equivalent to a certain percentage of the franchisees' net sales.

The Jollibee Group's franchisees pay service fees for various services, including repairs and maintenance services, rendered by the Jollibee Group's personnel.

21. Direct Costs

This account consists of:

	2024	2023	2022
Cost of Sales			
Cost of inventories	**₱124,907,082**	₱113,996,948	₱99,273,159
Personnel costs:			
Salaries, wages and other employee benefits	**28,605,518**	25,776,101	23,278,163
Pension expense (see Note 25)	**224,933**	201,686	213,071
Depreciation and amortization (see Notes 12 and 29)	**16,938,465**	16,236,912	14,907,987
Contracted services	**10,331,889**	9,796,329	8,417,982
Rent (see Note 29)	**6,829,795**	5,618,557	4,559,715
Electricity and other utilities	**6,774,379**	6,254,822	5,468,598
Supplies	**3,440,555**	3,406,884	3,364,439
Repairs and maintenance	**3,263,857**	2,876,502	2,576,398
Security and janitorial	**1,475,572**	1,285,592	1,097,320
Communication	**448,670**	408,253	371,083
Professional fees	**236,870**	176,784	122,049
Representation and entertainment	**82,817**	78,245	90,212
Delivery costs, insurance and others	**9,798,033**	8,632,670	7,806,125
	213,358,435	194,746,285	171,546,301
Cost of Services			
Advertising expense	**4,864,579**	4,060,409	3,399,573
	₱218,223,014	₱198,806,694	₱174,945,874

22. General and Administrative Expenses

This account consists of:

	2024	2023	2022
Personnel costs:			
Salaries, wages and other employee benefits	**₱15,333,732**	₱13,111,630	₱11,517,320
Stock options expense (see Notes 19, 26 and 27)	**497,273**	353,863	185,016
Pension expense (see Note 25)	**277,919**	244,247	254,511
Taxes and licenses	**2,918,002**	2,827,061	2,075,552
Professional fees	**1,872,837**	1,467,482	1,377,184
Contracted services	**1,421,937**	1,174,063	915,596

(Forward)

	2024	2023	2022
Depreciation and amortization (see Notes 12, 13, 15 and 29)	**₱808,469**	₱716,904	₱690,604
Transportation and travel	**806,557**	633,251	492,698
Membership and subscriptions	**982,033**	539,979	505,405
Impairment in value of:			
Receivables (see Note 7)	**450,373**	278,846	415,412
Property, plant and equipment (see Note 12)	**204,836**	160,354	107,900
Inventories (see Note 8)	**60,390**	177,937	274,297
Other current assets (see Note 9)	**–**	8,058	121,458
Trademark (see Note 14)	**–**	–	463,101
Rent (see Note 29)	**509,290**	562,084	498,368
Repairs and maintenance	**376,297**	484,443	491,157
Loss on retirements and disposals of property, plant and equipment (see Note 12)	**279,780**	400,881	363,148
Reversals of provision for impairment on:			
Inventories (see Note 8)	**(70,855)**	(44,702)	(49,311)
Property, plant and equipment (see Note 12)	**(68,965)**	(49,777)	(262,266)
Receivables (see Note 7)	**(67,173)**	(7,800)	(4,136)
Right-of-use assets (see Note 29)	**–**	(130,843)	(86,960)
Corporate events	**252,240**	155,306	88,782
Insurance	**233,164**	202,698	170,830
Supplies	**190,893**	167,341	148,959
Communication	**167,627**	177,270	273,995
Donations	**165,482**	148,856	97,912
Training	**116,787**	83,525	94,662
Representation and entertainment	**73,424**	68,123	54,640
Electricity and other utilities	**69,363**	55,976	47,318
Association dues	**42,928**	52,533	37,041
Security and janitorial	**39,128**	18,404	9,046
Research and development and others	**1,804,655**	2,046,012	1,536,679
	₱29,748,423	₱26,084,005	₱22,905,918

23. Interest Income (Expense) and Other Income (Expense)

	2024	2023	2022
Interest income			
Cash and cash equivalents and short-term investments (see Note 6)	**₱786,245**	₱755,505	₱258,484
Loans and advances (see Note 11)	**143,663**	80,686	57,799

(Forward)

	2024	2023	2022
Accretion of:			
Interest on security and other deposits and employee car plan receivables (see Note 15)	**₱21,151**	₱26,294	₱22,455
Lease receivables (see Note 29)	**7,984**	1,030	2,451
	₱959,043	₱863,515	₱341,189
Interest expense			
Financing:			
Senior debt securities (see Note 18)	**(₱1,525,346)**	(₱1,481,149)	(₱1,451,063)
Long-term debt (see Note 18)	**(780,163)**	(740,472)	(697,794)
Short-term debt (see Note 18)	**(406,102)**	(358,054)	(59,714)
	(2,711,611)	(2,579,675)	(2,208,571)
Accretion of:			
Lease liabilities (see Note 29)	**(3,056,484)**	(2,799,307)	(2,559,104)
Customer deposits (see Note 16)	**(3,457)**	(3,059)	(1,057)
	(3,059,941)	(2,802,366)	(2,560,161)
	(₱5,771,552)	(₱5,382,041)	(₱4,768,732)

	2024	2023	2022
Other income (expense)			
Write-off of liabilities	**₱2,613,326**	₱1,200,237	₱1,922,502
Bank charges	**(895,794)**	(847,526)	(668,454)
Mark-to-market gain (loss) on financial assets at FVTPL (see Note 10)	**178,589**	530,939	(1,053,738)
Rebates, suppliers' incentives and government subsidies	**389,814**	473,177	476,663
Penalties and charges	**73,243**	113,724	29,843
Foreign exchange gain (loss) – net	**(801,808)**	(106,514)	43,967
Gain on pre-termination of lease agreements (see Note 29)	**69,424**	78,840	166,816
Reversal of (provisions for) business transformation and contingencies (see Note 17)	**(296,844)**	(35,808)	(565,664)
Charges to franchisees	**11,037**	19,519	6,229
Other rentals	**108,920**	18,953	29,452
Gain on land conveyance and disposals (see Notes 9, 11 and 12)	**–**	–	4,896,610
Gain from disposal of club share (see Note 10)	**–**	–	3,500
Insurance claims and others	**330,439**	421,326	381,984
	₱1,780,346	₱1,866,867	₱5,669,710

In the normal course of business, the Jollibee Group accrues liabilities based on management's best estimate of costs incurred, particularly in cases when the Jollibee Group has not yet received final billings from suppliers and vendors. There are also ongoing negotiations and reconciliations with suppliers and vendors on certain liabilities recorded. These balances are continuously reviewed by management and are adjusted based on these reviews, resulting to write-off of certain liabilities as other income.

Insurance claims and others include claims from insurance settlements, gain from asset sale of Pho24 in 2023 (see Note 11), and others.

24. Income Taxes

The Jollibee Group's provision for current income tax consists of the following:

	2024	2023	2022
Final tax withheld on:			
Royalty income	**₱2,623,349**	₱2,350,190	₱1,990,974
Interest income	**114,748**	116,391	34,847
RCIT:			
With itemized deduction	**2,654,782**	1,879,515	1,263,492
With Optional Standard Deduction (OSD)	**2,228**	3,161	54,762
MCIT	**131,651**	91,850	62,104
Capital gains	**–**	–	108,561
	₱5,526,758	₱4,441,107	₱3,514,740

RCIT consists of corporate income taxes from the Jollibee Group's operations in the Philippines, PRC, USA, Canada, Vietnam, Singapore, South Korea, and Europe.

For the years ended 2024, 2023 and 2022, Grandworth, a wholly owned subsidiary, elected to use OSD in computing for its taxable income. The net tax benefit (disadvantage) from the availment of OSD amounted to (₱2.2) million, ₱0.7 million and ₱31.7 million in 2024, 2023 and 2022, respectively.

The components of the Jollibee Group's recognized net deferred tax assets as at December 31 follow:

	2024	2023
Deferred tax assets:		
Lease liabilities	**₱7,835,896**	₱7,754,947
NOLCO:		
USA-based entities	**5,259,925**	4,072,586
PRC-based entities	**429,801**	613,432
PH-based entity	**195,423**	–
Europe-based entity	**38,477**	37,461
Accrued expenses	**833,719**	800,393
Pension liability and other benefits	**684,768**	552,564
MSOP and ELTIP	**477,641**	149,279
Accrued benefit liability and bonus	**438,123**	333,217

(Forward)

	2024	2023
Accumulated impairment loss in value of receivables, inventories, property, plant and equipment and other nonfinancial assets	**₱361,642**	₱399,916
Provision	**337,655**	322,551
Unrealized foreign exchange loss	**222,729**	335,756
Excess MCIT and RCIT	**130,601**	–
Contract revenue	**78,457**	120,223
Unaccreted discount on security deposits and employee car plan receivables	**8,795**	18,190
Unamortized past service costs	**5,857**	7,004
Capital allowance	**–**	3,998
Others	**356**	457
	17,339,865	15,521,974
Deferred tax liabilities:		
Right-of-use assets	**6,393,635**	6,445,736
Excess of fair value over book value of identifiable assets of acquired businesses	**981,074**	1,119,582
Unrealized foreign exchange gain	**329,423**	307,324
Operating lease receivables	**212,774**	176,832
Unaccreted discount on employee car plan receivables and security deposits	**24,452**	24,719
Prepaid rent	**13,602**	11,292
Deferred rent expense	**8,153**	9,677
Unrealized gain on change in fair value of financial assets at FVTPL	**4,323**	2,748
	7,967,436	8,097,910
Deferred tax assets - net	**₱9,372,429**	₱7,424,064

The components of the Jollibee Group's recognized net deferred tax liabilities as at December 31 follow:

	2024	2023
Deferred tax assets:		
Lease liabilities	**₱4,602,385**	₱4,541,661
Capital allowance	**316,731**	216,631
NOLCO:		
PH-based entity	**347,383**	–
Singapore-based entity	**45,122**	16,060
USA-based entity	**45,692**	41,371
Excess MCIT and RCIT	**11,145**	–
Contract revenue	**46,889**	43,231
Pension liability and other benefits	**22,563**	24,690
Provision	**20,767**	–
Accrued expenses	**17,953**	6,144
Allowance for impairment loss on receivables, inventories and property, plant and equipment	**12,710**	20,044
Unamortized past service costs	**10,163**	6,316

(Forward)

	2024	2023
Accrued bonus	**₱9,993**	₱12,981
Unaccreted discount on security deposits and employee car plan receivables	**8,964**	347
MSOP and ELTIP	**8,792**	6,734
Unrealized foreign exchange loss	**–**	73
	5,527,252	4,936,283
Deferred tax liabilities:		
Excess of fair value over book value of identifiable assets of acquired businesses	**7,074,543**	4,334,747
Right-of-use assets	**4,168,551**	4,226,385
Unaccreted discount on employee car plan receivables, security and product security deposits	**1,401**	1,082
	11,244,495	8,562,214
Deferred tax liabilities - net	**₱5,717,243**	₱3,625,931

The rollforward analysis of the net deferred tax assets and liabilities of the Jollibee Group follows:

	2024	2023
Balance at beginning of year	**₱3,798,133**	₱2,673,834
Income tax effect arising from business acquisition	**(2,562,010)**	(5,838)
Income tax effect to profit or loss	**2,136,514**	1,084,206
Tax effect of MSOP and ELTIP	**53,414**	9,348
Income tax effect of remeasurements of net defined benefit plan	**28,204**	98,934
Translation adjustments	**200,932**	(62,351)
Balance at end of year	**₱3,655,187**	₱3,798,133

OSD

The availment of the OSD method also affected the recognition of several deferred tax assets and liabilities. Deferred tax assets and liabilities, for which the related income and expense are not considered in determining gross income for income tax purposes, are not recognized. This is because the manner by which the Jollibee Group expects to recover or settle the underlying assets and liabilities, for which the deferred tax assets and liabilities were initially recognized, would not result to any future tax consequence under the OSD method. Meanwhile, deferred tax assets and liabilities, for which the related income and expense are considered in determining gross income for income tax purposes, are recognized only to the extent of their future tax consequence under the OSD method. Hence, the tax base of these deferred tax assets and liabilities is reduced by the 40% allowable deduction provided for under the OSD method.

Accordingly, the Jollibee Group's deferred tax assets and liabilities, which were not recognized due to the use of the OSD method, are as follows:

	2024	2023
Deferred tax assets:		
Allowance for impairment loss on receivables and nonfinancial assets	**₱4,449**	₱4,449
Unaccreted discount on financial instruments and others	**149**	33
Customer deposits	**–**	92
	4,598	4,574
Deferred tax liabilities – others	**59**	59
Deferred tax assets – net	**₱4,539**	₱4,515

As at December 31, 2024 and 2023, the component of deferred tax assets of the Philippine-based subsidiaries which were not recognized as it is not probable that taxable income will be sufficient against which they can be utilized are as follows:

	2024	2023
NOLCO	**₱2,620,285**	₱2,592,798
Excess MCIT over RCIT	**143,866**	244,031
	₱2,764,151	₱2,836,829

As at December 31, 2024, NOLCO of the USA-based entities that can be claimed as deductions from taxable income are as follows:

Year Incurred	Tax Losses	Deferred Tax at 21%
2024	₱4,988,962	₱719,419
2023	2,942,848	617,998
2022	2,873,248	603,382
2021	2,565,114	538,674
2020	4,406,838	925,436
2019	3,831,214	804,555
2018	1,086,171	228,096
2017	934,352	196,214
2016	846,705	177,808
2015	103,781	21,794
	24,579,233	4,833,376
Utilization	(191,824)	(40,283)
Translation adjustments	877,433	184,262
	₱25,264,842	₱4,977,355

The Jollibee Group continues to recognize NOLCO of USA-based entities, even incurring losses, since these NOLCO has no prescription effective taxable year 2018. The 2015, 2016 and 2017 NOLCO will expire in 2035, 2036 and 2037, respectively. In addition, the Jollibee Group assess that they will have future taxable income to be able to utilize the NOLCO.

The PRC enterprise income tax law provides that income tax rates are unified at 25%. As at December 31, 2024, NOLCO of the PRC-based entities that can be claimed as deductions from taxable income are as follows:

Year Incurred	Carryforward Benefit Up to	Tax Losses	Deferred Tax at 25%
2024	December 31, 2029	₱632,440	₱158,110
2023	December 31, 2028	613,524	153,381
2022	December 31, 2027	911,520	227,880
2021	December 31, 2026	148,572	37,143
2020	December 31, 2028	780,112	195,028
		3,086,168	771,542
Write-off		(1,377,064)	(344,266)
Utilization		(33,884)	(8,471)
Translation adjustments		43,984	10,996
		₱1,719,204	₱429,801

As provided in Article 4 of the Announcement of the Ministry of Finance and the State Administration of Taxation No. 8 of 2020, the maximum carryforward year for losses incurred by enterprises in difficult industries greatly affected by the pandemic in 2020 is extended from five (5) years to eight (8) years.

As at December 31, 2024, NOLCO of the Europe-based entity that can be claimed as deductions from taxable income are as follows:

Year Incurred	Tax Losses	Deferred Tax at 19%
2020	₱181,858	₱34,553
2018	15,305	2,908
	197,163	37,461
Translation adjustments	5,347	1,016
	₱202,510	₱38,477

NOLCO of Europe-based entity has no prescription.

As at December 31, 2024, NOLCO of the Singapore-based entity that can be claimed as deductions from taxable income are as follows:

Year Incurred	Tax Losses	Deferred Tax at 17%
2023	₱169,323	₱28,785
2019	94,470	16,060
	263,793	44,845
Translation adjustment	1,629	277
	₱265,422	₱45,122

NOLCO of Singapore-based entity has no prescription.

The following are the movements in deferred tax assets on NOLCO of the Jollibee Group:

	2024	2023
Balance at beginning of year	**₱4,780,910**	₱4,906,426
Additions	**1,777,566**	717,912
Write-offs and expirations	**(344,266)**	(797,556)
Utilization during the year	**(48,754)**	(5,418)
Translation adjustments	**196,367**	(40,454)
	₱6,361,823	₱4,780,910

The net change in deferred tax liabilities recognized in equity amounted to ₱28.2 million, ₱98.9 million and (₱149.2 million) in 2024, 2023 and 2022, respectively.

The reconciliation of provision for income tax computed at the statutory income tax rates to provision for income tax as shown in the consolidated statements of comprehensive income are as follows:

	2024	2023	2022
Provision for income tax at statutory income tax rate	**₱4,535,441**	₱3,085,589	₱2,796,900
Income tax effects of:			
Effect of different tax rate for royalty and interest income	**(687,313)**	(618,410)	(402,485)
Expired/written off NOLCO and excess of MCIT over RCIT	**(124,079)**	481,675	203,610
Net movement in unrecognized DTA	**393,965**	94,939	(144,712)
Nontaxable income	**(80,208)**	(46,796)	(40,062)
Tax effect of MSOP and ELTIP	**(128,855)**	45,432	37,591
Nondeductible expenses	**224,599**	44,221	109,128
Intrinsic value of stock options exercised	**(23,802)**	(9,951)	(101,731)
Stock option expense		(8,894)	–
Difference between OSD and itemized deductions	**(534)**	(723)	(31,732)
Effect of different tax rates for capital gains tax	**(718,970)**	–	(552,269)
Change in tax rate		–	–
Effect of different tax rates for international operations and others	**–**	289,819	1,974,869
	₱3,390,244	₱3,356,901	₱3,849,107

Provision for current income tax of foreign entities operating in the US, Canada, PRC, Vietnam, Singapore and South Korea amounted to ₱172.8 million, ₱50.0 million, ₱3.0 million, ₱190.4 million, ₱17.1 million and ₱277.4 million, respectively, in 2024 and ₱23.1 million, ₱7.5 million, ₱29.8 million, ₱163.5 million, ₱21.5 million and nil, respectively, in 2023.

Pillar Two Rules
The Organization for Economic Co-operation and Development (OECD/G20 Exclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalization of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two model rules) apply to multinational enterprises (MNEs) with annual revenue exceeding EUR750 million per their consolidated financial statements.

The Pillar Two model rules introduce four (4) new taxing mechanisms under which MNEs would pay a minimum level of tax (Minimum Tax):

- The Qualified Domestic Minimum Top-up Tax (QDMTT)
- The Income Inclusion Rule (IIR)
- The Under Taxed Payment/Profits Rule (UTPR)
- The Subject to Tax Rule

The Subject to Tax Rule is a tax treaty-based rule that generally proposes a Minimum Tax on certain cross-border intercompany transactions that otherwise are not subject to a minimum level of tax.

The new taxing mechanisms can impose a minimum tax on the income arising in each jurisdiction in which an MNE operates. The IIR, UTPR and QDMTT do so by imposing a top-up tax in a jurisdiction whenever the effective tax rate (ETR), determined on a jurisdiction basis under the Pillar Two rules, is below the 15% minimum rate.

On May 23, 2023, IASB issued International Tax Reform – Pillar Two Model Rules – Amendment to IAS 12 (the Amendments). The Amendments clarify that IAS 12 applies to income tax arising from tax law enacted or substantially enacted to implement the Pillar Two Model rules published by OECD, including the tax law that implements a QDMTT. The Jollibee Group has adopted these amendments, which introduce:

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of Pillar Two model rules; and,
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation.

The Pillar Two model rule was adopted by the Jollibee Group at the end of 2023 and are applicable from January 1, 2024. According to this rule, the Jollibee Group is considered an MNE to which the Pillar Two rules shall be applied. At the same time, Pillar Two legislation has been enacted or substantively enacted in several of the jurisdictions in which the Jollibee Group operates effective January 1, 2024 and some jurisdiction to be effective on January 1, 2025.

The Jollibee Group has assessed its potential tax exposure to Pillar Two income taxes based on 2023 country-by-country reporting and the 2024 financial for its constituent entities. The Pillar Two effective tax rates in most of the jurisdictions in which the Jollibee Group operates is above 15%, while some of the jurisdictions qualify under the transitional safe harbour reliefs. The Jollibee Group has identified subsidiaries that operate in jurisdiction with low statutory tax rates and noted that the potential current tax exposures under Pillar Two rules was not material as at December 31, 2024. For 2025, the Jollibee Group is anticipating almost the same level of Pillar Two tax exposure.

The Jollibee Group will continue to monitor the Pillar Two legislative developments and its potential impact to its consolidated financial statements.

25. **Pension Liability**

Defined Benefit Plan

The Parent Company and certain Philippine-based subsidiaries have funded, independently-administered, non-contributory defined benefit pension plan covering all permanent employees. The benefits are based on the employees' projected salaries and number of years of service.

The funds are administered by trustee banks. Subject to the specific instructions provided in writing, the Parent Company and certain Philippine-based subsidiaries direct the trustee banks to hold, invest and reinvest the funds and keep the same invested, in its sole discretion, without distinction between principal and income in, but not limited to, certain cash and other short-term deposits, investments in government and corporate debt securities and quoted equity securities.

Under the existing regulatory framework, Republic Act No. 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employees' retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The following tables summarize the components of pension expense, included under "Cost of sales" and "General and administrative expenses" accounts in the consolidated statements of comprehensive income and pension liability in the consolidated statements of financial position, which are based on annual actuarial valuations.

Changes in pension liability of the Jollibee Group in 2024 are as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Pension Liability
At January 1, 2024	**₱4,610,165**	**₱2,278,935**	**₱2,331,230**
Pension expense (see Notes 21 and 22):			
Current service cost	**354,097**	**–**	**354,097**
Net interest	**282,239**	**139,915**	**142,324**
Settlement loss	**6,431**	**–**	**6,431**
	642,767	**139,915**	**502,852**
Benefits paid	**(229,418)**	**(229,338)**	**(80)**
Settlement paid	**(50,123)**	**(50,123)**	**–**
Remeasurements in other comprehensive income:			
Return on plan assets (excluding amount included in net interest)	**–**	**5,452**	**(5,452)**
Actuarial changes arising from changes in financial assumptions	**(54,563)**	**–**	**(54,563)**
Actuarial changes due to experience adjustment	**180,146**	**–**	**180,146**
Actuarial changes due to demographic adjustment	**(7,314)**	**–**	**(7,314)**
	118,269	**5,452**	**112,817**
Contributions	**–**	**95,420**	**(95,420)**
Transferred out - net	**(6)**	**–**	**(6)**
At December 31, 2024	**₱5,091,654**	**₱2,240,261**	**₱2,851,393**

Changes in pension liability of the Jollibee Group in 2023 are as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Pension Liability
At January 1, 2023	₱3,957,303	₱2,066,001	₱1,891,302
Pension expense (see Notes 21 and 22):			
Current service cost	303,516	–	303,516
Net interest	282,539	148,211	134,328
Settlement loss	8,089	–	8,089
	594,144	148,211	445,933
Benefits paid	(323,157)	(332,469)	9,312
Settlement paid	(44,795)	(35,484)	(9,311)
Remeasurements in other comprehensive income:			
Return on plan assets (excluding amount included in net interest)	–	30,933	(30,933)
Actuarial changes arising from changes in financial assumptions	224,270	–	224,270
Actuarial changes due to experience adjustment	159,290	–	159,290
Actuarial changes due to demographic adjustment	43,110	–	43,110
	426,670	30,933	395,737
Contributions	–	401,743	(401,743)
At December 31, 2023	₱4,610,165	₱2,278,935	₱2,331,230

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

The following table presents the carrying amounts, which approximate the estimated fair values, of the assets of the plan:

	2024	2023
Cash and cash equivalents	**₱8,273**	₱124,768
Investments in government and corporate debt securities	**2,513,620**	2,364,023
Investments in quoted equity securities:		
Holding firms	**178,146**	213,518
Banks	**180,139**	149,961
Property	**104,159**	135,749
Transportation	**86,328**	52,226
Food and beverage	**62,225**	54,609
Telecommunications	**47,358**	33,677
Electricity, energy, power and water	**51,559**	40,884
Others	**11,837**	18,177
Interest and dividends receivable	**2,908**	32,681
Fund liabilities (see Notes 7 and 27)	**(1,006,291)**	(941,590)
	₱2,240,261	₱2,278,683

The plan assets consist of the following:

- Investments in government securities consist of retail treasury bonds that bear interest ranging from 4.34%-6.99% and have maturities from March 2025 to July 2034 and fixed-rate treasury notes that bear interest ranging from 3.63%-9.25% and have maturities from April 2025 to May 2044.

- Investments in debt securities consist of long-term corporate bonds in the property sector, which bear interest ranging from 2.63%-6.25% maturing from August 2025 to February 2029.

- Investments in equity securities consist of investments in listed equity securities, including equity securities of the Parent Company, for certain retirement plans of the Jollibee Group (see Note 27).

- Other financial assets held by the retirement plan are primarily accrued interest income on cash and cash equivalents, debt instruments and other securities.

Pension expense as well as the present value of the pension liability are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension expense and liability for the defined benefit plans are shown below:

	2024	2023
Discount rate	**6.1%- 6.2%**	6.1%- 7.3%
Salary increase rate	**6%**	5.7%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the present value of the defined benefit obligation as at the end of the reporting year, assuming all other assumptions were held constant:

	Increase	Philippine Plan	
	(Decrease)	**2024**	2023
Discount rates	+0.50%	**(111,883)**	(₱543,539)
	-0.50%	**120,387**	941,738
Future salary increases	+0.50%	**120,502**	941,645
	-0.50%	**(131,865)**	(544,587)

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31:

	2024	2023
Less than 1 year	**₱1,322,267**	₱1,141,121
More than 1 year to 5 years	**1,652,390**	1,500,190
More than 5 years to 10 years	**2,835,359**	2,450,048
More than 10 years to 15 years	**3,589,200**	3,244,825
More than 15 years to 20 years	**3,669,681**	3,710,396
More than 20 years	**9,655,504**	9,140,354

The Parent Company and certain Philippine-based subsidiaries do not have a formal asset-liability matching strategy. The overall investment policy and strategy of the retirement plans is based on the client suitability assessment, as provided by trustee banks, in compliance with the BSP requirements. Nevertheless, the Parent Company and certain Philippine-based subsidiaries ensure that there will be sufficient assets to pay the retirement benefits as they fall due while attempting to mitigate the various risks of the plans.

The plan assets are primarily exposed to financial risks such as liquidity risk and price risk. Liquidity risk pertains to the plans' ability to meet obligation to the employees upon retirement. To effectively manage liquidity risk, the trustee banks maintain assets in cash and short-term deposits. Price risk pertains mainly to fluctuation in market prices of the retirement funds' marketable securities. In order to effectively manage price risk, the trustee banks continuously assess these risks by closely monitoring the market value of the securities and implementing prudent investment strategies.

The Parent Company and certain Philippine-based subsidiaries contributed ₱95.4 million to the defined benefit pension plans in 2024.

The average duration of the defined benefit obligation is 10 years as at December 31, 2024 and 2023.

Defined Contribution Plan
The employees of the PRC-domiciled subsidiaries of the Jollibee Group are members of a state-managed pension benefit scheme operated by the national government. These subsidiaries are required to contribute a specified percentage of their payroll costs to the pension benefit scheme to fund the benefits. The only obligation of these subsidiaries with respect to the pension benefit scheme is to make the specified contributions. Pension expense under the defined contribution plan amounted to ₱470.8 million, ₱577.6 million and ₱445.0 million in 2024, 2023 and 2022, respectively.

26. Stock Options Plan

Senior Management Stock Option and Incentive Plan
On January 10, 2017 and December 17, 2002, the SEC approved the exemption requested by the Jollibee Group on the registration requirements of 31,500,000 and 101,500,000 options, respectively, underlying the Parent Company's common shares to be issued pursuant to the Jollibee Group's Senior Management Stock Option and Incentive Plan (the Plan). The Plan covers selected key members of management of the Jollibee Group and designated affiliated entities.

On December 23, 2022, the Philippine SEC approved the registration of up to 136,000,000 common shares with a par value of ₱1.00 per share to be issued at ₱167.20 to ₱216.80 per share to eligible participants of the Company pursuant to the Plan.

The Plan is divided into two programs, namely, the Management Stock Option Program (MSOP) and the Executive Long-term Incentive Program (ELTIP). The MSOP provides a yearly stock option grant program based on company and individual performance while the ELTIP provides stock ownership as an incentive to reinforce entrepreneurial and long-term ownership behavior of executive participants.

MSOP. The MSOP is a yearly stock option grant program open to members of the senior management committee of the Jollibee Group and members of the management committee, key talents and designated consultants of some of the business units.

Each MSOP cycle refers to the period commencing on the MSOP grant date and ending on the last day of the MSOP exercise period. Vesting is conditional on the employment of the employee-participants in the Jollibee Group within the vesting period. The options will vest at the rate of one-third of the total options granted on each anniversary of the MSOP grant date until the third anniversary.

The exercise price of the stock options is determined by the Jollibee Group with reference to the prevailing market prices over the three months immediately preceding the date of grant for the 1st to the 7th MSOP cycle. Starting with the 8th MSOP cycle, the exercise price of the option is determined by the Jollibee Group with reference to the market closing price at date of grant.

The options will vest at the rate of one-third of the total options granted from the start of the grant date on each anniversary date which will start after a year from the grant date. For instance, under the 1st MSOP cycle, the Compensation Committee of the Jollibee Group granted 2,385,000 options to eligible participants on July 1, 2004. One-third of the options granted, or 795,000 options, vested and may be exercised starting July 1, 2005. The exercise period for the 1st MSOP cycle was until June 30, 2012. From July 1, 2005 to October 25, 2023, the Compensation Committee granted series of MSOP grants under the 2nd to 20th MSOP cycle to eligible participants. Under the most recent grant on August 13, 2024, the 21st MSOP cycle, the Compensation Committee granted 2,807,880 options. These options vest similar to the 1st MSOP cycle.

The options under MSOP expire eight (8) years after grant date. The 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th , 12th and 13th MSOP cycles expired in 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024, respectively.

The Jollibee Group does not pay cash as a form of settlement.

The movements in the number of stock options outstanding under MSOP and related weighted average exercise prices (WAEP) in 2024, 2023 and 2022 follow:

	2024		2023		2022	
	Number of Options	**WAEP**	Number of Options	WAEP	Number of Options	WAEP
Total options granted at beginning of period	**71,014,940**	**₱135.87**	65,466,338	₱129.24	61,141,454	₱122.96
Options granted during the year	**2,807,880**	**234.60**	5,548,602	214.00	4,324,884	218.00
Total options granted at end of year	**73,822,820**	**₱139.62**	71,014,940	₱135.87	65,466,338	₱129.24
Outstanding at beginning of year	**21,024,259**	**₱209.77**	17,246,159	₱205.97	20,984,985	₱194.51
Options granted during the year	**2,807,880**	**234.60**	5,548,602	214.00	4,324,884	218.00
Options exercised during the year	**(3,162,620)**	**218.04**	(827,462)	189.72	(5,886,568)	180.01
Options forfeited during the year	**(536,496)**	**219.90**	(943,040)	182.77	(2,177,142)	189.61
Outstanding at end of year	**20,133,023**	**₱211.66**	21,024,259	₱209.77	17,246,159	₱205.97
Exercisable at end of year	**12,184,447**	**₱204.91**	11,185,984	₱208.08	8,706,088	₱216.22

The weighted average share price of the Parent Company's common shares is ₱246.97, ₱234.57 and ₱228.53 in 2024, 2023 and 2022, respectively. The weighted average remaining contractual life for the stock options outstanding is 5.04 years, 5.16 years and 5.14 years as at December 31, 2024, 2023 and 2022, respectively.

The weighted average fair value of stock options granted in 2024, 2023 and 2022 is ₱80.55, ₱77.52 and ₱64.50, respectively. The fair value of share options as at the date of grant is estimated using the Black-Scholes Option Pricing Model, taking into account, the terms and conditions upon which the options were granted. The option style used for this plan is the American style because the option plan allows exercise before the expiry date.

The inputs in the valuation of the options granted on the dates of grant for each MSOP cycle are shown below:

MSOP Cycle	Year of Grant	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life of the Option	Stock Price on Grant Date	Exercise Price
12th	2015	2.00%	18.94%	2.98%	3-4 years	₱180.00	₱180.00
13th	2016	2.00%	17.76%	2.63%	3-4 years	236.00	236.00
14th	2017	2.00%	16.70%	3.92%	3-4 years	206.20	206.20
15th	2018	2.00%	28.98%	4.95%	3-4 years	245.00	245.00
16th	2019	2.00%	27.65%	4.18%	3-4 years	219.00	219.00
17th	2020	2.00%	35.17%	2.40%	3-4 years	138.00	138.00
18th	2021	1.70%	36.19%	2.29%	3-4 years	189.60	189.60
19th	2022	1.70%	37.18%	4.92%	3-4 years	218.00	218.00
20th	2023	1.56%	34.42%	6.63%	5 years	214.00	214.00
21st	2024	1.83%	34.39%	6.08%	5 years	234.60	234.60

The expected life of the stock options is based on historical data and current expectations and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

ELTIP. The ELTIP entitlement is given to members of the senior management committee and designated consultants of the Jollibee Group.

Each ELTIP cycle refers to the period commencing on the ELTIP entitlement date and ending on the last day of the ELTIP exercise year. Actual grant and vesting are conditional upon achievement of the Jollibee Group's medium to long-term goals and individual targets in a given period, and the employment of the employee-participants in the Jollibee Group within the vesting period. If the goals are achieved, the options will be granted. For the 3rd ELTIP cycle, a percentage of the options to be granted are based on the percentage of growth in annual earnings per share such that 100%, 50% or 25% of the options granted when percentage of growth in annual earnings per share are 12% and above, 10% to less than 12% or 8% to less than 10%, respectively. For the 4th ELTIP cycle, the percentage of the options to be granted and the targeted percentage of growth in annual earnings per share have been further revised such that 150%, 100% or 50% of the options granted when percentage of growth in annual earnings per share are 15% and above, 12% to less than 15% or 10% to less than 12%, respectively.

The exercise price of the stock options under ELTIP is determined by the Jollibee Group with reference to the prevailing market prices over the three months immediately preceding the date of entitlement for the first and second ELTIP cycles. Starting with the 3rd ELTIP cycle, the exercise price of the option is determined by the Jollibee Group with reference to the closing market price as at the date of entitlement.

The options will vest at the rate of one-third of the total options granted on each anniversary date which will start after the goals are achieved. For instance, on July 1, 2004, the Compensation Committee gave an entitlement of 22,750,000 options under the 1st ELTIP cycle to eligible participants. One-third of the options granted, or 7,583,333 options, vested and were exercised starting July 1, 2007 until June 30, 2012. On July 1, 2008, October 19, 2012, August 25, 2015, January 3, 2018 and May 19, 2021, entitlement to 20,399,999, 24,350,000, 11,470,000, 9,290,000 and 15,629,998 options were given to eligible participants under the 2nd, 3rd, 4th, 5th and 6th ELTIP cycles, respectively. The 1st, 2nd, 3rd and 4th ELTIP cycles expired on June 30, 2012, April 30, 2017, April 30, 2020 and April 30, 2023, respectively. The 5th ELTIP cycle was not granted to ELTIP participants as the Jollibee Group did not achieve the minimum hurdle rate of 10% of annual growth of the EPS due to the impact of the COVID-19 pandemic to Jollibee Group's business

performance in 2020. The 6th ELTIP cycle was granted on May 1, 2024 at 100% of options allocated with a total of 11,368,932 options.

The Jollibee Group does not pay cash as a form of settlement.

The movements in the number of stock options outstanding for the 4th ELTIP cycle and related WAEP in 2024, 2023 and 2022 follow:

	2024		2023		2022	
	Number of Options	**WAEP**	Number of Options	WAEP	Number of Options	WAEP
Total options granted at beginning and end of year	**90,338,931**	**₱87.21**	78,969,999	₱74.58	78,969,999	₱74.58
Outstanding at beginning of year	**–**	**₱–**	476,667	₱180.00	3,680,034	₱180.00
Options granted during the year	**11,368,932**	**175.00**	(286,667)	180.00	(2,997,367)	180.00
Options exercised during the year	**(44,445)**	**175.00**	(190,000)	180.00	(206,000)	180.00
Outstanding at end of year	**11,324,487**	**₱175.00**	–	₱–	476,667	₱180.00
Exercisable at end of year	**3,745,199**	**₱175.00**	–	₱–	476,667	₱180.00

The weighted average remaining contractual life for the stock options outstanding is 4.33 years and nil as at December 31, 2024 and 2023, respectively.

The fair value of stock options granted is ₱80.55 in 2024 and ₱26.13 in 2015. There were no additional stock option grants under ELTIP in 2023 and 2022. The fair value of share options as at the date of grant is estimated using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. The option style used for this plan is the American style because this option plan allows exercise before the maturity date.

The inputs to the model used for the options granted on the date of grant for the 6th ELTIP cycle are shown below:

ELTIP Cycle	Year of Grant	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life of the Option	Stock Price on Grant Date	Exercise Price
6th	2024	1.70%	33.12%	3.13%	5 years	₱175.00	₱175.00

The expected life of the stock options is based on historical data and current expectations and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

On October 1, 2024, the Parent Company has replaced the MSOP and ELTIP with a Restricted Stock Unit Program (RSUP) to align leadership behavior with long-term shareholder value creation.

The RSUP is a long-term incentive program under the Plan established by the Parent Company. It entitles participants to earn stock units, subject to meeting set eligibility and performance criteria. Eligible participants include the leadership teams, key talents and designated consultants of the Jollibee Group.

The RSUP emphasizes performance over a 3-year horizon, with clearly defined performance hurdles to drive sustained profitability and growth. Designed to support the Jollibee Group's strategic objectives, the RSUP fosters value creation, strengthens growth momentum, and positions the Jollibee Group for global leadership in the QSR industry.

The RSUP has an annual cycle. Every year, employees who meet the set eligibility criteria are identified as RSUP participants and are granted stock units. Granted stock units will cliff-vest over a 3-year period. On the RSUP Vesting Date, the number of shares to be issued to the grantees of stock units will be computed using the Stock Units Multiplier. The Stock Units Multiplier shall take into account the achievement by the Jollibee Group of performance targets based on the Parent Company's three (3)-year share price growth rate for the relevant RSUP Stock Unit Cycle.

On October 1, 2024, under the RSUP Cycle 1, Jollibee Group has given a total of 3,205,850 stock units entitlement to eligible participants. The vesting date is on October 1, 2027, subject to meeting the Parent Company's 3-yr share price growth rate targets.

The cost of the stock options expense charged to operations for both MSOP and ELTIP in the "General and administrative expenses" account amounted to ₱497.3 million, ₱353.9 million and ₱185.0 million in 2024, 2023 and 2022, respectively (see Notes 19, 22 and 27). Correspondingly, a credit was made to additional paid-in-capital (see Note 19).

27. Related Party Transactions

The Jollibee Group has transactions with related parties. Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Jollibee Group, including holding companies, subsidiaries and fellow subsidiaries are related entities of the Jollibee Group. Individuals owning, directly or indirectly, an interest in the voting power of the Jollibee Group that give them significant influence over the enterprise, key management personnel, including directors and officers of the Jollibee Group, and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

Compensation of Key Management Personnel of the Jollibee Group

The aggregate compensation and benefits to key management personnel of the Jollibee Group are as follows:

	2024	2023	2022
Salaries and short-term benefits	**₱2,629,284**	₱2,195,691	₱1,803,677
Stock options expense (see Notes 19, 22 and 26)	**497,273**	353,863	185,016
Net pension expense	**196,114**	272,801	187,618
Employee car plan and other long-term benefits	**55,179**	49,533	51,999
	₱3,377,850	₱2,871,888	₱2,228,310

Transactions with the Retirement Plans

As at December 31, 2024 and 2023, certain retirement funds of the Jollibee Group include investment in equity securities of the Parent Company with details as follows:

	2024	2023
Number of shares	**108,100**	83,760
Market value	**₱31,072**	₱21,057
Cost	**27,609**	18,690
Unrealized gain	**₱3,463**	₱2,367

The Jollibee Group's receivable from the retirement fund amounted to ₱1,009.0 million and ₱770.3 million as at December 31, 2024 and 2023, respectively (see Notes 7 and 25). The receivable arose from benefit payments made by the Jollibee Group for and on behalf of the retirement plans. The receivable is noninterest-bearing.

Terms and Conditions of Transactions with other Related Parties
Transactions with related parties are made at market prices and are normally settled in cash. The Jollibee Group has approval process and established limits when entering into material related party transactions. For related party transactions related to advances to joint ventures which include the terms and conditions, transactions and outstanding balance as at December 31, 2024 and 2023, respectively, are disclosed in Note 11 to the consolidated financial statements. Other related party transactions between entities under the Jollibee Group are eliminated in the consolidation process.

28. Earnings Per Share (EPS)

Basic and diluted EPS are computed as follows:

	2024	2023	2022
	(In Thousand pesos, except for shares data and EPS)		
Net income attributable to the equity holders of the Parent Company	**₱10,316,529**	₱8,766,116	₱7,558,503
Less dividends on preferred shares - net of tax	**428,181**	451,105	451,190
Adjusted net income attributable to the equity holders of the Parent Company (a)	**₱9,888,348**	₱8,315,011	₱7,107,313
Weighted average number of shares - basic (b)	**1,117,243,842**	1,115,319,822	1,110,581,972
Weighted average number of shares outstanding under the stock options plan	**27,182,399**	8,282,429	16,441,062
Weighted average number of shares that would have been purchased at fair market value	**(24,014,732)**	(6,520,800)	(13,405,748)
Adjusted weighted average shares – diluted (c)	**1,120,411,509**	1,117,081,451	1,113,617,286
EPS			
Basic (a/b)	**₱8.851**	₱7.455	₱6.400
Diluted (a/c)	**8.826**	7.444	6.382

Potential common shares for stock options under the 15th and 21st MSOP cycles in 2024 and 13th, 15th and 19th MSOP cycles in 2023 were not included in the calculation of the diluted EPS because they are anti-dilutive.

29. **Leases**

Jollibee Group as Lessee

The Jollibee Group has lease contracts for QSR outlets, warehouses, and office spaces. Leases of QSR outlets and warehouses generally have lease terms between three (3) to twenty (20) years. The Jollibee Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Jollibee Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed in subsequent paragraphs.

The Jollibee Group also has certain leases of QSR outlets with lease term of 12 months or less. The Jollibee Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	QSR Outlets	Warehouses	Office Spaces	Total
As at December 31, 2022	**₱41,529,442**	**₱505,714**	**₱42,857**	**₱42,078,013**
Additions	11,582,370	928,286	233,621	12,744,277
Depreciation expense	(9,284,204)	(73,190)	(43,166)	(9,400,560)
Pre-terminations	(733,426)	–	–	(733,426)
Reversal of impairment loss	130,843	–	–	130,843
Cumulative translation adjustments	147,435	–	(527)	146,908
As at December 31, 2023	**43,372,460**	**1,360,810**	**232,785**	**44,966,055**
Additions	8,634,010	53,371	94,646	8,782,027
Depreciation expense (see Notes 21 and 22)	(9,081,139)	(64,412)	(130,618)	(9,276,169)
Pre-terminations (see Note 23)	(457,175)	–	–	(457,175)
Cumulative translation adjustments	508,110	–	6,650	514,760
As at December 31, 2024	**₱42,976,266**	**₱1,349,769**	**₱203,463**	**₱44,529,498**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	December 2024	December 2023
As at beginning of year	**₱51,731,529**	₱48,144,447
Payments	**(11,343,098)**	(11,158,642)
Additions	**8,734,271**	12,717,272
Accretion of interest (see Note 23)	**3,056,484**	2,799,307
Pre-terminations (see Note 23)	**(526,599)**	(838,394)
Cumulative translation adjustments	**568,857**	67,539
As at end of year	**₱52,221,444**	₱51,731,529
Current	**₱8,106,429**	₱8,442,985
Noncurrent	**44,115,015**	43,288,544

The maturity analysis of lease liabilities is disclosed in Note 31.

The following are the amounts recognized in profit or loss:

	2024	2023	2022
Depreciation expense of right-of-use assets (see Notes 21 and 22)	**₱9,276,169**	₱9,400,560	₱8,895,357
Rent expense - short-term leases (see Notes 21 and 22)	**4,782,869**	3,802,175	3,049,252
Interest expense on lease liabilities (see Note 23)	**3,056,484**	2,799,307	2,559,104
Rent expense - variable lease payments (see Notes 21and 22)	**2,556,216**	2,378,466	2,008,831
Gain on pre-termination of lease agreements (see Note 23)	**(69,424)**	(78,840)	(166,816)
	₱19,602,314	₱18,301,668	₱16,345,728

The Jollibee Group had total cash outflows for leases of ₱18,682.2 million, ₱17,339.3 million and ₱15,152.8 million in 2024, 2023 and 2022, respectively.

Jollibee Group as Lessor

The Jollibee Group entered into commercial property leases for its investment property units. These leases have terms of between three (3) and twenty (20) years. Leases generally include a clause to enable upward revision of the rent charges on an annual basis based on prevailing market conditions.

Rent income recognized on a straight-line basis amounted to ₱31.8 million, ₱20.1 million, and ₱7.0 million in 2024, 2023. and 2022, respectively (see Note 20).

Jollibee Group as an Intermediate Lessor

The Jollibee Group subleases certain parcels of land with lease terms between five (5) to twenty (20) years. The lease contracts contain renewal options under terms and conditions that are mutually agreed upon by the parties.

Set out below are the carrying amounts of finance lease receivables and the movements during the year:

	2024	2023
At beginning of year	**₱811**	₱41,619
Payments	**(811)**	(15,710)
Pre-terminations	**–**	(26,128)
Accretion of interest	**–**	1,030
At end of year	**₱–**	₱811

Shown below is the maturity analysis of the undiscounted finance lease receivables:

	2024	2023
1 year	**₱–**	₱298
more than 1 year to 5 years	**–**	1,150

30. Contingencies

The Jollibee Group is involved in litigations, claims and disputes, and regulatory assessments which are normal to its business. Management believes that the ultimate liability, if any, with respect to these litigations, claims and disputes will not materially affect the financial position and financial performance of the Jollibee Group. Thus, other than the provisions in Note 17, there were no other provisions made for contingencies.

The Jollibee Group does not provide further information on these provisions and contingencies in order not to impair the outcome of the litigations, claims and disputes.

31. Financial Risk Management Objectives and Policies

The Jollibee Group is exposed to a variety of financial risks from its operating, investing and financing activities. The Jollibee Group's risk management policies focus on actively securing the Jollibee Group's short-term to medium-term cash flows by minimizing the exposure to financial markets.

The Jollibee Group's principal financial instruments comprise of cash and cash equivalents, short-term investments, current portion of financial assets at FVTPL, receivables, short-term and long-term debts and senior debt securities. The main purpose of these financial instruments is to obtain financing for the Jollibee Group's operations. The Jollibee Group has other financial assets and liabilities such as security and other deposits, finance lease receivables, lease liabilities and trade payables and other current liabilities (excluding accrual for local and other taxes, liabilities to government agencies and unearned revenue from gift certificates) which arise directly from its operations and noncurrent portion of financial assets at FVTPL.

The main risks arising from these financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The risk management policies reviewed regularly by the Parent Company's BOD and management for managing each of these risks are summarized as follows:

Interest Rate Risk
Interest rate risk arises from the possibility that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Jollibee Group's exposure to interest rate risk relates primarily to short-term and long-term debts with floating interest rates. Floating rate financial instruments are subject to cash flow interest rate risk. The Jollibee Group's interest rate exposure management policy centers on reducing the Jollibee Group's overall interest expense and exposure to changes in the interest rates.

With the Jollibee Group's Corporate Planning Team, it enters into loan contracts with variable interest rates and option to fix interest rates which can be availed to manage its loan risks.

There is minimal exposure on the other sources of the Jollibee Group's interest rate risk. These other sources are from the Jollibee Group's cash in banks, short-term deposits and short-term investments.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Jollibee Group's income before income tax as at December 31, 2024, 2023 and 2022. The impact on the Jollibee Group's income before income tax is due to changes in the fair value of floating interest rates.

Long-term Debt with Floating Interest Rates

	Increase/ Decrease in Basis Points	Effect in Profit or Loss Before Income Tax		
		2024	2023	2022
PHP	+100	**(₱113,512)**	(₱93,435)	(₱134,998)
	-100	**113,512**	93,435	134,998
USD	+100	**(17,355)**	(15,448)	(15,724)
	-100	**17,355**	15,448	15,724
VND	+100	**(14,375)**	(15,393)	(11,909)
	-100	**14,375**	15,393	11,909
MYR	+100	**(5,456)**	–	–
	-100	**5,456**	–	–
SGD	+100	**(4,856)**	(1,894)	–
	-100	**4,856**	1,894	–

The assumed movement in basis point for interest rate sensitivity analysis is based on the currently observable market environment.

Foreign Currency Risk

The Jollibee Group's exposure to foreign currency risk arises from the Parent Company's investments outside the Philippines, which are mainly in the Singapore, USA, PRC and Vietnam. The net assets of foreign businesses account for 8.0% and 7.6% of the consolidated net assets of the Jollibee Group as at December 31, 2024 and 2023, respectively.

The Jollibee Group also has transactional foreign currency exposures. Such exposures arise from the Jollibee Group's Philippine operations' cash and cash equivalents, receivables and trade payables in foreign currencies.

The table below shows the Jollibee Group's Philippine operations' foreign currency-denominated monetary assets and liabilities and their peso equivalents as at December 31:

	2024		2023	
	USD	**PHP Equivalent**	USD	PHP Equivalent
Foreign currency denominated assets:				
Cash and cash equivalents	**18,521**	**1,071,440**	20,881	1,156,181
Receivables	**13,127**	**759,397**	18,590	1,029,328
	31,648	**1,830,837**	39,471	2,185,509
Foreign currency denominated liability -				
Accounts payable - trade	**(6,234)**	**(360,637)**	(6,019)	(333,272)
Foreign currency denominated assets - net	**25,414**	**1,470,200**	33,452	1,852,237

Foreign Currency Risk Sensitivity Analysis
The Jollibee Group has recognized in its profit or loss, a net foreign exchange loss of ₱801.8 million in 2024, ₱106.5 million in 2023 and net foreign exchange gain of ₱44.0 million in 2022 (see Note 23), included under "Other income - net" account. This resulted from the movements of the Philippine peso against the USD as shown below:

December 31, 2024	**57.85**
December 31, 2023	55.37
December 31, 2022	55.76

The table below demonstrates the sensitivity to a reasonably possible change in USD to Philippine peso exchange rate, with all other variables held constant, of the Jollibee Group's income before income tax (due to changes in the fair value of monetary assets and liabilities) as at December 31:

		2024		2023	
Appreciation (Depreciation) of ₱ against Foreign Currency		**Effect on Income before Income Tax**	**Effect on Equity before Income Tax**	Effect on Income before Income Tax	Effect on Equity before Income Tax
USD	1.50	**(₱38,121)**	**(₱38,121)**	(₱50,178)	(₱50,178)
	(1.50)	**38,121**	**38,121**	50,178	50,178
	1.00	**(25,414)**	**(25,414)**	(33,452)	(33,452)
	(1.00)	**25,414**	**25,414**	33,452	33,452

Credit Risk
Credit risk is the risk that a customer or counterparty fails to fulfill its contractual obligations to the Jollibee Group. This includes risk of non-payment by borrowers, failed settlement of transactions and default on outstanding contracts.

The Jollibee Group has a strict credit policy. Its credit transactions are with franchisees and customers that have gone through rigorous screening before granting them the franchise. The credit terms are very short, while deposits and advance payments are also required before rendering the services or delivering the goods, thus, mitigating the possibility of non-collection. In cases of non-collection, defaults of the debtors are not tolerated; the exposure is contained the moment a default occurs and transactions that will further increase the exposure of the Jollibee Group are discontinued.

The Jollibee Group has no significant concentration of credit risk with counterparty. The Jollibee Group's franchisee profile is such that no single franchisee accounts for more than 5% of the total system-wide sales of the Jollibee Group.

Credit Risk Exposure. The tables below show the maximum exposure to credit risk of the Jollibee Group as at December 31, 2024 and 2023 without considering the effects of collaterals and other credit risk mitigation techniques:

	2024		
	Gross Maximum Exposure (a)	**Fair Value and Financial Effect of Collateral or Credit Enhancement (b)**	**Net Exposure (c) = (a) - (b)**
		(In Millions)	
Financial Assets at Amortized Cost			
Cash and cash equivalents*	**₱28,991.4**	**₱304.1**	**₱28,687.3****
Short-term investments	**85.5**	**–**	**85.5**
Receivables:			
Trade	**7,600.6**	**–**	**7,600.6**
Advances to employees	**1,473.3**	**–**	**1,473.3**
Receivable from retirement fund	**1,009.0**	**–**	**1,009.0**
Employee car plan receivables****	**187.4**	**–**	**187.4**
Other receivables***	**6.1**	**–**	**6.1**
Other noncurrent assets -			
Security and other deposits****	**4,272.6**	**–**	**4,272.6**
Financial assets at FVTPL****	**585.6**	**–**	**585.6**
	₱44,211.5	**₱304.1**	**₱43,907.4**

** Excluding cash on hand amounting to ₱335.2 million.*
*** Gross financial assets after taking into account insurance bank deposits for cash and cash equivalents.*
**** Including interest receivable and excluding receivables from government agencies amounting to ₱85.5 million*
***** Including noncurrent portion*

	2023		
	Gross Maximum Exposure (a)	Fair Value and Financial Effect of Collateral or Credit Enhancement (b)	Net Exposure (c) – (a) - (b)
		(In Millions)	
Financial Assets at Amortized Cost			
Cash and cash equivalents*	₱32,831.1	₱304.1	₱32,527.0**
Short-term investments	624.8	–	624.8
Receivables:			
Trade	6,549.3	–	6,549.3
Receivable from retirement fund	770.3	–	770.3
Advances to employees	706.3	–	706.3
Employee car plan receivables****	184.1	–	184.1
Other receivables***	15.8	–	15.8
Finance lease receivables	0.8	–	0.8
Other noncurrent assets -			
Security and other deposits****	3,797.6	–	3,797.6
Financial assets at FVTPL****	8,170.0	–	8,170.0
	₱53,650.1	₱304.1	₱53,346.0

** Excluding cash on hand amounting to ₱401.4 million.*
*** Gross financial assets after taking into account insurance bank deposits for cash and cash equivalents.*
**** Including interest receivable and excluding receivables from government agencies amounting to ₱97.8 million*
***** Including noncurrent portion*

With respect to credit risk arising from financial assets of the Jollibee Group, the Jollibee Group's exposure to credit risk arises from default of the counterparty, with a gross maximum exposure equal to the carrying amount of these instruments.

Credit Quality. The financial assets of the Jollibee Group are grouped according to stage of which description is explained as follows:

Stage 1 - Those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - Those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as at reporting date.

Stage 3 - Those that are considered in default or demonstrate objective evidence of impairment as at reporting date.

The tables below show determination of ECL stage of the Jollibee Group's financial assets:

	2024			
		Stage 1	Stage 2	Stage 3
	Total	12-month ECL	Lifetime ECL	Lifetime ECL
Financial Assets at Amortized Cost		*(in Millions)*		
Receivables:				
Trade	**₱7,600.6**	**₱5,012.9**	**₱1,205.8**	**₱1,381.9**
Advances to employees	**1,473.3**	**1,473.3**	**–**	**–**
Receivable from retirement fund	**1,009.0**	**53.0**	**956.0**	**–**
Employee car plan receivables*	**187.4**	**187.4**	**–**	**–**
Other receivables**	**6.1**	**6.1**	**–**	**–**
Contract Assets	**1,946.4**	**1,946.4**	**–**	**–**
Financial Assets at FVTPL*	**585.6**	**585.6**	**–**	**–**
	₱12,808.4	**₱9,264.7**	**₱2,161.8**	**₱1,381.9**

**Including noncurrent portion*
***Including interest receivable and excluding receivables from government agencies amounting to ₱85.5 million*

	2023			
		Stage 1	Stage 2	Stage 3
	Total	12-month ECL	Lifetime ECL	Lifetime ECL
Financial Assets at Amortized Cost		*(in Millions)*		
Receivables:				
Trade	₱6,549.3	₱4,101.4	₱1,277.8	₱1,170.1
Receivable from retirement fund	770.3	33.5	736.8	–
Advances to employees	706.3	706.3	–	–
Employee car plan receivables*	184.1	184.1	–	–
Other receivables**	15.8	15.8	–	–
Contract Assets	1,535.9	1,535.9	**–**	**–**
Financial Assets at FVTPL*	8,170.0	8,170.0	–	–
	₱17,931.7	₱14,747.0	₱2,014.6	₱1,170.1

**Including noncurrent portion*
***Including interest receivable and excluding receivables from government agencies amounting to ₱97.8 million*

Liquidity Risk

The Jollibee Group's exposure to liquidity risk refers to the risk that its financial liabilities are not serviced in a timely manner and that its working capital requirements and planned capital expenditures are not met. To manage this exposure and to ensure sufficient liquidity levels, the Jollibee Group closely monitors its cash flows to be able to finance its capital expenditures and to pay its obligations as and when they fall due.

On a weekly basis, the Jollibee Group's Cash and Banking Team monitors its collections, expenditures and any excess/deficiency in the working capital requirements, by preparing cash position reports that present actual and projected cash flows for the subsequent week. Cash outflows resulting from major expenditures are planned so that money market placements are available in time for the planned major expenditure. In addition, the Jollibee Group has short-term cash deposits and portfolio investments and has available credit lines with accredited banking institutions, in case there is a sudden deficiency. The Jollibee Group maintains a level of cash and cash equivalents deemed

sufficient to finance its operations. No changes were made in the objectives, policies or processes of the Jollibee Group.

The Jollibee Group's financial assets, which have maturity of less than 12 months and are used to meet its short-term liquidity needs, are cash and cash equivalents, short-term investments, financial assets at FVTPL and trade receivables and contract assets amounting to ₱29,326.6 million, ₱85.5 million, ₱211.5 million and ₱8,165.1 million, respectively, as at December 31, 2024 and ₱33,232.5 million, ₱624.8 million, ₱7,853.8 million and ₱6,915.1 million, respectively, as at December 31, 2023.

The tables below summarize the maturity profile of the Jollibee Group's other financial liabilities based on the contractual undiscounted cash flows as at December 31, 2024 and 2023:

	2024				
	Due and Demandable	**Less than 1 Year**	**1 to 5 Years**	**Over 5 Years**	**Total**
			(in Millions)		
Financial Liabilities					
Trade payables and other current liabilities*	**₱11,695.0**	**₱31,037.4**	**₱–**	**₱–**	**₱42,732.4**
Short-term debt	**–**	**6,472.2**	**–**	**–**	**6,472.2**
Long-term debt (including current portion)	**–**	**4,870.6**	**11,953.9**	**1,616.8**	**18,441.3**
Senior debt securities	**–**	**1,182.3**	**21,010.4**	**17,767.2**	**39,959.9**
Lease liabilities	**–**	**10,733.2**	**34,484.1**	**38,363.0**	**83,580.3**
Total Financial Liabilities	**₱11,695.0**	**₱54,295.7**	**₱67,448.4**	**₱57,747.0**	**₱191,186.1**

**Excluding statutory obligations such as local and other taxes payable, PHIC, SSS, HDMF and NHMFC payables and unearned revenue from gift certificates amounting to ₱5,632.0 million as at December 31, 2024*

	2023				
	Due and Demandable	Less than 1 Year	1 to 5 Years	Over 5 Years	Total
			(in Millions)		
Financial Liabilities					
Trade payables and other current liabilities*	₱13,025.8	₱28,669.5	₱–	₱–	₱41,695.3
Short-term debt	–	6,062.2	–	–	6,062.2
Long-term debt (including current portion)	–	6,812.7	6,413.0	–	13,225.7
Senior debt securities	–	1,474.2	20,452.3	17,794.5	39,721.0
Lease liabilities	–	10,334.0	33,947.6	31,284.9	75,566.5
Total Financial Liabilities	₱13,025.8	₱49,766.4	₱64,399.1	₱49,079.4	₱176,270.7

**Excluding statutory obligations such as local and other taxes payable, PHIC, SSS, HDMF and NHMFC payables and unearned revenue from gift certificates amounting to ₱5,140.2 million as at December 31, 2023*

Price Risk

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or contract, or by factors affecting all similar contracts or financial instruments traded in the market.

The Jollibee Group's price risk exposure relates to financial assets which values will fluctuate as a result of changes in market prices.

The Jollibee Group price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments.

The Jollibee Group has no significant concentration of price risk.

The Jollibee Group is not exposed to significant equity price risk on its investment in quoted equity securities consisting of investment in golf and club shares and private equity fund.

At the reporting date, the Jollibee Group's exposure to other price risk arises from the changes in fair value of bond funds. The Jollibee Group has determined that an increase (decrease) ranging from 1% to 5% on the market prices could have an impact of approximately ₱0.1 million and ₱235.6 million on the profit or loss and equity before income tax as at December 31, 2024 and 2023, respectively.

The analysis was performed for reasonably possible movements in the market index with all other variables held constant. The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

Capital Management Policy
Capital includes equity attributable to equity holders of the Parent Company.

The primary objective of the Jollibee Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Jollibee Group has sufficient capitalization.

The Jollibee Group generates cash flows from operations sufficient to finance its organic growth. It declares cash dividends representing at least one-third of its consolidated net income, a ratio that would still leave some additional cash for future expansion. If needed, the Jollibee Group would borrow money for acquisitions of new businesses.

As at December 31, 2024 and 2023, the Jollibee Group's debt ratio and net debt ratio are as follows:

Debt Ratio

	2024	2023
Total debt (a)	**₱168,983,475**	₱157,917,561
Total equity attributable to equity holders of the Parent Company	**73,038,833**	67,922,881
Total debt and equity attributable to equity holders of the Parent Company (b)	**₱242,022,308**	₱225,840,442
Debt ratio (a/b)	**70%**	70%

Net Debt Ratio

	2024	2023
Total debt	**₱168,983,475**	₱157,917,561
Less cash and cash equivalents, short-term investments and current portion of financial assets at FVTPL	**29,623,638**	41,711,088
Net debt (a)	**139,359,837**	116,206,473
Total equity attributable to equity holders of the Parent Company	**73,038,833**	67,922,881
Net debt and equity attributable to equity holders of the Parent Company (b)	**₱212,398,670**	₱184,129,354
Net debt ratio (a/b)	**66%**	63%

32. Fair Value of Financial Assets and Liabilities

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 measurement date.

Financial Instruments Which Carrying Amounts Approximate Fair Value. Management has determined that the carrying amounts of cash and cash equivalents, short-term investments, receivables, trade payables and other current liabilities, based on their notional amounts, reasonably approximate their fair values because of their short-term nature or due to the immaterial effect of discounting when the present value of future cash flows from these instruments are calculated.

Financial Assets at FVTPL. The fair value of bond funds, private equity fund investment and quoted shares of stock in golf and leisure clubs are based on quoted prices. The Jollibee Group does not have the intention to dispose its quoted shares of stock in the near term.

Finance Lease Receivables, Security and Other Deposits, Employee Car Plan Receivables, Long-term Debt and Lease Liabilities. Management has determined that the estimated fair value of finance lease receivables, security and other deposits, noncurrent portion of employee car plan receivables, long-term debt and lease liabilities are based on the discounted value of future cash flows using the following applicable rates in 2024 and 2023:

Finance lease receivables	3.95%-5.82%
Security and other deposits	1.74%-14.02%
Employee car plan receivables	2.30%-8.50%
Long-term debt	0.75%-5.87%
Lease liabilities	2.00%-9.00%

The following tables provide the fair value measurement hierarchy of the Jollibee Group's recurring financial assets and liabilities.

Quantitative disclosure fair value measurement hierarchy for assets as at December 31, 2024:

		Fair Value Measurement Using			
	Carrying Value	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value -					
Financial assets at FVTPL	**₱585,580**	**₱585,580**	**₱–**	**₱585,580**	**₱–**
Assets for which fair value is disclosed:					
Finance lease receivables	–	–	–	–	–
Other noncurrent assets:					
Security and other deposits	**4,272,588**	**1,926,329**	–	–	**1,926,329**
Employee car plan receivables	**187,355**	**136,422**	–	–	**136,422**

Quantitative fair value measurement hierarchy for assets as at December 31, 2023:

		Fair Value Measurement Using			
	Carrying Value	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value -					
Financial assets at FVTPL	₱8,169,982	₱8,169,982	₱–	₱8,169,982	₱–
Assets for which fair value is disclosed:					
Finance lease receivables	811	811	–	–	811
Other noncurrent assets:					
Security and other deposits	3,797,582	1,712,169	–	–	1,712,169
Employee car plan receivables	184,066	134,027	–	–	134,027

Quantitative fair value measurement hierarchy for liabilities as at December 31, 2024:

		Fair Value Measurement Using			
	Date of Valuation	**Total**	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Liabilities disclosed at fair value:					
Tenants' deposit	**December 31, 2024**	**₱3,578**	**₱–**	**₱–**	**₱3,578**
Long-term debt	**December 31, 2024**	**16,052,579**	**–**	**–**	**16,052,579**

Quantitative fair value measurement hierarchy for liabilities as at December 31, 2023:

		Fair Value Measurement Using			
	Date of Valuation	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities disclosed at fair value:					
Tenants' deposit	December 31, 2023	₱3,261	₱–	₱–	₱3,261
Long-term debt	December 31, 2023	15,498,567	–	–	15,498,567

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements during the period.

33. Notes to the Statements of Cash Flows

For the years ended December 31, 2024 and 2023, movements in the Jollibee Group's liabilities and equity arising from financing activities follow:

	2024													
	January 1, 2024	Cash Flows	Dividends Declared (Note 19)	Granted Stock Options to Employees and Subsidiaries (Note 22)	Interest Expense (Note 23)	Amortization of Debt Issue Cost (Note 18)	Cumulative Translation Adjustments	Share in Net Earnings of Non-controlling Interest (Note 11)	Share in Cumulative Translation Adjustments of Non-controlling Interest (Note 11)	Additions (Note 29)	Pre-termination of Leases (Note 29	Acquisition of a Business (Note 11)	Stock held in Treasury (Note 19)	December 31, 2024
							(in Millions)							
Dividends and distributions payable (see Note 16)	₱594.6	(₱4,663.9)	₱4,663.4	₱–	₱–	₱–	₱11.7	₱–	₱–	₱–	₱–	₱–	₱–	₱605.8
Short-term debt (Note 18)	5,751.7	500.9	–	–	–	–	219.6	–	–	–	–	–	–	6,472.2
Long-term debt (Note 18)	12,617.0	3,233.1	–	–	–	28.8	173.6	–	–	–	–	–	–	16,052.5
Senior debt securities (Note 18)	33,077.8	–	–	–	–	23.0	1,481.8	–	–	–	–	–	–	34,582.6
Interest payable (Note 16)	542.4	(2,694.6)	–	–	2,711.6	–	–	–	–	–	–	–	–	559.4
Lease liabilities (Note 29)	51,731.5	(11,343.1)	–	–	3,056.5	–	568.8	–	–	8,734.3	(526.6)	–	–	52,221.4
Preferred stock (Note 19)	12,000.0	(3,000.0)	–	–	–	–	–	–	–	–	–	–	3,000.0	12,000.0
Common stock (Note 19)	1,132.3	3.2	–	–	–	–	–	–	–	–	–	–	–	1,135.5
Additional paid-in capital (Note 19)	12,662.9	694.3	–	550.7	–	–	–	–	–	–	–	–	–	13,907.9
Senior perpetual securities (Note 19)	20,264.8	–	–	–	–	–	–	–	–	–	–	–	–	20,264.8
Non-controlling interest (Note 11)	(1,931.0)	–	(975.3)	–	–	–	–	479.3	(295.7)	–	–	3,986.5	–	1,263.8
Total liabilities and equity on financing activities	₱148,444.0	(₱17,270.1)	₱3,688.1	₱550.7	₱5,768.1	₱51.8	₱2,455.5	₱479.3	(₱295.7)	₱8,734.3	(₱526.6)	₱3,986.5	₱3,000.0	₱159,065.9

	2023												
	January 1, 2023	Cash Flows	Dividends Declared (Note 19)	Granted Stock Options to Employees and Subsidiaries (Note 22)	Interest Expense (Note 23)	Amortization of Debt Issue Cost (Note 18)	Cumulative Translation Adjustments	Share in Net Earnings of Non-controlling Interest (Note 11)	Share in Cumulative Translation Adjustments of Non-controlling Interest (Note 11)	Additions (Note 29)	Pre-termination of Leases (Note 29)	Acquisition of a business (Note 11)	December 31, 2023
							(in Millions)						
Dividends and distributions payable (see Note 16)	₱822.4	(₱4,115.4)	₱3,904.9	₱–	₱–	₱–	(₱17.3)	₱–	₱–	₱–	₱–	₱–	₱594.6
Short-term debt (Note 18)	4,376.4	1,494.9	–	–	–	–	(119.6)	–	–	–	–	–	5,751.7
Long-term debt (Note 18)	16,263.2	(3,634.7)	–	–	–	23.7	(35.2)	–	–	–	–	–	12,617.0
Senior debt securities (Note 18)	33,288.3	–	–	–	–	22.4	(232.9)	–	–	–	–	–	33,077.8
Interest payable (Note 16)	523.0	(2,560.3)	–	–	2,579.7	–	–	–	–	–	–	–	542.4
Lease liabilities (Note 29)	48,144.4	(11,158.6)	–	–	2,799.3	–	67.5	–	–	12,717.3	(838.4)	–	51,731.5
Preferred stock (Note 19)	12,000.0	–	–	–	–	–	–	–	–	–	–	–	12,000.0
Common stock (Note 19)	1,131.2	1.1	–	–	–	–	–	–	–	–	–	–	1,132.3
Additional paid-in capital (Note 19)	12,091.8	207.9	–	363.2	–	–	–	–	–	–	–	–	12,662.9
Senior perpetual securities (Note 19)	20,264.8	–	–	–	–	–	–	–	–	–	–	–	20,264.8
Non-controlling interest (Note 11)	(1,570.5)	100.0	(892.2)	–	–	–	–	219.3	9.1	–	–	203.3	(1,931.0)
Total liabilities and equity on financing activities	₱147,335.0	(₱19,665.1)	₱3,012.7	₱363.2	₱5,379.0	₱46.1	(₱337.5)	₱219.3	₱9.1	₱12,717.3	(₱838.4)	₱203.3	₱148,444.0

Noncash Activities

In 2023, the principal noncash transaction under investing activities pertains to the transfer of buildings and building improvements to investment properties amounting to ₱101.6 million (see Notes 12 and 13).

34. Events After Reporting Period

Loan availments

On January 6, 2025, the Parent Company availed a 7-year unsecured loan from a local bank in the Philippines amounting to ₱5,800.0 million. The loan is subject to a floating rate based on PHP BVAL Reference Rate for three (3) months tenor plus spread of 0.48% subject to quarterly repricing. The principal is payable in equal quarterly installments commencing on the 2nd anniversary from the drawdown date.

On January 14, 2025, JWPL availed a short-term unsecured loan from a local bank in Singapore amounting to USD300.0 million (₱17,600.0 million). The loan is subject to interest rate based on SOFR plus spread of 0.725%. The principal plus interest is payable on April 28, 2025, the maturity date.

Dividend Declaration, Release of Appropriated and Appropriation of Retained Earnings

On March 7, 2025, the BOD of the Parent Company approved the following:

- Declaration of regular cash dividend of ₱10.60125 per share (₱95.4 million) of preferred shares-Series B, to stockholders of record as at March 24, 2025. The cash dividend is expected to be paid out on April 15, 2025.
- Release of previously approved appropriated retained earnings in 2024 amounting to ₱23.400.0 million.
- Appropriation of ₱38,000.0 million from the Parent Company's unappropriated retained earnings for capital expenditures in 2025 to 2026.

Business-related acquisition

Titan I. On January 2, 2025, JWPL completed the transfer of 100% ownership of Tim Ho Wan business under the same terms as disclosed on November 5, 2024, for a total consideration of SGD252.2 million (₱10,695.8 million).

The Jollibee Group included Tim Ho Wan business in its financial consolidation starting January 2, 2025 (the "acquisition date").

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