



May 7, 2025

PHILIPPINE DEALING & EXCHANGE CORP.

29th Floor, BDO Equitable Tower
8751 Paseo de Roxas,
Makati City 1226

Attention: **ATTY. SUZY CLAIRE R. SELLEZA**
Head – Issuer Compliance and Disclosure Department
Philippine Dealing & Exchange Corp.

Gentlemen:

Please be informed that the disclosure sent herewith was submitted by San Miguel Food and Beverage, Inc. to the Philippine Stock Exchange, Inc. on May 7, 2025.

Very truly yours,

ALEXANDRA VICTORIA B. TRILLANA
Corporate Secretary and Compliance Officer

COVER SHEET

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S. E. C. Registration Number

	S	A	N		M	I	G	U	E	L		F	O	O	D		A	N	D

	B	E	V	E	R	A	G	E	,		I	N	C	.					

(Company's Full Name)

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	A	V	E	N	U	E	,		M	A	N	D	A	L	U	Y	O	N	G

	C	I	T	Y		M	E	T	R	O		M	A	N	I	L	A		

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

ALEXANDRA VICTORIA B. TRILLANA

Contact Person

(632) 5317-5450

Company Telephone Number

DEFINITIVE INFORMATION STATEMENT

June 4, 2025 ASM

Month

Day

		2	0	-	I	S		

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

S T A M P S

Remarks = pls. Use black ink for scanning purposes

SAN MIGUEL FOOD AND BEVERAGE, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

June 4, 2025

The Annual Stockholders' Meeting ("ASM") of San Miguel Food and Beverage, Inc. (the "Company") will be held on **Wednesday, June 4, 2025, at 2:00 P.M.**

As unanimously approved by the Board of Directors at its meeting on March 5, 2025, the Company will not hold a physical meeting and will conduct the meeting virtually and streamed live through https://www.smfb.com.ph/stockholdersmeeting_2025. Stockholders can attend the meeting remotely.

The meeting will be presided by the Chairman of the Board of Directors, Mr. Ramon S. Ang.

The Agenda of the meeting is as follows:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the 2024 Annual Stockholders' Meeting
4. Presentation of the Annual Report and Approval of the 2024 Audited Financial Statements
5. Ratification of Acts and Proceedings of the Board of Directors and Corporate Officers
6. Appointment of External Auditor and Ratification of External Auditor Fees
7. Election of the Board of Directors
8. Other Matters
9. Adjournment

The rationale and explanation of each relevant Agenda item requiring shareholder approval may be found in Appendix 1 of this Notice. The dividend policy of the Company may be found in the Definitive Information Statement ("DIS") sent together with this Notice. A draft of the minutes of the 2024 ASM for approval, as well as acts and resolutions of the Board of Directors from June 5, 2024, may likewise be found in the DIS.

The DIS with its annexes, including Management's Discussion and Analysis of Financial Position and Financial Performance, 2024 Audited Consolidated Financial Statements and interim unaudited financial statements for the first quarter of 2025, will be available for download at <http://www.smfb.com.ph/disclosures//information-statements--sec-form-20-is->. Upon written request, stockholders will be provided a copy of the Company's DIS with annexes, 2024 Annual Report on SEC Form 17-A and/or 2025 first quarter report on SEC Form 17-Q, free of charge.

During the meeting, the Company shall entertain questions and comments from the stockholders after the presentation of the Annual Report. Questions and comments must be submitted either in advance or during the meeting by email to smfbasm@sanmiguel.com.ph. The Company shall send its responses to questions that were not answered during the meeting separately.

Votes will be cast through ballots or proxies. The deadline for submission of ballots and proxies is **May 21, 2025**. For your convenience, a sample ballot/proxy is included in this notice and available for download from the Company's website. For an individual, his/her ballot or proxy must be accompanied by a valid government-issued ID with a photo. For a corporation, its proxy must be accompanied by its Corporate Secretary's certification setting the representative's authority to represent the corporation in the meeting. Proxies need not be notarized. Copies of accomplished ballots and proxies may be sent in advance through email at smfbasm@sanmiguel.com.ph, but in any case all original documents, including Secretary's Certificates, if applicable, must be received by the SMC Stock Transfer Service Corporation at the 2nd Floor, SMC Head Office Complex, 40 San Miguel Avenue, Mandaluyong City 1550, not later than **May 26, 2025**. Validation of proxies will be on **May 28, 2025, 10:00 a.m.**, at the office of the SMC Stock Transfer Service Corporation. Only the stockholders attending through proxies or who have submitted ballots, all of whom have been validated to be stockholders of record of the Company as of **May 5, 2025**, will be considered in computing stockholder attendance at the meeting and in determining a quorum.


ALEXANDRA VICTORIA B. TRILLANA
Corporate Secretary

RATIONALE AND EXPLANATION OF AGENDA ITEMS FOR STOCKHOLDER APPROVAL

Approval of the Minutes of the 2024 Annual Stockholders' Meeting

A draft of the minutes of the 2024 ASM held on June 5, 2024 is attached to the DIS for the 2025 ASM on June 4, 2025 and is also available for viewing in the Company's website at the following link: [https://www.smfb.com.ph/files/reports/DRAFT_Minutes_of_the_SMFB_Annual_Stockholders_meeting_held_on_June_5_2024_v3_\(with_footnote_per_SEC_MC_No._11,_s_.2024\).pdf](https://www.smfb.com.ph/files/reports/DRAFT_Minutes_of_the_SMFB_Annual_Stockholders_meeting_held_on_June_5_2024_v3_(with_footnote_per_SEC_MC_No._11,_s_.2024).pdf).

Shareholders will vote for the adoption of a resolution approving the minutes of the June 5, 2024 ASM.

Presentation of the Annual Report and Approval of the 2024 Audited Financial Statements

The audited consolidated financial statements of the Company and its subsidiaries as at and for the year ended December 31, 2024, is included in the DIS attached to this Notice and posted in the Company's website at least twenty-one (21) days prior to the 2025 ASM, at the following link: <http://www.smfb.com.ph/disclosures/l/information-statements--sec-form-20-is->. At the meeting, the President and Chief Executive Officer, Mr. John Paul L. Ang (or the Chief Finance Officer, Ms. Monica L. Ang-Mercado), will deliver a report to the stockholders on the performance of the Company in 2024. After the report, there will be an open forum wherein stockholders will be given the opportunity to ask questions and comment on such report.

Shareholders will vote for the adoption of a resolution closing the stockholders' open forum and approving the Annual Report of the Company for 2024, including the Audited Consolidated Financial Statements of the Company and its subsidiaries as at and for the year ended December 31, 2024, as presented.

Ratification of Acts and Proceedings of the Board of Directors and Corporate Officers

Ratification by the stockholders will be sought for all the acts and resolutions of the Board of Directors and corporate officers of the Company taken or adopted from the 2024 ASM on June 5, 2024, until June 4, 2025, the date of the 2025 ASM. These acts and resolutions include the appointment of officers, lead independent director and members of the Board Committees, declaration of dividends, approval of the audit plans of both external and internal auditors (including consolidated outsourcing plan of the Internal Audit Group), contracts and agreements, projects, treasury and other matters approved by the Board during its meetings and/or covered by disclosures to the SEC, the PSE, and the PDEx, and posted in the Company's website, as well as the approval of the holding of the 2025 ASM of the Company through remote communication. These acts and proceedings are further discussed in the DIS sent together with this Notice of meeting (see *Item 15: Action with Respect to Reports*). The acts of management, including audit fees negotiated at the direction of the Company's Board of Directors and officers, are those undertaken to implement the resolutions of the Board or its Committees, or conducted in the regular course of business.

Shareholders will vote on a resolution approving, confirming and ratifying all acts, resolutions and proceedings of the Board of Directors and corporate officers of the Company since the 2024 ASM on June 5, 2024 until June 4, 2025, which is the date of the 2025 ASM, as set forth in the minutes of the meetings of the Board of Directors, as well as the financial statements and records of the Company.

Appointment of External Auditor for 2025 and Ratification of External Auditor Fees

The Audit Committee will recommend to the stockholders the reappointment of the external auditor, KPMG R.G. Manabat & Co. ("RGM & Co."), for the fiscal year 2025 of the Company. The profile of RGM & Co. may be found at the following link: <http://www.kpmg.com.ph/>. The Audit Committee will likewise recommend to the stockholders the ratification of the audit fees billed by RGM & Co. to the Company for the year 2024 in the amount of about P1.43 million.

Shareholders will vote on two separate resolutions for (a) the reappointment of said accounting firm as independent external auditor of the Company for 2025; and (b) the ratification of external auditor fees for 2024.

Election of the Board of Directors

In accordance with the Amended By-laws, the Amended Manual on Corporate Governance and the SEC rules, any stockholder, including minority stockholders, may submit nominations to the Board of Directors of the Company. Immediately following the Board meeting on November 6, 2024, the Company disclosed that its 2025 ASM will be on June 4, 2025 (the first Wednesday of June), as set by the Board in accordance with the Company's Amended By-laws. Stockholders were invited to propose the inclusion of additional items to

the usual Agenda of the ASM and/or nominate candidates to the Board, by January 31, 2025, for the consideration of the Chairman and the appropriate Board Committees.

The Corporate Governance Committee determines whether the nominees for directors, including nominees for independent directors, have all the qualifications and none of the disqualifications to serve as members of the Board of Directors before submitting the nominees for election by the stockholders. The profiles of the nominees to the Board and manner of voting for directors are provided in the DIS sent together with this Notice of the meeting, for consideration by the stockholders.

The shareholders will cast their votes for the election of the Board of Directors of the Company from among the nominees presented. Shareholders will then vote on a resolution for the election of the fifteen (15) nominees with the greatest number of votes as directors of the Company, to serve as such beginning June 4, 2025, and until their successors are elected and qualified.

Other Matters

The Chairman will open the floor for stockholders to present any other matter or business for consideration. No resolution, other than the resolutions explained in this Notice of meeting and DIS attached hereto, will be submitted for voting by the shareholders.

Finally, the Chairman will entertain a motion to adjourn the meeting.

BALLOT / PROXY

Please mark as applicable:

☐ **Vote by ballot:** The undersigned stockholder of SAN MIGUEL FOOD AND BEVERAGE, INC. (the “Company”) casts his/her vote on the agenda items for the annual meeting of stockholders of the Company scheduled on Wednesday, **June 4, 2025, 2:00 p.m.**, via livestreaming at https://www.smfb.com.ph/stockholdersmeeting_2025 (the “2025 ASM”), expressly indicated with “X” below in this ballot.

☐ **Vote by proxy:** The undersigned stockholder of the Company, hereby appoints _____ or in his/her absence, the Chairman of the Meeting, as attorney and proxy, to represent and vote all shares registered in his/her/its name at the 2025 ASM of the Company and any of its adjournment(s), as fully as the undersigned could do if present and voting in person, ratifying all action taken on matters that may properly come before such meeting or its adjournment(s). The undersigned directs the proxy to vote on the agenda items which have been expressly indicated with “X” below.

PROPOSAL	ACTION			
	FOR ALL	WITHHOLD FOR ALL	EXCEPTION	FULL DISCRETION OF PROXY (IF FORM USED AS PROXY)
1. Election of Directors INSTRUCTIONS: <i>To withhold authority to vote for any individual nominee(s), please mark Exception box and list the name(s) under.</i>				
Nominees are: Ramon S. Ang John Paul L. Ang Carlos Antonio M. Berba Emmanuel B. Macalalag Ferdinand K. Constantino Aurora T. Calderon Francisco S. Alejo III Menardo R. Jimenez Francis H. Jardeleza Monica L. Ang-Mercado Ricardo C. Marquez Cirilo P. Noel Aurora S. Lagman Estela M. Perlas-Bernabe Antonio S. Abacan, Jr.				
	FOR	AGAINST	ABSTAIN	
2. Approval of the Minutes of the 2024 Annual Stockholders’ Meeting held on June 5, 2024				
3. Approval of the Annual Report and Audited Financial Statements of the Company for year ended December 31, 2024				
4. Ratification of all the acts of the Board of Directors and Officers since the 2024 Annual Stockholders’ Meeting				
5. Appointment of KPMG R.G. Manabat & Co. as external auditor of the Company for fiscal year 2025				
6. Ratification of external auditor fees billed by KPMG R.G. Manabat & Co. to the Company for fiscal year 2024				

Signed this ____ day of _____ 2025, at _____.

PRINTED NAME OF STOCKHOLDER

SIGNATURE OF STOCKHOLDER/ AUTHORIZED SIGNATORY

THIS BALLOT/PROXY SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE **MAY 21, 2025**. THIS BALLOT/PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER. IF NO DIRECTION IS MADE IN A PROXY, SUCH PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS. A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED. THE NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

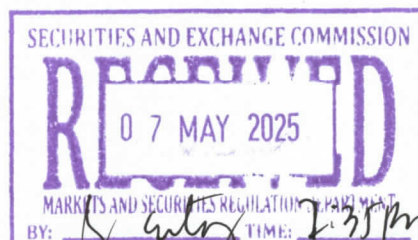
SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

☐ Preliminary Information Statement
☒ Definitive Information Statement



2. Name of Registrant as specified in its charter:

SAN MIGUEL FOOD AND BEVERAGE, INC.

3. Province, country and other jurisdiction of incorporation or organization:

Metro Manila, Philippines

4. SEC Identification Number: **11840**

5. BIR Tax Identification Code: **000-100-341-000**

6. Address of principal office Postal code

**40 San Miguel Avenue, Mandaluyong City
Metro Manila**

1555

7. Registrant's telephone number, including area code: **(632) 5317-5000**

8. Date, time and place of the meeting of security holders:

Date: **JUNE 4, 2025, WEDNESDAY**

Time: **2:00 P.M.**

Place: **Via livestream at https://www.smfb.com.ph/stockholdersmeeting_2025**

9. Approximate date at which the Information Statement is to be first sent or given to security holders:

Notice of Meeting will be published in the business section of two (2) newspapers of general circulation (print and online) not later than May 13 and 14, 2025 pursuant to the Notice dated March 12, 2025 issued by the Securities and Exchange Commission (SEC) as fulfillment of the requirements on the distribution and provision of the Information Statement under the Securities Regulation Code, Revised Corporation Code of the Philippines and other applicable issuances of the SEC.

10. Name of Person Filing the Statement: **San Miguel Food and Beverage, Inc.**
Address: **40 San Miguel Avenue, Mandaluyong City 1555
Metro Manila**
Telephone Number: **(02) 5317-5000 (Corporate Secretary)**

11. Securities registered pursuant to Sections 8 and 12 of the SRC:

<u>Title of Each Class</u> (As of March 31, 2025)	<u>Issued and Outstanding</u>

Common shares	5,909,220,090 shares

Series B Bonds due 2027	P7,000,000,000.00

Total Liabilities as of December 31, 2024 (in '000,000)	P196,917

12. Are any or all of the Registrant's securities listed on a Stock Exchange?

✓ Yes No

If yes, disclose the name of such Stock Exchange and the class of securities listed thereon:

Philippine Stock Exchange, Inc.	-	Common shares
Philippine Dealing & Exchange Corp.	-	Series B Bonds due 2027

INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Annual Meeting

The 2025 Annual Stockholders' Meeting ("ASM") of San Miguel Food and Beverage, Inc. (the "Company") shall be held on the first Wednesday of June in accordance with Article I, Section 1 of the Company's By-laws and Section 49 of the Revised Corporation Code of the Philippines (the "Revised Corporation Code"), as follows:

Date: June 4, 2025, Wednesday
Time: 2:00 P.M.
Place: Via livestream at https://www.smfb.com.ph/stockholdersmeeting_2025

The complete mailing address of the principal office of the Company is at 40 San Miguel Avenue, Mandaluyong City 1555, Metro Manila, Philippines.

As noted in item 9, page 1 above, the approximate dates on which the Information Statement and form of proxy are first to be sent or given to security holders are on May 13 and 14, 2025, via the alternative mode for distributing and providing copies of the Notice of Meeting, Information Statement, and Other Documents in connection with the Holding of Annual Stockholders' Meeting and Special Stockholders' Meeting for the year 2025, as approved by the SEC in its Notice dated March 12, 2025. This is in lieu of complying with the existing requirement for sending written notice of regular stockholders' meetings at least 21 days before the meeting as stated in SEC Memorandum Circular No. 3, series of 2020 and in Section 49 of the Revised Corporation Code, the latter of which provides that notice of regular stockholders' meetings may be sent pursuant to "such other manner as the Commission shall allow under its guidelines".

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

As approved by the Company's Board of Directors in a meeting held on March 5, 2025, the Company will not hold a physical meeting and will again conduct the meeting through livestreaming. Stockholders can attend the meeting by remote communication.

Votes will be cast through ballots and proxies validly submitted. The deadline for submission of ballots and proxies is **May 21, 2025**. Copies of the accomplished ballots and proxies may be sent in advance through email at smfbasm@sanmiguel.com.ph, but in any case, the original documents must be sent to and received by the SMC Stock Transfer Service Corporation at the 2nd Floor, SMC Head Office Complex, 40 San Miguel Avenue, Mandaluyong City 1550, not later than May 26, 2025. For the convenience of stockholders, a sample of a ballot/proxy is attached to this Information Statement and is available for download from the Company's website at <http://www.smfb.com.ph/disclosures/l/notice-of-annual-and-special-stockholders--meetings>. Proxies need not be notarized.

For an individual, his/her ballot or proxy must be accompanied by a valid government-issued ID with a photo. For a corporation, its proxy must be accompanied by its Corporate Secretary's certification setting the representative's authority to represent the corporation in the meeting. Validation of proxies will be on **May 28, 2025**, at 10:00 a.m. at the above office of SMC Stock Transfer Service Corporation.

Only the stockholders attending through proxies or who have submitted ballots, all of whom have been validated to be stockholders of record of the Company as of **May 5, 2025**, will be considered in computing stockholder attendance at the meeting and in determining quorum.

Item 2. Dissenters' Right of Appraisal

Under Section 80, Title X of the Revised Corporation Code, stockholders dissenting from and voting against the following corporate actions may demand payment of the fair value of their shares as of the day prior to the date on which the vote was taken for such corporate action: amendment to the corporation's articles of incorporation that has the effect of changing or restricting the rights of any shareholder or class of shares or authorizing preferences in any respect superior to those of outstanding shares of any class; sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporation's assets; merger or consolidation; investment of corporate funds for any purpose other than its primary purpose; and extension or shortening of term of corporate existence. The stockholders' right of appraisal may be exercised for a period within 30 days from the date on which the vote on the corporate action was taken.

There are no corporate matters or actions for approval at the 2025 ASM that will entitle dissenting stockholders to exercise their right of appraisal as provided in Title X and other relevant provisions of the Revised Corporation Code.

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

No director, nominee for election as director, associate of the nominee or executive officer of the Company at any time since the beginning of the last fiscal year has had any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon in the meeting, other than election to office.

None of the incumbent directors has informed the Company in writing of an intention to oppose any action to be taken by the Company at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities (including their voting rights) and Principal Holders Thereof

As of March 31, 2025, the Company had 5,909,220,090 issued and outstanding common shares.

All stockholders of record as of **May 5, 2025**, are entitled to attend and/or vote at the 2025 ASM. The holders of common shares have the right to vote on all matters requiring stockholders' approval at the meeting. In this regard, each common share in the name of the stockholder entitles him/her to one vote that may be exercised at shareholder meetings, including the ASM. Common shareholders, even minority or non-controlling shareholders, have the right to vote on certain corporate acts, as well as nominate, elect, remove, and replace directors, in accordance with the Revised Corporation Code.

However, with respect to the election of directors, pursuant to Section 23 of the Revised Corporation Code, a common stockholder may vote the number of shares held in his/her name in the Company's stock books as of May 5, 2025, and may vote this number of shares for as many persons as there are directors to be elected or he/she may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his/her shares, or he/she may distribute them on the same principle among as many candidates as he/she shall see fit; provided, that the total number of votes cast by him/her shall not exceed the number of shares owned by him/her as shown in the books of the Company multiplied by the total number of directors to be elected.

Thus, the total number of votes that may be cast by a stockholder of the Company in the election of directors is computed as follows:

Number of shares held on record as of record date x 15 directors

Security Ownership of Certain Record and Beneficial Owners

The owners of record of more than 5% of Company's voting securities as of March 31, 2025, are as follows:

Title of Class	Name, Address of Record Owner, and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent Ownership to Capital Stock
Common	San Miguel Corporation ¹ SMC Head Office Complex 40 San Miguel Avenue, Mandaluyong City 1550, intermediate parent company of issuer	San Miguel Corporation	Filipino	5,245,082,440	88.7610%
Common	PCD Nominee Corporation ² 37th Floor, Tower One, Enterprise Center Ayala Ave. corner Paseo de Roxas Ave., Makati City, no relation to issuer	Various ³	Non-Filipino	378,611,878	6.4071%

¹ The Board of Directors of San Miguel Corporation (SMC) authorizes any one Group A signatory or any two Group B signatories to act and vote in person or by proxy, shares held by SMC in other corporations. The Group A signatories of SMC are Ramon S. Ang, John Paul L. Ang, Ferdinand K. Constantino, Virgilio S. Jacinto, Joseph N. Pineda, Aurora T. Calderon, Bella O. Navarra, Monica L. Ang-Mercado, Susan Y. Yu, and Bryan U. Villanueva. The Group B signatories of SMC are Cecile Caroline U. de Ocampo, Lorenzo G. Formoso III, Almira C. Dalusung, Ma. Raquel Paula G. Lichauco, Joseph Francis M. Cruz, Ildefonso B. Alindogan, and Nina Frances Therese B. Tenorio.

² Registered owner of shares held by participants in the Philippine Central Depository, Inc., a private company organized to implement an automated book entry of handling securities in the Philippines.

³ None of the holders of the Company's common shares registered under the name of PCD Nominee Corporation owns more than 5% of the Company's shares.

The following are the number of shares of the Company's capital stock, all of which are voting shares, owned of record by the Chief Executive Officer, key officers, and directors of the Company as of March 31, 2025:

Title of Class	Name of Owner	Amount and Nature of Ownership	Citizenship	Total No. of Shares
Common	Ramon S. Ang	10 (Direct)	Filipino	10 (0.00%)
Common	John Paul L. Ang	10 (Direct)	Filipino	10 (0.00%)
Common	Carlos Antonio M. Berba	10 (Direct)	Filipino	10 (0.00%)
Common	Emmanuel B. Macalalag	10 (Direct)	Filipino	10 (0.00%)
Common	Francisco S. Alejo III	10 (Direct)	Filipino	230,010 (0.00%)
		230,000 (Beneficial)		
Common	Ferdinand K. Constantino	10 (Direct)	Filipino	10 (0.00%)
Common	Aurora T. Calderon	10 (Direct)	Filipino	10 (0.00%)
Common	Menardo R. Jimenez	10 (Direct)	Filipino	10 (0.00%)
Common	Francis H. Jardeleza	10 (Direct)	Filipino	10 (0.00%)
Common	Monica L. Ang-Mercado	10 (Direct)	Filipino	10 (0.00%)
Common	Ricardo C. Marquez	10 (Direct)	Filipino	10 (0.00%)
Common	Cirilo P. Noel	10 (Direct)	Filipino	10 (0.00%)
Common	Aurora S. Lagman	10 (Direct)	Filipino	10 (0.00%)
Common	Estela M. Perlas-Bernabe	10 (Direct)	Filipino	3,010 (0.00%)
		3,000 (Beneficial)		
Common	Antonio S. Abacan, Jr.	10 (Direct)	Filipino	10 (0.00%)

The aggregate number of shares owned of record by the Chief Executive Officer, key officers, and directors as a group as of March 31, 2025, is 233,150 shares or approximately 0.0039% of the Company's outstanding capital stock.

The aggregate number of shares owned of record by all officers and directors as a group as of March 31, 2025, is 243,150 shares or approximately 0.0041% of the Company's outstanding capital stock.

The foregoing beneficial or record owners have no right to acquire additional shares within thirty (30) days, from options, warrants, conversion privileges or similar obligations or otherwise.

Voting Trust

There is no person holding more than 5% of the Company's voting securities under a voting trust or similar agreement.

Change in Control

The Company is not aware of any change in control or arrangement that may result in a change in control of the Company since the beginning of its last fiscal year.

Market Price of and Dividends on the Company's Common Equity and Related Stockholder Matters

Market Price

The Company's common equity is traded in the Philippine Stock Exchange, Inc. ("PSE").

The Company's high and low prices for each quarter of the last two (2) fiscal years, as well as the first quarter of 2025, are as follows (in Philippine Pesos):

Quarter	2024		2023	
	Common		Common	
	High	Low	High	Low
1 st	52.90	47.60	54.95	38.10
2 nd	50.10	43.00	50.00	44.00
3 rd	54.50	45.05	53.25	44.50
4 th	57.30	50.65	53.20	46.05

Quarter	2025	
	Common	
	High	Low
1 st	54.00	49.20

The closing price as of the latest practicable trading date is:

Common shares P 51.30 May 6, 2025

Common Equity and Related Stockholders' Matters

The approximate number of shareholders of the Company as of March 31, 2025, is as follows:

Common shareholders 183

The Company's top 20 stockholders of record⁴ as of March 31, 2025, are as follows:

Rank	Stockholder Name	Total Common Shares	% of Outstanding Common Shares
1	San Miguel Corporation	5,245,082,440	88.760993%
2	PCD Nominee Corporation (Non-Filipino)	378,611,878	6.407138%
3	PCD Nominee Corporation (Filipino)	263,391,906	4.457304%
4	Q – Tech Alliance Holdings, Inc.	20,511,400	0.347108%
5	PFC ESOP/ESOWN Account	271,030	0.004587%
6	Cecille Y. Ortigas	228,610	0.003869%
7	Majent Management and Development Corporation	203,700	0.003447%
8	Monaco Holdings, Inc.	100,000	0.001692%
9	Xing Ye	85,200	0.001442%
10	Ramon L. Chua	77,140	0.001305%
11	Ana Maria De Olondriz Ortigas	55,310	0.000936%
12	Gary Anthony P. Rosales	51,800	0.000877%

⁴ Excluding the beneficial shares held by Company's key officers lodged with PCD Nominee Corporation (Filipino).

13	Pacifico de Ocampo	43,240	0.000732%
14	Manuel I. Gutierrez or Martina Maria Elizabeth Y. Gutierrez	41,800	0.000707%
15	Fan Yang	41,540	0.000703%
16	William Pendarvis	29,370	0.000497%
17	Hui He	27,400	0.000464%
18	Pei-Wei Lin	26,230	0.000444%
19	Jinzhan Hong	26,000	0.000440%
20	Chia Hsin Lin	25,000	0.000423%

A description of the Common Shares of the Company may be found in Note 21 (Equity) of the Audited Consolidated Financial Statements, attached hereto as **Annex “B”**.

As stated in Note 21 of the Audited Consolidated Financial Statements, accumulated equity in undistributed net earnings of the consolidated subsidiaries are not available for dividend distribution until declared by the subsidiaries.

Dividend Policy and Dividend Declarations

Dividends may be declared at the discretion of the Board of Directors and will depend upon the Company’s future results of operations and general financial condition, capital requirements, its ability to receive dividends and other distributions and payments from its subsidiaries, foreign exchange rates, legal, regulatory and contractual restrictions, loan obligations both at the parent and subsidiary level and other factors the Board of Directors may deem relevant.

Since August 8, 2018, the cash dividend policy of the Company has been to entitle holders of its common shares to receive annual cash dividends of up to 60% of the prior year’s recurring net income. Recurring net income is net income calculated without respect to extraordinary events that are not expected to recur. The Company expects that the dividend distributions will be made over the four quarters of the year, subject to the applicable laws and regulations and based on the recommendation of the Board of Directors. In considering dividend declarations for each quarter, the Board of Directors has in the past and will in the future, take into consideration dividend payments on the preferred shares, if any, and other factors, such as the implementation of business plans, debt service requirements, debt covenant restrictions, funding of new investments, major capital expenditure requirements, appropriate reserves and working capital, among others.

In accordance with the foregoing, the Company paid out cash dividends as follows for the last three (3) fiscal years:

<u>Fiscal Year</u>	<u>Stock Type</u>	<u>Aggregate Amount (per share)</u>
2024	Common	P 3.25
2023	Common	P 2.70
2022	Common	P 2.12

There were no securities sold by the Company within the past three (3) years that were not registered under the Securities Regulation Code (“SRC”).

On January 18, 2018, in line with the consolidation of the food and beverage businesses of San Miguel Corporation (“SMC”) under the Company, the stockholders approved the following amendments to the Company’s Articles of Incorporation: (a) the expansion of the primary purpose in the Second Article to include the engagement in the alcoholic and non-alcoholic beverage business, (b) the change of the corporate name in the First Article to “San Miguel Food and

Beverage, Inc., (c) the reduction of par value of common shares in the Seventh Article to P1.00 per share, and (d) the denial of pre-emptive rights for issuances or dispositions of all common shares in the Seventh Article (collectively, the “First Amendments”).

On the same date, the stockholders approved the increase in authorized capital stock of the Company, to be filed with the SEC after the latter’s approval of the First Amendments, which increase shall be P9,540,000,000 comprised of 9,540,000,000 common shares with a par value of P1.00 per share (the “Increase”), including the amendment of the Seventh Article to reflect the Increase. From the Increase, approximately 44% thereof or 4,242,549,130 common shares with a par value of P1.00 per share (the “New Shares”) will be subscribed by SMC. As a result of the Increase, the Company’s authorized capital stock will be P12,000,000,000 divided into 11,600,000,000 common shares with a par value of P1.00 per share, and 40,000,000 preferred shares with a par value of P10.00 per share.

Likewise on the same date, the stockholders approved the acquisition by the Company of SMC’s common shares in San Miguel Brewery Inc. (“SMB”) and Ginebra San Miguel Inc. (“GSMI”) (the “Exchange Shares”), with the combined value of P336,349,294,992.60, as consideration for the issuance by the Company of the New Shares from the Increase.

Finally, also on the same date, the stockholders approved the listing on the PSE of the additional issued common shares resulting from the reduction of par value of shares, as well as the New Shares to be issued to SMC.

All the foregoing items approved by the stockholders at its special meeting on January 18, 2018, were earlier approved by the Board of Directors at its special meeting on November 3, 2017.

On March 23, 2018, the SEC approved the First Amendments by virtue of the Certificate of Filing of Amended Articles of Incorporation of San Miguel Food and Beverage, Inc. (formerly San Miguel Pure Foods Company Inc.) issued on the said date, a copy of which the Company received on March 27, 2018.

On April 5, 2018, SMC and the Company signed a Deed of Exchange of Shares pursuant to which SMC shall transfer to the Company the Exchange Shares, and in consideration therefor, the Company shall issue New Shares from the Increase, subject to and conditioned upon the approval by the SEC of the Increase.

On June 29, 2018, the SEC approved the Increase by virtue of the issuance to the Company of the Certificate of Approval of Increase of Capital Stock and Certificate of Filing of Amended Articles of Incorporation.

On October 12, 2018, the BIR issued BIR Certification No. 010-2018, which confirmed the tax-free transfer by SMC of the Exchange Shares in consideration for the New Shares. On October 31, 2018, the BIR issued the Electronic Certificate Authorizing Registration (eCAR) for the tax-free transfer of the Exchange Shares to the Company. The Exchange Shares were issued and registered in the name of the Company in the stock and transfer books of SMB and GSMI, as the case may be, on November 5, 2018.

On October 26, 2018, the SEC issued the Order of Registration of Securities and Certificate of Permit to Offer Securities for Sale relating to the offer of up to 1,020,050,000 common shares in the Company owned by SMC in a secondary sale transaction to institutional investors inclusive of the PSE Trading Participants’ share allocation at an offer price of P85.00 per share.

On November 5, 2018, the PSE issued a Notice of Approval for the listing of the New Shares issued by the Company to SMC. On November 9, 2018, the New Shares were listed on the PSE.

On November 12, 2018, the secondary offering of 400,940,590 common shares in the Company plus the over-allotment option of 60,141,090 common shares in the Company owned by SMC were sold at a price of P85.00 per share to institutional investors inclusive of the PSE Trading Participants’ share allocation. With the completion of the offering, the Company became compliant with the minimum public float requirement of the PSE.

On November 7, 2019, the Board of Directors approved the public offering by the Company in the Philippines of fixed rate retail bonds in the aggregate principal amount of up to P15,000,000,000.00. The proceeds of the offering were intended to be used to redeem the outstanding perpetual series 2 preferred shares of the Company issued in March 2015 (the “FBP2 Shares”).

On February 3, 2020, the Board of Directors approved the redemption of the FBP2 Shares at the redemption price of P1,000.00 per share. According to the Notice of Redemption, including guidelines for the payment of the redemption proceeds issued by the Company for the purpose, the redemption price and all accumulated unpaid cash dividends were to be paid on March 12, 2020 to the preferred stockholders of record as of February 17, 2020.

On February 21, 2020, the SEC approved the Company’s Registration Statement and issued the Permit to Sell of P15,000,000,000 worth of fixed rate bonds, consisting of five-year Series A Bonds due 2025 with a fixed interest rate of 5.050% per annum, and seven-year Series B Bonds due 2027 with a fixed interest rate of 5.250% per annum.

The bonds were issued and listed in the Philippine Dealing & Exchange Corp. (“PDEX”) on March 10, 2020.

The proceeds of the bonds were used to redeem the outstanding FBP2 Shares and payment of transaction-related fees, costs and expenses on March 12, 2020.

By the end of March 2025, the Series A Bonds issued by the Company due 2025 have fully matured and the principal investment amounts due on said bonds have been paid to the respective holders thereof in accordance with the relevant terms and conditions of the offer.

Item 5. Directors, Independent Directors, and Executive Officers

The names of the incumbent and nominee directors and key executive officers of the Company, and their respective ages, periods of service, qualifications, directorships in other reporting companies and positions held in the last five (5) years, are as follows:

Board of Directors

Ramon S. Ang, Filipino, 71, is the Chairman of the Company since June 5, 2024. He previously served as the Company’s President and Chief Executive Officer (from July 5, 2018 to June 4, 2024) and as its Vice Chair (from May 13, 2011 to June 4, 2024). He has been an executive director of the Company from May 22, 2001 up to June 5, 2024 when he became a non-executive director, and a member of the Company’s Executive Committee since April 25, 2002. He also holds, among others, the following positions: Chairman and Chief Executive Officer of listed company San Miguel Corporation; Chairman, President, Chief Executive Officer and Chief Operating Officer of San Miguel Global Power Holdings Corp.; Chairman and President of Privado Holdings Corporation, San Miguel Holdings Corp., SMC Skyway Corporation, San Miguel Properties, Inc., San Miguel Infrastructure Corporation and Sual Power Inc.; Chairman of San Miguel Brewery Hong Kong Limited (listed in the Hong Kong Stock Exchange) and Petron Malaysia Refining and Marketing Bhd. (a company publicly listed in Malaysia), public companies San Miguel Brewery Inc. and Eagle Cement Corporation, and private companies San Miguel Yamamura Packaging Corporation, San Miguel Foods, Inc., San Miguel Mills, Inc., Magnolia Inc., The Purefoods-Hormel Company, Inc., San Miguel Super Coffeemix Co., Inc., Clariden Holdings, Inc., Anchor Insurance Brokerage Corporation, Petrogen Insurance Corporation and Philippine Diamond Hotel & Resort Inc. He is also the President and Chief Executive Officer of listed companies Top Frontier Investment Holdings, Inc. and Petron Corporation, and the Vice Chairman of private company Northern Cement Corporation; and President of listed company Ginebra San Miguel Inc. He is also the sole director of Master Year Limited (Cayman Islands). Mr. Ang holds a Bachelor’s Degree in Mechanical Engineering from Far Eastern University, and a Doctorate in Business Engineering, *Honoris Causa*, from the same university. He also holds a Ph.D. in Humanities, *Honoris Causa*, from the National University.

John Paul L. Ang, Filipino, 45, was appointed President and Chief Executive Officer on June 5, 2024. He has been a non-executive director from June 2, 2021 up to June 5, 2024 when he became an executive director of the Company. He is a director of listed companies Top Frontier Investment Holdings Inc. (since July 9, 2021), Petron Corporation (since March 9, 2021), and San Miguel Corporation (since January 21, 2021) where he was appointed Vice Chair, President and Chief Operating Officer on June 11, 2024, and holds the following positions in Eagle Cement Corporation: President and Chief Executive Officer (since 2008), Director (since 2010), and Chair of its Executive Committee (since 2017). He was a member of Eagle Cement Corporation's Nomination and Remuneration Committee (from February 13, 2017 to July 15, 2020) and its Audit Committee (from 2020 to 2021). He is likewise Director of San Miguel Global Power Holdings Corp. (also Vice Chair), San Miguel Equity Investments Inc. (also President), Northern Cement Corporation and South Western Cement Corporation (where he is also President and Chief Executive Officer for both companies), San Miguel Brewery Inc., SLEX Holdings Company Inc., SMC Tollways Corporation, and KB Space Holdings, Inc., and Trustee of RSA Foundation, Inc. Mr. Ang holds a Bachelor of Arts Degree from Ateneo de Manila University.

Carlos Antonio M. Berba, Filipino, 60, was appointed as Chief Operating Officer – Beer on June 5, 2024, and elected as an executive director of the Company on the same date. He is also a Director of San Miguel Brewery, Inc. since August 10, 2010, and its President since May 28, 2024. He is the Deputy Chair, President and Managing Director of San Miguel Brewery Hong Kong Limited (Hong Kong); a Commissioner of PT Delta Djakarta Tbk (Indonesia); and Chair/Director of other subsidiaries of San Miguel Brewing International Limited, including San Miguel Beer (Thailand) Limited, San Miguel Holdings (Thailand) Limited and San Miguel Marketing (Thailand) Limited. Mr. Berba holds a Bachelor of Science Degree in Electrical Engineering from the University of the Philippines, a Master's Degree in Japanese Business Studies from the Japan America Institute of Management Science & Chaminade University of Honolulu, and a Master's Degree in Business Administration from the Wharton School, University of Pennsylvania.

Emmanuel B. Macalalag, Filipino, 59, was appointed Chief Operating Officer – Food on February 5, 2025. He has been an executive director of the Company since January 9, 2019 and a member of the Company's Executive Committee since June 2, 2021. Mr. Macalalag was appointed Group General Manager of the Company's Food Division on November 1, 2024, and President of The Purefoods-Hormel Company, Inc. on March 18, 2025. He previously held the following positions: Chief Operating Officer – Spirits of the Company (from July 5, 2018 to November 5, 2024) and General Manager of Ginebra San Miguel Inc. (GSMI) (from September 29, 2017 to October 31, 2024). He currently holds the following positions in the various subsidiaries and affiliate of GSMI: Director of Distileria Bago, Inc. and East Pacific Star Bottlers Phils Inc., and Director of Agricrops Industries Inc., Crown Royal Distillers, Inc., Healthy Condiments, Inc., Thai San Miguel Liquor Company Limited and GSM International Holdings Limited. Mr. Macalalag obtained his Bachelor of Science in Mathematics degree from De La Salle University (DLSU), Manila where he graduated *cum laude*. He also holds a Master's degree in Mathematics from DLSU and PhD degree in Operations Research from the University of Melbourne, Australia. He does not hold any directorship in any company listed in the PSE other than the Company.

Monica L. Ang-Mercado, Filipino, 36, is a director of the Company since June 5, 2024, and was appointed as its Chief Finance Officer on February 5, 2025 making her an executive director as of that date. She is Assistant to the Office of the President, San Miguel Corporation, since 2022. Ms. Mercado is a Director of Eagle Cement Corporation since June 3, 2013 and is concurrently its Chief Finance Officer, Treasurer, Executive Vice President for Business Support Group, and Risk Oversight Officer. She is also the Chair of Buildnet Construction, Inc. and Director, Chief Finance Officer and Treasurer of South Western Cement Corporation. She is likewise Director and Treasurer of Solid North Mineral Corporation, Trustee and Executive Director of RSA Foundation, Inc., and Director of the following companies: KB Space Holdings, Inc., Q-Tech Alliance Holdings, Inc., and Premier Capital Venture Corporation. She has a Bachelor of Science degree in Management, Minor in Enterprise Development from the Ateneo de Manila University, and an Executive MBA from Kellogg-HKUST.

Ferdinand K. Constantino, Filipino, 73, was appointed Treasurer of the Company on July 5, 2018. He has been a non-executive director of the Company since January 9, 2019, a member of the Company's Board Risk Oversight Committee (since February 6, 2019), which became the Board Risk Oversight and Sustainability Committee (on August 2, 2023), a member of the Company's Related Party Transactions Committee (since June 2, 2021), and a member of the Company's Audit Committee (since June 24, 2020). Mr. Constantino is Director of San Miguel Brewery Inc., San Miguel Aerocity Inc. and San Miguel Foods International, Limited. He also holds, among others, the following positions: Director of

listed company Philippine Stock Exchange, Inc., and private companies Securities Clearing Corporation of the Philippines, San Miguel Yamamura Packaging Corporation, SMC Skyway Corporation, Clariden Holdings, Inc., San Miguel Holdings Corp., Northern Cement Corporation and Petron Malaysia Refining & Marketing Bhd. (a company publicly listed in Malaysia); Director and President of Anchor Insurance and Brokerage Corporation; Director and Treasurer of San Miguel Equity Investments Inc.; and Chair of San Miguel Foundation, Inc., SMC Stock Transfer Services Corporation and San Miguel Integrated Logistics Services, Inc. He was previously Group Chief Finance Officer and Treasurer of San Miguel Corporation (from January 2001 to January 2025). Mr. Constantino holds a Bachelor of Arts Degree in Economics from the University of the Philippines and completed academic requirements for a Master's Degree in Economics from the University of the Philippines.

Aurora T. Calderon, Filipino, 70, has been a non-executive director of the Company since January 9, 2019, and member of the Company's Audit Committee since February 6, 2019, and Board Risk Oversight and Sustainability Committee since August 2, 2023. Ms. Calderon is the Senior Vice President-Senior Executive Assistant to the President and Chief Operating Officer of SMC. She is a Director and a member of the Corporate Governance Committee of listed company SMC. She holds the following positions in other publicly listed companies, namely: Director and Treasurer of Top Frontier Investment Holdings, Inc.; Director of Petron Corporation, Petron Malaysia Refining and Marketing Bhd. (a company publicly listed in Malaysia) and Ginebra San Miguel Inc.; and Non-Executive Director of San Miguel Brewery Hong Kong Ltd. since February 24, 2025. She is the Chair and President of East Pacific Star Bottlers Phils Inc., Agricrops Industries Inc. and Crown Royal Distillers, Inc. She is also a member of the board of directors of SMC Global Power Holdings Corp., Petron Marketing Corporation, Petron Freeport Corporation, New Ventures Realty Corporation, Las Lucas Construction and Development Corporation, Thai San Miguel Liquor Company Limited, and San Miguel Equity Investments Inc. A certified public accountant, Ms. Calderon graduated *magna cum laude* from the University of the East with a degree in BS Business Administration, major in Accountancy. She finished her Master's in Business Administration at Ateneo de Manila University (without thesis). In addition, Ms. Calderon holds directorships in various SMC domestic and international subsidiaries.

Francisco S. Alejo III, Filipino, 76, was an executive director of the Company from May 22, 2001 up to February 4, 2025, is a non-executive director since February 5, 2025, and a member of the Company's Executive Committee since April 25, 2002. He previously held the following positions: Chief Operating Officer – Food of the Company (from July 5, 2018 to February 24, 2025), President of the Company (from May 2005 to July 2018), President of The Purefoods-Hormel Company, Inc. (from January 1999 to June 2012; then from July 4, 2019 to March 17, 2025), and Director of Ginebra San Miguel Inc. (from May 28, 2015 to January 31, 2025). He also holds the following positions: Chair of Golden Food Management, Inc., San Miguel Pure Foods (Vn) Co., Ltd., Golden Bay Grain Terminal Corporation, Golden Avenue Corp., and San Miguel Foods International, Limited; President of San Miguel Foods, Inc., San Miguel Mills, Inc., San Miguel Super Coffeemix Co., Inc., Magnolia Inc., Foodcrave Marketing, Inc., San Miguel Foods Mindanao, Inc., and San Miguel Foods South Luzon, Inc.; Director of private companies The Purefoods-Hormel Company, Inc., San Miguel Foods & Beverage International Limited (BVI), and San Miguel Foods Investment (BVI) Limited; and President Commissioner of PT San Miguel Foods Indonesia. Mr. Alejo holds a Bachelor's Degree in Business Administration from De La Salle University and is a graduate of the Advanced Management Program of Harvard Business School.

Menardo R. Jimenez, Filipino, 92, has been a non-executive director of the Company since April 25, 2002. He is a member of its Board Risk Oversight Committee (since May 12, 2017), which became the Board Risk Oversight and Sustainability Committee (on August 2, 2023), and Corporate Governance Committee (since February 6, 2019). He was previously a member of its Audit Committee (from June 2008 to February 2019) and Related Party Transactions Committee (from May 2017 to February 2019). Mr. Jimenez is Director of listed company SMC and private companies Magnolia Inc., Majent Management and Development Corporation, Dasoland Holdings Corporation, Menarco Property Development & Management Corporation, and The Table Group, Inc. He is the Chair of several Philippine companies, including Coffee Bean and Tea Leaf Holdings, Inc. and Meedson Properties Corporation. Mr. Jimenez holds a Bachelor's Degree in Commerce from Far Eastern University and is a Certified Public Accountant. Among others, he was conferred Doctorates in Business Management *Honoris Causa* by University of Pangasinan and *Pamantasan ng Lungsod ng Maynila*.

Francis H. Jardeleza, Filipino, 75, has been a non-executive director of the Company since August 5, 2020. He is also currently a director of listed companies Ginebra San Miguel Inc. and Petron Corporation. He is likewise an incumbent Director of MORE Electric and Power Corporation and was a Director of EastWest Bank from April 2021 to January 2022. He is also a member of the International and Maritime Law Section of the Philippine Judicial Academy (since July 2023). Mr. Jardeleza is a retired Associate Justice of the Supreme Court (from August 2014 to September 2019) and former Solicitor General of the Philippines (from February 2012 to August 2014). Prior to the several positions he held in public service, Mr. Jardeleza was the Senior Vice President and General Counsel of SMC (from 1996 to 2010). Mr. Jardeleza holds a Bachelor of Arts, Major in Political Science, and a Bachelor of Laws Degree from the University of the Philippines. He is also a member of the New York State Bar and a graduate of the Master of Laws Program at Harvard Law School.

Ricardo C. Marquez, Filipino, 64, has been an independent and non-executive director of the Company since March 16, 2017. He is also Chair of the Company's Board Risk Oversight Committee (since May 12, 2017), which became the Board Risk Oversight and Sustainability Committee (on August 2, 2023), and a member of the Company's Audit Committee (since March 16, 2017) and Corporate Governance Committee (since May 12, 2017). He was previously a member of the Related Party Transactions Committee (from May 2017 to February 2019). Gen. Marquez is likewise currently an Independent Director of listed companies Top Frontier Investment Holdings, Inc. and Petron Corporation, public company Eagle Cement Corporation, and a member of the Board of Trustees of the Public Safety Mutual Benefit Fund, Inc. Gen. Marquez held several positions in the Philippine National Police (PNP) before he became Chief of the PNP from July 2015 to June 2016. Gen. Marquez holds a Bachelor of Science Degree from the Philippine Military Academy, and a Master's in Management Degree from Philippine Christian University.

Cirilo P. Noel, Filipino, 68, has been an independent and non-executive director of the Company since September 12, 2018. He was elected as the Lead Independent Director of the Company on June 1, 2022. He is the Chair of the Audit Committee since February 6, 2019 and member thereof since September 12, 2018. He is also a member of the Related Party Transactions Committee since February 6, 2019. He was previously a member of the Corporate Governance Committee from June 2, 2021 to June 7, 2023. Mr. Noel currently serves as Director of LH Paragon Group, Amber Kinetics Holding Co., Transnational Diversified Corporation, Eton Properties, Inc. and Golden ABC, and listed companies Globe Telecom, Inc., Robinsons Retail Holdings, Inc. and First Philippine Holdings Corporation. He is also Chair of Palm Concepcion Power Corporation, the interim Chair of listed company Security Bank Corporation, and a member of the Board of Trustees of St. Luke's Medical Center-Quezon City, St. Luke's Medical Center of College of Medicine and St. Luke's Medical Center Foundation, Inc. Mr. Noel is affiliated with the Makati Business Club and Harvard Club of the Philippines. A lawyer and certified public accountant, Mr. Noel holds a Bachelor of Science Degree in Business Administration from University of the East, a Bachelor of Laws Degree from Ateneo de Manila University School of Law and a Master's Degree in Law from Harvard Law School. He is also a fellow of the Harvard International Tax Program and attended the Management Development Program at the Asian Institute of Management.

Aurora S. Lagman, Filipino, 86, is an independent and non-executive director of the Company, as well as the Chair of the Company's Corporate Governance Committee, and a member of its Related Party Transactions and Board Risk Oversight Committees, the latter of which became the Board Risk Oversight and Sustainability Committee (on August 2, 2023), since March 9, 2022. She is currently an Independent Director of listed company Ginebra San Miguel, Inc. and is the Chair of the Corporate Governance Committee and a Member of the Audit and Risk Oversight Committee of said company. A retired Associate Justice of the Court of Appeals of the Philippines (from February 2004 to January 2008), she also served as Member of the Judicial and Bar Council (from October 2008 to July 2016). She is a part-time faculty member of the College of Law, Bulacan State University (currently on leave), Member of the Board of Trustees of Society for Judicial Excellence, and Adviser of RTC Judges Association of Bulacan, Inc. She obtained her law degree at the College of Law of Lyceum of the Philippines and attended special studies and short courses abroad such as Program of Instruction for Lawyers, Harvard Law School, Cambridge, Massachusetts, U.S.A. and Special Course on Evidence, National Judicial College, University of Nevada, Reno, U.S.A.

Estela M. Perlas-Bernabe, Filipino, 73, is an independent and non-executive director of the Company since August 3, 2022, as well as Chair of the Company's Related Party Transactions Committee and a member of its Corporate Governance Committee since June 7, 2023. She is also a member of the Company's Board Risk Oversight and

Sustainability Committee since August 3, 2023. Ms. Bernabe is currently an Independent Director of listed companies BDO Unibank, Inc. (since July 31, 2022) and Converge ICT Solutions, Inc. (since May 26, 2023), and private company Petrogen Insurance Corporation (since March 23, 2023). She is also a Trustee of the Board of Trustees of the Foundation for Liberty and Prosperity (since December 6, 2022), a Director of the Philippine Judicial Academy Development Center Inc. (since November 13, 2023), and a Member of the Singapore International Arbitration Centre Panel of Arbitrators (since February 7, 2025). Ms. Bernabe is a retired Associate Justice of the Supreme Court of the Philippines (from September 2011 to May 2022). She served as Senior Associate Justice and Division Chair of the Second Division of the Supreme Court from 2019 to 2022, and President of the Philippine Women Judges Association from 2018 to 2022. She holds a Bachelor of Science in Commerce Degree in Banking and Finance from St. Paul College of Manila and a Bachelor of Laws Degree from Ateneo de Manila University School of Law.

Antonio S. Abacan, Jr., Filipino, 82, is an independent director of the Company and a member of the Audit Committee and Board Risk Oversight and Sustainability Committee since June 5, 2024. He served as a member of the Monetary Board of the Bangko Sentral ng Pilipinas from July 3, 2017 until July 2, 2023. Prior to his appointment to the Monetary Board, Mr. Abacan was President and Chair of Metropolitan Bank & Trust Company, and President and Director of Metrobank Card Corporation and Philippine Savings Bank. He also served as Chair for First Metro Investment Corporation. He holds a Bachelor of Science in Business Administration Major in Banking and Finance at Mapua Institute of Technology and Major in Accounting at Far Eastern University. He attended an Executive Program at the Graduate School of Business, Stanford University and earned his Doctorate Degree in Business Administration (Honoris Causa) at the Philippine Women's University.

Executive Officers

Cynthia M. Baroy, Filipino, 60, was appointed as the Company's Chief Operating Officer – Spirits on November 6, 2024. She is OIC General Manager of Ginebra San Miguel Inc. (GSMI) since November 1, 2024. Prior to this appointment in GSMI, she was the company's Chief Finance Officer/Treasurer. She is also Director and OIC General Manager of Distileria Bago, Inc. (DBI) and East Pacific Star Bottlers Phils Inc., and Director of Agri crops Industries Inc., Crown Royal Distillers, Inc. and Healthy Condiments, Inc. Ms. Baroy is likewise a Director of GSM International Holdings Limited, Siam Holdings Limited, Global Beverage Holdings Limited, Siam Wine and Liquor Limited, and Thai Ginebra Trading Company Limited. She is a Member of the Board of Trustees of the Retirement Plan of GSMI and DBI. She obtained her B.S. Commerce major in Accounting from the University of Sto. Tomas where she graduated Cum Laude. She is a Certified Public Accountant.

Monica L. Ang-Mercado (please refer to page 11 under the Directors' profile).

Alexandra Victoria B. Trillana, Filipino, 51, is the Corporate Secretary (since September 15, 2010), Compliance Officer (since August 8, 2016) and General Counsel (since June 5, 2019) of the Company. She is also Vice President and General Counsel of the Food Division, and Corporate Secretary of San Miguel Foods, Inc., San Miguel Mills, Inc., Magnolia Inc., The Purefoods-Hormel Company, Inc., San Miguel Super Coffeemix Co., Inc., Golden Food Management, Inc., Golden Bay Grain Terminal Corporation, Golden Avenue Corp., Foodcrave Marketing, Inc., San Miguel Foods Mindanao, Inc., San Miguel Foods South Luzon, Inc., and Nine Dots Media Consulting Corporation. Atty. Trillana holds a Bachelor's Degree in Commerce Major in Legal Management from De La Salle University and a Juris Doctor Degree from Ateneo de Manila University School of Law.

Kristina Lowella I. Garcia, Filipino, 51, was appointed Assistant Vice President and Investor Relations Manager of the Company effective August 1, 2018. Since June 1, 2022, she is also the Data Protection Officer of the Company. She was previously a Director for Investor Relations of Century Properties Group, Inc. (January 2013 to July 2018). Ms. Garcia holds a Bachelor of Arts Degree from Ateneo De Manila University, a Certificate in Business Administration from Georgetown University, and a Master's in Business Administration from John Hopkins University.

Board Attendance

In 2024, the Board of Directors held six (6) meetings. Set out below is the record of attendance of the directors at these meetings:

	Date of Board Meeting, All in Year 2024					
Director	Feb. 1	Mar. 6	May 8	June 5	Aug. 7	Nov. 6
Ramon S. Ang <i>Chairman</i>	Absent	✓	✓	✓	✓	✓
John Paul L. Ang	✓	Absent	✓	✓	✓	✓
Francisco S. Alejo III	✓	✓	✓	✓	✓	✓
Carlos Antonio M. Berba	✓	✓	✓	✓	✓	✓
Emmanuel B. Macalalag	✓	✓	✓	✓	✓	✓
Ferdinand K. Constantino	✓	✓	✓	✓	✓	✓
Aurora T. Calderon	✓	✓	✓	✓	✓	✓
Menardo R. Jimenez	✓	✓	✓	✓	✓	✓
Monica L. Ang-Mercado	N/A	N/A	N/A	N/A	✓	✓
Ma. Romela M. Bengzon*	Absent	✓	✓	N/A	N/A	N/A
Francis H. Jardeleza	✓	✓	✓	✓	✓	✓
Ricardo C. Marquez <i>Independent Director</i>	✓	✓	✓	✓	✓	✓
Cirilo P. Noel <i>Independent Director</i>	✓	✓	✓	✓	✓	✓
Winston A. Chan [†] ** <i>Independent Director</i>	✓	Absent	✓	N/A	N/A	N/A
Aurora S. Lagman <i>Independent Director</i>	✓	✓	✓	✓	✓	✓
Estela M. Perlas-Bernabe <i>Independent Director</i>	✓	✓	✓	✓	✓	✓
Antonio S. Abacan, Jr. <i>Independent Director</i>	N/A	N/A	N/A	N/A	✓	✓

* Ceased to be a Director on June 4, 2024.

** Ceased to be a Director upon his demise on May 24, 2024.

Also in the year 2024, the stockholders held the ASM on June 5. The attendance of the directors in this meeting is as follows:

	Date of Stockholders' Meeting, in 2024
Director	June 5
Ramon S. Ang <i>Chairman</i>	✓
John Paul L. Ang	✓
Francisco S. Alejo III	✓
Carlos Antonio M. Berba	✓
Emmanuel B. Macalalag	✓

Ferdinand K. Constantino	✓
Aurora T. Calderon	✓
Menardo R. Jimenez	✓
Ma. Romela M. Bengzon	N/A
Monica L. Ang-Mercado	N/A
Francis H. Jardeleza	✓
Ricardo C. Marquez <i>Independent Director</i>	✓
Cirilo P. Noel <i>Independent Director</i>	✓
Aurora S. Lagman <i>Independent Director</i>	✓
Estela M. Perlas-Bernabe <i>Independent Director</i>	✓
Antonio S. Abacan, Jr. <i>Independent Director</i>	N/A

Further set out in the table below is the record of attendance of the members of each Board Committee in meetings held by the Committees in 2024.

	Date of Committee Meeting, All in the Year 2024				
Executive Committee	No meeting held				
Ramon S. Ang	-	-	-	-	-
John Paul L. Ang	-	-	-	-	-
Francisco S. Alejo III	-	-	-	-	-
Carlos Antonio M. Berba	-	-	-	-	-
Emmanuel B. Macalalag	-	-	-	-	-
Audit Committee	March 6	May 8	August 7	November 6	-
Cirilo P. Noel – Chair <i>Independent Director</i>	✓	✓	✓	✓	-
Ricardo C. Marquez <i>Independent Director</i>	✓	✓	✓	✓	-
Winston A. Chan ^{†*} <i>Independent Director</i>	Absent	✓	N/A	N/A	-
Aurora T. Calderon	✓	✓	✓	✓	-
Ferdinand K. Constantino	✓	✓	✓	✓	-
Antonio S. Abacan, Jr.**	N/A	N/A	✓	✓	-
Corporate Governance Committee	March 5	May 8	November 5	-	-
Aurora S. Lagman – Chair <i>Independent Director</i>	✓	✓	✓	-	-
Ricardo C. Marquez <i>Independent Director</i>	✓	✓	✓	-	-

Estela M. Perlas-Bernabe <i>Independent Director</i>	✓	✓	✓	-	-
Menardo R. Jimenez	✓	✓	✓	-	-
Related Party Transactions Committee	March 5	-	-	-	-
Estela M. Perlas-Bernabe – Chair <i>Independent Director</i>	✓	-	-	-	-
Cirilo P. Noel <i>Independent Director</i>	✓	-	-	-	-
Aurora S. Lagman <i>Independent Director</i>	✓	-	-	-	-
Ferdinand K. Constantino	✓	-	-	-	-
Board Risk Oversight and Sustainability Committee	November 5	-	-	-	-
Ricardo C. Marquez – Chair <i>Independent Director</i>	✓	-	-	-	-
Aurora S. Lagman <i>Independent Director</i>	✓	-	-	-	-
Estela M. Perlas-Bernabe <i>Independent Director</i>	✓	-	-	-	-
Antonio S. Abacan, Jr.** <i>Independent Director</i>	✓	-	-	-	-
Menardo R. Jimenez	✓	-	-	-	-
Ferdinand K. Constantino	✓	-	-	-	-
Aurora T. Calderon	✓	-	-	-	-

* Ceased to be a Director upon his demise on May 24, 2024.

** Elected as member of the Audit Committee and the Board Risk Oversight and Sustainability Committee on June 5, 2024.

In 2024, the non-executive directors were able to hold one (1) meeting, with the external auditor and heads of the internal audit group, compliance, and risk functions in attendance. The meeting was chaired by Mr. Cirilo P. Noel, Lead Independent Director. Set out below is the record of attendance of the non-executive directors at the meeting. No executive directors were present to ensure that proper checks and balances are in place within the Company.

Non-Executive Directors	February 1
Ferdinand K. Constantino	✓
Aurora T. Calderon	✓
Menardo R. Jimenez	✓
Ma. Romela M. Bengzon	Absent
Francis H. Jardeleza	✓
John Paul L. Ang	✓
Ricardo C. Marquez	✓
Cirilo P. Noel – <i>Chair of the Meeting</i>	✓

Winston A. Chan [†]	✓
Aurora S. Lagman	✓
Estela M. Perlas-Bernabe	✓

Except for the Board Organizational Meeting held on June 5, 2024, which was conducted in person, all the foregoing meetings held in 2024 were conducted via videoconference.

Board Appraisals, Criteria and Procedures

The Company recognizes that to sustain good corporate governance within the organization, the same sound culture must be upheld and cultivated from the top. It is therefore of paramount importance to monitor the governance structure and performance of the Board of Directors (the “Board”) and top management according to their roles, responsibilities, and accountabilities.

Since the year 2011, it has been a policy and practice of the Company for its Board to conduct an annual self-assessment exercise through a questionnaire given to each director at the last regular meeting for the year, for the purpose of evaluating the performance of the Board that year and the effectiveness of the Company’s governance processes, and seeking ways to improve such performance.

The Company continually reviews this assessment process to take into consideration leading practices in corporate governance. In fact, the self-rating form had been revised in 2016 to cover the appraisal of the Board as a governing unit, of individual directors, of the different Board Committees, and of management including the President.

The assessment criteria include the structure, efficiency, and effectiveness of the Board, participation and engagement of each director, contribution of each member director to their respective Committees, and the performance of management. The criteria also reflect the specific duties, responsibilities, and accountabilities of each party, assessed as provided in the Company’s Amended By-laws, Amended Manual on Corporate Governance, Board Committee Charters and governing policies.

Moreover, the questionnaire allows the director to provide comments and suggestions to further enrich the assessment process. In case clarification is needed on this policy and the performance assessment exercise, the Board addresses their queries to the Compliance Officer.

Facilitated by the Compliance Officer, the annual self-rating form is required to be accomplished and signed by each individual director, then submitted to the Compliance Officer within thirty (30) days from receipt of the form.

The Compliance Officer collates the results of the assessment and reports the same to the Board at a subsequent regular meeting prior to the ASM. The self-rating form may be further amended by the Compliance Officer as deemed necessary, provided that the form remains compliant with sound corporate governance standards and practices and applicable law.

For the year 2024, 100% of the directors accomplished and submitted the self-rating form to the Compliance Officer.

Starting in the year 2021, the Company engaged an independent third party, Good Governance Advocates and Practitioners of the Philippines (“GGAPP”), an organization of governance, ethics and compliance professionals, to conduct that year’s annual performance assessment of the Board and key officers of the Company. GGAPP sent each of the directors a Board Evaluation Form, which was divided into five (5) sections or criteria, namely, the Collective Board Rating, Board Committees, Individual Director’s Self-Rating, Officers’ Rating, and the Overall Comments and Suggestions, with an explanation of the rating process. The accomplished Evaluation Forms were received by GGAPP on December 10, 2021.

In 2024, the Company again engaged the services of GGAPP to conduct the 2024 annual performance assessment of the Board and key officers of the Company. The Company intends to repeat this process in 2027, and every three (3) years thereafter, in compliance with Recommendation 6.1 of the SEC’s new Code of Corporate Governance for Publicly-Listed Companies, as well as Section 7.1 of the Company’s Amended Manual on Corporate Governance, which both provide that the Board assessment should be supported by an independent third party facilitator every three (3) years.

Term of Office

Pursuant to the Company’s Amended By-Laws, the directors are elected at each ASM by stockholders entitled to vote. Each director holds office for a term of one (1) year and until the election and qualification of their successors, unless he resigns, dies or is removed prior to such an election.

The nominees for election to the Board of Directors (“Board”) on June 4, 2025, are as follows:

1. Ramon S. Ang
2. John Paul L. Ang
3. Carlos Antonio M. Berba
4. Emmanuel B. Macalalag
5. Monica L. Ang-Mercado
6. Ferdinand K. Constantino
7. Aurora T. Calderon
8. Francisco S. Alejo III
9. Menardo R. Jimenez
10. Francis H. Jardeleza
11. Ricardo C. Marquez
12. Cirilo P. Noel
13. Aurora S. Lagman
14. Estela M. Perlas-Bernabe
15. Antonio S. Abacan, Jr.

The above nominees were selected based on merit and objective criteria, with due regard to the benefits of diversity, the needs of the Board, and the qualifications under the Company’s Manual on Corporate Governance. To ensure diversity, the Company’s Corporate Governance Committee considered the nominee’s business and industry skills and experience, length of service, age, gender, and ethnicity, among others.

Independent Directors

Those who served as independent directors of the Company in 2024 are as follows:

1. Ricardo C. Marquez
2. Cirilo P. Noel
3. Aurora S. Lagman
4. Estela M. Perlas-Bernabe
5. Antonio S. Abacan, Jr.

These directors have certified that they possess all the qualifications and none of the disqualifications provided for in the SRC. The Certifications of independence of the independent directors of the Company in 2024 are attached hereto as **Annex “A-1”, Annex “A-2”, Annex “A-3”, Annex “A-4”, and Annex “A-5”**.

The nominees for election as independent directors of the Board of Directors on June 4, 2025, are as follows:

Nominee for Independent Director (a)	Person/Group recommending nomination (b)	Relation of (a) and (b)	Year First Elected as Independent Director
Ricardo C. Marquez	Ramon S. Ang	None	2017
Cirilo P. Noel	Ramon S. Ang	None	2018
Aurora S. Lagman	Ramon S. Ang	None	2022
Estela M. Perlas-Bernabe	Ramon S. Ang	None	2022
Antonio S. Abacan, Jr.	Ramon S. Ang	None	2024

In approving the nomination for independent director, the Corporate Governance Committee took into consideration the guidelines on the nomination of independent directors prescribed in SRC Rule 38.

The nominees have further certified that they possess all the qualifications and none of the disqualifications provided for in the SRC, the Amended By-laws, and the Amended Manual on Corporate Governance of the Company, as well as the new Code of Corporate Governance for Publicly-Listed Companies issued by the Securities and Exchange Commission (SEC), which took effect on January 1, 2017. In accordance with SEC Memorandum Circular No. 5, series of 2017, the Certifications of independence of the nominees for independent directors of the Company for the year 2025 are attached hereto as **Annex “A-6”, Annex “A-7”, Annex “A-8”, Annex “A-9”, and Annex “10”**.

Pursuant to Section 3.4 of the Company’s Charter of the Board of Directors, each stockholder has the right to nominate any director who possesses all the qualifications and none of the disqualifications set forth in the Revised Corporation Code. Under Section 1, Article II of the Company’s Amended By-Laws, at least two (2) directors shall be residents of the Philippines, and all of them should be stockholders of record of the Company. The Amended Manual on Corporate Governance of the Company also provides for the qualifications and disqualifications of directors.

In this regard, all nominations for the election of directors by the stockholders are submitted in writing to the Board of Directors through the Corporate Secretary on or before the last day of January of every year or at such earlier or later date that the Board of Directors may fix. The list of names of the nominees to the Board of Directors are filed and submitted to the Corporate Governance Committee through the office of the Corporate Secretary at least sixty (60) days prior to the date set for the annual stockholders’ meeting wherein they will be elected.

At the meeting on November 6, 2024, as part of the nomination and election process for directors, which the Board assessed as effective, the Company disclosed the date of the 2025 ASM and invited stockholders who wish to nominate candidates to the Board, to submit the names of their nominees not later than January 31, 2025 to the Corporate Secretary at the 4th Floor, 100 E. Rodriguez Jr. Avenue (C5 Road), Barangay Ugong, Pasig City, for the consideration of the Chairman and the Corporate Governance Committee.

The Corporate Governance Committee will pre-screen the qualifications of the nominees and prepare a final list of nominees eligible for election. No other nominations are entertained after the final list of candidates is prepared.

All the nominees for election to the Board of Directors satisfy the mandatory requirements specified under the provisions of Section 1, Article II of the Company’s Amended By-Laws, and possess all the qualifications and none of the disqualifications under the Company’s Amended Manual on Corporate Governance and applicable rules and regulations, including the new Code of Corporate Governance for Publicly-Listed Companies and new rules on term limits of independent directors of the SEC.

The nominees for independent directors have been determined to be, in general, persons who, other than for their shareholdings and any per diem received from the Company, do not have any business or relationship with the Company that could, or could reasonably be perceived to, materially interfere with their exercise of independent judgment in

carrying out their responsibilities. The incumbent and nominee independent directors have submitted their respective certifications of qualification as discussed above.

Significant Employees

The Company has no employees who are not executive officers but who are expected to make a significant contribution to the business.

Family Relationships

Mr. Ramon S. Ang is the father of Mr. John Paul L. Ang and Ms. Monica L. Ang-Mercado. There are no other family relationships up to the fourth civil degree either by consanguinity or affinity among the Company's directors, executive officers, or persons nominated or chosen by the Company to become its directors or executive officers.

Certain Relationships and Related Transactions (including directors' disclosures thereon)

There were no transactions with directors, officers, or any principal stockholders (owning at least 10% of the total outstanding shares of the Company) that are not in the ordinary course of business of the Company. No related party transactions were entered into by any director in 2024 that required review by the Related Party Transactions Committee and further approval by the Board in accordance with the Related Party Transactions Policy of the Company. There have been no complaints, disputes, or problems regarding related party transactions of the Company. The Company observes an arm's length policy in its dealings with related parties.

Directors are required to disclose their business interests, interests in transactions that may come before the Company, or any other conflict of interests. In this regard, directors accomplish a Full Business Interest Disclosure ("FBID") form on an annual basis, as well as a Declaration of Relatives pursuant to the Related Party Transactions Policy of the Company, as part of the process to determine whether they have all the qualifications and none of the disqualifications to be a director of the Company pursuant to the Company's Amended By-laws and Amended Manual on Corporate Governance. The refusal to fully disclose the extent of his/her business interest or comply with disclosure requirements as required under the SRC and its Implementing Rules and Regulations is a ground for the temporary disqualification of a director. In this regard, all incumbent and nominee directors of the Company have completed the FBID form, and the Corporate Governance Committee has determined that they have all the qualifications and none of the disqualifications to be a director of the Company.

On the other hand, the Human Resources group of the Company ensures the implementation of the Company's policy against conflict of interests and the misuse of inside and proprietary information throughout the organization. Employees are required to promptly disclose any business and family-related interest or involvement, which, by nature, may directly or indirectly conflict with the interests of the Company to ensure that such potential conflicts of interest are raised and brought to the attention of management for resolution.

Disagreement of Directors and Executive Officers

None of the directors has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of stockholders because of a disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Intermediate Parent Company

As of March 31, 2025, SMC owns and controls 5,245,082,440 common shares comprising 88.76% of the outstanding capital stock of the Company entitled to vote.

Involvement in Certain Legal Proceedings

None of the directors, nominees for election as director, executive officers, or control persons of the Company have been the subject of any (a) bankruptcy petition, (b) conviction by final judgment in a criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses, (c) order, judgment, or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his/her involvement in any type of business, securities, commodities or banking activities, which is not subsequently reversed, suspended, or vacated, or (d) judgment of violation of a securities or commodities law or regulation by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, which has not been reversed, suspended, or vacated, for the past five (5) years up to the date of this Information Statement.

The Company is not a party to, nor is its properties the subject of any significant pending legal proceeding that could be expected to have a material adverse effect on the Company or its business, financial condition, and results of operations.

Item 6. Compensation of Directors and Executive Officers

The aggregate compensation paid or incurred during the last two (2) fiscal years, as well as those estimated to be paid in the ensuing fiscal year, to the Company's Chief Executive Officer and senior executive officers are as follows:

NAME	YEAR	SALARY	BONUS	OTHERS	TOTAL
Total Compensation of the Chief Executive Officer and Senior Executive Officers ⁵	2025 (estimated)	P90.8 Million	P27.2 Million	P16.0 Million	P134.0 Million
	2024	P113.9	P70.9	P14.2	P199.0

⁵ The Chief Executive Officer and Senior Executive Officers of the Company for 2023 were as follows: Ramon S. Ang, Roberto N. Huang[†] (who served until November 4, 2023), Francisco S. Alejo III, Emmanuel B. Macalalag, and Ildefonso B. Alindogan.

The Chief Executive Officer and Senior Executive Officers of the Company for 2024 were as follows: Ramon S. Ang, John Paul L. Ang (elected as President and Chief Executive Officer at the organizational Board of Directors' meeting on June 5, 2024), Carlos Antonio M. Berba (elected as Chief Operating Officer – Beer at the organizational Board of Directors' meeting on June 5, 2024), Francisco S. Alejo III, and Emmanuel B. Macalalag.

The Chief Executive Officer and Senior Executive Officers of the Company for 2025 are as follows: John Paul L. Ang, Carlos Antonio M. Berba, Emmanuel B. Macalalag, Cynthia M. Baroy (elected as Chief Operating Officer – Spirits at the Board of Directors' meeting on November 6, 2024), and Monica L. Ang-Mercado (elected as Chief Finance Officer at the Board of Directors' meeting on February 5, 2025).

NAME	YEAR	SALARY	BONUS	OTHERS	TOTAL
	2023	Million P110.9 Million	Million P38.9 Million	Million P8.7 Million	Million P158.5 Million
All other officers and directors as a group unnamed	2025 (estimated)	P629.4 Million	P189.6 Million	P175.6 Million	P994.6 Million
	2024	P686.3 Million	P225.3 Million	P184.7 Million	P1,096.3 Million
	2023	P686.7 Million	P325.4 Million	P185.9 Million	P1,198.0 Million
TOTAL	2025 (estimated)	P720.2 Million	P216.8 Million	P191.6 Million	P1,128.6 Million
	2024	P800.2 Million	P296.2 Million	P198.9 Million	P1,295.3 Million
	2023	P797.6 Million	P364.3 Million	P194.6 Million	P1,356.5 Million

Section 29 of the Revised Corporation Code provides that in the absence of any provision in the by-laws fixing their compensation, directors shall not receive any compensation in their capacity as such, except for reasonable per diems; Provided, however, that the stockholders representing at least a majority of the outstanding capital stock may grant directors with compensation and approve the amount thereof at a regular or special meeting.

Article II, Section 5 of the Amended By-laws of the Company provides that the members of the Board of Directors shall each be entitled to a director's fee in the amount to be fixed by the stockholders at a regular or special meeting duly called for that purpose.

In view of the foregoing, considering that (a) the Amended By-laws of the Company does not fix compensation for directors, and (b) the stockholders have not granted directors any compensation or director's fee, the Company's directors do not receive any compensation or director's fee from the Company.

As allowed by the Revised Corporation Code, however, each director receives a reasonable per diem of P25,000.00 for each Board meeting attended, and P20,000.00 for each Board Committee meeting attended. The directors did not participate in the determination of such per diems.

The Company paid a total of P3,135,000.00 in per diem allowances to the Board of Directors for meetings attended by them in 2024, as follows:

Executive Directors ⁶	P 645,000.00
Non-executive Directors ⁷ (other than Independent Directors)	1,125,000.00
Independent Directors ⁸	1,365,000.00
TOTAL	<u>P3,135,000.00</u>

A breakdown of the per diem allowances received by each director for meetings attended by them in 2024 is provided below:

NAME OF DIRECTOR	PER DIEMS
Ramon S. Ang	P 125,000.00
John Paul L. Ang	145,000.00
Francisco S. Alejo III	150,000.00
Carlos Antonio M. Berba	75,000.00
Emmanuel B. Macalalag	150,000.00
Ferdinand K. Constantino	290,000.00
Aurora T. Calderon	270,000.00
Monica L. Ang-Mercado	50,000.00
Menardo R. Jimenez	250,000.00
Ma. Romela M. Bengzon	95,000.00
Francis H. Jardeleza	170,000.00
Ricardo C. Marquez	330,000.00
Cirilo P. Noel	270,000.00
Winston A. Chan [†]	90,000.00
Aurora S. Lagman	270,000.00
Estela M. Perlas-Bernabe	270,000.00
Antonio S. Abacan, Jr.	135,000.00
TOTAL:	P 3,135,000.00

There are no other arrangements pursuant to which any of the directors was compensated or is to be compensated, directly or indirectly, by the Company for services rendered during the last fiscal year, and the ensuing fiscal year.

There are no employment contracts between the Company and its executive officers.

There are neither compensatory plans nor arrangements with respect to an executive officer that result or will result from the resignation, retirement, or any other termination of such executive officer's employment with the Company, or from a change-in-control of the Company, or a change in an executive officer's responsibilities following a change-in-control of the Company.

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

⁶ Comprised of Directors Ramon S. Ang, John Paul L. Ang, Francisco S. Alejo III, Emmanuel B. Macalalag, and Carlos Antonio M. Berba.

⁷ Comprised of Directors Ferdinand K. Constantino, Aurora T. Calderon, Menardo R. Jimenez, Ma. Romela M. Bengzon (who served until June 4, 2024), Francis H. Jardeleza, and Monica L. Ang-Mercado.

⁸ Comprised of Directors Ricardo C. Marquez, Cirilo P. Noel, Winston A. Chan[†] (who served until May 24, 2024), Aurora S. Lagman, Estela M. Perlas-Bernabe, and Antonio S. Abacan, Jr.

Item 7. Independent Public Accountants

The appointment, reappointment, and removal of the external auditor, including audit fees, shall be recommended by the Audit Committee, approved by the Board of Directors and ratified by the shareholders. The Audit Committee reviews the audit scope and coverage, strategy and results for the approval of the Board and ensures that non-audit services rendered shall not impair or derogate the independence of the external auditor or violate SEC regulations.

The SEC-accredited accounting firm of KPMG R.G. Manabat & Co. (“RGM & Co.”) served as the Company’s external auditor for fiscal year 2024. Upon the endorsement of the Audit Committee, the Board of Directors approved at its meeting on March 5, 2025, the nomination for reappointment of RGM & Co. as external auditor of the Company for fiscal year 2025, for further approval of the stockholders at the ASM. Representatives of RGM & Co. are expected to be present at the stockholders’ meeting and will be available to respond to appropriate questions. They will have the opportunity to make a statement if they desire.

Fees billed for the services rendered by RGM & Co. to the Company in connection with the Company’s annual financial statements and other statutory and regulatory filings for 2024 amounted to about P1.43 million. Upon endorsement of the Audit Committee, the Board of Directors also approved at its meeting on March 5, 2025, the submission to the stockholders for ratification at the 2025 ASM, such audit fees billed by RGM & Co. No other services were rendered by RGM & Co. to the Company in 2024. The said 2024 audit fees of the external auditor were negotiated and agreed by management upon the authority of the Board.

Fees billed for the services rendered by RGM & Co. to the Company in connection with the Company’s annual financial statements and other statutory and regulatory filings amounted to about P1.35 million for the year 2023 and 2022, and P1 million for the year 2021.

Please also refer to the disclosure of fee information of RGM & Co. for its services to the Company and its subsidiaries as a Supplementary Schedule in the 2024 Audited Consolidated Financial Statements of the Company, in compliance with SEC Memorandum Circular No. 18, series of 2024.

While RGM & Co. has been the Company’s external auditor since the fiscal year 2018, the current signing partner, Ms. Maria Arlene C. Yu, oversaw the external audit of the Company’s financial affairs only beginning in the fiscal year 2024. She took over from Mr. Jose P. Javier, Jr., who was the Company’s signing partner for fiscal years 2020 to 2023. This is pursuant to the Company’s Amended Manual of Corporate Governance, which provides that Company’s external auditor shall be rotated or changed every five (5) years or earlier, or the signing partner of the auditing firm engaged by the Company shall be changed every five (5) years or earlier. RGM & Co. is also the external auditor of SMC. With a common external auditor, the consolidation of results of operations and account balances among the subsidiaries of SMC using a uniform audit approach was and will be facilitated.

Upon approval by the stockholders of the reappointment of RGM & Co. as external auditor of the Company for fiscal year 2025, RGM & Co. will present its proposed 2025 audit plan, including engagement deliverables, audit timetable, key risk areas and audit considerations, to the Audit Committee for approval at the next regular meeting of the Committee. The audit fees will depend on the approved plan. The Company will make the necessary disclosures on this matter in accordance with the applicable requirements.

There are no disagreements with the Company’s external auditor on accounting and financial disclosure.

Item 8. Compensation Plans

There is no action to be taken at the 2025 ASM with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

There is no action to be taken at the 2025 ASM with respect to the authorization or issuance of any securities otherwise than in exchange for outstanding securities of the Company.

Item 10. Modification or Exchange of Securities

There is no action to be taken at the 2025 ASM with respect to the modification of any class of securities of the Company, or the issuance or authorization of one class of securities of the Company in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

Brief Description of the General Nature and Business of the Company

San Miguel Food and Beverage, Inc., formerly San Miguel Pure Foods Company Inc. (the “Company” or “SMFB”), was incorporated in 1956 to engage primarily in the business of manufacturing and marketing of processed meat products. The Company, through its subsidiaries, later diversified into poultry and livestock operations, feeds and flour milling, dairy and coffee operations, franchising, and young animal ration manufacturing and distribution, and starting in the last quarter of 2013, grain terminal handling.

The Company has been listed on the PSE since 1973 and on the PDEX since 2020.

In early 2018, the Company amended its primary purpose and changed its corporate name to the present one to reflect its expansion into the alcoholic and non-alcoholic beverage business. The SEC approved the changes on March 23, 2018.

On June 29, 2018, the SEC approved the increase in authorized capital stock of the Company, by virtue of which the Company issued new common shares to its intermediate parent SMC in exchange for SMC’s common shares in SMB and GSMI, completing the consolidation of the food and beverage businesses of SMC under the Company.

As a result of the consolidation, the Company is now also engaged in the manufacture, sale, and distribution of alcoholic and non-alcoholic beverages.

The Company and its subsidiaries (collectively referred to as the “Group”) is a leading food and beverage company in the Philippines. The brands under which the Company produce, market, and sell its products are among the most recognizable and top-of-mind brands in the industry and hold market-leading positions in their respective categories. Key brands in the SMFB portfolio include *San Miguel Pale Pilsen*, *San Mig Light*, and *Red Horse* for beer, *Ginebra San Miguel* for gin, *Magnolia* for chicken, dairy, ice cream, flour mixes, and salad aids, *Monterey* for fresh and marinated meats, *Purefoods Tender Juicy* for hotdogs, *Purefoods* for other refrigerated, prepared and processed meats and canned meats, *Star* for non-refrigerated margarine and processed meats, *Dari Crème* for refrigerated margarine, *San Mig Super Coffee* for coffee, *B-MEG* for animal feeds, and *NutriChunks* and *AlphaPro* for dog food.

The Company has three primary operating segments—(i) Beer and non-alcoholic beverages (“NAB”), (ii) Spirits, and (iii) Food. The Beer and NAB segment and the Spirits segment comprise the beverage business. The Company operates its beverage business through SMB and its subsidiaries (collectively, SMB or the “Beer and NAB Segment”) and GSMI and its subsidiaries (collectively, GSMI or the “Spirits Segment”). The Food segment is managed through a number of other subsidiaries engaged in the food and animal feeds, pet care, and veterinary medicines businesses (the “Food Segment”), including San Miguel Foods, Inc., Magnolia Inc., The Purefoods-Hormel Company, Inc., San Miguel Mills,

Inc., and San Miguel Super Coffeemix Co., Inc. SMFB serves the Philippine archipelago through an extensive distribution and dealer network and exports its products to almost 70 markets worldwide.

Beer and NAB Segment

The Beer and NAB Segment is the largest producer of beer in terms of both sales and volume in the Philippines, offering a wide array of beer products across various segments and markets. Top beer brands in the Philippines include *San Miguel Pale Pilsen*, *Red Horse*, *San Mig Light*, and *Gold Eagle*. Its flagship brand, *San Miguel Pale Pilsen*, has a history of over 130 years and was first produced by *La Fabrica de Cerveza de San Miguel*, which started as a single brewery producing a single product in 1890 and has evolved through the years to become the diversified conglomerate that is SMC. The Beer and NAB Segment also produces NAB such as ready-to-drink tea, ready-to-drink juice, and carbonates.

In 2009, Kirin Holdings Company, Limited (“Kirin”) acquired a 48.39% shareholding in SMB, of which 43.249% was acquired from SMC and the remaining 5.141% by virtue of a mandatory tender offer and purchase from public shareholders. SMC retained majority ownership of SMB with a shareholding of 51.0%. In connection with Kirin’s investment in SMB, Kirin and SMC entered into a shareholders’ agreement providing for, among others, corporate governance and approvals, cooperation in the conduct of the business, restrictions on the transfer of SMB shares, and other customary arrangements. SMFB adhered to the shareholders’ agreement with Kirin and agreed to be bound by the same terms and conditions as a party to the said shareholders’ agreement. As of December 31, 2024, SMFB owns 51.16% and Kirin owns 48.54% of SMB.

In 2015, SMB acquired the NAB business from GSMI, which acquisition included property, plant and equipment, finished goods, and inventories, such as containers on hand, packaging materials, goods-in-process, and raw materials used in the NAB business. The acquisition is in line with the multi-beverage strategy of SMB that seeks to expand its product portfolio in the NAB market, among others. This transfer will also benefit from SMB’s Returnable Glass Bottle system, strong distribution network, and competitive positioning.

Spirits Segment

The Spirits Segment is the leading spirits producer in the Philippines and the largest gin producer internationally by volume. It is the market leader in gin and Chinese wine in the Philippines. GSMI produces some of the most recognizable spirits in the Philippine market, including gin, Chinese wine, brandy, vodka, rum, and other spirits. GSMI traces its roots to a family-owned Spanish era distillery that introduced the *Ginebra San Miguel* brand in 1834. The distillery was then acquired by La Tondeña Incorporada in 1924, and thereafter by SMC in 1987 to form La Tondeña Distillers, Inc. In 2003, the company was renamed Ginebra San Miguel Inc. in honor of the pioneering gin brand.

GSMI is a public company listed on the PSE under the stock symbol “GSMI”. On December 1, 2020, GSMI’s Board of Directors approved the redemption and payment of 32,786,885 preferred shares held by SMC in GSMI, on January 4, 2021. The said redemption resulted in the increase of SMFB’s ownership in GSMI from 67.99% to 75.78% as of December 31, 2021.

Food Segment

The Food Segment holds market-leading positions in many key food product categories in the Philippines and offers a broad range of high-quality food products and services to household, institutional, and foodservice customers. The Food Segment has some of the most recognizable brands in the Philippine food industry, including *Magnolia* for chicken, dairy, ice cream, flour mixes, and salad aids, *Timplados* for ready-to-cook chicken products, *Monterey* for fresh and marinated meats, *Purefoods Tender Juicy* for hotdogs, *Purefoods* for other refrigerated processed meats, canned meats, ready-to-eat cooked meals, and seafood line, *Veega* for plant-based protein food products, *Star* for non-refrigerated margarine and processed meats, *Dari Crème* for refrigerated margarine, *San Mig Super Coffee* for coffee, *B-MEG* for animal feeds, and *NutriChunks* and *AlphaPro* for dog food and other pet care products.

The breadth of the Food Segment ranges from branded value-added refrigerated meats and canned meats, ready-to-eat cooked meals, seafood, plant-based protein, butter, margarine, cheese, milk, ice cream, salad aids, flour mixes, and coffee products (collectively “Prepared and Packaged Food”) to integrated feeds, pet care, and veterinary medicines (“Animal

Nutrition and Health”), poultry and fresh meats (“Protein”), as well as flour milling, grain terminal handling, foodservice, and international operations (“Others”).

Products and Brands

Beer and NAB Segment

SMB’s product portfolio has grown over the years from a single product produced in a single brewery in 1890.

SMB markets its beer under the following brands: *San Miguel Pale Pilsen*, which is SMB’s flagship brand, *Red Horse*, *Red Horse Super*, *San Mig Light*, *San Miguel Flavored Beer*, *San Miguel Super Dry*, *San Miguel Premium All-Malt*, *San Miguel Cerveza Negra*, *San Miguel Cerveza Blanca*, *San Mig Zero*, and *Gold Eagle*. SMB also produces *San Mig Free*, an alcohol-free, non-fermented beverage with no added caloric and non-caloric sweeteners, as well as *San Mig Hard Seltzer*, an easy-to-drink alcoholic beverage made from sparkling water with alcohol in citrus mix flavor. Further, SMB exclusively distributes *Kirin Ichiban* in the Philippines.

In 2024, SMB launched the limited-edition *San Miguel Chocolate Lager*, a full-bodied dark beer with a rich dark chocolate taste, subtle caramel notes, and topped with a creamy head that brings out a delectable roasted malt aroma.

For the NAB business, SMB’s portfolio includes *Magnolia Cali*, a sparkling non-alcoholic drink, *Magnolia Healthtea* (ready-to-drink tea), *Magnolia Fruit Drink* (ready-to-drink juice), and *Magnolia Flavored Water* (still flavored water).

San Miguel Brewing International Limited (“SMBIL”) and its subsidiaries (the “SMBIL Group”) also offer the *San Miguel Pale Pilsen* and *San Mig Light* brands in Hong Kong, China, Thailand, Vietnam, Indonesia, and most export markets, *Red Horse* in Thailand, China, Hong Kong, Vietnam, and selected export markets, as well as *Red Horse Super* in key African export markets, in addition to locally available brands: *Valor* and *Blue Ice* (Hong Kong), *Dragon* (South China), *W1N Bia* (Vietnam), and *Anker* and *Kuda Putih* (Indonesia).

The SMBIL Group likewise sells a portfolio of specialty beers including *San Mig Zero* in Thailand and United Arab Emirates, *San Miguel Flavored Beer* in Vietnam, Taiwan, Japan, United Arab Emirates, and the United States, *San Miguel Cerveza Negra* in Hong Kong, China, Vietnam, Indonesia, Thailand, United States, South Korea, and Taiwan, as well as *San Miguel Cerveza Blanca* in Hong Kong, Thailand, Vietnam, Indonesia, South Korea, Singapore, and Taiwan.

Meanwhile, as part of its NAB portfolio, SMBIL carries *San Miguel NAB* and *San Miguel Flavored NAB* in Korea and Saudi Arabia.

Spirits Segment

GSMI has a diverse product portfolio that caters to the varied preference of the local market. Core brands *Ginebra San Miguel*, *GSM Blue*, and *Vino Kulafu*, the leading brands in the gin and Chinese wine categories, accounted for 99% of GSMI’s total revenues. The other products that complete the liquor business of GSMI comprise about 1% of its total revenues. These products are available nationwide while some are exclusively exported to select countries.

GSMI exports products to markets with high concentration of Filipino communities such as the United Arab Emirates, Taiwan, India, Cayman Islands, New Zealand, Canada, Japan, Australia, Hong Kong, Saipan, Macau, and the United States of America. When there is demand, GSMI also produces *Tondeña Manila Rum* that is for export only.

With the onset of the COVID-19 pandemic in early March 2020, GSMI pivoted its production facilities to produce disinfecting 70% ethyl alcohol and donated over 1.3 million liters of such disinfectant alcohol around the country. In the third quarter of 2020, GSMI commercially launched *San Miguel Ethyl Alcohol* to provide supply of disinfectant alcohol in the local market as well as help stabilize the price.

Food Segment

The Food Segment produces a wide range of food products. Its brand portfolio includes some of the most recognizable and well-regarded brands in the Philippines, such as *Magnolia*, *Monterey*, *Purefoods*, *Purefoods Tender Juicy*, *Star*, *Dari Crème*, *San Mig Super Coffee*, and *B-MEG*.

The discussion below presents the key operating subsidiaries, products, brands, and services for each of the primary businesses of the Food Segment: Prepared and Packaged Food, Animal Nutrition and Health, Protein, and Others.

Prepared and Packaged Food

The Prepared and Packaged Food business includes refrigerated meats, canned meats, ready-to-eat meals, dairy, ice cream, spreads, salad aids, and coffee.

The major operating subsidiaries for the Prepared and Packaged Food business are The Purefoods-Hormel Company, Inc. (“PHC”), Magnolia Inc. (“Magnolia”), and San Miguel Super Coffeemix Co., Inc. (“SMSCCI”). PHC, a 60:40 joint venture with Hormel Netherlands, B.V., produces and markets value-added refrigerated processed meats and canned meat products. The joint venture agreement, which was entered into in 1998, sets out the parties’ agreement as shareholders of PHC, including, among others, provisions on technical assistance and sharing of know-how, the use of trademarks, fundamental matters requiring shareholder or Board of Directors’ approval, exclusivity covenants, and restrictions on the transfer of PHC shares.

Value-added refrigerated meats include hotdogs, nuggets, bacon, hams, and other ready-to-eat meals and meat free products, which are sold under the brand names *Purefoods*, *Purefoods Tender Juicy*, *Star*, *Higante*, *Purefoods Beefies*, *Vida*, *Purefoods Nuggets*, *Purefoods Ready-to-Eat*, and *Veega*. Canned meats, such as corned beef, luncheon meats, sausages, sauces, meat spreads, and ready-to-eat viands, are sold under the *Purefoods*, *Star*, and *Ulam King* brands.

The dairy and spreads business, primarily operated through Magnolia, manufactures and markets a variety of bread spreads, milk, ice cream, salad aids, and flour mixes. Bread spreads include butter, refrigerated and non-refrigerated margarine, and cheese sold primarily under the *Magnolia*, *Dari Crème*, *Star* and *Cheezee*, *Quickmelt*, *Daily Quezo*, and *Buttercup* brands. Dairy products under the *Magnolia* brand include ready-to-drink *Magnolia Pure Fresh Milk* and *Chocolait*, *Gold Label* ice cream, and all-purpose cream. Flour mixes and salad aids like mayonnaise, sandwich spreads, and dressings, are likewise marketed and sold under the *Magnolia* brand. The margarine brands, *Star* and *Dari Crème*, established in 1931 and 1959 respectively, were acquired in the 1990s. Magnolia previously marketed jelly-based snacks under the *JellyYace* brand, until said trademark and other trademarks used in the jelly-based snacks business were divested in May 2021. Moreover, Magnolia also used to manufacture and sell biscuits under the *La Pacita* brand until it ceased operations at its manufacturing facility in October 2021. The *La Pacita* brand and other trademarks used in the biscuits business were divested in March 2023.

The coffee business under SMSCCI is a 70:30 joint venture between SMFB and a Singaporean partner, Jacobs Douwe Egberts RTL SCC SG Pte. Ltd., formerly Super Coffee Corporation Pte. Ltd. SMSCCI imports, packages, markets, and distributes coffee mixes and coffee-related products in the Philippines.

Animal Nutrition and Health

The Animal Nutrition and Health business produces integrated feeds, pet care products, and veterinary medicines.

The operating subsidiary for the Animal Nutrition and Health business is San Miguel Foods, Inc. (“SMFI”). Commercial feed products include hog feeds, layer feeds, broiler feeds, gamefowl feeds, free range feeds, duck feeds, aquatic feeds, quail feeds, branded feed concentrates, and specialty and customized feeds. These feeds are marketed and sold under various brands such as *B-MEG*, *B-MEG Premium*, *B-MEG Expert*, *B-MEG Bonanza*, *B-MEG Mega Mash*, *Jumbo*, *B-MEG Integra*, *B-MEG Powermaxx*, *B-MEG Essential*, and *Pureblend*. SMFI likewise markets and sells dog food under the *Nutri Chunks* and *AlphaPro* brands, and cat food under the *Majesty* brand. Other dog treats and supplements are also marketed under *NutriChunks*. Further, SMFI sells various veterinary medicines and preparations under *San Miguel Animal Health Care*.

Protein

SMFI is also the operating subsidiary for the Protein business, which sells poultry and fresh meats products.

The poultry business operates a vertically-integrated production process that spans from broiler breeding to producing and marketing chicken products, primarily for retail. Its broad range of chicken products is sold under the *Magnolia* brand, which includes fresh-chilled or frozen whole and cut-up products. A wide variety of fresh and easy-to-cook products, such as those under the brand *Magnolia Chicken Timplados*, are sold in supermarkets, *Manukang Bayan*, wet markets, and through community sellers. The poultry business also sells customized products to foodservice and export clients, supplies supermarket house brands, serves chicken products to wet markets through distributors, and sells live chickens to dealers.

The fresh meats business breeds, grows, and processes hogs and trades beef and pork products. Its operations include breeding, growing, and slaughtering live hogs and processing beef and pork carcasses into primal and sub-primal meat cuts. These specialty cuts and marinated products are sold in neighborhood and supermarket meat shops under the well-recognized *Monterey* brand name.

Others

Flour milling, the manufacture and marketing of premixes and baking ingredients, foodservice, and international operations, are categorized under Others. The bulk of this segment is accounted for by the Company's flour milling business and grain terminal operation.

The flour milling business operates under San Miguel Mills, Inc. ("SMMI"). SMMI owns Golden Bay Grain Terminal Corporation, which provides grain handling services (e.g. unloading, storage, bagging, and outloading) to clients, and Golden Avenue Corp., which holds investments in real properties.

The flour milling business offers a variety of flour products that includes bread flour, noodle flour, biscuit and cracker flour, all-purpose flour, cake flour, whole wheat flour, customized flour, and flour premixes, such as pancake mix, cake mix, brownie mix, *pan de sal* mix, and *puto* (or rice cake) mix. The business pioneered the development of customized flours for specific applications, such as noodles and *pan de sal*, a soft bread commonly eaten in the Philippines for breakfast. Flour products are sold under brand names which enjoy strong brand loyalty among its institutional clients and other intermediaries, such as bakeries and biscuit and noodle manufacturers.

The Food Segment currently has operations in Vietnam. San Miguel Foods Investment (BVI) Limited, which operates San Miguel Pure Foods (Vn) Co., Ltd. in Vietnam, is a wholly-owned subsidiary of San Miguel Foods International, Limited. It is in the business of production and marketing of processed meats which are sold under the *Le Gourmet* brand. The Company also holds a 75% stake in PT San Miguel Foods Indonesia (formerly PT Pure Foods Suba Indah), which is a joint venture with PT Hero Intiputra of Indonesia. PT San Miguel Foods Indonesia was engaged in the production and sale of processed meats sold under the *Farmhouse* and *Vida* brands, until it ceased operations on October 31, 2021.

Great Food Solutions ("GFS"), a group under SMFI, is the foodservice selling arm of the Prepared and Packaged Food and flour milling businesses primarily catering to key foodservice chain accounts. These include quick service restaurants, convenience stores, pizza chains, and bakeshops. GFS markets and sells foodservice formats of the value-added meats, dairy, spreads, coffee, and flour businesses. For smaller foodservice accounts, the subsidiaries under the Prepared and Packaged Food business, through San Miguel Integrated Sales, engage third-party distributors for the selling and distribution of their products.

Financial Statements

The Audited Consolidated Financial Statements of San Miguel Food and Beverage, Inc. (also referred to in said financial statements as the "Parent Company") and its Subsidiaries (collectively referred to as the "Group") as of and for the year ended December 31, 2024, are attached hereto as **Annex "B"**.

The additional components of the financial statements required by the SEC under SRC Rule 68, as amended, are attached to this Information Statement as follows:

- (a) Schedule of indicators of financial soundness (**page 18 of Annex “C”**)
- (b) Reconciliation of Retained Earnings Available for Dividend Declaration (**Annex “D-1”**)
- (c) Map of the group of companies within which the Parent Company belongs (**Annex “D-2”**)

Management’s Discussion and Analysis or Plan of Operation

Management’s Discussion and Analysis or Plan of Operation of the Company and its Subsidiaries as of and for the year ended December 31, 2024, is attached hereto as **Annex “C”**.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There is no action to be taken at the 2025 ASM with respect to any transaction involving mergers, consolidations, acquisitions, and similar matters.

Item 13. Acquisition or Disposition of Property

There is no action to be taken at the 2025 ASM with respect to the acquisition or disposition of any property.

Item 14. Restatement of Accounts

There is no action to be taken at the 2025 ASM with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The approval of the following will be considered and acted upon at the meeting:

1. Management Report and Audited Consolidated Financial Statements of the Company and its subsidiaries as of and for the year ended December 31, 2024;
2. Minutes of the ASM held on June 5, 2024, with the following items as covered by the appropriate resolutions duly adopted during the meeting:
 - a) Approval of the Minutes of the ASM held on June 7, 2023

- b) Presentation of the Annual Report and Approval of the 2023 Audited Financial Statements
- c) Ratification of Acts and Proceedings of the Board of Directors and Corporate Officers
- d) Approval of the Amendments to the Articles of Incorporation
- e) Appointment of External Auditor for 2024 and Ratification of External Auditor Fees
- f) Election of the Board of Directors

A copy of the draft minutes of the ASM held on June 5, 2024 is attached hereto as **Annex “E”** and is available for viewing in the Company’s website at the following link: [https://www.smfb.com.ph/files/reports/DRAFT_Minutes_of_the_SMFB_Annual_Stockholders_meeting_held_on_June_5_2024_v3_\(with_footnote_per_SEC_MC_No._11,_s_.2024\).pdf](https://www.smfb.com.ph/files/reports/DRAFT_Minutes_of_the_SMFB_Annual_Stockholders_meeting_held_on_June_5_2024_v3_(with_footnote_per_SEC_MC_No._11,_s_.2024).pdf). The minutes provide: (1) a description of the voting and vote tabulation procedures used in the meeting in pages 2-3; (2) the questions submitted by stockholders and the responses given by the Company in page 4; (3) the matters discussed and resolutions reached in pages 3-9; (4) a record of the voting results for each agenda item in page 9 and Annex “B” to the minutes; and (5) a list of the directors, officers and stockholders or members who attended the meeting via livestream in page 1 and Annex “A” to the minutes.

3. Ratification of all acts of the Board of Directors and Officers since the 2024 ASM, including the following, as covered by the appropriate resolutions duly adopted during Board meetings and/or disclosed to the SEC, the PSE, and the PDEx and posted on the Company’s website⁹:
 - a) Appointment of officers, members of the Board Committees, and lead independent director¹⁰
 - b) Filing of the Company’s Quarterly Reports with the SEC, the PSE, and the PDEx¹¹

⁹ Copies of SEC Form 17-Cs reporting on these matters are available for viewing in the Company’s website at the following link: http://smfb.com.ph/company-disclosures_17C-1.html.

¹⁰ At the organizational meeting of the Board of Directors held on June 5, 2024, the Board elected the following officer positions: Chairman, President and Chief Executive Officer; Chief Operating Officer for Food; Chief Operating Officer for Beer; Chief Operating Officer for Spirits; Treasurer; Vice President, Chief Finance Officer and Chief Strategy Officer; Assistant Vice President, Investor Relations Manager and Data Protection Officer; Internal Audit Head of the Company and its Food Division; Compliance Officer, Corporate Secretary and General Counsel of the Company’s Food Division; and Assistant Corporate Secretary. At the same meeting, the Board also appointed the members of the Executive Committee, Audit Committee, Related Party Transactions Committee, Board Risk Oversight Committee and Sustainability Committee, and Corporate Governance Committee. Further, Mr. Cirilo P. Noel was appointed as Lead Independent Director of the Company.

At the regular meeting on November 6, 2024, the Board appointed a new Chief Operating Officer for Spirits to serve the unexpired term of her predecessor.

At the special meeting of the Board of Directors held on February 5, 2025, the Board appointed a new Chief Operating Officer for Food and Chief Finance Officer to serve the unexpired terms of their predecessors.

¹¹ At the regular meetings of the Board of Directors held on May 8, August 7, and November 6, 2024, upon endorsement of the Audit Committee, the Board approved the submission to the SEC, the PSE, and the PDEx of the Quarterly Reports of the Company (or SEC Form 17-Q).

- c) Approval of the external auditor's 2024 Audit Plan and fees negotiated by Management¹²
- d) Declaration of cash dividends¹³
- e) Approval of (i) Audited Consolidated Financial Statements as at and for the year ended December 31, 2024 (the "2024 Audited Financial Statements"); (ii) Annual Report for filing with the SEC, the PSE, and the PDEx (including the 2024 Audited Financial Statements and the 2024 Sustainability Report); (iii) 2025 Consolidated Internal Audit Plan and Consolidated Outsourcing Plan of the Internal Audit Group; (iv) updated Internal Audit Charter; (v) Quality Assurance and Improvement Program External Assessment Activity; and (vi) appointment of KPMG R.G. Manabat & Co. for non-audit services and limited assurance engagements in 2025¹⁴
- f) Approval of the holding of the 2025 ASM of the Company through remote communication¹⁵

A hard copy of the minutes of the 2024 ASM, as well as resolutions of the Board of Directors from the date of the 2024 ASM, will be available for examination during office hours at the office of the Corporate Secretary.

Item 16. Matters Not Required to be Submitted

There is no action to be taken at the 2025 ASM with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17. Amendment of Charter, By-laws or Other Documents

There is no action to be taken at the 2025 ASM with respect to any amendment of the Articles of Incorporation or By-laws of the Company.

¹² *At the regular meeting of the Board of Directors held on August 7, 2024, upon the endorsement of the Audit Committee, the Board approved the external auditor's 2024 Audit Plan for the Company and its subsidiaries. Further, the Board authorized management to negotiate and agree on the audit fees payable to the external auditor based on the approved Audit Plan.*

¹³ *At the regular meetings of the Board of Directors on May 8, August 7, and November 6, 2024, and the special meeting of the Board on February 5, 2025, the Board of Directors approved the declaration of cash dividends to the holders of its common shares.*

¹⁴ *At the meeting of the Board of Directors held on March 5, 2025, upon the endorsement of the Audit Committee, the Board approved (1) the submission to the SEC, the PSE, and the PDEx of the Annual Report of the Company (or SEC Form 17-A), including the 2024 Audited Financial Statements and the 2024 Sustainability Report as prescribed under SEC Memorandum Circular No. 4, series of 2019; (2) the Company's 2025 Consolidated Audit Plan and Consolidated Outsourcing Plan of the Internal Audit Group; (3) the Company's updated Internal Audit Charter; (v) the Quality Assurance and Improvement Program External Assessment Activity; and (vi) the appointment of KPMG R.G. Manabat & Co. for non-audit services and limited assurance engagements in 2025 as required by applicable law and regulations, subject to terms determined by management.*

¹⁵ *At the meeting of the Board of Directors held on March 5, 2025, the Board approved the virtual holding of the ASM of the Company on June 4, 2025, Wednesday, 2:00 p.m., where stockholders may attend and vote through remote communication. Management was authorized to determine the mechanics to implement such mode of voting, in accordance with any rules the SEC and PSE may issue on this subject.*

Item 18. Other Proposed Action

There is no action to be taken at the 2025 ASM with respect to any matter not specifically referred to above.

Item 19. Voting and Vote Tabulation Procedures

Approval of the Minutes of the Annual Stockholders' Meeting held on June 5, 2024

The affirmative vote of stockholders holding majority of the common shares cast by ballot or by proxy at the meeting is necessary for the approval of the minutes of the 2024 ASM of the Company.

Presentation of the Annual Report and Approval of the 2024 Audited Financial Statements

The affirmative vote of stockholders holding majority of the common shares cast by ballot or by proxy at the meeting is necessary for the approval of the annual report and 2024 audited consolidated financial statements, as presented.

Ratification of Acts and Proceedings of the Board of Directors and Corporate Officers

The affirmative vote of stockholders holding majority of the common shares cast by ballot or by proxy at the meeting is necessary for the ratification of acts and proceedings of the Board of Directors and corporate officers of the Company from the 2024 ASM on June 5, 2024, until the 2025 ASM on June 4, 2025.

Appointment of External Auditor for 2025

The affirmative vote of stockholders holding majority of the common shares cast by ballot or by proxy at the meeting is necessary for the reappointment of RGM & Co. as external auditor of the Company for fiscal year 2025.

Ratification of External Auditor Fees for 2024

The affirmative vote of stockholders holding majority of the common shares cast by ballot or by proxy at the meeting is necessary for the ratification of audit fees billed by RGM & Co. to the Company for 2024 in the amount of about P1.43 million.

Election of the Board of Directors

For the election of directors, the fifteen (15) nominees with the greatest number of votes will be elected directors.

In this regard, each common stockholder may choose to do any of the following:

1. Vote such number of his/her shares for as many person(s) as there are directors to be elected;
2. Cumulate such shares and give one candidate as many votes as the number of shares to be elected, multiplied by the number of his/her shares; or
3. Distribute his/her shares on the same principle as option (2) above among as many candidates as he/she shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him/her multiplied by the whole number of directors to be elected.

Method of Voting

The method of voting for all the proposals or matters submitted to a vote at the meeting will be by ballot or by proxy submitted not later than May 21, 2025. A sample of a ballot/proxy is included in this Information Statement and is available for download from the Company's website at <http://www.smfb.com.ph/disclosures//notice-of-annual-and-special-stockholders--meetings>. For an individual, his/her ballot or proxy must be accompanied by a valid government-issued ID with a photo. For a corporation, its proxy must be accompanied by its Corporate Secretary's certification setting the representative's authority to represent the corporation in the meeting. Proxies need not be notarized. Copies of accomplished ballots and proxies may be sent in advance through email at smfbasm@sanmiguel.com.ph, but in any case, the original documents, including Secretary's Certificates, if applicable, must be received by the office of SMC Stock Transfer Service Corporation at the 2nd Floor, SMC Head Office Complex, 40 San Miguel Avenue, Mandaluyong City 1550, not later than May 26, 2025. Validation of proxies will be on May 28, 2025, at 10:00 a.m. at the above office of SMC Stock Transfer Service Corporation.

The Corporate Secretary and Assistant Corporate Secretary, with the assistance of SMC Stock Transfer Service Corporation, the Company's stock transfer agent, as well as the Company's independent external auditor, shall count and tabulate all votes cast during the meeting. The method of counting the votes shall be in accordance with the general provisions of the Revised Corporation Code.

In all proposals or matters for approval except for election of directors, each share of stock entitles its registered owner (who is entitled to vote on such matter) to one vote.

Other than the nominees for election as directors, no director, executive officer, nominee, or associate of the nominees has any substantial interest, direct or indirect by security holdings or otherwise, in any way, of the matters to be taken up during the meeting. The Company has not received any information that an officer, director or stockholder intends to oppose any action to be taken at the 2025 ASM.

Compliance with Leading Practices on Corporate Governance

The evaluation by the Company to measure and determine the level of compliance of the Board of Directors and top-level management with its Amended Manual on Corporate Governance (the "Manual") is vested by the Board of Directors in the Compliance Officer. The Compliance Officer is mandated to monitor compliance by all concerned with the provisions and requirements of the Manual. Compliance by the Board of Directors and top-level management with the Manual is evaluated based on their compliance with the policies and procedures of the Company specifically adopted for good corporate governance.

In compliance with the requirement of the SEC, the directors and key officers of the Company regularly attend a training or program on corporate governance at least once a year. In 2024, they attended seminars conducted by SEC-accredited providers, including but not limited to Risks, Opportunities, Assessment and Management, Inc. (ROAM), Center for Global Best Practices, and SGV & Co.

During the four-hour seminar conducted by SGV & Co. on September 6, 2024, which was also attended by the Company's internal audit group head, the participants were given an overview of corporate governance principles. The participants were briefed on the possible benefits of using blockchain and the adoption of new technologies to prevent or minimize cybersecurity threats. The Company's directors and key officers were also informed about the importance of implementing Business Continuity Management (BCM) and/or Operational Resilience processes to ensure that it can effectively respond to threats or disruptions that can affect the Company's operations. Below are the corporate governance training courses attended by the members of the Board of Directors and key officers:

Date	Provider	Attendees
July 26, 2024	BDO Unibank, Inc.	Estela M. Perlas-Bernabe
September 6, 2024	SGV & Co.	Menardo R. Jimenez Francis H. Jardeleza Ricardo C. Marquez Cirilo P. Noel Antonio S. Abacan, Jr. Alexandra Victoria B. Trillana Ma. Celeste L. Ramos Ildefonso B. Alindogan Kristina Lowella I. Garcia Johanna Dominique G. Esteban
September 26, 2024	SGV & Co.	Aurora T. Calderon Ferdinand K. Constantino Virgilio S. Jacinto
October 25, 2024	Risks, Opportunities, Assessment and Management (ROAM), Inc.	Francisco S. Alejo III Emmanuel B. Macalalag Ferdinand K. Constantino Aurora S. Lagman Cynthia M. Baroy
November 15, 2024	Center for Global Best Practices	Ramon S. Ang John Paul L. Ang Ferdinand K. Constantino Monica L. Ang-Mercado
December 6, 2024	Center for Global Best Practices	Carlos Antonio M. Berba Ferdinand K. Constantino

The Company's orientation program for new or first-time directors, wherein such directors are given an overview of the Company, including the Company's history, business, the industry and categories it participates in, product portfolio, brands, corporate structure, its Amended Articles of Incorporation and By-laws (including the Company's ASM and Board meeting schedules), operations and plans of its businesses, financial performance, core value, vision and strategic thrusts, Board Committees, key management, and other relevant matters necessary and desirable to enable the new director to contribute effectively in Board meetings and faithfully fulfill his duties and responsibilities to the Company, ensures meaningful discussion and participation of the Board in the governance of the Company. Copies of the Company's Manual on Corporate Governance, Charter of the Board of Directors, Code of Business Conduct and Ethics, Cash Dividend Policy, Policy on Securities Dealing, Conflict of Interest Policy, Related Party Transactions Policy, Personal Data Privacy Policy, Whistle-Blowing Policy, Group Policy on Solicitation or Acceptance of Gifts, Board Diversity Policy, and other policies that may have been recently adopted as of the date of the briefing, are also provided to the new directors, for their guidance. In this regard, a new director orientation briefing was conducted on October 25, 2022, for Justice Estela M. Perlas-Bernabe who was elected to the Board of Directors on August 3, 2022. There was no new first-time director elected to the Company's Board of Directors in 2023 and 2024.

Based on the foregoing, the Company certifies that, for 2024, its Board of Directors and top-level management have complied with the provisions of the Manual.

To aid the Board of Directors in complying with the principles of good corporate governance, the Board of Directors constituted the Executive, Audit, Corporate Governance (CG), Related Party Transactions (RPT) and Board Risk Oversight and Sustainability (BROS) Committees, which Committees include the required number of independent directors as members in accordance with SEC regulations. The Audit Committee adopted its own Charter in 2012, while the CG, RPT and Board Risk Oversight (BRO) Committees each adopted their own Charter in August 2017. On August 2, 2023, the Board of Directors approved the creation of the BROS Committee in place of the previous BRO Committee.

The new Committee was tasked to assist the Board in determining sustainable development policies, directions, and strategies and in fulfilling its oversight responsibilities in relation to the Company's sustainability efforts and initiatives, as well as risk management systems. On November 7, 2023, the newly constituted BROS Committee adopted its Charter in place of the Charter of the BRO Committee. The Charters set out the respective Committee's role, authority, duties and responsibilities, and the procedure which guides the conduct of its functions.

The Company's Manual on Corporate Governance was approved by the Board of Directors on August 16, 2002, and was amended several times since then to comply with SEC Memorandum Circulars subsequently issued, including the new Code of Corporate Governance for Publicly-Listed Companies, which took effect on January 1, 2017.

On May 29, 2018, the Company submitted its first Integrated Annual Corporate Governance Report (I-ACGR) in accordance with SEC Memorandum Circular No. 17, series of 2017. Since then, the Company has been submitting and will continue to submit its I-ACGR within the prescribed period.

On August 7, 2019, upon the endorsement of the CG Committee, the Board approved the Charter of the Board of Directors of the Company, which formalizes and clearly states the roles, responsibilities, and accountabilities of the directors in carrying out their fiduciary role.

On November 6, 2019, the Board of Directors approved further amendments to the Manual to clarify that the internal audit function of the Company shall be carried out by three separate and independent Internal Audit Groups, in view of the magnitude of the Company's operations following the consolidation of the food and beverage businesses of SMC under the Company.

On August 5, 2020, upon endorsement of the CG Committee, the Board of Directors approved self-assessment forms for the members of the CG Committee, BRO Committee and RPT Committee to accomplish at the end of the year, on an annual basis. On November 8, 2023, upon endorsement of the newly constituted BROS Committee, the Board approved the updated self-assessment form for the members of the said new Committee to accomplish annually. The forms are in addition to the self-assessment form for the members of the Audit Committee to accomplish as previously approved by the Board. All the forms were prepared in accordance with the Charters of the said Committees. The results of the assessment will be the basis of the formulation of objectives and plans to improve the Committees' performance, including any recommendations for amendments to the Committees' Charters.

For the year 2021, the Company engaged GGAPP, an organization of governance, ethics and compliance professionals, to conduct the 2021 annual performance assessment of the Board and key officers of the Company. GGAPP sent each of the directors a Board Evaluation Form, which is divided into five (5) sections or criteria, namely, the Collective Board Rating, Board Committees, Individual Director's Self-Rating, Officers' Rating, and the Overall Comments and Suggestions, with an explanation of the rating process. The accomplished Evaluation Forms were received by GGAPP on December 10, 2021.

In the early part of 2022, upon the endorsement of the CG Committee, the Board approved at its meeting on March 9, 2022, the Charter of the Executive Committee of the Company, which sets out the purpose, membership and qualifications, authority, duties, and responsibilities of the Executive Committee, and the procedures that will guide the conduct of its functions. The Board also approved at said meeting a Policy on Board Diversity, in compliance with Recommendation 1.4 of the SEC Code of Corporate Governance for Publicly-Listed Companies. Under the Policy, the selection process of candidates for director shall be based on merit and an objective criteria that are aligned with the strategic requirements of the Company. Competent and qualified nominees shall not be discriminated against by reason of gender, age, religion, cultural and educational background, or ethnicity.

On August 2, 2023, upon further endorsement of the CG Committee, the Board of Directors approved amendments to the existing Board Diversity Policy to incorporate relevant Environmental, Social, and Governance principles and enhance compliance by the SMC Group of Companies with various Sustainability Reporting Standards. The Board was also informed of the new policies adopted by the SMC Group for the same purpose, including the Code of Conduct and Ethical Business Policy that applies to SMC Group directors, officers, and employees.

In 2024, GGAPP was again engaged by the Company to conduct the 2024 annual performance assessment. GGAPP sent each of the directors a Board Evaluation Form, which was divided into four (4) sections or criteria, namely, the Collective Board Rating, Board Committees, Individual Director's Self-Rating, and Officers' Rating, with an explanation of the rating process. The accomplished Evaluation Forms were received by GGAPP on or before December 6, 2024. It will repeat this process in 2027, and every three (3) years thereafter, in compliance with Recommendation 6.1 of the SEC Code of Corporate Governance for Publicly-Listed Companies, as well as Section 7.1 of the Manual, which both provide that the Board assessment should be supported by an independent third-party facilitator every three (3) years.

Pursuant to its commitment to good governance and business practice, the Company continues to review and strengthen its policies and procedures in order to ensure that such policies and procedures are consistent with leading practices on good corporate governance, giving due consideration to developments in the area of corporate governance, which it determines to be in the best interests of the Company and its stockholders. In this regard, the Company has been regularly recognized as one of the top performing corporate governance practitioners in the country since 2010. From 2019 to 2023, the Company was among the recipients of "The Golden Arrow Awards", which is a part of the ASEAN Corporate Governance Scorecard ("ACGS") Program. This is given to companies who have achieved a score of at least 80 points in the ACGS thus showing above and beyond compliance with the Philippines' Code of Corporate Governance for Publicly-Listed Companies.

[Undertaking in following page.]

UNDERTAKING

The Company will post the full version of this SEC Form 20-IS (Definitive Information Statement), together with all its annexes including (a) the 2024 audited consolidated financial statements of the Group, and (b) the first quarter of 2025 interim unaudited consolidated financial statements of the Group attached hereto as **Annex "F"**, on the company website at the link: <http://www.smfb.com.ph/disclosures/l/information-statements--sec-form-20-is-> upon its submission to the SEC.

The Company will likewise post its first quarter of 2025 interim unaudited consolidated financial statements of the Group on SEC Form 17-Q (the "Q1 2025 SEC Form 17-Q") on the company website at the link: <http://www.smfb.com.ph/disclosures/l/quarterly-reports--sec-form-17-q-> not later than May 15, 2025.

Upon the written request of a stockholder and when circumstances permit, the Company undertakes to furnish such stockholders with a copy of this Definitive Information Statement, Q1 2025 SEC Form 17-Q, and/or its Annual Report for the year ended December 31, 2024, on SEC Form 17-A, free of charge. Such a written request shall be directed to:

SMC Stock Transfer Service Corporation
2/F, San Miguel Corporation
No. 40 San Miguel Avenue, Mandaluyong City 1550
Metro Manila, Philippines

SIGNATURE

After a reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig on May 7, 2025.

SAN MIGUEL FOOD AND BEVERAGE, INC.

By:


ALEXANDRA VICTORIA B. TRILLANA
Corporate Secretary

COVER SHEET

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S. E. C. Registration Number

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(Company's Full Name)

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	P	A	S	I	G		C	I	T	Y		1	6	0	4				

	M	E	T	R	O		M	A	N	I	L	A							

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

ALEXANDRA B. TRILLANA

Contact Person

(632) 5317-5450

Company Telephone Number

Month

Day

CERTIFICATION OF
INDEPENDENT DIRECTOR

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier-----
STAMPS-----
Remarks = pls. Use black ink for scanning purposes

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RICARDO C. MARQUEZ**, Filipino, of legal age and a resident of 14 R. Kangleon St., Phase 4, AFPOVAI, Fort Bonifacio, Taguig City, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of **San Miguel Food and Beverage, Inc.** and have been its Independent director since March 16, 2017.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

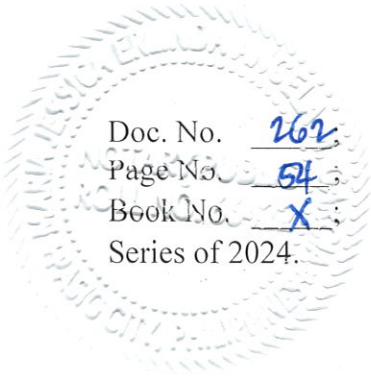
Company/Organization	Position/Relationship	Period of Service
Petron Corporation	Independent Director	May 2022 - present
Top Frontier Investment Holdings, Inc.	Independent Director	March 2022 - present
Eagle Cement Corporation	Independent Director	February 2017 - present
Public Safety Mutual Benefit Fund, Inc.	Trustee	July 2015 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **San Miguel Food and Beverage, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission (SEC).
4. To the best of my knowledge, I am not related to any director/officer/substantial shareholder of **San Miguel Food and Beverage, Inc.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **San Miguel Food and Beverage, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done this MAR 06 2024 at Pasig City.


RICARDO C. MARQUEZ
Affiant

SUBSCRIBED AND SWORN to before me this MAR 06 2024 at Pasig City,
affiant personally appeared before me and exhibited to me his Passport No. P8150038B
issued at DFA Manila and valid until November 11, 2031.



Doc. No. 262
Page No. 54
Book No. X
Series of 2024.


MARIA JESSICA ERLINDA ANGELA M. GARCIA
Notary Public for Pasig City
Commission until 31 December 2024
100 E. Rodriguez Jr. Avenue (C5 Road)
Barangay Ugong, Pasig City 1604
APPT No. 46 (2023-2024)/Roll No. 66422
IBP Life Member No. 015084; 6/6/2016, Quezon City
PTR No. 1650269; 1/4/2024; Pasig City
MCLE Compliance No. VII-0019349, 5/27/2022



RICARDO C. MARQUEZ

Mobile phone: +63-917-834-8438

E-mail: rcm582@yahoo.com

General Ric, 63, was elected as Independent Director of Petron Corporation in May 2022; of Top Frontier Investment Holdings, Inc. in March 2022; of San Miguel Food and Beverage, Inc. in March 2017; and of Eagle Cement Corporation in February 2017. General Ric is likewise a member of the Board of Trustees of the Public Safety Mutual Benefit Fund, Inc. beginning July 2015, after serving as its Chairman from July 2015 to June 2016.

He served the Philippine National Police (PNP) in various capacities before he became the PNP Chief in July 2015. During his term, he elevated the performance of the PNP to new heights and increased its trust rating through the implementation of relevant systems and programs that significantly reduced the country's national index crime volume and improved the PNP's crime solution efficiency through his pioneer projects: *B2B: PNP or Back to Basics*; *Patrulya ng Pamayanan*; *Oplan Lambat Sibat*; and *One-Time Big-Time Operations against the illegal drug trade*.

He likewise successfully planned and successfully managed the security operations for the 2016 National and Local Elections, the 2015 year-long Asia Pacific Economic Cooperation (APEC) Meetings and its culminating activity, the Economic Leaders' Meeting, and the 2015 State and Apostolic Visit of Pope Francis, among others, for which he was awarded twice the Philippine Legion of Honor by the President of the Philippines, and feted by his alma mater with her highest award, the Cavalier Award as Most Outstanding Alumnus in Special Operations. His illustrious career and experience equipped him with the expertise in contingency planning/enterprise risk management, making him the suitable Chairman for the Risk Oversight Committees of San Miguel Food and Beverage, Inc. and Eagle Cement Corporation.

He completed the Senior Leadman Course of the University of the Philippines Open University; the Leaders in Development Executive Program of the Harvard Kennedy School; the Strategic Business Economics Program of the University of Asia and the Pacific; the 224th Session of the Federal Bureau of Investigation National Academy; and the Senior Crisis Management Course of the ATA, Department of Homeland Security in Washington, D.C. He holds a Bachelor of Science degree from the Philippine Military Academy and a Master in Management degree from the Philippine Christian University.

He is happily married to Luz, a retired nurse from New York, a businesswoman, and a homemaker. They have three daughters: Gwen, a Metropolitan Trial Court Judge, and the mother of his two granddaughters – Amanda and Cassandra; Fae, a Certified Public accountant who is the Corporate Planning Manager of the Energy Development Corporation, and the mother of the first boy in the Marquez household – Ramon; and Erika, a third year resident doctor at the Department of Surgery of the Manila Doctors Hospital.

COVER SHEET

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S. E. C. Registration Number

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(Company's Full Name)

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

ALEXANDRA B. TRILLANA

Contact Person

(632) 5317-5450

Company Telephone Number

Month

Day

CERTIFICATION OF
INDEPENDENT DIRECTOR

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier-----
STAMPS-----
Remarks = pls. Use black ink for scanning purposes

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CIRILO P. NOEL**, Filipino, of legal age and a resident of **817 Gamao St., Ayala Alabang, Muntinlupa City**, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of **San Miguel Food and Beverage, Inc.** and have been its Independent Director since September 12, 2018.
2. I am affiliated with the following companies or organizations:

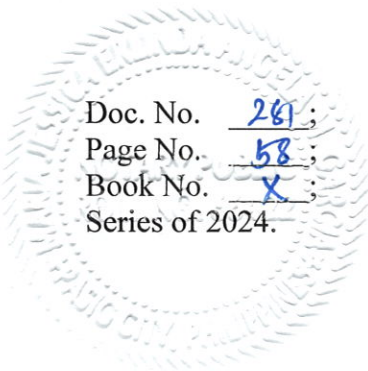
COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Please see attached Annex "A".		

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **San Miguel Food and Beverage, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission (SEC).
4. I am not related to any director/officer/substantial shareholder of **San Miguel Food and Beverage, Inc.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **San Miguel Food and Beverage, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done this MAR 12 2024 at Pasig City.


CIRILO P. NOEL
Affiant

SUBSCRIBED AND SWORN to before me this MAR 12 2024 at Pasig City,
affiant personally appeared before me and exhibited to me his Passport No. P5718000A
issued on January 22, 2018 at DFA NCR South and valid until January 21, 2028.


Doc. No. 281;
Page No. 58;
Book No. X;
Series of 2024.


MARIA JESSICA ERLINDA ANGELA M. GARCIA
Notary Public for Pasig City
Commission until 31 December 2024
100 E. Rodriguez Jr. Avenue (C5 Road)
Barangay Ugong, Pasig City 1604
APPT No. 46 (2023-2024)/Roll No. 66422
IBP Life Member No. 015084; 6/6/2016, Quezon City
PTR No. 1650269; 1/4/2024; Pasig City
MCLE Compliance No. VII-0019349, 5/27/2022



CIRILO (Vic) P. NOEL, 67, Filipino, is a lawyer and a certified public accountant (CPA). He is the interim Chairman of PLC - Security Bank Corporation since May 2023; a member of the Board of Directors since April 2018 and appointed as Vice Chairman in April 2020. He is likewise the Chairman of Palm Concepcion Power Corporation (since June 2018), Juxtapose Ergo Consultus, Inc. (since May 2019), and Confiar Land Corp (since September 2021).

He is also a member of the Board of Directors of PLC-Globe Telecom, Inc. (since April 2018), PLC-San Miguel Foods and Beverage, Inc. (since September 2018), PLC-Robinsons Retail Holdings (since August 2020), PLC-First Philippine Holdings Corporation (since May 2021), Eton Properties, Inc. (since April 2019), Transnational Diversified Group Holdings (since August 2019), Amber Kinetics Holdings Co., PTE Ltd. (since March 2018), and LH Paragon Group, Golden ABC (since January 2018).

He is a member of the Board of Trustees of St. Luke’s Medical Center Quezon City (since August 2017) and St. Luke’s Medical Center College of Medicine (since September 2018). He sits as a board member of St. Luke’s Medical Center- Global City (since August 2017) and St. Luke’s Foundation, Inc. (since August 2018).

He is currently affiliated with the Makati Business Club, Harvard Law School Association of the Philippines, and Harvard Club of the Philippines.

He was a member of the Board of Directors of Philippine Airlines (from 2018 to 2019), PLC-PAL Holdings, Inc. (from 2018 to 2019), and PLC-JG Summit Holdings (from 2018 – 2021).

He was recognized as the Outstanding Professional of the Year in 2019 in the field of Accountancy by Professional Regulations Commission for his distinguished contributions to the fields of accountancy, tax, and law. He was also awarded as one of the 75 Most Outstanding UE Alumni by the University of the East in 2021. In March 2023, he was presented the Accountancy Centenary Award of Excellence by the Professional Regulatory Board of Accountancy for being one of the notable CPAs in the country.

He held various positions in SGV & Co., including Chairman (from 2010 to 2017), Managing Partner (from 2009 to 2010), Vice Chairman & Deputy Managing Director (from 2004 to 2009), Head of Tax Division (from 2001 to 2008) and Partner, Tax Services (from 1993 to 2017).

For two terms, he was an E&Y Global Advisory Council member. He was also Ernst & Young (EY) ASEAN Tax Head and Far East Area Tax Leader from 2004 to 2009 and the Presiding Partner of E&Y Asia Pacific Council.

He graduated from the University of the East with a Bachelor of Science degree in Business Administration and obtained his Bachelor of Laws from the Ateneo Law School. He took Master of Laws at Harvard Law School. He is a Harvard International Tax Program fellow and attended the Asian Institute of Management’s Management Development Program.

COVER SHEET

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S. E. C. Registration Number

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(Company's Full Name)

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	M	E	T	R		M	A	N	I	L	A								

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

ALEXANDRA B. TRILLANA

Contact Person

(632) 5317-5450

Company Telephone Number

Month

Day

CERTIFICATION OF
INDEPENDENT DIRECTOR

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier-----
STAMPS-----
Remarks = pls. Use black ink for scanning purposes

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **AURORA S. LAGMAN**, Filipino, of legal age and a resident of 38 Samar Avenue, South Triangle, Quezon City, after having been duly sworn in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **San Miguel Food and Beverage, Inc.** and have been its Independent director since March 9, 2022.
2. I am affiliated with the following companies or organizations:

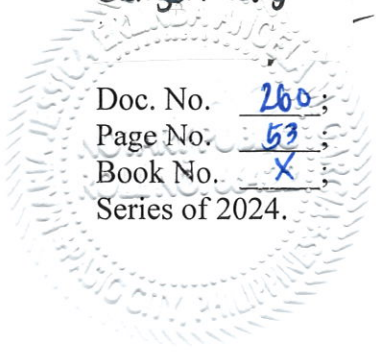
COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Please see attached Annex "A".		

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **San Miguel Food and Beverage, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission (SEC).
4. I am not related to any director/officer/substantial shareholder of **San Miguel Food and Beverage, Inc.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **San Miguel Food and Beverage, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done this **MAR 06 2024** at Pasig City.


AURORA S. LAGMAN
Affiant

SUBSCRIBED AND SWORN to before me this MAR 06 2024 at Pasig City, affiant personally appeared before me and exhibited to me her Senior Citizen No. 099418 issued in Quezon City. ✓


Doc. No. 260;
Page No. 53;
Book No. X;
Series of 2024.


MARIA JESSICA ERLINDA ANGELA M. GARCIA
Notary Public for Pasig City
Commission until 31 December 2024
100 E. Rodriguez Jr. Avenue (C5 Road)
Barangay Ugong, Pasig City 1604
APPT No. 46 (2023-2024)/Roll No. 66422
IBP Life Member No. 015084; 6/6/2016, Quezon City
PTR No. 1650269; 1/4/2024; Pasig City
MCLE Compliance No. VII-0019349, 5/27/2022

CURRICULUM VITAE
AURORA SANTIAGO LAGMAN

ANNEX "A"

PERSONAL:

Date & Place of Birth February 20, 1939
Obando, Bulacan
Civil Status Married to Roberto M. Lagman
Address 38 Samar Avenue, South
Triangle, Quezon City
Telephone Res.: 926-64-32; 926-35-22
Mobile No. 920-964-1848
Email: auroralagman11@gmail.com
aurora.lagman@icloud.com

EDUCATION:

Bachelor of Laws, Lyceum of the Philippines, 1977
Passed the Bar Examinations in the same year with
a rating of 81.27%

Program of Instruction for Lawyers, Harvard Law
School, Cambridge, Massachusetts, U.S.A.
June 1997

Special Course on Evidence, National Judicial
College, University of Nevada, Reno, U.S.A.
May 1997

Juvenile Justice Administration, Delinquency
Control Institute, University of Southern
California, U.S.A. January-February 1989

WORK EXPERIENCE:

Member, Board of Directors
Ginebra San Miguel Inc.
March 2017 - present

Member, Judicial and Bar Council
October 13, 2008 - July 9, 2016

Associate Justice, Court of Appeals
February 4, 2004 - January 15, 2008
(optional retirement)

Judge, Regional Trial Court, Malolos, Bulacan
May 11, 1994 - February 3, 2004

✓

Senior State Prosecutor, Department of Justice
July 2, 1990 - May 10, 1994

State Prosecutor II, Department of Justice
January 29, 1987 - July 1, 1990

District Citizens Attorney (District Head)
Citizens Legal Assistance Office (now Public
Attorneys Office) Department of Justice
February 14, 1984 - January 28, 1987

Citizens Attorney, Citizens Legal Assistance
Office, Department of Justice
May 1, 1979 - February 13, 1984

Senior Research Attorney, Citizens Legal
Assistance Office, Department of Justice
August 1, 1978 - April 30, 1979

Professor, College of Law
Bulacan State University
2016 - present (on leave since 2020 up to present)

OTHER WORK EXPERIENCE:

Chairman, Task Force on Revenue Cases
Department of Justice, June 1990 - March 1994

Chairman, Task Force on Public Utilities
Department of Justice, 1987 - March 1994

Chairman, Task Force on Passport Irregularities
Department of Justice, November 1989 - July 1990

Chairman, Legal Protection and Welfare Sector
Council for the Welfare of Children
1987 - March 1994

RELEVANT SEMINARS ATTENDED:

Seminar on Corporate Governance: Board Effective-
ness and Best Practices, Center for Global
Best Practices, November 10, 2017

Trainers' Training Program under the Anti-Money
Laundering Project of the Central Bank of the
Philippines and the European Union
November 2006 - March 2007

C

U.S. Alternate Dispute Resolution Methods
conducted by the U.S. National Judicial
College, Hyatt Regency Hotel, Pasay City
October 1, 1994

AWARDS AND COMMENDATIONS:

For highest professional conduct and
outstanding performance as Grantee of
the R.J.Reynolds Scholarship Award
given by Mr. Eugene F. McCarthy, Director
of Corporate Security, R. J. Reynolds
Company, Winston-Salem, N.C., U.S.A. 1989

Outstanding Diamond Jubilee Alumna Award
Lyceum of the Philippines, March 29, 2012

Outstanding Alumna Award, Lyceum of the
Philippines, March 4, 2005

Huwarang Pilipino Award for Law and Judiciary
Radyo ng Bayan, 2001

Guillermo B. Guevarra Award as the Most Outstanding
Public Prosecutor from the Foundation for
Judicial Excellence, June 11, 1993

Outstanding RTC Judge in Bulacan
Integrated Bar of the Philippines
Bulacan Chapter, February 14, 2003

BOOKS AND LEGAL ARTICLES WRITTEN:

Judicial and Bar Council: Gatekeeper of the
Judiciary, Lecture Series of the Lasalian
Law and Public Policy, January 28, 2011
De La Salle, Lipa City

Women Judges Upholding Family Rights
PWJA National Convention, March 6, 2009

Co-author, "Bench Book on the Child in the
Criminal Justice System and Child Related Laws"

The Prosecutor's Role in the Handling of Juvenile
Cases in the Philippines"

The Plight of a Public Attorney

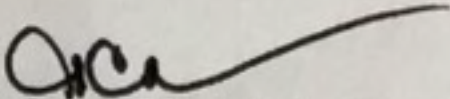
C

MEMBERSHIP IN ASSOCIATIONS:

Member, Integrated Bar of the Philippines
Bulacan Chapter

Founding President, Kababaihang Manananggol
ng Bulacan, 2003 - present

Adviser, RTC Judges Association of Bulacan, Inc.
2004 - present


AURORA SANTIAGO LAGMAN

COVER SHEET

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S. E. C. Registration Number

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(Company's Full Name)

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	B	A	R	A	N	G	A	Y		U	G	O	N	G					

	P	A	S	I	G		C	I	T	Y		1	6	0	4				

	M	E	T	R	O		M	A	N	I	L	A							

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

ALEXANDRA B. TRILLANA

Contact Person

(632) 5317-5450

Company Telephone Number

Month

Day

**CERTIFICATION OF
INDEPENDENT DIRECTOR**

FORM TYPE

Month

Day

Annual Meeting

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Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

S T A M P S

Remarks = pls. Use black ink for scanning purposes

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ESTELA M. PERLAS-BERNABE**, Filipino, of legal age and a resident of No. 6 Columbia St., North East Greenhills, San Juan City, after having been duly sworn in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **San Miguel Food and Beverage, Inc.** and have been its Independent Director since August 3, 2022.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
1. BDO Unibank, Inc.	Independent Director	July 31, 2022 – present
2. Foundation for Liberty and Prosperity	Member of the Board of Trustees	December 6, 2022 – present
3. Petrogen Insurance	Independent Director	March 23, 2023 - present
4. Converge Information and Communications Technology Solutions, Inc.	Independent Director	May 26, 2023 - present
5. PHILJA Development Center Inc.	Independent Director	November 13, 2023 - present
For other details, please see attached Annex "A".		

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **San Miguel Food and Beverage, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission (SEC).
4. I am not related to any director/officer/substantial shareholder of **San Miguel Food and Beverage, Inc.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **San Miguel Food and Beverage, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done this MARCH 6, 2024 at Pasig City.


ESTELA M. PERLAS-BERNABE
Affiant

SUBSCRIBED AND SWORN to before me this **MAR 06 2024** at Pasig City, affiant personally appeared before me and exhibited to me her Passport No. P6843338A issued in DFA Manila and valid until April 18, 2028.

Doc. No. 261
Page No. 54
Book No. X
Series of 2024.


MARIA JESSICA ERLINDA ANGELA M. GARCIA
Notary Public for Pasig City
Commission until 31 December 2024
100 E. Rodriguez Jr. Avenue (C5 Road)
Barangay Ugong, Pasig City 1604
APPT No. 46 (2023-2024)/Roll No. 66422
IBP Life Member No. 015084; 6/6/2016, Quezon City
PTR No. 1650269; 1/4/2024; Pasig City
MCLE Compliance No. VII-0019349, 5/27/2022

ESTELA M. PERLAS-BERNABE

Senior Associate Justice

Supreme Court of the Philippines (Ret.)

CONTACT	WORK EXPERIENCE
No. 6 Columbia St., North East Greenhills, San Juan City	2011–2022 Supreme Court of the Philippines <i>171st Associate Justice</i>
0917 893 6161	2019–2022 <i>Senior Associate Justice</i> <i>Division Chairperson of the Second Division</i>
jestelapb@yahoo.com	2019 <i>Bar Examinations Chairperson</i>
	2009–2011 Ateneo Law School <i>Professor</i> <i>Practice Court and Evidence</i>
REFERENCES	
Former Chief Justice Artemio V. Panganiban Manila	2004–2011 Court of Appeals <i>Associate Justice</i>
0918 935 2135	2000–2004 Regional Trial Court <i>Judge, Makati City, Branch 142</i>
Chief Justice Alexander G. Gesmundo Manila	1996–2000 Metropolitan Trial Court <i>Judge, Makati City, Branch 66</i>
0949 888 9552	1993–1996 Bernabe Perlas Morte & Associates <i>Senior Partner</i>
Former Associate Justice Jose Catral Mendoza Manila	1978–1993 China Banking Corporation <i>Legal Assistant</i>
0917 815 8301	Paramount Finance Corporation <i>Senior Manager, Legal Department</i>
Dean Danilo L. Concepcion University of the Philippines – Diliman, Quezon City	National Home Mortgage Finance Corporation <i>Legal Manager/ Corporate Secretary/ Legal Consultant/ Adviser to the President</i>
0918 914 2677	1977–1978 Supreme Court of the Philippines, Office of Court Administrator Lorenzo Relova <i>Technical Assistant</i>

ELIGIBILITY

1977	Bar Examinations Passer 85.15% Rating

EDUCATION

1972–1976	Ateneo College of Law, LLB <i>Salutatorian</i>
1968–1972	St. Paul College of Manila BS Commerce Banking and Finance <i>Magna Cum Laude</i>
1964–1968	St. Paul College of Manila <i>4th year, Honorable Mention</i>
1957–1964	St. James Institute <i>Grade 6, Class Salutatorian</i>

AWARDS AND ACHIEVEMENTS

Exemplary Career Jurist Award

Supreme Court of the Philippines, Manila, May 13, 2022

Brief Description: To recognize Justice Estela Perlas-Bernabe's exemplary service in the Judiciary, particularly her impeccable track record in case disposition, the Supreme Court of the Philippines resolved to create an award in her name – "The Senior Associate Justice Estela Perlas-Bernabe Exemplary Career Jurist Award". The first of its kind in the history of the Philippine Judiciary, this award shall be henceforth conferred only to a distinct set of Justices of the Supreme Court who have served the Judiciary in all court levels, particularly from a trial court to a lower collegiate court and finally up to the Supreme Court, and have achieved a zero backlog (or no case pending for resolution) or zero docket upon every promotion to the next-level court until their retirement from the Supreme Court, as what Justice Estela Perlas-Bernabe exceptionally accomplished during the course of her 26-year judicial career.

Judicial Medal of Distinction

Supreme Court of the Philippines, Manila, May 13, 2022

Brief Description: A special award conferred upon retiring Justices of the Supreme Court who excelled in the quintessential duty of efficient case disposition, particularly by leaving no case in his/her docket (zero docket) or no case pending for resolution (zero backlog) upon his/her retirement from the Court.

Statuette of Judicial Excellence

Supreme Court of the Philippines, Manila, May 13, 2022

Jose Abad Santos Award

Supreme Court of the Philippines, Manila, May 13, 2022

Distinguished Alumni Award for the Judiciary

Ateneo de Manila Alumni Association, Inc., Makati City, October 2018

Ulrang Ina Award 2013

National Mother's Day and Father's Day Foundation, Inc., Manila, May 12, 2013

Gawad Dangal ng Lipi

Malolos, Bulacan, September 15, 2012

Gat Marcelo H. Del Pilar Award

Plaridel, Bulacan, December 16, 2011

Huwarang Anak ng Bulakan

Club Bulakeño, November 26, 2011

Award for Upholding the Tradition of Excellence in Legal Scholarship

Ateneo Law Journal, September 10, 2011

Court of Appeals' Award for Outstanding Performance in Case Disposition

February 1, 2011

GAWAD PARANGAL 2008

Outstanding Alumna for Dedicated Service to the Country and People

St. Paul University, Manila

Court of Appeals' Award for Exemplary Performance

February 1, 2007

Certificate of Recognition for Integrity, Selfless Dedication and Intellectual Probity, Integrated Bar of the Philippines

December 13, 2005

Natatanging Babaeng Hukom

Municipality of Plaridel, Bulacan, March 3, 2003

Best Written Decision

Municipal/Metropolitan Trial Court and Philippine Women Judges Association, March 12, 1999

NOTABLE WORKS

Select Ponencias

Belgica v. Ochoa (G.R. Nos. 208566, 209493, and 209251), November 19, 2013

Brief Description: Declared as unconstitutional the Pork Barrel System

Spark v. Quezon City (G.R. No. 225442), August 8, 2017

Brief Description: Landmark decision on the constitutionality of juvenile curfew ordinances

Garcia v. Drilon (G.R. No. 179267), June 25, 2013

Brief Description: Declared as constitutional Republic Act No. 9262, known as the “Anti-Violence Against Women and Their Children Act of 2004”

W Land Holdings, Inc. v. Starwood Hotels (G.R. No. 222366), December 4, 2017

Brief Description: Landmark decision interpreting the concept use in Intellectual Property Law to interactive websites found on the internet

Carpio-Morales v. Court of Appeals (G.R. Nos. 217126-27), November 10, 2015

Brief Description: Abandoned the condonation doctrine

Abellanosa v. Commission on Audit (G.R. No. 185806), November 17, 2020

Brief Description: Refined the rules on return in disallowances cases

BPI v. Sarabia Manor Hotel Corporation (G.R. No. 175844), July 29, 2013

Brief Description: Refined the applicable principles in corporate rehabilitation

Gonzales v. GJH Land, Inc. (G.R. No. 202664), November 10, 2015

Brief Description: Framed rules relative to Special Commercial Courts and Regular Courts relative to the concepts of jurisdiction and exercise of jurisdiction

Book/s

Perlas-Bernabe: On Law and Justice (A Commentary by Senior Associate Justice Estela M. Perlas-Bernabe on *Select Ponencias*, *Opinions*, and *Procedural Rules*)

Brief Description: A compendium of Justice Estela Perlas-Bernabe’s personal annotations on and articulations of select cases and procedural rules which she worked on, either as *ponente*, opinion writer, or committee chairperson, during her eleven (11)-year tenure as Associate Justice of the Supreme Court of the Philippines.

*As Chairperson of the Sub-Committee on Commercial Courts,
spearheaded the creation of the following:*

Financial Rehabilitation Rules of Procedure (2013)

A.M. No. 12-12-11-SC, August 27, 2013

**Financial Liquidation and Suspension of Payments Rules of Procedure
for Insolvent Debtors (2015)**

A.M. No. 15-04-06-SC, April 21, 2015

Rules on Liquidation of Closed Banks

A.M. No. 19-12-02-SC, February 18, 2020

Rule on Cybercrime Warrants

A.M. No. 17-11-03-SC, July 3, 2018

Benchbook for Commercial Courts

May 2022

*As Chairperson of the Committee on Family Courts and Juvenile Concerns,
spearheaded the creation of the following:*

**Internal Rules and Regulations of the Social Aspects of Republic Act No. 8369
or the Family Courts Act of 1997**

A.M. No. 22-04-06-SC, April 19, 2022

Benchbook for Family Courts

May 2022

*As Senior Associate Justice,
spearheaded the creation of the following:*

Re: Promulgation of Cases in the Supreme Court

A.M. No. 21-08-07-SC, March 1, 2022

Further Amendments to Rule 140 of the Rules of Court

A.M. No. 21-08-09-SC, February 15, 2022

MEMBERSHIPS

President

Philippine Women Judges Association, October 10, 2018–May 14, 2022

Philippine Judiciary Golf Club, 2010–2011

Member

International Association of Women Judges (Regional Director 2016-2018)

Integrated Bar of the Philippines, 1977–Present

New York State Bar

Philippine Bar Association

ASEAN Law Association of the Philippines

Philippine Judiciary Golf Club

Chairperson

Sub-Committee on Commercial (and Cybercrime) Courts

Committee on Family Courts and Juvenile Concerns

Committee on Internal Rules of the Supreme Court
Senate Electoral Tribunal

Second Division of the Supreme Court

Co-Chairperson

Committee on the New Supreme Court Complex

Council of the ASEAN Chief Justices (CACJ) Working Group on Cross-Border Disputes
Involving Children

Vice-Chairperson

PHILJA Board of Trustees

Committee on Ethics and Ethical Standards

Consultant/Adviser

Sub-Committee on Admission to the Bar

2020/2021 Bar Examinations

Examiner

2007 Bar Examinations, Mercantile Law

TRAININGS AND SEMINARS

(past five [5] years only)

27th Philippine Women Judges Association (PWJA) Convention-Seminar: “Livin’ La Vida Corona”, PWJA, Video Conferencing, March 7–9, 2022

ASEAN Law Association (ALA) 42nd Governing Council Meeting, ALA, Video Conferencing, November 11, 2021

International Forum on Judicial Cooperation, Supreme People’s Court of the People’s Republic of China, Virtual Conference, October 26–27, 2021

9th Council of ASEAN Justices Meeting, Council of ASEAN Chief Justices (CACJ), Video Conferencing, October 7, 2021

26th PWJA Convention and Seminar: “A Call for PWJA: Resiliency Amidst Pandemic”, PWJA, Video Conferencing, June 2–3, 2021

CACJ 8th Meeting, Family Justice Courts of Singapore, Video Conferencing – Manila, November 5, 2020

Forum on Rule of Law in Internet, Supreme People’s Court of the Republic of China, China, December 5, 2020

2019 Legal Education Summit, UP College of Law/ Asia Foundation, Manila, July 31, 2019–August 1, 2019

International Conference on Constitutional Identity and Universal Values: The Art of Balance, Constitutional Court of the Russian Federation, Russia, May 14, 2019

IX St. Petersburg International Legal Forum, SPBILF, Russia, May 13–17, 2019

Regional Conference of the Asia-Pacific Region of the International Association of Women Judges (IAWJ) and 24th Annual Convention-Seminar of the PWJA, IAWJ/PWJA, Bohol, Philippines, February 27–May 1, 2019

13th ALA General Assembly and ASEAN Law Conference, ALA, Singapore, July 25–28, 2018

International Octopus Conference on Cooperation Against Cybercrime, Council of Europe, Strasbourg, France, July 11–13, 2018

14th Biennial Conference of the IAWJ, IAWJ, Buenos Aires, Argentina, April 30–May 6, 2018

Summit of Women Judges and Prosecutors on Human Trafficking and Organized Crime, Pontifical Academy of Sciences, Vatican City, Rome, Italy, November 7–10, 2017

ASEAN-USPTO Colloquium for the Judiciary on Management of Civil and Criminal IP Appellate Cases, ASEAN-USPTO, Thailand, September 20–22, 2017

TRAININGS AND SEMINARS IN THE PRIVATE SECTOR

AMLC Registration and Reporting Guidelines (ARRG) Course, September 13, 2023

2022 Annual Corporate Governance Seminar on Geopolitical Risks and Sustainability, July 20, 2022

2023 Annual Corporate Governance Seminar on Global Trends in Banking: Business and Technology and Generative Artificial Intelligence, August 2, 2023

INDEPENDENT DIRECTORSHIPS

BDO Unibank Inc.	: July 31, 2022 to present
San Miguel Food and Beverage, Inc.	: August 3, 2022 to present
Petrogen Insurance	: March 23, 2023 to present
Converge ICT Solutions, Inc.	: May 26, 2023 to present

TRUSTEESHIPS

Foundation for Liberty and Prosperity	: December 6, 2023 to present
Philippine Judicial Academy (PHILJA) Development Center Inc.	: November 13, 2023 to present

COVER SHEET

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S. E. C. Registration Number

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	B	E	V	E	R	A	G	E	,		I	N	C	.					

(Company's Full Name)

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	P	A	S	I	G		C	I	T	Y		1	6	0	4				

	M	E	T	R	O		M	A	N	I	L	A							

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

ALEXANDRA B. TRILLANA

Contact Person

(632) 5317-5450

Company Telephone Number

Month

Day

CERTIFICATION OF
INDEPENDENT DIRECTOR

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier-----
STAMPS-----
Remarks = pls. Use black ink for scanning purposes

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ANTONIO S. ABACAN, JR.**, Filipino, of legal age and a resident of **316 Madrigal Avenue, Ayala Alabang Village, Muntinlupa City**, after having duly sworn in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **San Miguel Food and Beverage, Inc.** and if elected at the Annual Stockholders' Meeting on June 5, 2024 will be its independent director effective June 5, 2024.
2. I am affiliated with the following companies or organizations:

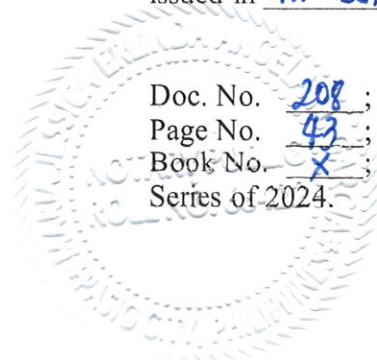
COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
	NONE	

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **San Miguel Food and Beverage, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission (SEC).
4. I am not related to any director/ officer/ substantial shareholder of **San Miguel Food and Beverage, Inc.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **San Miguel Food and Beverage, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done this 2/26/24 at Pasig City.


ANTONIO S. ABACAN, JR.
Affiant

SUBSCRIBED AND SWORN to before me this **FEB 26 2024** at Pasig City, affiant personally appeared before me and exhibited to me his Passport No. P9604386A, issued in PH Manila and valid until 18 Nov 28.


Doc. No. 208 ;
Page No. 43 ;
Book No. X ;
Series of 2024.


MARIA JESSICA ERLINDA ANGELA M. GARCIA
Notary Public for Pasig City
Commission until 31 December 2024
100 E. Rodriguez Jr. Avenue (C5 Road)
Barangay Ugong, Pasig City 1604
APPT No. 46 (2023-2024)/Roll No. 66422
IBP Life Member No. 015084; 6/6/2016, Quezon City
PTR No. 1650269; 1/4/2024; Pasig City
MCLE Compliance No. VII-0019349, 5/27/2022

CURRICULUM VITAE

DR. ANTONIO S. ABACAN, JR.

316 Madrigal Avenue
Ayala Alabang Village
Muntinlupa City
Tel. No. 0917-577-0121

Email: tonyabacan0121@yahoo.com ; abacanas@bsp.gov.ph



RECENT POSITION

Monetary Board Member
(July 3, 2017-July 2, 2023)

Bangko Sentral ng Pilipinas

PREVIOUS POSITIONS

Group Vice Chairman
Senior Adviser
Senior Adviser
Chairman of the Board
Chairman of the Board
Chairman of the Board / President

Chairman of the Board
Chairman of the Board
Director
Adviser
Adviser
Honorary Chairman
Director
Adviser
Chairman of the Board
Vice Chairman/Executive Director
Vice Chairman/ Director
Director
Director
Director
Director
Director
Director
Director
Director
Director/ Secretary and Treasurer
Chairman, Advisory Board
Member, Board of Trustee
Adviser
Director/ Corporate Secretary

Metrobank Group of Companies
Metropolitan Bank & Trust Company
First Metro Investment Corporation
Toyota Financial Services, (Phils.) Inc.
Sumisho Motor Finance Corporation
Manila Medical Services, Inc.
(Manila Doctors Hospital)
Manila Tytana Colleges
Circa 2000 Homes, Inc.
Vivant Corporation
Federal Land, Inc.
Toyota Manila Bay Corporation Group
Orix Metro Leasing and Finance Corporation
Taal Land, Inc.
GT Capital Holdings, Inc.
Manila – GT Medical Center
Global Business Power Corporation
Panay Energy Development Corporation
Cebu Energy Development Corporation
Panay Power Corporation
Panay Power Holdings, Corporation
ARB Power Ventures, Inc.
GBH Power Resources, Inc.
Global Formosa Power Holdings, Inc.
Global Energy Supply Corporation
Cebu Holdings, Inc.
LGU Guarantee Corporation
Metropolitan Bank & Trust Company
Manila Tytana Colleges
First Metro Investment Corporation
Bankers Association of the Philippines

Director for Banking, Finance, Taxation
& Capital Market Development

Chairman of the Board

Chairman of the Board

Chairman of the Board

Chairman of the Board

Chairman of the Board

President

Vice Chairman

Honorary Vice Chairman

Vice Chairman

President

President / Director

Member, Advisory Board

President /Director

President

Chairman of the Board

President

First Vice President /Director

Director

Philippine Chamber of Commerce & Industry
(PCCI)

Metropolitan Bank and Trust Company

First Metro Investment Corporation

Federal Homes, Inc.

Baywatch Realty Corporation

Baywatch Project Management Corp

GT Capital Holdings, Inc.

Global Business Holdings, Inc.

First Metro Travel Inc.

First Metro International Investment

Corporation (Hongkong)

Metropolitan Bank & Trust Company

Philippine Savings Bank

Philippine Savings Bank

Metrobank Card Corporation

Data Serv Corporation

Philippine Charter Insurance

Savings Bankers Association of the Phils.

Chamber of Thrift Banks

Jardine Land Inc.

AFFILIATIONS

Trustee / Treasurer

Director for Banking, Finance and Taxation

Governor

President

Member

Senior Adviser

Member, Board of Trustees

Member, Board of Trustees

Member, Board of Trustees

Member

Philippine Business Center

Philippine Chamber of Commerce &
Industry

Makati Commercial Estate Association
(MACEA)

DARE Philippines Association Inc.

Management Association of the Philippines
(MAP)

Metrobank Foundation / Chairman,
Donation / Executive Committee

GT Metro Foundation

Piso for Unity, Peace and Progress
Foundation

Evangelion Foundation

Stanford University Alumni Association

CLUB MEMBERSHIP

Alabang Golf & Country Club
Splendido Golf and Country Club

HONORS RECEIVED

Outstanding Alumnus for the Year 1987
Mapua Institute of Technology

Most Outstanding Alumnus for the Year 1988
Meycauayan College

Ulirang Ama awardee 1998
National Father's Day & Mother's Day Foundation

Communications & Leadership Awardee
Toastmasters International 1999

Dangal ng Lipi Awards 1999
Outstanding Bulakeño

International Association of Business Communicators
(IABC) CEO Excel Awardee – November 2006

Outstanding Alumnus 2007
Far Eastern University

The Outstanding Filipino award (TOFIL)
Philippine Jaycee Senate
December 2008

Huwarang Anak ng Bulacan
Outstanding Bulakeño Achievers
Club Bulakeño, Inc.
November 2011

TRAININGS / SEMINARS

Finance, Marketing and Trust Operations

Crocker Citizen National Bank
San Francisco U.S.A.

Irving Trust Company
Bankers Trust Company
New York U.S.A.

EDUCATION

Doctor of Business Administration (Honoris Causa)
Philippine Women's University

Graduate School
Executive Program, Graduate School of Business
Stanford University, Stanford, California, U.S.A.

College
Bachelor of Science in Business Administration
Major in Banking & Finance at
Mapua Institute of Technology

Major in Accounting
at Far Eastern University

PERSONAL INFORMATION

Place and Date of Birth: January 21, 1943, Paracale Camarines Norte

Religion: Roman Catholic

Parents: Antonio L. Abacan, Sr. and Gabina T. Santiago
Both are from Meycauayan City Province of Bulacan

Married to Mary Jane Roxas Abacan, with whom he has three children namely:

Jose Mari, First Vice President of GMA Network;

Jeffrey, First Vice President of Banco de Oro and;

Mary Ann, Doctor of Medicine (Pediatric Geneticist / Metabolic)
Philippine General Hospital, Manila Doctors Hospital.

COVER SHEET

		1	1	8	4	0				

S. E. C. Registration Number

	S	A	N		M	I	G	U	E	L		F	O	O	D		A	N	D

	B	E	V	E	R	A	G	E	,		I	N	C	.					

(Company's Full Name)

	4	0		S	A	N		M	I	G	U	E	L						

	A	V	E	N	U	E	,		M	A	N	D	A	L	U	Y	O	N	G

	C	I	T	Y		M	E	T	R	O		M	A	N	I	L	A		

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

ALEXANDRA VICTORIA B. TRILLANA

Contact Person

(632) 5317-5450

Company Telephone Number

Certification of Independent Director

Month

Day

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RICARDO C. MARQUEZ**, Filipino, of legal age and a resident of **14 R. Kangleon St., Phase 4, AFPOVAL, Fort Bonifacio, Taguig City**, after having been duly sworn in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **San Miguel Food and Beverage, Inc.** and have been its Independent Director since March 16, 2017.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Petron Corporation	Independent Director	May 2022 – present
Top Frontier Investment Holdings, Inc.	Independent Director	March 2022 – present
Eagle Cement Corporation	Independent Director	February 2017 - present
Public Safety Mutual Benefit Fund, Inc.	Trustee	July 2015 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **San Miguel Food and Beverage, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission (SEC).
4. I am not related to any director/officer/substantial shareholder of **San Miguel Food and Beverage, Inc.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **San Miguel Food and Beverage, Inc.** of any changes in the abovementioned information within five days from its occurrence.

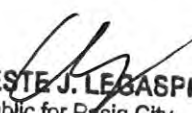
Done this MAR 05 2025 at Pasig City.


RICARDO C. MARQUEZ
Affiant

MAR 05 2025

SUBSCRIBED AND SWORN to before me this _____ at Pasig City,
affiant personally appeared before me and exhibited to me his Passport No. P8150038B
issued at DFA Manila and valid until November 11, 2031.

Doc. No. 92 ;
Page No. 21 ;
Book No. XXV ;
Series of 2025.


MA. CELESTE J. LEGASPI
Notary Public for Pasig City
Commission until 31 December 2026
100 E. Rodriguez Jr. Avenue (C5 Road)
Barangay Ugong, Pasig City 1604
APPT No. 5 (2025-2026)/Roll No. 47611
IBP No. 503547; 1/9/2025; RSM
PTR No. 3038204; 1/6/2025; Pasig City
MCLE Compliance No. VII-0019519; 5/30/2022

COVER SHEET

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S. E. C. Registration Number

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	B	E	V	E	R	A	G	E	,		I	N	C	.					

(Company's Full Name)

	4	0		S	A	N		M	I	G	U	E	L						

	A	V	E	N	U	E	,		M	A	N	D	A	L	U	Y	O	N	G

	C	I	T	Y		M	E	T	R	O		M	A	N	I	L	A		

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

ALEXANDRA VICTORIA B. TRILLANA

Contact Person

(632) 5317-5450

Company Telephone Number

Certification of Independent Director

Month

Day

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

CERTIFICATION OF INDEPENDENT DIRECTOR

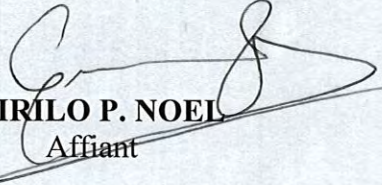
I, **CIRILO P. NOEL**, Filipino, of legal age and a resident of **817 Gamao St., Ayala Alabang, Muntinlupa City**, after having been duly sworn in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **San Miguel Food and Beverage, Inc.** and have been its Independent Director since September 12, 2018.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Please see attached Annex "A".		

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **San Miguel Food and Beverage, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission (SEC).
4. I am not related to any director/officer/substantial shareholder of **San Miguel Food and Beverage, Inc.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **San Miguel Food and Beverage, Inc.** of any changes in the abovementioned information within five days from its occurrence.

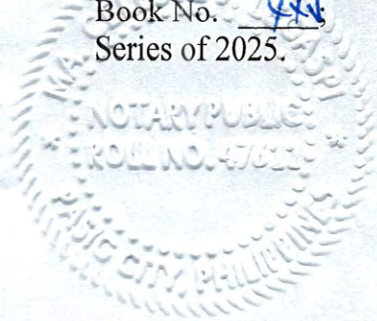
Done this MAR 05 2025 at Pasig City.


CIRILO P. NOEL
Affiant

MAR 05 2025

SUBSCRIBED AND SWORN to before me this _____ at Pasig City,
affiant personally appeared before me and exhibited to me his Passport No. P5718000A issued
in DFA NCR South and valid until January 21, 2028.

Doc. No. 97 ;
Page No. 21 ;
Book No. XXV ;
Series of 2025.



MA. CELESTE J. LEGASPI
Notary Public for Pasig City
Commission until 31 December 2026
100 E. Rodriguez Jr. Avenue (C5 Road)
Barangay Ugong, Pasig City 1604
APPT No. 5 (2025-2026)/Roll No. 47611
IBP No. 503547; 1/9/2025; RSM
PTR No. 3038204; 1/6/2025; Pasig City
MCLE Compliance No. VII-0019519; 5/30/2022



CIRILO (Vic) P. NOEL, 68, Filipino, is a lawyer and a certified public accountant (CPA). He is the Chairman of PLC - Security Bank Corporation since May 7, 2024; a member of the Board of Directors since April 2018, appointed as Vice Chairman in April 2020, and Interim Chairman in May 2023. He is likewise the Chairman of Palm Concepcion Power Corporation (since June 2018), Juxtapose Ergo Consultus, Inc. (since May 2019), and Confiar Land Corp (since September 2021).

He is also a member of the Board of Directors of PLC-Globe Telecom, Inc. (since April 2018), PLC-San Miguel Foods and Beverage, Inc. (since September 2018), PLC-Robinsons Retail Holdings (since August 2020), PLC-First Philippine Holdings Corporation (since May 2021), Eton Properties, Inc. (since April 2019), Transnational Diversified Corporation (since August 2019), Amber Kinetics Holdings Co., PTE Ltd. (since March 2018), and LH Paragon Group, Golden ABC (since January 2018).

He is a member of the Board of Trustees of St. Luke's Medical Center Quezon City (since August 2017) and St. Luke's Medical Center College of Medicine (since September 2018). He sits as a board member of St. Luke's Medical Center- Global City (since August 2017) and St. Luke's Foundation, Inc. (since August 2018).

He was a member of the Board of Directors of Philippine Airlines (from 2018 to 2019), PLC-PAL Holdings, Inc. (from 2018 to 2019), and PLC-JG Summit Holdings (from 2018 – 2021).

He is currently affiliated with the Makati Business Club, Harvard Law School Association of the Philippines, and Harvard Club of the Philippines.

He was awarded an Honorary Life Member by the Philippine Institute of Certified Public Accountants in November 2024. He was also recognized as the Outstanding Professional of the Year in 2019 in the field of Accountancy by Professional Regulations Commission for his distinguished contributions to the fields of accountancy, tax, and law. Mr. Noel was awarded as one of the 75 Most Outstanding UE Alumni by the University of the East in 2021. In March 2023, he was presented the Accountancy Centenary Award of Excellence by the Professional Regulatory Board of Accountancy for being one of the notable CPAs in the country.

He held various positions in SGV & Co., including Chairman (from 2010 to 2017), Managing Partner (from 2009 to 2010), Vice Chairman & Deputy Managing Director (from 2004 to 2009), Head of Tax Division (from 2001 to 2008) and Partner, Tax Services (from 1993 to 2017).

For two terms, he was an E&Y Global Advisory Council member. He was also Ernst & Young (EY) ASEAN Tax Head and Far East Area Tax Leader from 2004 to 2009 and the Presiding Partner of E&Y Asia Pacific Council.

He graduated from the University of the East with a Bachelor of Science degree in Business Administration and obtained his Bachelor of Laws from the Ateneo Law School. He took Master of Laws at Harvard Law School. He is a Harvard International Tax Program fellow and attended the Asian Institute of Management's Management Development Program.

COVER SHEET

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S. E. C. Registration Number

	S	A	N		M	I	G	U	E	L		F	O	O	D		A	N	D

	B	E	V	E	R	A	G	E	,		I	N	C	.					

(Company's Full Name)

	4	0		S	A	N		M	I	G	U	E	L						

	A	V	E	N	U	E	,		M	A	N	D	A	L	U	Y	O	N	G

	C	I	T	Y		M	E	T	R	O		M	A	N	I	L	A		

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

ALEXANDRA VICTORIA B. TRILLANA

Contact Person

(632) 5317-5450

Company Telephone Number

Certification of Independent Director

Month

Day

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier-----
S T A M P S-----
Remarks = pls. Use black ink for scanning purposes

CERTIFICATION OF INDEPENDENT DIRECTOR

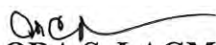
I, **AURORA S. LAGMAN**, Filipino, of legal age and a resident of **38 Samar Avenue, South Triangle, Quezon City**, after having been duly sworn in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **San Miguel Food and Beverage, Inc.** and have been its Independent Director since March 9, 2022.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Please see attached Annex "A".		

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **San Miguel Food and Beverage, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission (SEC).
4. I am not related to any director/officer/substantial shareholder of **San Miguel Food and Beverage, Inc.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **San Miguel Food and Beverage, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done this **MAR 05 2025** at Pasig City.


AURORA S. LAGMAN
Affiant

SUBSCRIBED AND SWORN to before me this MAR 05 2025 at Pasig City,
affiant personally appeared before me and exhibited to me her Senior Citizen No. 099418
issued in Quezon City.

Doc. No. 99 ;
Page No. 21 ;
Book No. X4N ;
Series of 2025.


MA. CELESTE J. LEGASPI
Notary Public for Pasig City
Commission until 31 December 2026
100 E. Rodriguez Jr. Avenue (C5 Road)
Barangay Ugong, Pasig City 1604
APPT No. 5 (2025-2026)/Roll No. 47611
IBP No. 503547; 1/9/2025; RSM
PTR No. 3038204; 1/6/2025; Pasig City
ACLE Compliance No. VII-0019519; 5/30/2022

CURRICULUM VITAE
AURORA SANTIAGO LAGMAN

ANNEX "A"

PERSONAL:

Date & Place of Birth February 20, 1939
Obando, Bulacan
Civil Status Married to Roberto M. Lagman
Address 38 Samar Avenue, South
Triangle, Quezon City
Telephone Res.: 926-64-32; 926-35-22
Mobile No. 920-964-1848
Email: auroralagman11@gmail.com
aurora.lagman@icloud.com

EDUCATION:

Bachelor of Laws, Lyceum of the Philippines, 1977
Passed the Bar Examinations in the same year with
a rating of 81.27%

Program of Instruction for Lawyers, Harvard Law
School, Cambridge, Massachusetts, U.S.A.
June 1997

Special Course on Evidence, National Judicial
College, University of Nevada, Reno, U.S.A.
May 1997

Juvenile Justice Administration, Delinquency
Control Institute, University of Southern
California, U.S.A. January-February 1989

WORK EXPERIENCE:

Member, Board of Directors
Ginebra San Miguel Inc.
March 2017 - present

Member, Judicial and Bar Council
October 13, 2008 - July 9, 2016

Associate Justice, Court of Appeals
February 4, 2004 - January 15, 2008
(optional retirement)

Judge, Regional Trial Court, Malolos, Bulacan
May 11, 1994 - February 3, 2004

C/

Senior State Prosecutor, Department of Justice
July 2, 1990 - May 10, 1994

State Prosecutor II, Department of Justice
January 29, 1987 - July 1, 1990

District Citizens Attorney (District Head)
Citizens Legal Assistance Office (now Public
Attorneys Office) Department of Justice
February 14, 1984 - January 28, 1987

Citizens Attorney, Citizens Legal Assistance
Office, Department of Justice
May 1, 1979 - February 13, 1984

Senior Research Attorney, Citizens Legal
Assistance Office, Department of Justice
August 1, 1978 - April 30, 1979

Professor, College of Law
Bulacan State University
2016 - present (on leave since 2020 up to present)

OTHER WORK EXPERIENCE:

Chairman, Task Force on Revenue Cases
Department of Justice, June 1990 - March 1994

Chairman, Task Force on Public Utilities
Department of Justice, 1987 - March 1994

Chairman, Task Force on Passport Irregularities
Department of Justice, November 1989 - July 1990

Chairman, Legal Protection and Welfare Sector
Council for the Welfare of Children
1987 - March 1994

RELEVANT SEMINARS ATTENDED:

Seminar on Corporate Governance: Board Effective-
ness and Best Practices, Center for Global
Best Practices, November 10, 2017

Trainers' Training Program under the Anti-Money
Laundering Project of the Central Bank of the
Philippines and the European Union
November 2006 - March 2007

C

U.S. Alternate Dispute Resolution Methods
conducted by the U.S. National Judicial
College, Hyatt Regency Hotel, Pasay City
October 1, 1994

AWARDS AND COMMENDATIONS:

For highest professional conduct and
outstanding performance as Grantee of
the R.J.Reynolds Scholarship Award
given by Mr. Eugene F. McCarthy, Director
of Corporate Security, R. J. Reynolds
Company, Winston-Salem, N.C., U.S.A. 1989

Outstanding Diamond Jubilee Alumna Award
Lyceum of the Philippines, March 29, 2012

Outstanding Alumna Award, Lyceum of the
Philippines, March 4, 2005

Huwarang Pilipino Award for Law and Judiciary
Radyo ng Bayan, 2001

Guillermo B. Guevarra Award as the Most Outstanding
Public Prosecutor from the Foundation for
Judicial Excellence, June 11, 1993

Outstanding RTC Judge in Bulacan
Integrated Bar of the Philippines
Bulacan Chapter, February 14, 2003

BOOKS AND LEGAL ARTICLES WRITTEN:

Judicial and Bar Council: Gatekeeper of the
Judiciary, Lecture Series of the Lasalian
Law and Public Policy, January 28, 2011
De La Salle, Lipa City

Women Judges Upholding Family Rights
PWJA National Convention, March 6, 2009

Co-author, "Bench Book on the Child in the
Criminal Justice System and Child Related Laws"

The Prosecutor's Role in the Handling of Juvenile
Cases in the Philippines"

The Plight of a Public Attorney

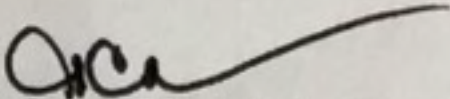
C

MEMBERSHIP IN ASSOCIATIONS:

Member, Integrated Bar of the Philippines
Bulacan Chapter

Founding President, Kababaihang Manananggol
ng Bulacan, 2003 - present

Adviser, RTC Judges Association of Bulacan, Inc.
2004 - present


AURORA SANTIAGO LAGMAN

COVER SHEET

	1	1	8	4	0				

S. E. C. Registration Number

	S	A	N		M	I	G	U	E	L		F	O	O	D		A	N	D

	B	E	V	E	R	A	G	E	,		I	N	C	.					

(Company's Full Name)

	4	0		S	A	N		M	I	G	U	E	L						

	A	V	E	N	U	E	,		M	A	N	D	A	L	U	Y	O	N	G

	C	I	T	Y		M	E	T	R	O		M	A	N	I	L	A		

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

ALEXANDRA VICTORIA B. TRILLANA

Contact Person

(632) 5317-5450

Company Telephone Number

Certification of Independent Director

Month

Day

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier-----
S T A M P S-----
Remarks = pls. Use black ink for scanning purposes

CERTIFICATION OF INDEPENDENT DIRECTOR

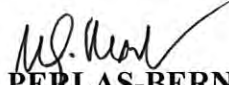
I, **ESTELA M. PERLAS-BERNABE**, Filipino, of legal age and a resident of **No. 6 Columbia St., North East Greenhills, San Juan City**, after having been duly sworn in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **San Miguel Food and Beverage, Inc.** and have been its Independent Director since August 3, 2022.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
1. BDO Unibank, Inc.	Independent Director	July 31, 2022 – present
2. Foundation for Liberty and Prosperity	Member of the Board of Trustees	December 6, 2022 – present
3. Petrogen Insurance	Independent Director	March 23, 2023 - present
4. Converge Information and Communications Technology Solutions, Inc.	Independent Director	May 26, 2023 - present
5. PHILJA Development Center Inc.	Independent Director	November 13, 2023 - present
For other details, please see attached Annex “A”.		

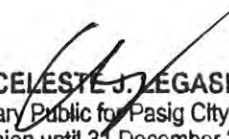
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **San Miguel Food and Beverage, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission (SEC).
4. I am not related to any director/officer/substantial shareholder of **San Miguel Food and Beverage, Inc.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **San Miguel Food and Beverage, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done this **MAR 05 2025** at Pasig City.


ESTELA M. PERLAS-BERNABE
Affiant

SUBSCRIBED AND SWORN to before me this **MAR 05 2025** at Pasig City, affiant personally appeared before me and exhibited to me her Passport No. P6843338A issued in DFA Manila and valid until April 18, 2028.

Doc. No. 100 ;
Page No. 21 ;
Book No. 100 ;
Series of 2025.


MA. CELESTE J. LEGASPI
Notary Public for Pasig City
Commission until 31 December 2026
100 E. Rodriguez Jr. Avenue (C5 Road)
Barangay Ugong, Pasig City 1604
APPT No. 5 (2025-2026)/Roll No. 47611
IBP No. 503547; 1/9/2025; RSM
PTR No. 3038204; 1/6/2025; Pasig City
MCLE Compliance No. VII-0019519; 5/30/2022

ESTELA M. PERLAS-BERNABE

Senior Associate Justice

Supreme Court of the Philippines (Ret.)

CONTACT	WORK EXPERIENCE
No. 20 Columbia St., North East Greenhills, San Juan City	Feb. 2025–Present Singapore International Arbitration Centre Panel of Arbitrators <i>Member</i>
0917 893 6161 jestelapb@yahoo.com	Nov. 2023–Present PHILJA (Philippine Judicial Academy) Development Center, Inc. <i>Director</i>
REFERENCES	May 2023–Present Converge Information and Communications Technology Solutions, Inc. <i>Independent Director</i>
Former Chief Justice – Supreme Court of the Philippines	Mar. 2023–Present Petrogen Insurance Corporation <i>Independent Director</i>
Artemio V. Panganiban Manila	Dec. 2022–Present Foundation for Liberty and Prosperity <i>Trustee</i>
0918 935 2135	Aug. 2023–Present San Miguel Food & Beverage, Inc. <i>Independent Director</i>
Chief Justice – Supreme Court of the Philippines	Jul. 2022–Present BDO Unibank, Inc. <i>Independent Director</i>
Alexander G. Gesmundo Manila	2011–2022 Supreme Court of the Philippines <i>171st Associate Justice</i>
0949 888 9552	2019–2022 <i>Senior Associate Justice</i> <i>Division Chairperson of the Second Division</i>
Senior Associate Justice – Supreme Court of the Philippines	2019 <i>Bar Examinations Chairperson</i>
Marvic Mario Victor Leonen Manila	2009–2011 Ateneo Law School <i>Professor</i> <i>Practice Court and Evidence</i>
0917 812 8680	2004–2011 Court of Appeals <i>Associate Justice</i>

Philippine Judicial Academy Chancellor and former Associate Justice – Supreme Court of the Philippines Rosmari D. Carandang 0918 807 4933	2000–2004	Regional Trial Court <i>Judge, Makati City, Branch 142</i>
	1996–2000	Metropolitan Trial Court <i>Judge, Makati City, Branch 66</i>
	1993–1996	Bernabe Perlas Morte & Associates <i>Senior Partner</i>
	1978–1993	China Banking Corporation <i>Legal Assistant</i>
		Paramount Finance Corporation <i>Senior Manager, Legal Department</i>
		National Home Mortgage Finance Corporation <i>Legal Manager/ Corporate Secretary/ Legal Consultant/ Adviser to the President</i>
	1977–1978	Supreme Court of the Philippines, Office of Court Administrator Lorenzo Relova <i>Technical Assistant</i>
	ELIGIBILITY	
	1977	Bar Examinations Passer 85.15% Rating

EDUCATION

1972–1976	Ateneo College of Law, LLB <i>Salutatorian</i>
1968–1972	St. Paul College of Manila BS Commerce Banking and Finance <i>Magna Cum Laude</i>
1964–1968	St. Paul College of Manila <i>4th year, Honorable Mention</i>
1957–1964	St. James Institute <i>Grade 6, Class Salutatorian</i>

AWARDS AND ACHIEVEMENTS

Exemplary Career Jurist Award

Supreme Court of the Philippines, Manila, May 13, 2022

Brief Description: To recognize Justice Estela Perlas-Bernabe’s exemplary service in the Judiciary, particularly her impeccable track record in case disposition, the Supreme Court of the Philippines resolved to create an award in her name – “The Senior Associate Justice Estela Perlas-Bernabe Exemplary Career Jurist Award”. The first of its kind in the history of the Philippine Judiciary, this award shall be henceforth conferred only to a distinct set of Justices of the Supreme Court who have served the Judiciary in all court levels, particularly from a trial court to a lower collegiate court and finally up to the Supreme Court, and have achieved a zero backlog (or no case pending for resolution) or zero docket upon every promotion to the next-level court until their retirement from the Supreme Court, as what Justice Estela Perlas-Bernabe exceptionally accomplished during the course of her 26-year judicial career.

Judicial Medal of Distinction

Supreme Court of the Philippines, Manila, May 13, 2022

Brief Description: A special award conferred upon retiring Justices of the Supreme Court who excelled in the quintessential duty of efficient case disposition, particularly by leaving no case in his/her docket (zero docket) or no case pending for resolution (zero backlog) upon his/her retirement from the Court.

Statuette of Judicial Excellence

Supreme Court of the Philippines, Manila, May 13, 2022

Jose Abad Santos Award

Supreme Court of the Philippines, Manila, May 13, 2022

Distinguished Alumni Award for the Judiciary

Ateneo de Manila Alumni Association, Inc., Makati City, October 2018

Ulirang Ina Award 2013

National Mother's Day and Father's Day Foundation, Inc., Manila, May 12, 2013

Gawad Dangal ng Lipi

Malolos, Bulacan, September 15, 2012

Gat Marcelo H. Del Pilar Award

Plaridel, Bulacan, December 16, 2011

Huwarang Anak ng Bulakan

Club Bulakeño, November 26, 2011

Award for Upholding the Tradition of Excellence in Legal Scholarship

Ateneo Law Journal, September 10, 2011

Court of Appeals' Award for Outstanding Performance in Case Disposition

February 1, 2011

GAWAD PARANGAL 2008

Outstanding Alumna for Dedicated Service to the Country and People

St. Paul University, Manila

Court of Appeals' Award for Exemplary Performance

February 1, 2007

Certificate of Recognition for Integrity, Selfless Dedication and Intellectual Probity, Integrated Bar of the Philippines

December 13, 2005

Natatanging Babaeng Hukom

Municipality of Plaridel, Bulacan, March 3, 2003

Best Written Decision

Municipal/Metropolitan Trial Court and Philippine Women Judges Association, March 12, 1999

NOTABLE WORKS

Select Decisions

Belgica v. Ochoa (G.R. Nos. 208566, 209493, and 209251), November 19, 2013

Brief Description: Declared as unconstitutional the Pork Barrel System

Spark v. Quezon City (G.R. No. 225442), August 8, 2017

Brief Description: Landmark decision on the constitutionality of juvenile curfew ordinances

Garcia v. Drilon (G.R. No. 179267), June 25, 2013

Brief Description: Declared as constitutional Republic Act No. 9262, known as the “Anti-Violence Against Women and Their Children Act of 2004”

W Land Holdings, Inc. v. Starwood Hotels (G.R. No. 222366), December 4, 2017

Brief Description: Landmark decision interpreting the concept use in Intellectual Property Law to interactive websites found on the internet

Carpio-Morales v. Court of Appeals (G.R. Nos. 217126-27), November 10, 2015

Brief Description: Abandoned the condonation doctrine

Abellanosa v. Commission on Audit (G.R. No. 185806), November 17, 2020

Brief Description: Refined the rules on return in disallowances cases

BPI v. Sarabia Manor Hotel Corporation (G.R. No. 175844), July 29, 2013

Brief Description: Refined the applicable principles in corporate rehabilitation

Gonzales v. GJH Land, Inc. (G.R. No. 202664), November 10, 2015

Brief Description: Framed rules relative to Special Commercial Courts and Regular Courts relative to the concepts of jurisdiction and exercise of jurisdiction

Book/s

Perlas-Bernabe: On Law and Justice (A Commentary by Senior Associate Justice Estela M. Perlas-Bernabe on Select *Ponencias*, Opinions, and Procedural Rules)

Brief Description: A compendium of Justice Estela Perlas-Bernabe’s personal annotations on and articulations of select cases and procedural rules which she worked on, either as *ponente*, opinion writer, or committee chairperson, during her eleven (11)-year tenure as Associate Justice of the Supreme Court of the Philippines.

*As Chairperson of the Sub-Committee on Commercial Courts,
spearheaded the creation of the following:*

Financial Rehabilitation Rules of Procedure (2013)

A.M. No. 12-12-11-SC, August 27, 2013

Financial Liquidation and Suspension of Payments Rules of Procedure for Insolvent Debtors (2015)

A.M. No. 15-04-06-SC, April 21, 2015

Rules on Liquidation of Closed Banks

A.M. No. 19-12-02-SC, February 18, 2020

Rule on Cybercrime Warrants

A.M. No. 17-11-03-SC, July 3, 2018

Benchbook for Commercial Courts

May 2022

*As Chairperson of the Committee on Family Courts and Juvenile Concerns,
spearheaded the creation of the following:*

Internal Rules and Regulations of the Social Aspects of Republic Act No. 8369 or the Family Courts Act of 1997

A.M. No. 22-04-06-SC, April 19, 2022

Benchbook for Family Courts

May 2022

*As Senior Associate Justice,
spearheaded the creation of the following:*

Re: Promulgation of Cases in the Supreme Court

A.M. No. 21-08-07-SC, March 1, 2022

Further Amendments to Rule 140 of the Rules of Court

A.M. No. 21-08-09-SC, February 15, 2022

MEMBERSHIPS

President

Philippine Women Judges Association, October 10, 2018–May 14, 2022

Philippine Judiciary Golf Club, 2010–2011

Member

International Association of Women Judges, Regional Director, 2016-2017

Integrated Bar of the Philippines, 1977–Present

New York State Bar

Philippine Bar Association

ASEAN Law Association of the Philippines

Philippine Judiciary Golf Club

Chairperson

Sub-Committee on Commercial (and Cybercrime) Courts

Committee on Family Courts and Juvenile Concerns

Committee on Internal Rules of the Supreme Court

Co-Chairperson

Committee on the New Supreme Court Complex

Council of the ASEAN Chief Justices (CACJ) Working Group on Cross-Border Disputes
Involving Children

Vice-Chairperson

PHILJA Board of Trustees

Committee on Ethics and Ethical Standards

Consultant/Adviser

Sub-Committee on Admission to the Bar

2020/2021 Bar Examinations

Examiner

2007 Bar Examinations, Mercantile Law

NOTABLE TRAININGS AND SEMINARS

Annual Corporate Governance Seminar (conducted by BDO Unibank, Inc. Cyberint, Gartner, Inc. Mandiant), July 26, 2024

Targeted Financial Sanction (conducted by the Anti-Money Laundering Council of the Philippines), July 18, 2024

27th Philippine Women Judges Association (PWJA) Convention-Seminar: “Livin’ La Vida Corona”, PWJA, Video Conferencing, March 7–9, 2022

ASEAN Law Association (ALA) 42nd Governing Council Meeting, ALA, Video Conferencing, November 11, 2021

International Forum on Judicial Cooperation, Supreme People’s Court of the People’s Republic of China, Virtual Conference, October 26–27, 2021

9th Council of ASEAN Justices Meeting, Council of ASEAN Chief Justices (CACJ), Video Conferencing, October 7, 2021

26th PWJA Convention and Seminar: “A Call for PWJA: Resiliency Amidst Pandemic”, PWJA, Video Conferencing, June 2–3, 2021

CACJ 8th Meeting, Family Justice Courts of Singapore, Video Conferencing – Manila, November 5, 2020

Forum on Rule of Law in Internet, Supreme People’s Court of the Republic of China, China, December 5, 2020

2019 Legal Education Summit, UP College of Law/ Asia Foundation, Manila, July 31, 2019–August 1, 2019

International Conference on Constitutional Identity and Universal Values: The Art of Balance, Constitutional Court of the Russian Federation, Russia, May 14, 2019

IX St. Petersburg International Legal Forum, SPBILF, Russia, May 13–17, 2019

Regional Conference of the Asia-Pacific Region of the International Association of Women Judges (IAWJ) and 24th Annual Convention-Seminar of the PWJA, IAWJ/PWJA, Bohol, Philippines, February 27–May 1, 2019

13th ALA General Assembly and ASEAN Law Conference, ALA, Singapore, July 25–28, 2018

International Octopus Conference on Cooperation Against Cybercrime, Council of Europe, Strasbourg, France, July 11–13, 2018

14th Biennial Conference of the IAWJ, IAWJ, Buenos Aires, Argentina, April 30–May 6, 2018

Summit of Women Judges and Prosecutors on Human Trafficking and Organized Crime, Pontifical Academy of Sciences, Vatican City, Rome, Italy, November 7–10, 2017

ASEAN-USPTO Colloquium for the Judiciary on Management of Civil and Criminal IP Appellate Cases, ASEAN-USPTO, Thailand, September 20–22, 2017

COVER SHEET

	1	1	8	4	0				

S. E. C. Registration Number

	S	A	N		M	I	G	U	E	L		F	O	O	D		A	N	D

	B	E	V	E	R	A	G	E	,		I	N	C	.					

(Company's Full Name)

	4	0		S	A	N		M	I	G	U	E	L						

	A	V	E	N	U	E	,		M	A	N	D	A	L	U	Y	O	N	G

	C	I	T	Y		M	E	T	R	O		M	A	N	I	L	A		

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

ALEXANDRA VICTORIA B. TRILLANA

Contact Person

(632) 5317-5450

Company Telephone Number

Certification of Independent Director

Month

Day

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier-----
S T A M P S-----
Remarks = pls. Use black ink for scanning purposes

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ANTONIO S. ABACAN, JR.**, Filipino, of legal age and a resident of **316 Madrigal Avenue, Ayala Alabang Village, Muntinlupa City**, after having duly sworn in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **San Miguel Food and Beverage, Inc.** and have been its Independent Director since June 5, 2024.
2. I am affiliated with the following companies or organizations:

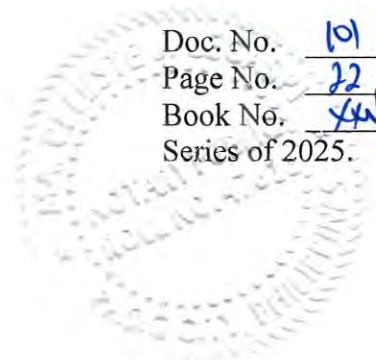
COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Please see attached Annex "A".		

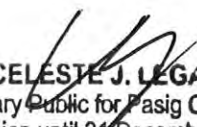
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **San Miguel Food and Beverage, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission (SEC).
4. I am not related to any director/officer/substantial shareholder of **San Miguel Food and Beverage, Inc.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **San Miguel Food and Beverage, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done this MAR 05 2025 at Pasig City.


ANTONIO S. ABACAN, JR.
Affiant

SUBSCRIBED AND SWORN to before me this **MAR 05 2025** at Pasig City, affiant personally appeared before me and exhibited to me his Passport No. P9604386A issued in DFA Manila and valid until November 18, 2028.


Doc. No. 101 ;
Page No. 22 ;
Book No. 44 ;
Series of 2025.


MA. CELESTE J. LEGASPI
Notary Public for Pasig City
Commission until 31 December 2026
100 E. Rodriguez Jr. Avenue (C5 Road)
Barangay Ugong, Pasig City 1604
APPT No. 5 (2025-2026)/Roll No. 47611
IBP No. 503547; 1/9/2025; RSM
PTR No. 3038204; 1/6/2025; Pasig City
MCLE Compliance No. VII-0019519; 5/30/2022

CURRICULUM VITAE

DR. ANTONIO S. ABACAN, JR.

316 Madrigal Avenue
 Ayala Alabang Village
 Muntinlupa City
 Tel. No. 0917-577-0121
 Email: tonyabacan0121@yahoo.com



RECENT POSITIONS

Independent Director: COSCO Capital, Inc.
 (May 14, 2024 – present)

Independent Director: San Miguel Food and Beverage, Inc.
 (June 5, 2024 – present)

Independent Director: Primex Realty Corporation
 (June 14, 2024 – present)

Monetary Board Member: Bangko Sentral ng Pilipinas
 (July 3, 2017 to July 2, 2023)

PREVIOUS POSITIONS

Group Vice Chairman
 Senior Adviser Senior
 Adviser Chairman of the
 Board Chairman of the
 Board
 Chairman of the Board / President

Chairman of the Board
 Chairman of the Board
 Director
 Adviser
 Adviser
 Honorary Chairman
 Director
 Adviser
 Chairman of the Board
 Vice Chairman/Executive Director
 Vice Chairman/ Director
 Director
 Director
 Director

Metrobank Group of Companies
 Metropolitan Bank & Trust Company
 First Metro Investment Corporation
 Toyota Financial Services, (Phils.) Inc.
 Sumisho Motor Finance Corporation
 Manila Medical Services, Inc.
 (Manila Doctors Hospital)
 Manila Tytana Colleges
 Circa 2000 Homes, Inc.
 Vivant Corporation
 Federal Land, Inc.
 Toyota Manila Bay Corporation Group
 Orix Metro Leasing and Finance Corporation
 Taal Land, Inc.
 GT Capital Holdings, Inc.
 Manila –GT Medical Center
 Global Business Power Corporation
 Panay Energy Development Corporation
 Cebu Energy Development Corporation
 Panay Power Corporation
 Panay Power Holdings, Corporation

Director	ARB Power Ventures, Inc.
Director	GBH Power Resources, Inc.
Director	Global Formosa Power Holdings, Inc.
Director	Global Energy Supply Corporation
Director	Cebu Holdings, Inc.
Director/ Secretary and Treasurer	LGU Guarantee Corporation
Chairman, Advisory Board	Metropolitan Bank & Trust Company
Member, Board of Trustee	Manila Tytana Colleges
Adviser	First Metro Investment Corporation
Director / Corporate Secretary	Bankers Association of the Philippines
Director for Banking, Finance, Taxation & Capital Market Development	Philippine Chamber of Commerce & Industry (PCCI)
Chairman of the Board	Metropolitan Bank and Trust Company
Chairman of the Board	First Metro Investment Corporation
Chairman of the Board	Federal Homes, Inc.
Chairman of the Board	Baywatch Realty Corporation
Chairman of the Board	Baywatch Project Management Corp
President	GT Capital Holdings, Inc.
Vice Chairman	Global Business Holdings, Inc.
Honorary Vice Chairman	First Metro Travel Inc.
Vice Chairman	First Metro International Investment Corporation (Hongkong)
President	Metropolitan Bank & Trust Company
President / Director	Philippine Savings Bank
Member, Advisory Board	Philippine Savings Bank
President /Director	Metrobank Card Corporation
President	Data Serv Corporation
Chairman of the Board	Philippine Charter Insurance
President	Savings Bankers Association of the Phils.
First Vice President /Director	Chamber of Thrift Banks
Director	Jardine Land Inc.

PREVIOUS AFFILIATIONS

Trustee/ Treasurer	Philippine Business Center
Director for Banking, Finance and Taxation	Philippine Chamber of Commerce & Industry
Governor	Makati Commercial Estate Association (MACEA)
President	DARE Philippines Association Inc.
Member	Management Association of the Philippines (MAP)
Senior Adviser	Metrobank Foundation / Chairman, Donation/Executive Committee
Member, Board of Trustees	GT Metro Foundation
Member, Board of Trustees	Piso for Unity, Peace and Progress Foundation
Member, Board of Trustees	Evangelion Foundation
Member	Stanford University Alumni Association

CLUB MEMBERSHIP

Alabang Golf & Country Club

HONORS RECEIVED

Outstanding Alumnus for the Year 1987
Mapua Institute of Technology

Most Outstanding Alumnus for the Year 1988
Meycauayan College

Uling Ama awardee 1998
National Father's Day & Mother's Day Foundation

Communications & Leadership Awardee
Toastmasters International 1999

Dangal ng Lipi Awards 1999
Outstanding Bulakeño

International Association of Business Communicators
(IABC) CEO Excel Awardee-November 2006

Outstanding Alumnus 2007
Far Eastern University

The Outstanding Filipino award (TOFIL)
Philippine Jaycee Senate December 2008

Huwarang Anak ng Bulacan
Outstanding Bulakeño Achieversño
Club Bulakeño Inc.
November 2011

TRAININGS / SEMINARS

Finance, Marketing and Trust Operations

Crocker Citizen National Bank
San Francisco U.S.A.

Irving Trust Company
Bankers Trust Company
New York U.S.A

EDUCATION

Doctor of Business Administration (Honoris Causa)
Philippine Women's University

Graduate School
Executive Program, Graduate School of Business
Stanford University, Stanford, California, U.S.A.

College
Bachelor of Science in Business Administration
Major in Banking & Finance at
Mapua Institute of Technology

Major in Accounting
at Far Eastern University

PERSONAL INFORMATION

Place and Date of Birth: January 21, 1943, Paracale Camarines Norte

Religion: Roman Catholic

Parents: Antonio L. Abacan, Sr. and Gabina T. Santiago
Both are from Meycauayan City Province of Bulacan

Married to Mary Jane Roxas Abacan, with whom he has three children namely:

Jose Mari;

Jeffrey, First Vice President of Banco de Oro and;

Mary Ann, Doctor of Medicine (Pediatric Geneticist/ Metabolic)
Philippine General Hospital, Manila Doctors Hospital.



DR. ANTONIO S. ABACAN, JR.
Email Address: tonyabacan012@yahoo.com
Telephone: (632) 536 01 02

Dr. Antonio S. Abacan, Jr. was appointed by the 16th President of the Republic of the Philippines, President Rodrigo Roa Duterte, as Member of the Monetary Board of the Bangko Sentral ng Pilipinas (BSP) on the 4th day of July 2017 (term to expire on 02 July 2023).

Dr. Abacan is the Monetary Board Representative to the International Association of Currency Affairs. He is also an Adviser to the BSP Budget Committee, Currency Management Committee, Committee on Currency Designs and Enhancements and Committee on Disposal of Properties; and Member of the Corporate Audit Committee and of the recently folded Inter- Agency Committee to the Central Bank – Board of Liquidators.

Before being appointed as Monetary Board Member, Dr. Abacan already had a long and noteworthy history in the Banking and Finance Industry of the Philippines. He was President, Chairman and Senior Adviser of Metropolitan Bank & Trust Company; President and Director of Metrobank Card Corporation, the Philippine Savings Bank, and Data Serv Corporation; and President and Adviser of GT Capital Holdings. He was Chairman of the Board of Directors of several institutions such as First Metro Investment Corporation, Philippine Charter Insurance, Toyota Financial Services (Phils.), Inc., Sumisho Motor Finance Corporation, Manila Doctors Hospital, Orix Metro Leasing and Finance Corporation, Manila Tytana Colleges, among many others. He was also Director for Banking, Finance and Taxation of the Philippine Chamber of Commerce & Industry; Governor of Makati Commercial Estate Association (MACEA); President of DARE Philippines Association, Inc. and Senior Adviser of Metrobank Foundation.

Dr. Abacan has made his mark in the industry as proven by his personal achievements. In recognition of his outstanding contributions in banking, he was conferred "The Outstanding Filipino" award in 2008 by Philippine Jaycee Senate. He was a Communications and Leadership Awardee by Toastmaster International in 1999 and a CEO Excel Awardee by the International Association of Business Communicators in 2006. He was recognized by Mapua Institute of Technology, Far Eastern University, and Meycauayan College as the Outstanding Alumnus for the years 1987, 2007, and 1988, respectively. His long line of achievements also includes being a recipient of the Ulirang Ama Award in 1998 (National Father's Day & Mother's Day Foundation), Outstanding Bulakeño 1999 (Dangal ng Lipi Awards), Huwarang Anak ng Bulacan 2011 (Club Bulakeño, Inc.)

Dr. Abacan obtained his Bachelor of Science in Business Administration Major in Banking & Finance at Mapua Institute of Technology and Major in Accounting at Far Eastern University. Additionally, he attended an Executive Program at the Graduate School of Business, Stanford University and earned his Doctorate Degree in Business Administration (Honoris Causa) at the Philippines Women's University.

Dr. Abacan is married to Mary Jane Roxas, with whom he has three children, namely, Jose Mari, Jeffrey (First Vice President of Banco De Oro), and Mary Ann (Pediatric Geneticist / Metabolic at Philippine General Hospital and Manila Doctors Hospital).

SEC eFast Initial Acceptance

From noreply-cifssost@sec.gov.ph <noreply-cifssost@sec.gov.ph>

Date Tue 4/15/2025 3:58 AM

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Greetings!

SEC Registration No: 0000011840

Company Name: SAN MIGUEL FOOD AND BEVERAGE, INC.

Document Code: AFS

This serves as temporary receipt of your submission.

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

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

Thank you.

REMINDER:

TO ALL FILERS OF REPORTS IN THE e-FAST

Please strictly follow the instruction stated in the form.

Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer.

1. General Information Sheet (GIS-Stock)
2. General Information Sheet (GIS-Non-stock)
3. General Information Sheet (GIS- Foreign stock & non-stock)
4. Broker Dealer Financial Statements (BDFS)
5. Financing Company Financial Statements (FCFS)
6. Investment Houses Financial Statements (IHFS)
7. Publicly – Held Company Financial Statement
8. General Form for Financial Statements
9. Financing Companies Interim Financial Statements (FCIF)
10. Lending Companies Interim Financial Statements (LCIF)

Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFast, if the filed report is compliant with the existing requirements.

A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the reports rejection in the remarks box.

SECURITIES AND EXCHANGE COMMISSION

SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of San Miguel Food and Beverage, Inc. (the "Company") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

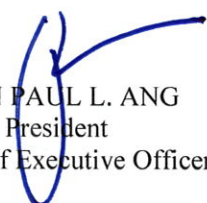
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

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



RAMON S. ANG
Chairman



JOHN PAUL L. ANG
President
and Chief Executive Officer



MONICA L. ANG-MERCADO
Chief Financial Officer

Signed this 5th day of March 2025

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

Before me, a Notary Public for and in **PASIG CITY** City this **APR 03 2025**
day of _____ 2025, personally appeared:

<u>Name</u>	<u>Passport No.</u>	<u>Expiry Date/Place Issued</u>
Ramon S. Ang	P2247867B	May 21, 2029 / Manila
John Paul L. Ang	P2247864B	May 21, 2029 / Manila
Monical L. Ang-Mercado	P8260210B	December 9, 2031/ Manila

Known to me to be the same persons who executed the foregoing Statement of Management's Responsibility consisting of two (2) pages including this page on which this acknowledgement is written and that they acknowledged to me that the same is their free and voluntary act and deed and that of the principals they represent.

In WITNESS WHEREOF, I have affixed my notarial seal at the date and place first above written.

Doc. No. 115 ;
Page No. 24 ;
Book No. xxv ;
Series of 2025

MA. CELESTE J. LRGASPI
Notary Public for Pasig City
Commission until 31 December 2026
100 E. Rodriguez Jr. Avenue (C5 Road)
Barangay Ugong, Pasig City 1604
APPT No. 5 (2025-2026)/Roll No. 47611
IBP No. 503547; 1/9/2025; RSM
PTR No. 3038204; 1/6/2025; Pasig City
MCLE Compliance No. VII-0019519; 5/30/2022

SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024, 2023 and 2022**

With Independent Auditors' Report



R.G. Manabat & Co.
The KPMG Center, 6/F
6787 Ayala Avenue, Makati City
Philippines 1209
Telephone +63 (2) 8885 7000
Fax +63 (2) 8894 1985
Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
San Miguel Food and Beverage, Inc.
40 San Miguel Avenue,
Mandaluyong City

Opinion

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

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

Basis for Opinion

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

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



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.

Impairment Testing of Trademarks, Brand Names and License (P39,351 million)
Refer to Note 16 to the consolidated financial statements.

The risk

The Group has assessed that the trademarks, brand names and license have indefinite useful lives considering that there is no foreseeable limit to the period over which the assets are expected to generate cash inflows for the Group. Trademarks, brand names and licenses represent 10% of the consolidated total assets of the Group. As required by Philippine Accounting Standard (PAS) 36, *Impairment of Assets*, impairment testing is required annually for intangible assets with indefinite useful lives, irrespective of whether there is an indication that the related assets may be impaired.

We focused on this area because of the subjectivity and complexity of determining the recoverable amounts which involve significant estimation uncertainty. As a result, we assessed that the impairment testing is a key audit matter.

Our response

Our audit work over the valuation of trademarks, brand names and license included the following:

- We evaluated and assessed the methodology applied in the impairment review in accordance with PAS 36.
- We have updated our understanding of the management's annual impairment process.
- We evaluated the appropriateness of forecast cash flows prepared by management and consider the historical accuracy of management forecast by comparing prior year forecast to actual results.
- We challenged the Group's key assumptions for long-term growth rates in the forecasts by comparing them with historical results, economic and industry forecasts; and the Group's discount rate used in calculating the weighted average cost of capital using market comparable information. We have performed a range of sensitivity analysis to assess the impact of reasonably possible changes in key assumptions used by management. We have involved our own valuation specialists in the testing and evaluation of these key assumptions.
- We have also assessed the appropriateness and adequacy of the presentation and the relevant disclosures in the consolidated financial statements.

Revenue Recognition (P400,872 million)

Refer to Notes 6, 22 and 30 to the consolidated financial statements.

The risk

Revenue is an important measure used to evaluate the performance of the Group and is generated from various sources. It is accounted for when control of the goods or services is transferred to the customer over time or at a point in time, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. While revenue recognition and measurement are not complex for the Group, revenues may be inappropriately recognized in order to improve business results and achieve revenue growth in line with the objectives of the Group, thus increasing the risk of material misstatement from recording of fictitious sales or recording of sales made in the subsequent accounting period.

Our response

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

- We evaluated and assessed the revenue recognition policies of the Group in accordance with PFRS 15, *Revenue from Contracts with Customers*.
- We evaluated and assessed the design and operating effectiveness of the key controls over the revenue process.
- We involved our information technology specific team members, as applicable, to assist in the audit of automated controls, including interface controls among different information technology applications for the evaluation of the design and operating effectiveness of controls over the recording of revenue transactions.
- We examined and traced sales transactions, on a sampling basis, to source documents such as sales invoice and/or delivery documents acknowledged by the customers and collection receipts.
- We tested sales transactions for the first month of the following financial year, on a sampling basis, to supporting documentation such as sales invoices acknowledged by the customers and delivery documents to assess whether these transactions are recorded in the appropriate financial year.
- We tested credit notes issued after the financial year, on a sampling basis, to identify and assess any credit notes that relate to sales transactions recognized during the financial year.
- We tested journal entries posted to revenue accounts to identify unusual or irregular items.
- We have also evaluated the appropriateness and adequacy of the presentation and the relevant disclosures in the consolidated financial statements.



Other Information

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

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

In connection with our audit 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 audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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, actions taken to eliminate threats or safeguards applied.



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

The engagement partner on the audit resulting in this independent auditors' report is Maria Arleene C. Yu.

R.G. MANABAT & CO.

Maria Arleene C. Yu
MARIA ARLEENE C. YU

Partner

CPA License No. 0108855

SEC Accreditation No. 108855-SEC, Group A, valid for five (5) years
covering the audit of 2021 to 2025 financial statements

Tax Identification No. 225-068-761

BIR Accreditation No. 08-000745-041-2023

Issued October 9, 2023, valid until October 9, 2026

PTR No. MKT 10467161

Issued January 2, 2025 at Makati City

April 14, 2025

Makati City, Metro Manila

**SAN MIGUEL FOOD AND BEVERAGE, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(In Millions)

	<i>Note</i>	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	4, 7, 33, 34	P58,221	P57,007
Trade and other receivables - net	4, 8, 30, 33, 34	29,456	25,869
Inventories	4, 9	47,582	43,096
Current portion of biological assets - net	4, 10	3,241	3,515
Prepaid expenses and other current assets	11, 30, 33, 34, 36	5,506	6,216
Assets held for sale	5, 16, 27	186	186
Total Current Assets		144,192	135,889
Noncurrent Assets			
Investments - net	4, 12, 33, 34	17,388	17,128
Property, plant, and equipment - net	4, 13	128,590	118,000
Right-of-use assets - net	4, 14	4,923	4,633
Investment property - net	4, 15	3,576	3,537
Biological assets - net of current portion	4, 10	2,652	2,667
Goodwill - net	4, 16	996	996
Other intangible assets - net	4, 16	39,665	39,444
Deferred tax assets	4, 28	3,657	3,209
Other noncurrent assets - net	4, 17, 29, 30, 33, 34	31,467	30,272
Total Noncurrent Assets		232,914	219,886
		P377,106	P355,775
LIABILITIES AND EQUITY			
Current Liabilities			
Loans payable	18, 33, 34	P17,103	P14,684
Trade payables and other current liabilities	19, 30, 33, 34	76,416	65,288
Lease liabilities - current portion	4, 32, 33, 34	735	418
Income and other taxes payable		10,035	9,668
Dividends payable	21	89	79
Current maturities of long-term debt - net of debt issue costs	20, 33, 34	12,328	12,871
Total Current Liabilities		116,706	103,008

Forward

	Note	2024	2023
Noncurrent Liabilities			
Long-term debt - net of current maturities and debt issue costs	20, 33, 34	P67,652	P69,939
Deferred tax liabilities	28	23	26
Lease liabilities - net of current portion	4, 32, 33, 34	4,864	4,758
Other noncurrent liabilities	4, 29, 30, 33, 34	7,672	8,929
Total Noncurrent Liabilities		80,211	83,652
Equity			
Equity Attributable to Equity Holders of the Parent Company			
Capital stock	21	6,251	6,251
Additional paid-in capital	21	366,620	366,620
Equity adjustments from common control transactions	21	(327,793)	(327,793)
Equity reserves		(1,711)	(2,094)
Retained earnings:	21		
Appropriated		45,375	45,392
Unappropriated		57,551	50,996
Treasury stock	21	(30,182)	(30,182)
		116,111	109,190
Non-controlling Interests	2, 5	64,078	59,925
Total Equity		180,189	169,115
		P377,106	P355,775

See Notes to the Consolidated Financial Statements.

**SAN MIGUEL FOOD AND BEVERAGE, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(In Millions, Except Per Share Data)

	<i>Note</i>	2024	2023	2022
SALES	6, 22, 30	P400,872	P379,822	P358,853
COST OF SALES	23, 30	289,940	279,222	261,480
GROSS PROFIT		110,932	100,600	97,373
SELLING AND ADMINISTRATIVE EXPENSES	24, 30	(55,140)	(52,189)	(48,662)
INTEREST EXPENSE AND OTHER FINANCING CHARGES	18, 20, 27, 32	(4,809)	(4,752)	(3,538)
INTEREST INCOME	7, 27, 30	3,788	3,067	821
GAIN (LOSS) ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT	12, 13	19	(2)	(2)
OTHER INCOME (CHARGES) - Net	27	(1,123)	3,154	(223)
INCOME BEFORE INCOME TAX		53,667	49,878	45,769
INCOME TAX EXPENSE	28	12,734	11,773	11,104
NET INCOME		P40,933	P38,105	P34,665
Attributable to:				
Equity holders of the Parent Company		P25,743	P23,118	P22,263
Non-controlling interests	5	15,190	14,987	12,402
		P40,933	P38,105	P34,665
Basic and Diluted Earnings per Common Share Attributable to Equity Holders of the Parent Company	31	P4.36	P3.91	P3.77

See Notes to the Consolidated Financial Statements.

**SAN MIGUEL FOOD AND BEVERAGE, INC.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**
(In Millions)

	<i>Note</i>	2024	2023	2022
NET INCOME		P40,933	P38,105	P34,665
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified to profit or loss				
Remeasurement loss on reserve for retirement plan	29	(282)	(2,155)	(1,849)
Income tax	28	69	548	457
Net gain on financial assets at fair value through other comprehensive income		9	23	5
		(204)	(1,584)	(1,387)
Items that may be reclassified to profit or loss				
Gain (loss) on exchange differences on translation of foreign operations		1,103	(88)	1,713
		1,103	(88)	1,713
OTHER COMPREHENSIVE INCOME (LOSS) -				
Net of tax		899	(1,672)	326
TOTAL COMPREHENSIVE INCOME		P41,832	P36,433	P34,991
Attributable to:				
Equity holders of the Parent Company		P26,126	P21,860	P22,377
Non-controlling interests	5	15,706	14,573	12,614
		P41,832	P36,433	P34,991

See Notes to the Consolidated Financial Statements.

**SAN MIGUEL FOOD AND BEVERAGE, INC
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(In Millions)**

Equity Attributable to Equity Holders of the Parent Company																
Note	Equity Reserves												Non-controlling Interests	Total Equity		
	Capital Stock		Additional Paid-in Capital	Equity Adjustments from Common Control Transactions	Reserve for Retirement Plan	Fair Value Reserve	Translation Reserve	Other Equity Reserve	Retained Earnings		Treasury Stock					
	Common	Preferred							Appropriated	Unappropriated	Common	Preferred				
															Total	
As at January 1, 2024		P5,951	P300	P366,620	(P327,793)	(P3,117)	P34	P1,066	(P77)	P45,392	P50,996	(P182)	(P30,000)	P109,190	P59,925	P169,115
Remeasurement loss on reserve for retirement plan, net of deferred tax	29	-	-	-	-	(158)	-	-	-	-	-	-	-	(158)	(55)	(213)
Gain on exchange differences on translation of foreign operations		-	-	-	-	-	-	534	-	-	-	-	-	534	569	1,103
Net gain on financial assets at fair value through other comprehensive income		-	-	-	-	-	7	-	-	-	-	-	-	7	2	9
Other comprehensive income (loss)		-	-	-	-	(158)	7	534	-	-	-	-	-	383	516	899
Net income		-	-	-	-	-	-	-	-	-	25,743	-	-	25,743	15,190	40,933
Total comprehensive income (loss)		-	-	-	-	(158)	7	534	-	-	25,743	-	-	26,126	15,706	41,832
Net addition to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	-	67	67
Reversal of appropriations - net	21	-	-	-	-	-	-	-	-	(17)	17	-	-	-	-	-
Cash dividends declared	21	-	-	-	-	-	-	-	-	-	(19,205)	-	-	(19,205)	(11,620)	(30,825)
As at December 31, 2024		P5,951	P300	P366,620	(P327,793)	(P3,275)	P41	P1,600	(P77)	P45,375	P57,551	(P182)	(P30,000)	P116,111	P64,078	P180,189

Forward

		Equity Attributable to Equity Holders of the Parent Company														
		Capital Stock		Additional Paid-in Capital	Equity Adjustments from Common Control Transactions	Equity Reserves				Retained Earnings		Treasury Stock		Total	Non- controlling Interests	Total Equity
	Note	Common	Preferred			Reserve for Retirement Plan	Fair Value Reserve	Translation Reserve	Other Equity Reserve	Appro- priated	Unappro- priated	Common	Preferred			
As at January 1, 2023		P5,951	P300	P366,620	(P327,793)	(P1,880)	P12	P1,109	(P77)	P31,366	P57,860	(P182)	(P30,000)	P103,286	P55,787	P159,073
Remeasurement loss on reserve for retirement plan, net of deferred tax	29	-	-	-	-	(1,237)	-	-	-	-	-	-	-	(1,237)	(370)	(1,607)
Loss on exchange differences on translation of foreign operations		-	-	-	-	-	-	(43)	-	-	-	-	-	(43)	(45)	(88)
Net gain on financial assets at fair value through other comprehensive income		-	-	-	-	-	22	-	-	-	-	-	-	22	1	23
Other comprehensive income (loss)		-	-	-	-	(1,237)	22	(43)	-	-	-	-	-	(1,258)	(414)	(1,672)
Net income		-	-	-	-	-	-	-	-	-	23,118	-	-	23,118	14,987	38,105
Total comprehensive income (loss)		-	-	-	-	(1,237)	22	(43)	-	-	23,118	-	-	21,860	14,573	36,433
Share issuance cost		-	-	-	-	-	-	-	-	-	(1)	-	-	(1)	-	(1)
Appropriations during the year - net	21	-	-	-	-	-	-	-	-	14,026	(14,026)	-	-	-	-	-
Cash dividends declared	21	-	-	-	-	-	-	-	-	-	(15,955)	-	-	(15,955)	(10,435)	(26,390)
As at December 31, 2023		P5,951	P300	P366,620	(P327,793)	(P3,117)	P34	P1,066	(P77)	P45,392	P50,996	(P182)	(P30,000)	P109,190	P59,925	P169,115

Forward

		Equity Attributable to Equity Holders of the Parent Company														
		Equity Reserves														
		Capital Stock		Additional Paid-in Capital	Equity Adjustments from Common Control Transactions	Reserve for Retirement Plan	Fair Value Reserve	Translation Reserve	Other Equity Reserve	Retained Earnings		Treasury Stock		Total	Non-controlling Interests	Total Equity
Note		Common	Preferred							Appropriated	Unappropriated	Common	Preferred			
As at January 1, 2022		P5,951	P300	P366,620	(P327,793)	(P1,131)	P12	P246	(P77)	P31,043	P48,448	(P182)	(P30,000)	P93,437	P52,025	P145,462
Remeasurement loss on reserve for retirement plan, net of deferred tax		29	-	-	-	(749)	-	-	-	-	-	-	-	(749)	(643)	(1,392)
Gain on exchange differences on translation of foreign operations			-	-	-	-	-	858	-	-	-	-	-	858	855	1,713
Net gain on financial assets at fair value through other comprehensive income			-	-	-	-	-	5	-	-	-	-	-	5	-	5
Other comprehensive income (loss)			-	-	-	(749)	-	863	-	-	-	-	-	114	212	326
Net income			-	-	-	-	-	-	-	-	22,263	-	-	22,263	12,402	34,665
Total comprehensive income (loss)			-	-	-	(749)	-	863	-	-	22,263	-	-	22,377	12,614	34,991
Appropriations during the year - net		21	-	-	-	-	-	-	-	323	(323)	-	-	-	-	-
Cash dividends declared		21	-	-	-	-	-	-	-	-	(12,528)	-	-	(12,528)	(8,852)	(21,380)
As at December 31, 2022		P5,951	P300	P366,620	(P327,793)	(P1,880)	P12	P1,109	(P77)	P31,366	P57,860	(P182)	(P30,000)	P103,286	P55,787	P159,073

See Notes to the Consolidated Financial Statements.

SAN MIGUEL FOOD AND BEVERAGE, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(In Millions)

	<i>Note</i>	2024	2023	2022
CASH FLOWS FROM				
OPERATING ACTIVITIES				
Income before income tax		P53,667	P49,878	P45,769
Adjustments for:				
Depreciation and amortization and others - net	25	16,893	16,164	13,911
Interest expense and other financing charges	27	4,809	4,752	3,538
Impairment loss on property, plant and equipment and other noncurrent assets	27	1,457	-	(31)
Retirement costs	29	980	843	842
Impairment losses on receivables and write-down of inventories	8, 9	304	779	1,169
Net other charges (gain) on derivative transactions		17	(45)	89
Loss (gain) on sale of investments and property and equipment		(15)	(790)	2
Gain on fair valuation of agricultural produce	9	(25)	(8)	(17)
Dividend income		(145)	(139)	(137)
Interest income	27	(3,788)	(3,067)	(821)
Operating income before working capital changes		74,154	68,367	64,314
Decrease (increase) in:				
Trade and other receivables		(7,541)	(3,757)	801
Inventories		(4,775)	17,444	(16,608)
Current portion of biological assets		274	(96)	(312)
Prepaid expenses and other current assets		529	(725)	275
Increase in trade payables and other current liabilities		14,444	8,251	3,380
Cash generated from operations		77,085	89,484	51,850
Contributions paid	29	(1,346)	(1,274)	(654)
Interest paid		(5,869)	(5,443)	(4,316)
Income taxes paid		(11,815)	(11,379)	(11,385)
Net cash flows provided by operating activities		58,055	71,388	35,495

Forward

	Note	2024	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments and property and equipment		P26	P135	P31
Increase in biological assets, intangible assets and other noncurrent assets	10, 16, 17	(12,522)	(15,153)	(9,860)
Additions to investments, property, plant and equipment and investment property	12, 13, 15	(16,688)	(15,748)	(26,463)
Dividends received		145	139	137
Interest received		3,690	2,937	730
Net cash flows used in investing activities		(25,349)	(27,690)	(35,425)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from:				
Short-term borrowings	18	304,824	227,369	100,543
Long-term borrowings	20	9,925	4,963	11,910
Increase (decrease) in other noncurrent liabilities and others		19	1,070	-
Payments of:				
Lease liabilities	27, 32	(745)	(520)	(603)
Long-term borrowings	20	(12,880)	(514)	(7,183)
Short-term borrowings	18	(302,405)	(233,740)	(84,679)
Cash dividends paid	21	(30,815)	(26,378)	(21,370)
Share issuance costs		(3)	(1)	-
Net cash flows used in financing activities		(32,080)	(27,751)	(1,382)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS				
		588	(39)	830
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
		1,214	15,908	(482)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
		P57,007	41,099	41,581
CASH AND CASH EQUIVALENTS AT END OF YEAR				
	7	P58,221	P57,007	P41,099

See Notes to the Consolidated Financial Statements.

**SAN MIGUEL FOOD AND BEVERAGE, INC.
AND SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Millions, Unless Otherwise Indicated)

1. Reporting Entity

San Miguel Food and Beverage, Inc. (SMFB or the Parent Company), a subsidiary of San Miguel Corporation (SMC or the Intermediate Parent Company), was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) in October 1956 for a term of 50 years. On August 8, 2006, the stockholders approved the amendment to the Articles of Incorporation of the Parent Company, extending the term for which the corporation is to exist for another 50 years from October 30, 2006 or until October 30, 2056. The amendment was subsequently approved by the SEC.

The Parent Company has a corporate life of 50 years pursuant to its articles of incorporation. However, under the Revised Corporation Code of the Philippines which took effect on February 23, 2019, the Parent Company shall have a perpetual corporate life.

The Parent Company is a public company under Section 17.2 of the Securities Regulation Code (SRC). Its common and preferred shares are listed on The Philippine Stock Exchange (PSE) since 1973 and 2011, respectively. Top Frontier Investment Holdings, Inc. (Top Frontier) is the ultimate parent company of SMFB and its subsidiaries. SMC and Top Frontier are both public companies under Section 17.2 of the SRC and their shares are listed on PSE.

The accompanying consolidated financial statements comprise the financial statements of the Parent Company and its Subsidiaries and the Group's interests in joint ventures (collectively referred to as the Group).

The Group is engaged in various business activities, which include poultry operations, livestock farming and processing and selling of meat products, processing and marketing of refrigerated and canned meat products, manufacturing and marketing of feeds and flour products, specialty oils, spreads, desserts and dairy-based products, snacks and condiments, importation and marketing of coffee and coffee-related products, and grain terminal handling. Following the corporate reorganization in June 2018, the Group is also engaged in manufacturing, selling and distribution of alcoholic and non-alcoholic beverages (NAB).

On August 7, 2024, the Board of Directors (BOD) of SMFB approved the amendment of the Company's principal address from 100 E. Rodriguez Jr. Avenue (C-5 Road), Barangay Ugong, Pasig City to 40 San Miguel Avenue, Mandaluyong City. The change of the principal address was approved by the SEC on January 10, 2025. Accordingly, the Company filed an application for registration information with the Bureau of Internal Revenue (BIR) and BIR issued the updated certificate of registration dated January 31, 2025.

2. Basis of Preparation

Statement of Compliance

The accompanying consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards are based on International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). PFRS Accounting Standards consist of PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC).

The consolidated financial statements were approved and authorized for issue in accordance with a resolution by the BOD on March 5, 2025.

Basis of Measurement

The consolidated financial statements of the Group have been prepared on a historical cost basis except for the following items which are measured on an alternative basis on each reporting date:

Items	Measurement Basis
Derivative financial instruments	Fair value
Financial assets at fair value through profit or loss (FVPL)	Fair value
Financial assets at fair value through other comprehensive income (FVOCI)	Fair value
Defined benefit retirement asset (liability)	Fair value of the plan assets less the present value of the defined benefit retirement obligation
Agricultural produce	Fair value less estimated costs to sell at the point of harvest

Functional and Presentation Currency

The consolidated financial statements are presented in Philippine peso, which is the functional currency of the Parent Company. All financial information are rounded off to the nearest million (000,000), except when otherwise indicated.

Basis of Consolidation

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

	Percentage of Ownership		Country of Incorporation
	2024	2023	
Food			
San Miguel Mills, Inc. (SMMI) and subsidiaries [including Golden Bay Grain Terminal Corporation and Golden Avenue Corp.(GAC)]	100.00	100.00	Philippines
Magnolia Inc. and subsidiary, Golden Food Management, Inc.	100.00	100.00	Philippines
San Miguel Foods, Inc. (SMFI) and subsidiaries, Foodcrave Marketing, Inc., San Miguel Foods Mindanao, Inc. (SMFMI), San Miguel Foods South Luzon, Inc. (SMFSLI, formerly Artholand Property Development Inc. or APDI ⁽¹⁾) and JGT Holdings, Inc. (JGT) ⁽²⁾	99.99	99.99	Philippines
PT San Miguel Foods Indonesia (PTSMFI) ⁽³⁾	75.00	75.00	Indonesia
San Miguel Super Coffeemix Co., Inc. (SMSCCI)	70.00	70.00	Philippines
The Purefoods-Hormel Company, Inc. (PF-Hormel)	60.00	60.00	Philippines
San Miguel Foods International, Limited and subsidiary including San Miguel Foods Investment (BVI) Limited and subsidiary and San Miguel Pure Foods (VN) Co., Ltd.	100.00	100.00	British Virgin Islands (BVI)

Forward

	Percentage of Ownership		Country of Incorporation
	2024	2023	
Beer and NAB			
San Miguel Brewery Inc. and Subsidiaries	51.16	51.16	Philippines
San Miguel Brewing International Limited and subsidiaries [including Neptunia Corporation Limited and subsidiaries {including San Miguel Company Limited, San Miguel Company Limited (Taiwan Branch), San Miguel Brewery Hong Kong Ltd. (SMBHK) and subsidiaries (including Hong Kong Brewery Limited, San Miguel Shunde Holdings Limited and subsidiary, San Miguel (Guangdong) Brewery Co., Ltd.), San Miguel (Guangdong) Limited and subsidiary, Guangzhou San Miguel Brewery Co. Ltd. ⁽⁴⁾ , San Miguel (China) Investment Company Limited (SMCIC) and San Miguel (Baoding) Brewery Co., Ltd. ⁽⁵⁾ (SMBB)}, San Miguel Holdings (Thailand) Limited and subsidiary, San Miguel Beer (Thailand) Limited, San Miguel Marketing (Thailand) Limited and subsidiaries {including Dragon Island Investments Limited, San Miguel (Vietnam) Limited, San Miguel Brewery Vietnam Company Limited, San Miguel Malaysia (L) Pte. Ltd. and Pt. Delta Djakarta Tbk and subsidiary}]			
Iconic Beverages, Inc. (IBI)			
Brewery Properties Inc. (BPI) and subsidiary, Brewery Landholdings, Inc.			
Spirits			
Ginebra San Miguel Inc. and Subsidiaries [including Distileria Bago, Inc., East Pacific Star Bottlers Phils Inc. (EPSBPI), Ginebra San Miguel International Ltd. (GSML), GSM International Holdings Limited (GSMIHL), Global Beverages Holdings Limited, Siam Holdings Limited, Agri crops Industries Inc., Healthy Condiments, Inc. and Crown Royal Distillers, Inc.]	75.78	75.78	Philippines
Nine Dots Media Consulting Coporation (Nine Dots) ⁽⁶⁾	55.55	-	Philippines

⁽¹⁾ The company was acquired on December 22, 2023.

⁽²⁾ The company was acquired on July 29, 2024.

⁽³⁾ The company has ceased operations in October 2021 and is in the process of liquidation.

⁽⁴⁾ The company has ceased operations in November 2020 and is in the process of liquidation.

⁽⁵⁾ The company has ceased operations in March 2020 and is in the process of liquidation.

⁽⁶⁾ The company was acquired on November 14, 2024.

A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than majority of the voting or similar rights of an investee, the 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 Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date when the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. Intergroup balances and transactions, including intergroup unrealized profits and losses, are eliminated in preparing the consolidated financial statements.

Non-controlling interests represent the portion of profit or loss and net assets not attributable to the Parent Company and are presented in the consolidated statements of income, consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from the equity attributable to equity holders of the Parent Company.

Non-controlling interests include the interests not held by the Parent Company in its subsidiaries as follows: SMFI, PTSMFI, SMSCCI, PF-Hormel, SMB, GSML, and Nine Dots (Note 5).

3. Material Accounting Policy Information

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

The FSRSC approved the adoption of a number of new and amendments to standards as part of PFRS Accounting Standards.

Adoption of Amendments to Standards

The Group has adopted the following amendments to standards effective January 1, 2024 and accordingly, changed its accounting policies in the following areas:

- Classification of Liabilities as Current or Noncurrent - 2020 Amendments and Noncurrent Liabilities with Covenants - 2022 Amendments (Amendments to PAS 1, *Presentation of Financial Statements*). To promote consistency in application and clarify the requirements on determining whether a liability is current or noncurrent, the amendments:
 - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead require that the right must have substance and exist at the reporting date;
 - clarified that only covenants with which the entity must comply on or before the reporting date affect the classification of a liability as current or noncurrent and covenants with which the entity must comply after the reporting date do not affect a liability's classification at that date;
 - provided additional disclosure requirements for noncurrent liabilities subject to conditions within 12 months after the reporting period to enable the assessment of the risk that the liability could become repayable within 12 months; and
 - clarified that settlement of a liability includes transferring an entity's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or noncurrent.

The adoption of the amendments to standards did not have a material effect on the consolidated financial statements.

New and Amendments to Standards Not Yet Adopted

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2024 and have not been applied in preparing the consolidated financial statements. Except as otherwise indicated, the adoption of new and amendments to standards will not have any significant impact on the Group's consolidated financial statements.

The Group will adopt the following new and amendments to standards on the respective effective dates:

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures*). The amendments clarify that financial assets and financial liabilities are recognized and derecognized on the settlement date, except for regular way purchases or sales of financial assets and financial liabilities that meet the conditions for an exception. The exception allows entities to elect to derecognize certain financial liabilities settled through an electronic payment system before the settlement date.

The amendments also provide guidelines for assessing the contractual cash flow characteristics of financial assets that include environmental, social, and governance-linked features and other similar contingent features.

Entities are required to disclose additional information about financial assets and financial liabilities with contingent features, and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to two standards:
 - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.
 - Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:
 - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss; and

- replaced the term 'their transaction price (as defined in PFRS 15, *Revenue from Contracts with Customers*)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that's unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

The amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- PFRS 18, *Presentation and Disclosure in Financial Statements*, replaces PAS 1. The new standard introduces the following key requirements:
 - Entities are required to classify all income and expenses into five categories in the statement of income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.
 - Management-defined performance measures are disclosed in a single note to the financial statements.
 - Enhanced guidance is provided on how to group information in the financial statements. Additionally, entities are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities under the indirect method.

In addition, all entities are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities under the indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of income, the statement of cash flows and the additional disclosures required for management-defined performance measures. The Group is also assessing the impact on how information is grouped in the consolidated financial statements, including for items currently labelled as "other".

PFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

Financial Instruments

Recognition and Initial Measurement. 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.

The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at the fair value of the consideration given or received. The initial measurement of financial instruments, except for financial assets and financial liabilities at FVPL, includes transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial Assets

The Group classifies its financial assets, at initial recognition, as subsequently measured at amortized cost, FVOCI and FVPL. The classification depends on the contractual cash flow characteristics of the financial assets and the business model of the Group for managing the financial assets.

For purposes of subsequent measurement, financial assets are classified in the following categories: financial assets at amortized cost, financial assets at FVOCI (with or without recycling of cumulative gains and losses) and financial assets at FVPL.

Financial Assets at Amortized Cost. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model with the objective of holding financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the consolidated statements of income when the financial asset is derecognized, modified or impaired.

The Group's cash and cash equivalents, trade and other receivables, investment in debt instruments at amortized cost, noncurrent receivables and deposits, and restricted cash are included under this category (Notes 4, 7, 8, 12, 17, 30, 33 and 34).

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 and are subject to an insignificant risk of changes in value.

Financial Assets at FVOCI. Investment in equity instruments is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in the fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Financial assets at FVOCI are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income.

Dividends earned on holding an investment in equity instrument are recognized as dividend income in the consolidated statements of income when the right to receive the payment has been established, unless the dividend clearly represents a recovery of the part of the cost of the investment. When investment in equity instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the consolidated statements of changes in equity are never reclassified to the consolidated statements of income.

The Group's investments in equity instruments at FVOCI are classified under this category (Notes 12, 33 and 34).

Financial Assets at FVPL. All financial assets not classified as measured at amortized cost or FVOCI are measured at FVPL. This includes derivative financial assets that are not designated as cash flow hedge. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

At initial recognition, the Group may irrevocably designate a financial asset as at FVPL if the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on different bases.

The Group carries financial assets at FVPL using their fair values. Attributable transaction costs are recognized in the consolidated statements of income as incurred. Changes in fair value and realized gains or losses are recognized in the consolidated statements of income.

The Group's derivative assets that are not designated as cash flow hedge are classified under this category (Notes 12, 30, 33 and 34).

Financial Liabilities

The Group determines the classification of its financial liabilities, at initial recognition, in the following categories: financial liabilities at FVPL and other financial liabilities. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Other Financial Liabilities. This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial measurement, other financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability. The effective interest rate amortization is included in

"Interest expense and other financing charges" account in the consolidated statements of income. Gains and losses are recognized in the consolidated statements of income when the liabilities are derecognized as well as through the amortization process.

Debt issue costs are considered as an adjustment to the effective yield of the related debt and are deferred and amortized using the effective interest method. When a loan is paid, the related unamortized debt issue costs at the date of repayment are recognized in the consolidated statements of income.

The Group's liabilities arising from its trade transactions or borrowings such as loans payable, trade payables and other current liabilities, dividends payable, long-term debt, lease liabilities and other noncurrent liabilities are included under this category (Notes 18, 19, 20, 33 and 34).

Impairment of Financial Assets

The Group recognizes allowance for expected credit loss (ECL) on financial assets at amortized cost.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

The Group recognizes an allowance for impairment based on either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

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

The Group recognizes lifetime ECLs for receivables that do not contain significant financing component. The Group uses provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the borrowers and the economic environment.

At each reporting date, the Group assesses whether these financial assets at amortized cost and investments in debt instruments at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the restructuring of a financial asset by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

The Group directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering the contractual cash flows on a financial asset, either partially or in full. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The ECLs on financial assets at amortized cost are recognized as allowance for impairment losses against the gross carrying amount of the financial asset, with the resulting impairment losses (or reversals) recognized in the consolidated statements of income. The ECLs on investments in debt instruments at FVOCI are recognized as accumulated impairment losses in other comprehensive income, with the resulting impairment losses (or reversals) recognized in the consolidated statements of income.

Inventories

Finished goods, goods in process, materials and supplies are valued at the lower of cost and net realizable value.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Finished goods and goods in process	- at cost, which includes direct materials and labor and a proportion of manufacturing overhead costs based on normal operating capacity but excluding borrowing costs; finished goods also include unrealized gain (loss) on fair valuation of agricultural produce; costs are determined using the moving-average method.
Materials, supplies and others	- at cost, using the specific identification method, first-in, first-out method or moving-average method.

Finished Goods. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Goods in Process. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Materials and Supplies. Net realizable value is the current replacement cost.

Any write-down of inventories to net realizable value and all losses of inventories are recognized as expense in the year of write-down or loss occurrence. The amount of reversals of write-down of inventories arising from an increase in net realizable value, if any, are recognized as reduction in the amount of inventories recognized as expense in the year in which the reversal occurs.

Biological Assets and Agricultural Produce

The Group's biological assets include breeding stocks, growing hogs, poultry livestock and goods in process which are grouped according to their physical state, transformation capacity (breeding, growing or laying), as well as their particular stage in the production process.

Breeding stocks are carried at accumulated costs net of amortization and any impairment in value while growing hogs, poultry livestock and goods in process are carried at accumulated costs. The costs and expenses incurred up to the start of the productive stage are accumulated and amortized over the estimated productive lives of the breeding stocks. The Group uses this method of valuation since fair value cannot be measured reliably.

The Group's agricultural produce, which consists of grown broilers and marketable hogs harvested from the Group's biological assets, are measured at their fair value less estimated costs to sell at the point of harvest. The fair value of grown broilers is based on the quoted prices for harvested mature grown broilers in the market at the time of harvest. For marketable hogs, the fair value is based on the quoted prices in the market at any given time.

The Group, in general, does not carry any inventory of agricultural produce at any given time as these are either sold as live broilers and hogs or transferred to the different poultry or meat processing plants and immediately transformed into processed or dressed chicken and carcass.

The carrying amounts of the biological assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Amortization is computed using the straight-line method over the following estimated productive lives of breeding stocks:

	Amortization Period
Hogs - sow	3 years or 6 births, whichever is shorter
Hogs - boar	2.5 - 3 years
Poultry breeding stock	38 - 42 weeks

Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included as part of "Selling and administrative expenses" account in the consolidated statements of income.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at the acquisition date fair value and any resulting gain or loss is recognized in the consolidated statements of income.

The Group measures goodwill at the acquisition date as: a) the fair value of the consideration transferred; plus b) the recognized amount of any non-controlling interests in the acquiree; plus c) if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less d) the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognized immediately in the consolidated statements of income. Subsequently, goodwill is measured at cost less any accumulated impairment in value. Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying amount may be impaired.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in the consolidated statements of income. Costs related to the acquisition, other than those associated with the issuance of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in the consolidated statements of income.

▪ *Goodwill in a Business Combination*

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is allocated:

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

Impairment is determined by assessing the recoverable amount of the cash-generating unit or group of cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of cash-generating units is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash-generating unit or group of cash-generating units and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained. An impairment loss with respect to goodwill is not reversed.

- *Intangible Assets Acquired in a Business Combination*

The cost of an intangible asset acquired in a business combination is the fair value as at the date of acquisition, determined using discounted cash flows as a result of the asset being owned.

Following initial recognition, intangible asset is carried at cost less any accumulated amortization and impairment losses, if any. The useful life of an intangible asset is assessed to be either finite or indefinite.

An intangible asset with finite life is amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

A change in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for as a change in accounting estimate. The amortization expense on intangible asset with finite life is recognized in the consolidated statements of income.

Investments in Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries.

The Group's investments in joint ventures are accounted for using the equity method.

Property, Plant and Equipment

Property, plant and equipment, except for land, are stated at cost less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing. Land is stated at cost less impairment in value, if any.

The initial cost of property, plant and equipment comprises its construction cost or purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Cost also includes related asset retirement obligation (ARO), if any. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. Major repairs are capitalized as part of property, plant and equipment only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the items can be measured reliably.

Capital projects in progress (CPIP) represents the amount of accumulated expenditures on unfinished and/or ongoing projects. This includes the costs of construction and other direct costs. Borrowing costs that are directly attributable to the construction of plant and equipment are capitalized during the construction period. CPIP is not depreciated until such time that the relevant assets are ready for use.

Depreciation, which commence when the assets are available for their intended use, are computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Land improvements	5 - 30
Buildings and improvements	3 - 50
Machinery and equipment	2 - 50
Furniture, other equipment and others	2 - 33
Leasehold improvements	3 - 50 or term of the lease, whichever is shorter

The remaining useful lives, residual values, and depreciation methods are reviewed and adjusted periodically, if appropriate, to ensure that such periods and methods of depreciation are consistent with the expected pattern of economic benefits from the items of property, plant and equipment.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use.

An item of property, plant and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal of an item of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the consolidated statements of income in the period of retirement and disposal.

Leases

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

- the Group has the right to obtain substantially all the economic benefits from use of the identified asset; and
- the Group has the right to direct the use of the identified asset.

Group as Lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

	Number of Years
Land, land and leasehold improvements	2 - 50
Buildings and improvements	2 - 50
Furniture, other equipment and others	10 -12
Machinery and equipment	2 - 7

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. The carrying amount of the lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognized in the consolidated statements of income if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognize right-of use assets and lease liabilities for short-term leases (i.e., lease that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. The Group recognizes the lease payments associated with these leases as expense on a straight-line basis over the lease term.

Group as Lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is classified as a finance lease; if not, it is classified as an operating lease. As part of the assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the recognition exemption, it classifies the sublease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies PFRS 15, *Revenue from Contracts with Customers*, to allocate the consideration in the contract.

The Group recognizes lease payments received under operating leases as rent income on a straight-line basis over the lease term.

Investment Property

Investment property consists of property held to earn rentals and/or for capital appreciation but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Investment property, except for land, is measured at cost including transaction costs less accumulated depreciation and any accumulated impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Land is stated at cost less any impairment in value.

Depreciation, which commence when the assets are available for their intended use, are computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Land improvements	5 - 50
Land Use Rights	42 - 50 or term of the lease, whichever is shorter
Buildings and improvements	5 - 50
Right-of-use assets	10 - 50 or term of the lease, whichever is shorter

The useful lives, residual values and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Investment property is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains and losses on the retirement and disposal of investment property are recognized in the consolidated statements of income in the period of retirement and disposal.

Transfers are made to investment property when, and only when, there is an actual change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is an actual change in use, evidenced by commencement of the owner-occupation or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property or inventories, the cost of property for subsequent accounting is its carrying amount at the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditures are recognized in the consolidated statements of income in the year in which the related expenditures are incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method used for an intangible asset with a finite useful life are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimate. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of income consistent with the function of the intangible asset.

Amortization of other intangible assets with finite lives, which is computer software and licenses, is computed using the straight-line method over two to ten years.

The Group assessed the useful lives of trademarks, brand names and license to be indefinite. Based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the assets are expected to generate cash inflows for the Group.

Trademarks, brand names and license with indefinite useful lives are tested for impairment annually, either individually or at the cash-generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from the disposal 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 the consolidated statements of income when the asset is derecognized.

Deferred Containers

Returnable bottles, shells and pallets are measured at cost less accumulated depreciation and impairment, if any. These are presented as “Deferred containers - net” under “Other noncurrent assets - net” account in the consolidated statements of financial position and are depreciated over the estimated useful lives of two to ten years. Depreciable amount is equal to cost less estimated residual value, equivalent to the deposit value. Depreciation of deferred containers is included under “Selling and administrative expenses” account in the consolidated statements of income.

The remaining useful lives, residual values, and depreciation method are reviewed and adjusted periodically, if appropriate, to ensure that such periods and method of depreciation are consistent with the expected pattern of economic benefits from deferred containers.

The carrying amounts of deferred containers are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Refundable containers deposits are collected from customers based on deposit value and refunded when the containers are returned to the Group in good condition. These deposits are presented as “Containers deposit” under “Trade payables and other current liabilities” account in the consolidated statements of financial position.

Impairment of Non-financial Assets

The carrying amounts of investments, property, plant and equipment, right-of-use assets, investment property, biological assets - net of current portion, other intangible assets with finite useful lives, deferred containers and idle assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill, trademarks and brand names and license with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level.

If any such indication exists, and if the carrying amount exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell and 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, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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 cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statements of income in those expense categories consistent with the function of the impaired asset.

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 years. Such reversal is recognized in the consolidated statements of income. After such a reversal, the depreciation and amortization 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. An impairment loss with respect to goodwill is not reversed.

Fair Value Measurements

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: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

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

Capital Stock and Additional Paid-in Capital

Common Shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Preferred Shares

Preferred shares are classified as equity if they are non-redeemable, or redeemable only at the option of the Parent Company, and any dividends thereon are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the BOD of the Parent Company.

Preferred shares are classified as a liability if they are redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in the consolidated statements of income as accrued.

Additional Paid-in Capital

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Parent Company, the shares are measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Retained Earnings

Retained earnings represent the accumulated net income or losses, net of any dividend distributions and other capital adjustments. Appropriated retained earnings represent that portion which is restricted and therefore not available for any dividend declaration.

Treasury Shares

Own equity instruments which are reacquired are carried at cost and deducted from equity. No gain or loss is recognized on the purchase, sale, reissuance or cancellation of the Parent Company's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Revenue

The Group recognizes revenue from contracts with customers when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties.

The transfer of control can occur over time or at a point in time. Revenue is recognized at a point in time unless one of the following criteria is met, in which case it is recognized over time: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it acts as a principal as it controls the goods or services before transferring to the customer.

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

Revenue from Sale of Food and Beverage

Revenue is recognized at the point in time when control of the goods is transferred to the customer, which is normally upon delivery of the goods. Trade discounts and volume rebate do not result to significant variable consideration and are generally determined based on concluded sales transactions as at the end of each period. Payment is generally due within 30 to 60 days from delivery.

Revenue from Other Sources

Revenue from Agricultural Produce. Revenue from initial recognition of agricultural produce is measured at fair value less estimated costs to sell at the point of harvest. Fair value is based on the relevant market price at the point of harvest.

Interest Income. Interest income is recognized using the effective interest method. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset.

Dividend Income. Dividend income is recognized when the Group's right to receive the payment is established.

Rent Income. Rent income from operating lease is recognized on a straight-line basis over the related lease terms. Lease incentives granted are recognized as an integral part of the total rent income over the term of the lease.

Costs and Expenses

Costs 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. Expenses are recognized when incurred.

Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Employee Benefits

Short-term Employee Benefits

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

Retirement Costs

The net defined benefit retirement liability or asset is the aggregate of the present value of the amount of future benefit that employees have earned in return for their service in the current and prior periods, 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 economic benefits available in the form of reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit retirement plan is actuarially determined using the projected unit credit method. Projected unit credit method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning projected salaries of employees. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in equity and are not reclassified to profit or loss in subsequent period.

Defined benefit costs comprise the following:

- Service costs;
- Net interest on the defined benefit retirement liability or asset; and
- Remeasurements of defined benefit retirement liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statements of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefit retirement liability or asset is the change during the period as a result of contributions and benefit payments, which is determined by applying the discount rate based on the government bonds to the net defined benefit retirement liability or asset. Net interest on the net defined benefit retirement liability or asset is recognized as expense or income in the consolidated statements of income.

Remeasurements of net defined benefit retirement liability or asset comprising actuarial gains and losses, return on plan assets, and any change in the effect of the asset ceiling (excluding net interest) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to consolidated statements of income in subsequent periods.

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

Foreign Currency

Foreign Currency Translations

Transactions in foreign currencies are initially recorded in the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and monetary liabilities denominated in foreign currencies are translated to the functional currency at exchange rate at the reporting date.

Non-monetary assets and non-monetary liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognized in the consolidated statements of income, except for differences arising on the translation of monetary items that in substance form part of a net investment in a foreign operation and hedging instruments in a qualifying cash flow hedge or hedge of a net investment in a foreign operation, which are recognized in other comprehensive income.

Foreign Operations

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

Foreign currency differences are recognized in other comprehensive income and presented in the "Translation reserve" account in the consolidated statements of changes in equity. However, if the operation is not a wholly-owned subsidiary, the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the consolidated statements of income as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investments in joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income and presented in the "Translation reserve" account in the consolidated statements of changes in equity.

Taxes

Current Tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred Tax. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or 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 or loss; and
- with respect to taxable temporary differences associated with investments in shares of stock of subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits - Minimum Corporate Income Tax (MCIT) and unused tax losses - Net Operating Loss Carry Over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of MCIT and NOLCO can be utilized, 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 or loss; and
- with respect to deductible temporary differences associated with investments in shares of stock of subsidiaries, associates and interests in joint ventures, 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 asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Current tax and deferred tax are recognized in the consolidated statements of income, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off 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, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of “Prepaid expenses and other current assets” or “Income and other taxes payable” accounts in the consolidated statements of financial position.

Assets Held for Sale

The Group classifies noncurrent assets, or disposal groups comprising assets and liabilities as held for sale or distribution, if their carrying amounts will be recovered primarily through sale or distribution rather than through continuing use. The assets or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell or distribute, except for some assets which are covered by other standards. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group’s accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on remeasurement are recognized in the consolidated statements of income. Gains are not recognized in excess of any cumulative impairment losses.

The criteria for held for sale or distribution is regarded as met only when the sale or distribution is highly probable and the asset or disposal group is available for immediate sale or distribution in its present condition. Actions required to complete the sale or distribution should indicate that it is unlikely that significant changes to the sale or distribution will be made or that the decision on distribution or sale will be withdrawn. Management must be committed to the sale or distribution within one year from date of classification.

Intangible assets, property, plant and equipment and investment property once classified as held for sale or distribution are not amortized or depreciated. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale or distribution.

Assets and liabilities classified as held for sale or distribution are presented separately as current items in the consolidated statements of financial position.

Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

Basic and Diluted Earnings Per Common Share (EPS)

Basic EPS is computed by dividing the net income for the period attributable to equity holders of the Parent Company, net of dividends on preferred shares by the weighted average number of issued and outstanding common shares during the period, with retroactive adjustment for any stock dividends declared.

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

Operating Segments

The Group's operating segments 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. Financial information on operating segments is presented in Note 6 to the consolidated financial statements. The Chief Executive Officer (the chief operating decision maker) reviews management reports on a regular basis.

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

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

4. Use of Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the consolidated financial statements at the reporting date. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the judgments and estimates are revised and in any future period affected.

Judgments

In the process of applying the accounting policies, the Group has made the following judgments, apart from those involving estimations, which have significant effect on the amounts recognized in the consolidated financial statements:

Measurement of Biological Assets. Breeding stocks are carried at accumulated costs net of amortization and any impairment in value while growing hogs, poultry livestock and goods in process are carried at accumulated costs. The costs and expenses incurred up to the start of the productive stage are accumulated and amortized over the estimated productive lives of the breeding stocks. The Group uses this method of valuation since fair value cannot be measured reliably. The Group's biological assets or any similar assets prior to point of harvest have no active market available in the Philippine poultry and hog industries. Further, the existing sector benchmarks are determined to be irrelevant and the estimates (i.e., revenues due to highly volatile prices, input costs and efficiency values) necessary to compute for the present value of expected net cash flows comprise a wide range of data which will not result in a reliable basis for determining the fair value.

Determining whether a Contract Contains a Lease. The Group uses its judgment in determining whether a contract contains a lease. At inception of a contract, the Group makes an assessment whether it has the right to obtain substantially all the economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

Operating Lease Commitments - Group as Lessor. The Group has entered into various lease agreements as a lessor. The Company had determined that it retains all the significant risks and rewards of ownership of the property leased out on operating leases.

Rent income recognized in the consolidated statements of income amounted to P427, P264 and P199 in 2024, 2023 and 2022, respectively (Notes 27 and 32).

Determining the Lease Term of Contracts with Renewal Options - Group as Lessee. The 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.

The Group has several lease contracts that include extension options. At lease commencement date, the Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew the lease by considering all relevant factors that create an economic incentive for it to exercise the renewal option. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or change in circumstances within its control.

Evaluating Control over its Investees. Determining whether the Group has control in an investee requires significant judgment. Although the Group owns less than 50% of the voting rights of BPI, management has determined that the Group has control in this entity by virtue of its exposure and rights to variable returns from its involvement in this investee and its ability to affect those returns through its power over the investee.

The Group receives substantially all of the returns related to BPI's operations and net assets and has the current ability to direct BPI's activities that most significantly affect the returns. The Group controls BPI since it is exposed, and has rights, to variable returns from its involvement with BPI and has the ability to affect those returns through such power over BPI.

Classification of Joint Arrangements. The Group has determined that it has rights only to the net assets of the joint arrangements based on the structure, legal form, contractual terms and other facts and circumstances of the arrangement. As such, the Group classified its joint arrangements in Thai San Miguel Liquor Co. Ltd. (TSML) and Thai Ginebra Trading (TGT) as joint ventures (Note 12).

Classification of Financial Instruments. The Group exercises judgments in classifying financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position.

The Group uses its judgment in determining the classification of financial assets based on its business model in which assets are managed and their cash flow characteristics. The classification and fair values of financial assets and financial liabilities are presented in Note 34.

Estimates and Assumptions

The key estimates and assumptions used in the consolidated financial statements are based upon the Group's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

Assessment of ECL on Trade Receivables. The Group, in applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables for at least two years. The Group also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customers. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer to reflect the effects of current and forecasted economic conditions.

The Group has assessed that the forward-looking default rate component of its ECL on trade receivables is not material because substantial amount of trade receivables is normally collected within one year. Moreover, based on management's assessment, current conditions and forward-looking information does not indicate a significant increase in credit risk exposure of the Group from its trade receivables.

Trade receivables written off amounted to P11 and P84 in 2024 and 2023, respectively. The allowance for impairment losses on trade receivables amounted to P317 and P275 as at December 31, 2024 and 2023, respectively. The carrying amount of trade receivables amounted to P26,304 and P22,803 as of December 31, 2024 and 2023, respectively (Note 8).

Assessment of ECL on Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets at day one to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Group has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no additional provision for ECL on other financial assets at amortized cost was recognized in 2024 and 2023.

The carrying amounts of other financial assets at amortized cost are as follows:

	Note	2024	2023
Other Financial Assets at Amortized Cost			
Cash and cash equivalents (excluding cash on hand)	7	P54,655	P55,260
Restricted cash (included under "Prepaid expenses and other current assets" account)	33, 34	228	271
Other current receivables - net (included under "Trade and other receivables - net" account)	8	3,976	3,948
Financial assets at amortized cost (included under "Investments" account)	12, 33, 34	11,500	11,500
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	17	244	183

Fair Value Measurements. A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the valuation team assesses the evidence obtained to support the conclusion that such valuations meet the requirements of PFRS Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified.

The Group uses market observable data when measuring the fair value of an asset or liability. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques (Note 3).

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

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

The methods and assumptions used to estimate the fair values for both financial and non-financial assets and liabilities are discussed in Notes 9, 10, 12, 13, 14, 15, 16, 17, 19 and 34.

Write-down of Inventory. The Group writes-down the cost of inventory to net realizable value whenever net realizable value becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes.

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories are expected to be realized. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the reporting date to the extent that such events confirm conditions existing at the reporting date.

The write-down of inventories amounted to P275, P200 and P126 in 2024, 2023 and 2022, respectively (Note 9).

The carrying amounts of inventories amounted to P47,582 and P43,096 as at December 31, 2024 and 2023, respectively (Note 9).

Estimated Useful Lives of Property, Plant and Equipment, Right-of-Use Assets, Investment Property, Deferred Containers and Idle Assets. The Group estimates the useful lives of property, plant and equipment, right-of-use assets, investment property, deferred containers and idle assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment, right-of-use assets, investment property, deferred containers and idle assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, estimation of the useful lives of property, plant and equipment, right-of-use assets, investment property, deferred containers and idle assets is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future financial performance could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment, right-of-use assets, investment property, deferred containers and idle assets would increase the recorded cost of sales and selling and administrative expenses and decrease noncurrent assets.

Property, plant and equipment, net of accumulated depreciation amounted to P143,347 and P131,752 as at December 31, 2024 and 2023, respectively. Accumulated depreciation of property, plant and equipment amounted to P81,695 and P75,120 as at December 31, 2024 and 2023, respectively (Note 13).

Right-of-use assets, net of accumulated depreciation amounted to P5,016 and P4,721 as at December 31, 2024 and 2023, respectively. Accumulated depreciation of right-of-use assets amounted to P3,510 and P3,112 as at December 31, 2024 and 2023, respectively (Note 14).

Investment property, net of accumulated depreciation amounted to P3,584 and P3,545 at December 31, 2024 and 2023, respectively. Accumulated depreciation of investment property amounted to P896 and P815 as at December 31, 2024 and 2023, respectively (Note 15).

Deferred containers, net of accumulated depreciation, included as part of "Other noncurrent assets - net" account in the consolidated statements of financial position amounted to P27,417 and P25,838 as at December 31, 2024 and 2023, respectively. Accumulated depreciation of deferred containers amounted to P29,957 and P24,948 as at December 31, 2024 and 2023, respectively (Note 17).

Idle assets, net of accumulated depreciation and impairment amounted to P812 and P1,327 as at December 31, 2024 and 2023, respectively. Accumulated depreciation of idle assets amounted to P2,356 and P2,374 as at December 31, 2024 and 2023, respectively (Note 17).

Estimated Useful Lives of Intangible Assets. The useful lives of intangible assets are assessed at the individual asset level as having either a finite or indefinite life. Intangible assets are regarded to have an indefinite useful life when, based on analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group.

Intangible assets with finite useful lives, net of accumulated amortization, included as part of "Other intangible assets - net" account in the consolidated statements of financial position, amounted to P254 and P221 as at December 31, 2024 and 2023, respectively. Accumulated amortization of intangible assets with finite useful lives amounted to P1,345 and P1,264 as at December 31, 2024 and 2023, respectively (Note 16).

Impairment of Goodwill, Trademarks and Brand Names, License, Formulas and Recipes, and Franchise with Indefinite Useful Lives. The Group determines whether goodwill, trademarks and brand names, license, formulas and recipes, and franchise are impaired at least annually. This requires the estimation of value in use of the cash-generating units to which the goodwill is allocated and the value in use of the trademarks and brand names, license, formulas and recipes, and franchise. Estimating value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and from the trademarks and brand names, license, formulas and recipes, and franchise and to choose a suitable discount rate to calculate the present value of those cash flows.

The carrying amount of goodwill amounted to P996 as at December 31, 2024 and 2023 (Note 16).

The combined carrying amounts of trademarks and brand names, license, formulas and recipes, and franchise with indefinite useful lives amounted to P39,416 and P39,228 as at December 31, 2024 and 2023, respectively (Note 16).

Realizability of Deferred Tax Assets. The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount 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. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits of MCIT and NOLCO is based on the projected taxable income in the following periods.

Deferred tax assets amounted to P3,657 and P3,209 as at December 31, 2024 and 2023, respectively (Note 28).

Impairment of Non-financial Assets. PFRS Accounting Standards requires that an impairment review be performed on investments, property, plant and equipment, right-of-use assets, investment property, biological assets - net of current portion, other intangible assets with finite useful lives, deferred containers and idle assets when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determining the recoverable amounts of these assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amounts and any resulting impairment loss could have a material adverse impact on the financial performance.

Accumulated impairment losses on non-financial assets amounted to P16,916 and P15,463 as at December 31, 2024 and 2023, respectively (Notes 13, 14, 15, 16 and 17).

The combined carrying amounts of investments, property, plant and equipment, right-of-use assets, investment property, biological assets - net of current portion, other intangible assets with finite useful lives, deferred containers and idle assets amounted to P185,062 and P172,418 as at December 31, 2024 and 2023, respectively (Notes 10, 12, 13, 14, 15, 16 and 17).

Estimating the Incremental Borrowing Rate. The Group cannot readily determine the interest rate implicit in the leases. Therefore, it uses its relevant incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate, therefore, reflects what the Group would have to pay, which requires estimation when no observable rates are available and to make adjustments to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to consider certain contract and entity-specific estimates.

The Group's lease liabilities amounted to P5,599 and P5,176 as at December 31, 2024 and 2023, respectively (Notes 32, 33, and 34).

Present Value of Defined Benefit Retirement Obligation. The present value of the defined benefit retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. These assumptions are described in Note 29 to the consolidated financial statements and include discount rate and salary increase rate.

The Group determines the appropriate discount rate at the end of each reporting period. It is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. In determining the appropriate discount rate, the Group considers the interest rates on government bonds that are denominated in the currency in which the benefits will be paid. The terms to maturity of these bonds should approximate the terms of the related retirement obligation.

Other key assumptions for the defined benefit retirement obligation are based in part on current market conditions.

While it is believed that the assumptions of the Group are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the defined benefit retirement obligation of the Group.

The present value of defined benefit retirement obligation amounted to P22,377 and P21,998 as at December 31, 2024 and 2023, respectively (Note 29).

5. Investments in Subsidiaries

The following are the developments relating to the Parent Company's investments in shares of stock of subsidiaries:

a. SMFI

- SMFMI

On December 4, 2023, SMFI incorporated SMFMI, with 175,000,000 common shares subscription amounting to P1.75 billion from SMFMI's authorized stock of 700,000,000 with par value of P10.00 or P7 billion. SMFMI has not started commercial operation as at December 31, 2024.

- SMFSLI

On December 22, 2023, SMFI entered into a Share Purchase Agreement with San Miguel Equity Investments Inc. (SMEII) for the acquisition of SMEII's 100% interest in APDI equivalent to 1,020,000,000 shares for total consideration of P1.38 billion payable in three installments. As at December 31, 2024, a total of P917 has already been paid.

On March 4, 2024, the BOD and shareholders of APDI approved the change in corporate name of APDI to SMFSLI, and the amendment of the Second Article of the Articles of Incorporation of APDI to align with the Primary and Secondary Purposes of the Company. These amendments were approved by the SEC on May 29, 2024.

On October 2, 2024, the BOD and stockholders of SMFSLI approved among others the (i) issuance of the remaining unissued shares of SMFSLI to SMFI at par value of P1.00 equivalent to total amount of P280 (ii) increase in authorized capital stock from P1.3 billion divided into 1,300,000,000 common shares to P7.5 billion divided into 7,500,000,000 common shares with a par value of P1.00 per common share and (iii) amendment to the articles of incorporation.

On the same date, the BOD of SMFI approved among others the: (i) subscription to 280,000,000 unissued common shares of SMFSLI at P1.00 par value per share, equivalent to a total amount of P280 and (ii) twenty-five percent (25%) subscription in the increase of the authorized capital stock of SMFSLI or 1,550,000,000 common shares at P1.00 par value and payment of twenty-five percent (25%) of such subscription amounting to P387.5. Both subscriptions were paid in cash in the same month.

SMFSLI has not yet started commercial operations as at December 31, 2024.

- JGT

On July 29, 2024, the BOD of SMFI approved the acquisition of 100% of the outstanding capital stock of JGT from its stockholders for a total consideration of P125.

JGT has not yet started commercial operations as at December 31, 2024.

- b. On March 11, 2022, the BOD of Magnolia approved the plan to take steps to liquidate the properties related to the operation of La Pacita biscuit. The related trademark under the Parent Company amounting to P60 was also classified as assets held for sale in 2022 and was eventually disposed on March 10, 2023 (Notes 16 and 27).
- c. On November 10, 2021, the BOD of the Parent Company ratified the approval on the closure of the operations of PT SMFI effective October 31, 2021. PTSMFI is still in the process of liquidation as of December 31, 2023. The Parent Company has recognized additional provision for impairment of its investment amounting to P122 based on its latest valuation in 2023.
- d. In 2021, GBGTC recognized impairment loss amounting to P38 due to losses incurred from Typhoon Rolly and Ulysses in 2020. Proceeds from insurance claims were fully received as at December 31, 2023.
- e. On June 13, 2022 the BOD of GAC approved the additional subscription by SMMI of shares of stock in GAC in the amount of P700, equivalent to 700,000 common shares with par value of P1,000 per share, comprising the increase in authorized capital stock of GAC.

On November 22, 2022, SMMI subscribed and paid P175 equivalent to 25% of the approved additional subscription of P700. GAC recognized this amount for additional shares subscription as part of liabilities under "Deposit for future stock subscription". Such deposit will be applied against the increase in its authorized capital stock. The balance of the subscription amounting to P525 was fully paid in 2023.

- f. San Miguel Foods International, Limited (SMFIL)

On February 10, 2023, the subscription agreement dated February 9, 2015 with subscribed shares of 1,150,000 common shares out of the authorized capital stock for a total subscription price of \$1.15 million or \$1.00 per common share, or P51 was terminated effective immediately due to the current business condition of SMFIL. Both SMFIL and the Parent Company shall bear their respective expenses incurred in connection with the cancellation of the proposed subscription by the Company in SMFIL and return of the deposit to the Parent Company.

On August 28, 2024, the subscription agreement dated January 26, 2015 with subscribed shares of 1,527,000 common shares out of the authorized capital stock for a total subscription price of \$1.527 million or \$1.00 per common share, or P67 was terminated effective immediately due to the current business condition of SMFIL. Both SMFIL and the Parent Company shall bear their respective expenses incurred in connection with the cancellation of the proposed subscription by the Company in SMFIL and return of the deposit to the Parent Company.

g. Nine Dots

On November 6, 2024, the BOD of the Parent Company approved the proposed subscription to Nine Dots, an advertising agency specializing in digital marketing strategy, brand management, and content creation. On November 14, 2024, the Parent Company entered into a Subscription Agreement with Nine Dots for the subscription of 55.55% equivalent to 60,000,000 shares for a total consideration of P60.

The details of the Group's material non-controlling interests are as follows:

	December 31, 2024		December 31, 2023	
	SMB	GSMI	SMB	GSMI
Percentage of non-controlling interests	48.84%	24.22%	48.84%	24.22%
Carrying amount of non-controlling interests	P54,508	P7,071	P52,066	P5,280
Net income attributable to non-controlling interests	P12,615	P1,758	P12,655	P1,707
Other comprehensive income (loss) attributable to non-controlling interests	(P460)	P33	(P314)	P54
Dividends paid to non-controlling interests	P9,713	P -	P9,421	P -

The following are the financial information of SMB and GSMI:

	December 31, 2024		December 31, 2023	
	SMB	GSMI	SMB	GSMI
Current assets	P55,754	P21,729	P53,110	P20,359
Noncurrent assets	121,704	8,803	117,421	7,408
Current liabilities	(29,649)	(7,507)	(36,063)	(8,456)
Noncurrent liabilities	(38,009)	(1,085)	(31,858)	(911)
Net assets	P109,800	P21,940	P102,610	P18,400
Sales	P153,362	P62,505	P147,347	P53,639
Net income	P25,625	P7,257	P25,322	P7,046
Other comprehensive income (loss)	1,023	(138)	(640)	(224)
Total comprehensive income	P26,648	P7,119	P24,682	P6,822
Cash flows provided by operating activities	P32,642	P7,105	P34,468	P6,827
Cash flows used in investing activities	(9,509)	(1,136)	(8,336)	(450)
Cash flows used in financing activities	(24,357)	(4,512)	(16,136)	(1,984)
Effect of exchange rate changes on cash and cash equivalents	622	(7)	(71)	31
Net increase (decrease) in cash and cash equivalents	(P602)	P1,450	P9,925	P4,424

6. Segment Information

Operating Segments

The reporting format of the Group's operating segments is determined based on the Group's risks and rates of return which are affected predominantly by differences in the products and services produced. The operating businesses are organized and managed by SMFB separately according to the nature of the products produced and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group has three reportable segments, namely: Food, Beer and Non-alcoholic Beverage (NAB) and Spirits. Management identified and grouped the operating units in its operating segments with the objective of transforming the Group into a more rationalized and focused organization. The structure aims to boost efficiencies across the Group and raise effectiveness in defining and meeting the needs of consumers in innovative ways.

The Food segment is engaged in (i) the processing and marketing of branded value-added refrigerated processed meats and canned meat products, manufacturing and marketing of butter, margarine, cheese, milk, ice cream, jelly-based snacks and desserts, specialty oils, salad aids, snacks and condiments, marketing of flour mixes and the importation and marketing of coffee and coffee-related products (collectively known as "Prepared and Packaged Food"); (ii) the production and sale of feeds ("Animal Nutrition and Health"); (iii) the poultry and livestock farming, processing and selling of poultry and fresh meats ("Protein"); and (iv) the milling, production and marketing of flour and bakery ingredients, grain terminal handling, food services, franchising and international operations ("Others").

The Beer and NAB segment is engaged in the production, marketing and selling of fermented, malt-based and non-alcoholic beverages within the Philippines and several foreign markets.

The Spirits segment is engaged in the production of hard liquor in the form of gin, Chinese wine, brandy, rum, vodka and other hard liquor variants which are available nationwide, while some are exported to select countries.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist primarily of operating cash, receivables, inventories, biological assets, and property, plant and equipment, net of allowances, accumulated depreciation and amortization, and impairment. Segment liabilities include all operating liabilities and consist primarily of trade payables and other current liabilities, and other noncurrent liabilities, excluding interest and dividends payable. Segment assets and liabilities do not include deferred taxes.

Inter-segment Transactions

Segment revenues, expenses and performance include sales and purchases between operating segments. Such transactions are eliminated in consolidation.

Major Customer

The Group does not have a single external customer from which sales revenue generated amounted to 10% or more of the total revenues of the Group.

Financial information about reportable segments follows:

	2024							
	Note	Food	Beer and NAB	Spirits	Others*	Total Reportable Segments	Eliminations	Consolidated
Sales								
External		P185,014	P153,355	P62,503	P -	P400,872	P -	P400,872
Inter-segment		2	7	2	15	26	(26)	-
Total sales		P185,016	P153,362	P62,505	P15	P400,898	(P26)	P400,872
Expenses								
Inventories		P125,049	P16,204	P17,603	P -	P158,856	(P11)	P158,845
Excise taxes		-	71,140	27,481	-	98,621	-	98,621
Total expenses		P125,049	P87,344	P45,084	P -	P257,477	(P11)	P257,466
Results								
Segment operating result		P13,301	P33,422	P8,596	P465	P55,784	P8	P55,792
Interest expense and other financing charges								(4,809)
Interest income								3,788
Gain on sale of investments and property and equipment								19
Other income (charges) - net								(1,123)
Income tax expense								(12,734)
Net income								P40,933
Attributable to:								
Equity holders of the Parent Company								P25,743
Non-controlling interests								15,190
Net income								P40,933

Forward

		2024						
	Note	Food	Beer and NAB	Spirits	Others*	Total Reportable Segments	Eliminations	Consolidated
Other Information								
Segments assets		P162,818	P124,727	P28,180	P1,523	P317,248	(P4,434)	P312,814
Investments		52	15,832	1,500	358,390	375,774	(358,386)	17,388
Right-of-use assets - net								4,923
Goodwill, trademarks and brand names								38,163
Other assets								161
Deferred tax assets								3,657
Consolidated total assets								P377,106
Segment liabilities		P55,800	P21,518	P6,689	P4,089	P88,096	(P4,482)	P83,614
Loans payable								17,103
Long-term debt								79,980
Lease liabilities								5,599
Income and other taxes payable								10,034
Dividends and interest payable								564
Deferred tax liabilities								23
Consolidated total liabilities								P196,917
Capital expenditures	13	P10,632	P4,086	P1,957	P12	P16,687	P -	P16,687
Depreciation of property, plant and equipment	13, 25	4,043	1,945	661	-	6,649	-	6,649
Non-cash items and others (excluding depreciation of property, plant and equipment)		4,406	5,910	50	(45)	10,321	(21)	10,300
Impairment losses		1,048	713	-	-	1,761	-	1,761

* Includes Parent Company and Nine Dots Media

2023								
	Note	Food	Beer and NAB	Spirits	Others*	Total Reportable Segments	Eliminations	Consolidated
Sales								
External		P178,845	P147,341	P53,636	P -	P379,822	P -	P379,822
Inter-segment		2	6	3	-	11	(11)	-
Total sales		P178,847	P147,347	P53,639	P -	P379,833	(P11)	P379,822
Expenses								
Inventories		P125,649	P16,503	P15,886	P -	P158,038	(P11)	P158,027
Excise taxes		-	67,829	22,991	-	90,820	-	90,820
Total expenses		P125,649	P84,332	P38,877	P -	P248,858	(P11)	P248,847
Segment operating result		P9,724	P31,408	P6,835	P444	P48,411	P -	P48,411
Interest expense and other financing charges								(4,752)
Interest income								3,067
Gain on sale of investments and property and equipment								(2)
Other charges - net								3,154
Income tax expense								(11,773)
Net income								P38,105
Attributable to:								
Equity holders of the Parent Company								P23,118
Non-controlling interests								14,987
Net income								P38,105

Forward

	2023							
	Note	Food	Beer and NAB	Spirits	Others*	Total Reportable Segments	Eliminations	Consolidated
Other Information								
Segments assets		P147,790	P118,036	P25,498	P1,426	P292,750	(P164)	P292,586
Investments		46	15,580	1,500	358,393	375,519	(358,391)	17,128
Right-of-use assets - net								4,633
Goodwill, trademarks and brand names								38,084
Other assets								135
Deferred tax assets								3,209
Consolidated total assets								P355,775
Segment liabilities		P43,750	P19,806	P6,554	P4,047	P74,157	(P134)	P74,023
Loans payable								14,684
Long-term debt								82,810
Lease liabilities								5,176
Income and other taxes payable								9,668
Dividends and interest payable								273
Deferred tax liabilities								26
Consolidated total liabilities								186,660
Capital expenditures	13	P11,192	P3,590	P1,454	P -	P16,236	P -	P16,236
Depreciation of property, plant and equipment	13, 25	3,472	1,875	615	-	5,962	-	5,962
Non-cash items and others (excluding depreciation of property, plant and equipment)		4,802	5,277	11	(10)	10,080	-	10,080
Impairment Losses		138	610	30	-	778	-	778

* Includes the Parent Company and Nine Dots

2022								
	Note	Food	Beer and NAB	Spirits	Others*	Total Reportable Segments	Eliminations	Consolidated
Sales								
External		P175,287	P136,230	P47,336	P -	P358,853	P -	P358,853
Inter-segment		1	5	5	-	11	(11)	-
Total sales		P175,288	P136,235	P47,341	P -	P358,864	(P11)	P358,853
Expenses								
Inventories		P121,496	P14,471	P14,326	P -	P150,293	(P11)	P150,282
Excise taxes		-	62,894	19,920	-	82,814	-	82,814
Total expenses		P121,496	P77,365	P34,246	P -	P233,107	(P11)	P233,096
Segment operating result		P12,782	P29,516	P5,987	P424	P48,709	P2	P48,711
Interest expense and other financing charges								(3,538)
Interest income								821
Gain on sale of investments and property and equipment								(2)
Other charges - net								(223)
Income tax expense								(11,104)
Net income								P34,665
Attributable to:								
Equity holders of the Parent Company								P22,263
Non-controlling interests								12,402
Net income								P34,665

Forward

	2022							
	Note	Food	Beer and NAB	Spirits	Others*	Total Reportable Segments	Eliminations	Consolidated
Other Information								
Segments assets		P151,470	P104,206	P19,348	P1,538	P276,562	(P82)	P276,480
Investments		23	15,617	1,500	358,566	375,706	(358,563)	17,143
Right-of-use assets – net								5,171
Goodwill, trademarks and brand names								38,101
Other assets								73
Deferred tax assets								2,510
Consolidated total assets								P339,478
Segment liabilities		P40,746	P18,886	P6,162	P4,024	P69,818	(P71)	P69,747
Loans payable								21,055
Long-term debt								78,239
Lease liabilities								5,473
Income and other taxes payable								5,474
Dividends and interest payable								394
Deferred tax liabilities								23
Consolidated total liabilities								P180,405
Capital expenditures	13	P16,629	P1,959	P990	P -	P19,578	P -	P19,578
Depreciation of property, plant and equipment	13, 25	2,895	1,834	565	-	5,294	-	5,294
Non-cash items and others (excluding depreciation of property, plant and equipment)		4,200	4,497	130	(5)	8,822	(2)	8,820
Impairment Losses		64	1,064	10	-	1,138	-	1,138

* Includes the Parent Company and Nine Dots

Disaggregation of Revenue:

The following table shows the disaggregation of revenue by timing of revenue recognition and the reconciliation of the disaggregated revenue with the Group's reportable segments:

	Food			Beer and NAB			Spirits			Consolidated		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Sales recognized at point in time	P184,990	P178,824	P175,262	P153,355	P147,341	P136,230	P62,503	P53,636	P47,336	P400,848	P379,801	P358,828
Sales recognized over time	24	21	25	-	-	-	-	-	-	24	21	25
Total External Sales	P185,014	P178,845	P175,287	P153,355	P147,341	P136,230	P62,503	P53,636	P47,336	P400,872	P379,822	P358,853

7. Cash and Cash Equivalents

This account consists of:

	<i>Note</i>	2024	2023
Cash in banks and on hand		P15,973	P14,781
Short-term investments		42,248	42,226
	<i>4, 33, 34</i>	P58,221	P57,007

Cash in banks earn interest at bank deposit rates. Short-term investments include demand deposits which can be withdrawn at any time depending on the immediate cash requirements of the Group and earn interest at short-term investment rates (Note 27).

8. Trade and Other Receivables

This account consists of:

	<i>Note</i>	2024	2023
Trade		P26,621	P23,078
Non-trade		1,317	1,592
Amounts owed by related parties	<i>30</i>	2,659	2,384
		30,597	27,054
Less allowance for impairment losses	<i>4</i>	1,141	1,185
	<i>4, 33, 34</i>	P29,456	P25,869

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

Non-trade receivables include advances to contract growers and breeders, receivables from truckers and toll partners, insurance and freight claims, receivables from employees, interest and others.

The movements in the allowance for impairment losses are as follows:

	<i>Note</i>	2024	2023
Balance at beginning of year		P1,185	P1,193
Provisions during year - net		31	113
Amounts written off	<i>4</i>	(75)	(121)
Balance at end of year		P1,141	P1,185

9. Inventories

This account consists of:

	<i>Note</i>	2024	2023
At net realizable value:			
Finished goods and goods in process		P14,026	P15,659
Materials and supplies		33,556	27,437
	<i>4</i>	P47,582	P43,096

The cost of inventories as at December 31 are as follows:

	2024	2023
Finished goods and goods in process	P14,301	P15,880
Materials and supplies	33,783	27,758
	P48,084	P43,638

The write-down of inventories amounted to P275, P200 and P126 in 2024, 2023 and 2022, respectively (Notes 4, 23 and 24). The Group has written off inventories amounting to P314, P97 and P198 in 2024, 2023 and 2022, respectively.

The allowance for write-down of inventories to net realizable value amounted to P502 and P542 as at December 31, 2024 and 2023, respectively.

The cost of inventories used recognized under "Cost of sales" account in consolidated statements of income amounted to P158,845, P158,027 and P150,282 in 2024, 2023 and 2022, respectively (Note 23).

The fair value of agricultural produce less costs to sell, which formed part of the cost of the finished goods inventory, amounted to P138 and P115 as at December 31, 2024 and 2023, respectively, with corresponding costs at point of harvest amounting to P113 and P107, respectively. Net unrealized gain on fair valuation of agricultural produce amounted to P25, P8 and P17 in 2024, 2023 and 2022, respectively (Note 22).

The fair values of marketable hogs and grown broilers, which comprised the Group's agricultural produce, are categorized as Level 1 and Level 3, respectively, in the fair value hierarchy based on the inputs used in the valuation techniques.

The valuation model used is based on the following: (a) quoted prices for harvested mature grown broilers at the time of harvest; and (b) quoted prices in the market at any given time for marketable hogs; provided that there has been no significant change in economic circumstances between the date of the transactions and the reporting date. Costs to sell are estimated based on the most recent transaction and is deducted from the fair value in order to measure the fair value of agricultural produce at point of harvest. The estimated fair value would increase (decrease) if weight and quality premiums increase (decrease) (Note 4).

10. Biological Assets

This account consists of:

	Note	2024	2023
Current:			
Growing stocks		P2,446	P2,608
Goods in process		795	907
		3,241	3,515
Noncurrent:			
Breeding stocks - net		2,652	2,667
	4	P5,893	P6,182

Growing stocks pertain to growing hogs and poultry livestock, while goods in process pertain to hatching eggs.

The amortization of breeding stocks recognized in the consolidated statements of income amounted to P3,339, P4,054 and P3,303 in 2024, 2023 and 2022 respectively (Note 25).

The movements in biological assets are as follows:

	Note	2024	2023
Cost			
Balance at beginning of year		P6,210	P6,116
Increase (decrease) due to:			
Production		61,112	62,668
Purchases		897	607
Mortality		(338)	(320)
Harvest		(58,580)	(58,792)
Retirement		(3,394)	(4,069)
Balance at end of year		5,907	6,210
Accumulated Amortization			
Balance at beginning of year		28	27
Amortization	25	3,339	4,054
Retirement		(3,353)	(4,053)
Balance at end of year		14	28
Carrying Amount		P5,893	P6,182

The Group harvested approximately 574 million and 540.4 million kilograms of grown broilers in 2024 and 2023, respectively, and 0.03 million and 0.04 million heads of marketable hogs in 2024 and 2023, respectively.

The aggregate fair value less estimated costs to sell of agricultural produce harvested during the year, determined at the point of harvest, amounted to P61,738 and P51,664 in 2024 and 2023, respectively.

11. Prepaid Expenses and Other Current Assets

This account consists of:

	Note	2024	2023
Prepaid income tax	36	P3,439	P2,750
Input tax		782	1,913
Prepaid expenses	30	797	1,101
Restricted Cash	33, 34	228	271
Advances to contractors and suppliers		151	108
Derivative assets	33, 34	85	50
Others		24	23
		P5,506	P6,216

Prepaid expenses include prepaid rent, insurance, promotional expenses and various operating expenses.

Prepaid insurance and rent owed by related parties amounting to P271 and P281 as at December 31, 2024 and 2023, respectively (Note 30).

The methods and assumptions used to estimate the fair value of derivative assets are discussed in Note 34.

12. Investments

This account consists of:

	Note	2024	2023
Financial assets at amortized cost	33, 34	P11,500	P11,500
Financial assets at FVOCI	33, 34	5,888	5,628
Investments in joint ventures - net		-	-
	4	P17,388	P17,128

Financial Assets at Amortized Cost

As at December 31, 2024, the Group has investment in debt instruments amounting to P11,500, with interest rates from 5.78% to 7.85% and maturities up to 2029 (Note 33 and 34).

Financial Assets at FVOCI

The Group's financial assets at FVOCI pertain to investments in shares of stock and other equity securities.

The Group's financial assets at FVOCI are as follows:

	Note	2024	2023
Redeemable perpetual securities		P5,785	P5,580
Other equity securities		103	48
	33, 34	P5,888	P5,628

On August 4, 2020, SMB, through San Miguel Brewing International Ltd. (SMBIL), signed a subscription agreement with SMC for the subscription of the latter's redeemable perpetual securities (RPS) with aggregate face value amount of \$100 or P4,850. The RPS are direct, unconditional, unsecured and subordinated capital securities with no fixed redemption date. SMBIL will have the right to receive distribution at 2.5% per annum, payable quarterly in arrears every November 5, February 5, May 5 and August 5 of each year commencing on November 5, 2020. SMC has a right to defer this distribution under certain conditions. SMBIL received dividend income amounting to P144, P139 and P136 for the years ended December 31, 2024, 2023 and 2022, respectively and are presented as part of "Other income - net" in the consolidated statements of income.

The methods and assumptions used to estimate the fair value of financial assets at FVOCI are discussed in Note 34.

Investments in Joint Ventures

a. TSML

GSML, through GSMIL, has an existing joint venture with Thai Life Group of Companies (Thai Life) covering the ownership and operations of TSML. TSML is a limited company organized under the laws of Thailand in which GSML owns 44.9% effective ownership interest. TSML holds a license in Thailand to engage in the business of manufacturing alcohol and manufacturing, selling and distributing brandy, wine and distilled spirits products both for domestic and export markets.

The details of the investment in TSML which is accounted for using the equity method are as follows:

	2024	2023
Current assets	P270	P332
Noncurrent assets	670	683
Current liabilities	(1,369)	(1,320)
Net liabilities	(429)	(305)
Percentage of ownership	44.9%	44.9%
Amount of investment in joint venture	P -	P -
Carrying amount of investment in joint venture - net	P -	P -
	2024	2023
Sales	P1	P3
Cost of sales	(44)	(61)
Operating expenses	(25)	(171)
Other charges	(37)	(31)
Net loss	(105)	(260)
Percentage of ownership	44.9%	44.9%
Share in net loss	(47)	(117)
Share in other comprehensive loss	-	-
Total comprehensive loss	(P47)	(P117)

In 2019, the Group assessed that its investment in TSML is impaired. The recoverable amount of investment in TSML has been determined based on a valuation using cash flow projections covering a five-year period based on long range plans approved by management. Cash flows beyond the five-year period are extrapolated using a constant growth rate determined per individual cash-generating unit. The determined growth rate 2% and is consistent with the long-term average growth rate for the industry. The discount rate applied to after tax cash flow projections is 9% and also imputes the risk of the cash-generating units compared to the respective risk of the overall market and equity risk premium. Accumulated impairment losses amounted to P244 as at December 31, 2024 and 2023.

The recoverable amount of investment in TSML has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation technique (Note 3).

The Group discontinued recognizing its share in the net losses of TSML since the cumulative losses already exceeded the cost of investment. If TSML reports profits subsequently, the Group resumes recognizing its share of those profits after its share of the profits equals the share of net losses not recognized. Total unrecognized share in net losses amounted to P459 and P412 as at December 31, 2024 and 2023, respectively.

b. TGT

GSML, through GSMLHL, also has an existing 44.9% effective ownership interest in TGT, which was formed as another joint venture with Thai Life. TGT functions as the selling and distribution arm of TSML.

The details of the investment in TGT which is accounted for using the equity method are as follows:

	2024	2023
Current assets	P19	P18
Current liabilities	(1,029)	(989)
Net liabilities	(1,010)	(971)
Percentage of ownership	44.9%	44.9%
Amount of investment in joint venture	P -	P -
Carrying amount of investment in joint venture - net	P -	P -
	2024	2023
Sales	P -	P0.1
Cost of sales	-	(0.1)
Operating expenses	(0.1)	(0.2)
Net loss	(0.1)	(0.2)
Percentage of ownership	44.9%	44.9%
Share in net loss	-	-
Share in other comprehensive loss	-	-
Total comprehensive loss	P -	P -

GSML discontinued recognizing its share in the net liabilities of TGT since the cumulative losses already exceeded the cost of investment. If TGT reports profits subsequently, GSML resumes recognizing its share of those profits after its share of the profits equals the share of net losses not recognized. Total unrecognized share in net losses amounted to P295 as at December 31, 2024 and 2023.

13. Property, Plant and Equipment

This account consists of:

	Note	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Furniture, Other Equipment and Others	Leasehold Improvements	Capital Projects in Progress	Total
Cost								
January 1, 2023		P16,593	P39,859	P93,749	P6,169	P1,789	P33,387	P191,546
Acquisition of a subsidiary		1,202	-	-	-	-	-	1,202
Additions		2	353	468	254	22	15,137	16,236
Disposals		(6)	(144)	(769)	(239)	(14)	(6)	(1,178)
Reclassifications		880	3,740	8,022	1,067	355	(14,526)	(462)
Currency translation adjustments		5	(127)	(346)	(4)	-	-	(472)
December 31, 2023		18,676	43,681	101,124	7,247	2,152	33,992	206,872
Acquisition of a subsidiary		121	-	-	-	-	-	121
Additions		2	255	141	180	4	16,105	16,687
Disposals		-	(19)	(483)	(200)	(1)	(3)	(706)
Reclassifications		791	6,033	6,970	897	165	(13,938)	918
Currency translation adjustments		61	330	775	21	-	7	1,194
December 31, 2024		19,651	50,280	108,527	8,145	2,320	36,163	225,086
Accumulated Depreciation								
January 1, 2023		1,764	12,358	52,604	3,549	512	-	70,787
Depreciation	25	218	1,189	3,775	678	102	-	5,962
Disposals		(6)	(101)	(672)	(232)	(14)	-	(1,025)
Reclassifications		(70)	(397)	27	29	(4)	-	(415)
Currency translation adjustments		1	(42)	(145)	(3)	-	-	(189)
December 31, 2023		1,907	13,007	55,589	4,021	596	-	75,120
Depreciation	25	198	1,364	4,196	783	108	-	6,649
Disposals		-	(19)	(391)	(193)	(1)	-	(604)
Reclassifications		-	1	(7)	(15)	-	-	(21)
Currency translation adjustments		2	150	384	15	-	-	551
December 31, 2024		2,107	14,503	59,771	4,611	703	-	81,695

Forward

	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Furniture, Other Equipment and Others	Leasehold Improvements	Capital Projects in Progress	Total
Accumulated Impairment Losses							
January 1, 2023	P -	P3,415	P10,659	P73	P1	P -	P14,148
Disposals	-	(42)	(79)	(6)	-	-	(127)
Currency translation adjustments	-	(72)	(196)	(1)	-	-	(269)
December 31, 2023	-	3,301	10,384	66	1	-	13,752
Impairment	-	460	168	45	-	-	673
Disposals	-	-	(91)	(1)	-	-	(92)
Currency translation adjustments	-	104	361	3	-	-	468
December 31, 2024	-	3,865	10,822	113	1	-	14,801
Carrying Amount							
December 31, 2023	P16,769	P27,373	P35,151	P3,160	P1,555	P33,992	P118,000
December 31, 2024	P17,544	P31,912	P37,934	P3,421	P1,616	P36,163	P128,590

Depreciation recognized in the consolidated statements of income amounted to P6,649, P5,962 and P5,294 in 2024, 2023 and 2022, respectively (Note 25).

The Group has interest amounting to P1,409, P1,155 and P753 which were capitalized in 2024, 2023 and 2022, respectively. The capitalization rates used to determine the amount of interest eligible for capitalization ranged from 5.79% to 6.84%, 3.35% to 6.84% and 3.35% to 4.47% in 2024, 2023 and 2022, respectively. The unamortized capitalized borrowing costs amounted to P4,866 and P3,092 as at December 31, 2024 and 2023, respectively.

Certain fully depreciated property, plant and equipment with aggregate cost of P46,262 and P42,833 as at December 31, 2024 and 2023, respectively, are still being used in the Group's operations.

In 2024, SMBHK identified a shortfall in the actual results against previous forecasts due to various factors, including but not limited to, a decline in demand for its own brewed products in light of fierce market competition and more outbound travel spending. Indicators of impairment existed for the noncurrent assets employed in the manufacturing operations in Hong Kong, comprising primarily the production plant and machineries.

SMBHK determined the recoverable amount of the cash-generating unit to which these assets belong to amounted to P1,706 as at December 31, 2024, which is lower than the carrying amount. Based on management's assessment, impairment loss of P673 was recognized in property, plant and equipment employed in the SMBHK's production plant and presented as part of "Impairment losses on noncurrent assets" under "Other income and charges" account in the consolidated statements of income (Note 27). The recoverable amount of the SMBHK's production plant has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on the business forecasts approved by management covering a period of five years. Cash flows beyond the five-year period are extrapolated using a steady annual growth rate. The pre-tax discount rate used in the value-in-use calculation is 13.3% as at December 31, 2024. As the carrying amount of the SMBHK's production plant has been reduced to its recoverable amount, any adverse change in the assumptions used in the value-in-use calculation would result in further impairment losses.

14. Right-of-Use Assets

The movements in this account are as follows:

	Note	Land, Land and Leasehold Improvements	Buildings and Improvements	Machinery and Equipment	Furniture, Other Equipment and Others	Total
Cost						
January 1, 2023		P5,036	P2,564	P34	P439	P8,073
Additions		11	163	-	30	204
Disposals/reclassifications		70	(394)	-	(103)	(427)
Currency translation adjustments		(23)	3	2	1	(17)
December 31, 2023		5,094	2,336	36	367	7,833
Additions		247	788	3	4	1,042
Disposals/reclassifications		(96)	(303)	-	(1)	(400)
Currency translation adjustments		48	-	2	-	50
December 31, 2024		5,293	2,821	41	370	8,525
Accumulated Depreciation						
January 1, 2023		1,266	1,114	8	426	2,814
Depreciation	25	286	368	5	19	678
Reclassifications		24	(285)	-	(105)	(366)
Currency translation adjustments		(12)	(2)	-	-	(14)
December 31, 2023		1,564	1,195	13	340	3,112
Depreciation	25	291	545	5	17	858
Reclassifications		(51)	(431)	-	(1)	(483)
Currency translation adjustments		22	-	1	-	23
December 31, 2024		1,826	1,309	19	356	3,510
Accumulated Impairment Losses						
January 1 and December 31 2023		88	-	-	-	88
Currency translation adjustments		4	-	-	-	4
December 31, 2024		92	-	-	-	92
Carrying Amount						
December 31, 2023		P3,442	P1,141	P23	P27	P4,633
December 31, 2024		P3,375	P1,512	P22	P14	P4,923

The Group recognized right-of-use assets for leases of office space, warehouse, factory facilities and parcels of land. The leases typically run for a period of more than one to fifty years. Some leases contain an option to renew the lease at the end of the lease term and are being subjected to reviews to reflect current market rentals. The renewal option provides operational flexibility in managing the leased asset portfolio and aligns the business needs of the Group.

The Group recognized interest expense related to these leases amounting to P424, P381 and P403 in 2024, 2023 and 2022, respectively (Note 27). The Group also has certain leases of property and equipment with lease terms of 12 months or less and leases of equipment with low value. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases. The expenses relating to short-term leases and leases of low-value assets amounted to P272, P365 and P368 in 2024, 2023 and 2022, respectively.

The Group had total cash outflows for leases of P1,797, P1,476 and P1,439 in 2024, 2023 and 2022 respectively (Note 32).

15. Investment Property

The movements in this account are as follows:

	Note	Land and Land Improvements	Land Use Rights	Buildings and Improvements	Total
Cost					
January 1, 2023		P2,804	P732	P888	P4,424
Disposals		(3)	-	-	(3)
Reclassifications		(58)	-	10	(48)
Currency translation adjustments		-	(6)	(7)	(13)
December 31, 2023		2,743	726	891	4,360
Additions		1	-	-	1
Reclassification		41	-	-	41
Currency translation adjustments		-	37	41	78
December 31, 2024		2,785	763	932	4,480
Accumulated Depreciation					
January 1, 2023		-	309	469	778
Depreciation	25	-	17	21	38
Reclassification		-	-	5	5
Currency translation adjustments		-	(3)	(3)	(6)
December 31, 2023		-	323	492	815
Depreciation	25	-	18	22	40
Currency translation adjustments		-	17	24	41
December 31, 2024		-	358	538	896
Accumulated Impairment Losses					
December 31, 2023 and 2024		8	-	-	8
Carrying Amount					
December 31, 2023		P2,735	P403	P399	P3,537
December 31, 2024		P2,777	P405	P394	P3,576

No impairment loss was recognized in 2024, 2023 and 2022.

There are no other direct selling and administrative expenses other than depreciation and real property taxes arising from investment property that generated income in 2023, 2022 and 2021.

The fair value of investment property amounting to P14,679 and P13,324 as at December 31, 2024 and 2023, respectively, has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation techniques (Note 4).

The fair value of investment property was determined either by external, independent property appraisers having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The independent appraisers or the credit management group provide the fair value of the Group's investment property on a regular basis.

Valuation Technique and Significant Unobservable Inputs

The valuation of investment property applied the following approaches:

Sales Comparison Approach. The market value was determined using the Sales Comparison Approach. The comparative approach considers the sale of similar or substitute property, registered within the vicinity, and the related market data. The estimated value is established by process involving comparison. The property being valued is then compared with sales of similar property that have been transacted in the market. Listings and offerings may also be considered. The observable inputs to determine the market value of the property are the following: location characteristics, size, time element, quality and prospective use, bargaining allowance and marketability.

Income Approach. The rental value of the subject property was determined using the Income Approach. Under the Income Approach, the market value of the property is determined first, and then proper capitalization rate is applied to arrive at its rental value. The rental value of the property is determined on the basis of what a prudent lessor or a prospective lessee are willing to pay for its use and occupancy considering the prevailing rental rates of similar property and/or rate of return a prudent lessor generally expects on the return on its investment. A study of current market conditions indicates that the return on capital for similar real estate investment ranges from 3% to 5%.

The valuation using the Income Approach considers the capitalization of net rent income receivable from existing tenancies and the reversionary value of the property after tenancies expire by reference to market sales transactions. The significant unobservable input in the fair value measurement is the discount rate, which ranged from 2% to 4% in 2024 and 2023.

16. Goodwill and Other Intangible Assets

This account consists of:

	2024	2023
Goodwill	P996	P996
Other intangible assets	39,665	39,444
	P40,661	P40,440

Other intangible assets consist of:

	2024	2023
Trademarks and brand names	P37,108	P37,030
License	2,243	2,133
Computer software and licenses	249	216
Formulas and recipes	58	58
Franchise	7	7
	P39,665	P39,444

The movements in other intangible assets with indefinite useful lives are as follows:

	Trademarks and Brand Names	License	Formulas and Recipes and Franchise	Total
Cost				
January 1, 2023	P37,301	P2,126	P65	P39,492
Cumulative translation adjustments	(19)	7	-	(12)
December 31, 2023	37,282	2,133	65	39,480
Cumulative translation adjustments	91	110	-	201
December 31, 2024	37,373	2,243	65	39,681
Accumulated Impairment Losses				
January 1, 2023	254	-	-	254
Cumulative translation adjustments	(2)	-	-	(2)
December 31, 2023	252	-	-	252
Cumulative translation adjustments	13	-	-	13
December 31, 2024	265	-	-	265
Carrying Amount				
December 31, 2023	P37,030	P2,133	P65	P39,228
December 31, 2024	P37,108	P2,243	P65	P39,416

The movements in other intangible assets with finite useful lives are as follows:

	Note	Computer Software and Licenses
Cost		
January 1, 2023		P1,346
Additions		111
Disposals/reclassifications		29
Cumulative translation adjustments		(1)
December 31, 2023		1,485
Additions		107
Disposals/reclassifications		-
Cumulative translation adjustments		7
December 31, 2024		1,599
Accumulated Amortization		
January 1, 2023		1,214
Amortization	25	52
Disposals/reclassifications		(1)
Cumulative translation adjustments		(1)
December 31, 2023		1,264
Amortization	25	77
Disposals/reclassifications		(1)
Cumulative translation adjustments		5
December 31, 2024		1,345
Accumulated Impairment Losses		
December 31, 2023 and 2024		5
Carrying Amount		
December 31, 2023		P216
December 31, 2024		P249

Goodwill, trademarks and brand names, license, formulas and recipes, and franchise with indefinite lives acquired through business combinations, have been allocated to individual cash-generating units, for impairment testing as follows:

	2024		2023	
	Goodwill	Trademarks and Brand Names, License, Formulas and Recipes and Franchise	Goodwill	Trademarks and Brand Names, License, Formulas and Recipes and Franchise
Parent	P -	P3,189	P -	P3,189
Food	177	162	P177	163
Spirits	819	-	819	-
Beer and NAB	-	36,065	-	35,876
Total	P996	P39,416	P996	P39,228

Goodwill

The recoverable amount of goodwill has been determined based on a valuation using cash flow projections (value in use) covering a five-year period based on long range plans approved by management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources. Cash flows beyond the five-year period are extrapolated using a constant growth rate determined per individual cash-generating unit to arrive at its terminal value. The growth rates used which range from 1% to 5% and 3% to 5% in 2024 and 2023, respectively, are based on strategies developed for each business and include the Group's expectations of market developments and past historical performance. The discount rates applied to after tax cash flow projections ranged from 7.5% to 9% in 2024 and 8% to 11% in 2023. The discount rate also imputes the risk of the cash-generating units compared to the respective risk of the overall market and equity risk premium. The recoverable amount of goodwill has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation technique (Note 4).

No impairment loss was recognized for goodwill in 2024, 2023 and 2022.

Trademarks and Brand Names

The recoverable amount of trademarks and brand names has been determined based on a valuation using cash flow projections (value in use) covering a five-year period based on long range plans approved by management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources. Cash flows beyond the five-year period are extrapolated using a determined constant growth rate to arrive at its terminal value. The growth rates used which range from 2% to 12% and 2% to 5% in 2024 and 2023, respectively, are based on strategies developed for each business and include the Group's expectations of market developments and past historical performance. The discount rates applied to after tax cash flow projections range from 7% to 12% in 2024 and 2023. The recoverable amount of trademarks and brand names has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation technique (Note 4).

Management's calculations are updated to reflect the most recent developments as at reporting date. Management's expectations reflect performance to date and are based on its experience in times of recession and consistent with the assumptions that a market participant would make.

License

The recoverable amount of the license has been determined based on a valuation using cash flow projections (value in use) covering a five-year period based on long range plans approved by management. Cash flows beyond the five-year period are extrapolated using a determined constant growth rate to arrive at its terminal value. In 2024 and 2023, the 3% growth rate used is consistent with the long-term average growth rates for the industry. The discount rates applied to after tax cash flow projections range from 5.3% to 6.1% in 2024 and 5.0% to 7.0% in 2023.

No impairment loss was recognized in the value of licenses in 2024 and 2023.

Management believes that any reasonably possible change in the key assumptions on which the recoverable amounts is based would not cause their carrying amounts to exceed their recoverable amounts.

The calculations of value in use (terminal value) are most sensitive to the following assumptions:

Gross Margins. Gross margins are based on average values achieved in the period immediately before the budget period. These are increases over the budget period for anticipated efficiency improvements. Values assigned to key assumptions reflect past experience, except for efficiency improvement.

Discount Rate. The risk-adjusted weighted average cost of capital is used as the discount rate, which reflects management's estimate of the risk specific to each unit. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals.

Raw Material Price Inflation. Consumer price forecast is obtained from indices during the budget period from which raw materials are purchased. Values assigned to key assumptions are consistent with external sources of information.

17. Other Noncurrent Assets

This account consists of:

	Note	2024	2023
Deferred containers - net	4	P26,872	P24,910
Deposits on land for future development		1,938	2,442
Idle assets - net		812	1,327
Noncurrent receivables and deposits	4, 30, 33, 34	244	183
Others	29, 30	1,601	1,410
		P31,467	P30,272

"Others" include pallets, kegs and CO2 cylinders, defined benefit retirement asset and other noncurrent assets.

"Noncurrent receivables and deposits" and "Others" accounts include amounts owed by related parties amounting to P507 and P317 as at December 31, 2024 and 2023, respectively (Note 30).

The methods and assumptions used to estimate the fair values of noncurrent receivables and deposits are discussed in Note 34.

The movements in the deferred containers are as follows:

	Note	2024	2023
Cost			
Balance at beginning of year		P50,786	P46,063
Additions		7,838	6,948
Disposals/reclassifications		(1,247)	(2,259)
Currency translation adjustments		(4)	34
Balance at end of year		57,373	50,786
Accumulated Depreciation			
Balance at beginning of year		24,948	20,510
Depreciation	25	5,548	5,039
Disposals/reclassifications		(538)	(596)
Currency translation adjustments		(1)	(5)
Balance at end of year		29,957	24,948
Accumulated Impairment			
Balance at beginning of year		928	1,091
Impairment		-	487
Disposals/reclassification		(384)	(650)
Balance at the end of year		544	928
		P26,872	P24,910

Idle assets, net of accumulated depreciation and impairment amounted to P812 and P1,327 as at December 31, 2024 and 2023, respectively. Accumulated depreciation of idle assets amounted to P2,356 and P2,374 as at December 31, 2024 and 2023, respectively. Accumulated impairment loss on idle assets amounted to P1,222 and P438 as at December 31, 2024 and 2023, respectively.

In 2024, based on management's assessment certain idle assets consisting of buildings and improvements and machinery and equipment with carrying amount of P784 is higher compared to the recoverable amount. Impairment loss amounted to P784 was recognized due to discontinued hog farm operations and indefinitely suspended capital projects and is presented as part of "Reversal (provision) on impairment" under "Other income and charges" account in the consolidated statements of income (Note 27).

18. Loans Payable

This account consists of peso-denominated short-term borrowings amounted to P17,103 and P14,684 as at December 31, 2024 and 2023, respectively (Notes 33 and 34)

Loans payable mainly represent unsecured peso currency-denominated amounts obtained from local banks. Interest rates for peso-denominated loans ranged from 4.25% to 6.10% and 4.75% to 6.85% in 2024 and 2023, respectively (Note 27).

Changes in liabilities arising from financing activities are as follows:

	2024	2023
Balance as at January 1	P14,684	P21,055
Changes from Financing Activities		
Proceeds from borrowings	304,824	227,369
Payments of borrowings	(302,405)	(233,740)
Total Changes from Financing Activities	2,419	(6,371)
Balance as at December 31	P17,103	P14,684

19. Trade Payables and Other Current Liabilities

This account consists of:

	Note	2024	2023
Trade		P15,315	P11,887
Non-trade		34,141	27,912
Amounts owed to related parties	30	17,216	17,032
Derivative liabilities	33, 34	150	80
Containers deposit		7,810	6,730
Others		1,784	1,647
	33, 34	P76,416	P65,288

Trade payables are non-interest bearing and are generally on a 30 to 60-day term.

Non-trade payables include accruals for various selling and administrative expenses.

“Others” include accruals for payroll, interest, repairs and maintenance, freight, trucking and handling and other payables.

The methods and assumptions used to estimate the fair value of derivative liabilities are discussed in Note 34.

20. Long-term Debt

This account consists of:

	<i>Note</i>	2024	2023
Bonds:			
Series H bonds, fixed interest rate of 6.00% maturing in 2024 (a)		P -	P2,538
Series A bonds, fixed interest rates of 5.05% maturing 2025 (b)		7,995	7,973
Series B bonds, fixed interest rates of 5.25% maturing 2027 (b)		6,968	6,954
Term note:			
Fixed interest rate of 3.80% to 6.84% with maturities up to 2031 (c)		38,756	38,789
Fixed interest rate of 3.5483% maturing in 2029 (d)		9,662	9,804
Floating interest rate based on 3-month BVAL plus margin or 28-day BSP Term Deposit Auction Facility (BSP TDF) plus margin, whichever is higher, maturing in 2029 (d)		7,729	7,842
Fixed interest rate of 3.2840% with maturities up to 2026 (e)		1,889	1,940
Fixed interest rate of 3.846% (f)		6,981	6,970
	33, 34	79,980	82,810
Less current maturities		12,328	12,871
		P67,652	P69,939

Bonds

- (a) The amount represents unsecured long-term debt incurred by SMB to support the redemption of the Series B bonds which matured on April 4, 2014.

SMB's Philippine peso-denominated fixed rate bonds are comprised of the Series H bonds in the aggregate principal amount of P2,538 which were part of SMB's P15,000 bonds (P15,000 Bonds) which were issued on April 2, 2014 (P15,000 Bonds Issue Date) and matured on April 2, 2024.

The P15,000 Bonds originally consisted of the Series G bonds (with a term of seven years from the P15,000 Bonds Issue Date) and Series H bonds (with a term of ten years from the P15,000 Bonds Issue Date) which were sold to the public pursuant to a registration statement that was rendered effective, and permit to sell issued, by the SEC on March 17, 2014 and were listed on the PDEX for trading on April 2, 2014. Interest on the P15,000 Bonds are paid every April 2 and October 2 of each year. The Series G bonds with an aggregate principal amount of P12,462 matured on April 5, 2021 while the Series H bonds with an aggregate principal amount of P2,538 matured on April 2, 2024 and were accordingly redeemed by SMB on the said dates using proceeds from term loans and available cash.

Under the trust agreement for the Series H bonds, SMB is required to comply with two financial covenants: minimum interest coverage ratio of 4.75 and maximum debt to equity ratio of 3.5, as well as non-financial covenants, such as among others, covenants relating to continued compliance with applicable laws; restrictions on engaging in businesses other than those prescribed under its articles of incorporation, merger and consolidation, disposal of all or substantially all of its assets, payment of dividends and redemption of capital stock in the event of default; maintenance of equality in priority of obligations; and negative pledge. As at December 31, 2023, SMB was in compliance with its covenants for the Series H bonds.

- (b) On February 21, 2020, the SEC issued to SMFB the Permit to Sell P15,000 fixed rate bonds, consisting of five-year Series A Bonds due 2025 and seven-year Series B Bonds due in 2027.

The bonds were issued and listed in the PDEX on March 10, 2020.

The proceeds were used to redeem the outstanding FBP2 Shares and payment of transaction-related fees, costs and expenses.

The Series A bonds will mature and paid on March 10, 2025.

The Series A Bonds and Series B Bonds have fixed interest rate equivalent to 5.050% per annum and 5.250% per annum, respectively and are carried at amortized cost. Unamortized debt issue costs as of December 31, 2024 and 2023 amounted to P5 and P27, and P32 and P49 for Series A and Series B, respectively.

Term Note

- (c) On December 10, 2024, the SMB entered into separate agreements for unsecured, long-term, interest-bearing loans with local banks amounting to P5,000 (P5,000 Loan), P2,000 (P2,000 Loan), and P3,000 (P3,000 Loan) to refinance the maturity of the term loan amounting to P10,000 which matured on December 26, 2024. The loans are carried at amortized cost and bear annual interest rate at Philippine peso fixed-rate of 6.57%. The interest rates are subject to repricing on the first and third anniversary from the initial drawdown date. The P5,000 Loan and P2,000 Loan are payable in five years and will mature in December 2029, while the P3,000 Loan is payable in seven years and will mature in December 2031.

On December 19, 2022, SMB entered into an agreement for an unsecured, long-term, interest-bearing loan with a local bank amounting to P10,000 to finance its capital expenditures. On December 20, 2022, SMB availed of P5,000 from the P10,000 loan facility. The loan is carried at amortized cost and bears annual interest rate at Philippine peso fixed-rate of 6.84% for two years, subject to repricing thereafter. The loan is payable in five years and will mature in December 2027. On February 21, 2023, SMB availed of P5,000 from the P10,000 loan facility. The loan is carried at amortized cost and bears annual interest rate at Philippine peso fixed-rate of 6.53% for two years, subject to repricing thereafter. The loan is payable in four years and ten months and will mature in December 2027.

On March 21, 2022, SMB entered into an agreement for an unsecured, long-term, interest-bearing loan with a local bank amounting to P4,000 and P3,000 to be used to refinance the maturity of the Series F bonds which matured on April 4, 2022. The loans are carried at amortized cost and bears annual interest rates at Philippine peso fixed rate of 4.63% and 5.75%, respectively. The loans are payable in three years and five years, respectively, and will mature in April 2025 and April 2027, respectively.

On March 25, 2021, SMB entered into separate agreements for unsecured, long-term, interest-bearing loans with several local banks amounting in total to P12,000 to be used to refinance the maturity of the Series G bonds which matured on April 5, 2021 and/or general corporate purposes. The loans are carried at amortized cost and bears annual interest rates at Philippine peso fixed-rate ranging from 3.80% to 4.15%. The P10,000 of the P12,000 loan is payable in five years and will mature in April 2026, while the remaining P2,000 is payable in seven years and will mature in April 2028, in accordance with the terms of the loan agreements.

On December 19, 2019, SMB entered into an agreement for an unsecured, long-term, interest-bearing loan with a local bank amounting to P10,000 to be used for general corporate purposes. The loan is carried at amortized cost and bears annual interest rate at Philippine peso fixed-rate of 4.63%. The loan is payable in five years and matured in December 2024.

Unamortized debt issue costs amounted to P164 and P154 as at December 31, 2024 and 2023, respectively.

- (d) On December 3, 2019, SMFI entered into an unsecured, long-term, interest-bearing loan from a local bank amounting to P18,000 for the purpose of refinancing its existing short-term loan obligations, funding capital expansion projects and for other general corporate requirements. On December 12, 2019, P10,000 was initially drawn down from the credit facility and the remaining balance of P8,000 were availed in various dates during 2020. The loan is payable for ten years, in quarterly installments which will commence in March 2023. The loan is initially subject to a floating interest rate based on BVAL plus margin or BSP TDF overnight rate plus margin, whichever is higher with a one-time option to convert to fixed rate within two years.

On December 14, 2020, SMFI exercised its one-time option to convert its P10,000 loan to fixed interest rate.

Unamortized debt issue costs amounted to P73 and P86 as at December 31, 2024 and 2023, respectively.

- (e) On December 11, 2019, SMMI entered into an unsecured, long-term, interest-bearing loan from a local bank amounting to P2,000 for the purpose of refinancing its existing short-term loans and used for general corporate requirements. On December 19, 2019, the loan was drawn down from the credit facility. The loan is carried at amortized cost, is initially priced on a floating rate basis, and bears an annual interest rate at Philippine peso rate of 4.72%. The loan is payable for seven years, in quarterly installments which will commence in March 2023. The loan is subject to a floating interest rate based on BVAL plus margin or BSP TDF overnight rate plus margin, whichever is higher with a one-time option to convert to a fixed interest rate within two years which is based on the applicable 7-Year PHP BVAL + 0.60%, payable quarterly and fixed for the entire term of the loan.

On December 19, 2020, the SMMI exercised its one-time option to convert to fixed interest rate for its P2,000 loan.

Unamortized debt issue costs amounted to P4 and P6 as at December 31, 2024 and 2023, respectively.

- (f) On September 24, 2021, PF-Hormel entered into an unsecured, long-term, interest-bearing loan from a local bank amounting to P7,000 for general corporate purposes, including but not limited to, the refinancing of existing indebtedness for borrowed money and/or capital expenditure. On September 29, 2021, the total amount of loan was withdrawn from credit facility. The loan shall be for a term of five years from the borrowing date and shall be payable in lump sum on the maturity date. Interest on the unpaid principal of the loan is payable on each interest payment date for the relevant interest period then ending.

Unamortized debt issue costs amount to P19 and P30 as of December 31, 2024 and 2023, respectively.

The Group is in compliance with the covenants of the debt agreements as at December 31, 2024 and 2023.

SMB

SMB is required to comply with two financial covenants: minimum interest coverage ratio of 4.75 for loans secured in 2019 and 2.0 for loans secured in 2022, 2023 and 2024, and maximum debt to equity ratio of 3.5 for all loans secured, as well as non-financial covenants, such as among others, covenants relating to continued compliance with applicable laws; restrictions on engaging in businesses other than those prescribed under its articles of incorporation, merger and consolidation, disposal of all or substantially all of material operating assets, payment of dividends, redemption of capital stock and management bonuses and profits in the event of default; maintenance of equality in priority of obligations; and negative pledge.

SMFB

SMFB has to ensure that its debt-to-equity ratio will not exceed 3.5 times and EBITDA to interest expense ratio will not fall below 2.0 times. This loan defined total debt as all interest-bearing obligations evidenced by bonds, debentures, notes or other similar instruments while equity is total equity as shown in the consolidated statements of financial position. SMFB complied with the above requirements in 2024 and 2023 with a debt-to-equity ratio of 0.57 and 0.61 as at December 31, 2024, and 2023, respectively, and EBITDA to interest expense ratio of 15.20 and 14.06 as at December 31, 2024 and 2023, respectively.

SMFI

SMFI has to ensure that its debt-to-equity ratio will not exceed 3.5 times and EBITDA to interest coverage ratio will not fall below 2.0 times. This loan defined total debt as the aggregate amount (without duplication) of all debt of SMFI while equity is the total assets minus total liabilities plus deposit for future subscription as reported in the separate statements of financial position. SMFI complied with the above requirements with a debt-to-equity ratio of 0.85 and 0.77 as at December 31, 2024 and 2023, respectively, and EBITDA to interest coverage ratio of 17.20 and 22.93 as at December 31, 2024 and 2023, respectively.

SMMI

SMMI has to ensure that its debt-to-equity ratio will not exceed 3.5 times and EBITDA to interest coverage ratio will not fall below 2.0 times. This loan defined total debt as the aggregate amount (without duplication) of all debt of SMMI while equity is the total assets minus total liabilities as reported in the separate statements of financial position. SMMI complied with the above requirements with a debt-to-equity ratio of 0.58 and 0.88 as at December 31, 2024 and 2023, respectively, and EBITDA to interest coverage ratio of 10.95 and 5.88 as at December 31, 2024 and 2023, respectively.

PF-Hormel

PF-Hormel has to ensure that its debt-to-equity ratio will not exceed 3.5 times and EBITDA to interest coverage ratio will not fall below 2.0 times. This loan defined total debt as the aggregate amount (without duplication) of all debt of PF-Hormel while equity is the total assets minus total liabilities plus deposit for future subscription as reported in the separate statements of financial position. PF-Hormel complied with the above requirements with a debt-to-equity ratio of 0.89 and 0.83 as at December 31, 2024 and 2023 and EBITDA to interest coverage ratio of 13.53 and 8.47 as at December 31, 2024 and 2023, respectively.

Interest expense recognized in the consolidated statements of income follows:

	<i>Note</i>	2024	2023	2022
Bonds		P811	P924	P1,040
Term note		2,515	2,437	1,519
	27	P3,326	P3,361	P2,559

The movements in debt issue costs are as follows:

	<i>Note</i>	2024	2023
Balance at beginning of year		P350	P434
Additions		75	38
Amortization	27	(125)	(122)
Balance at end of year		P300	P350

Changes in liabilities arising from financing activities are as follows:

	2024	2023
Balance as at January 1	P82,810	P78,239
Changes from Financing Activities		
Proceeds from borrowings	9,925	4,963
Payments of borrowings	(12,880)	(514)
Total Changes from Financing Activities	(2,955)	4,449
Others	125	122
Balance as at December 31	P79,980	P82,810

Repayment Schedule

The annual maturities of long-term debt are as follows:

Year	Gross Amount	Debt Issue Costs	Net
2025	P12,342	P14	P12,328
2026	19,008	39	18,969
2027	20,270	95	20,175
2028	2,268	7	2,261
2029 and thereafter	26,392	145	26,247
	P80,280	P300	P79,980

Contractual terms of the Group's interest-bearing loans and borrowings and exposure to interest rate, foreign currency and liquidity risks are discussed in Note 33.

21. Equity

Capital Stock

As at December 31, 2024 and 2023, the Parent Company's common stock, at P1.00 par value per common share, consists of the following number of shares:

	2024	2023	2022
Issued shares at beginning of year	5,951,297,670	5,951,297,670	5,951,297,670
Treasury shares	(42,077,580)	(42,077,580)	(42,077,580)
Issued and outstanding at end of year	5,909,220,090	5,909,220,090	5,909,220,090
Authorized shares	11,600,000,000	11,600,000,000	11,600,000,000

As at December 31, 2024 and 2023, the Parent Company's preferred stock, at P10.00 par value per preferred share, consists of the following number of shares:

	2024	2023	2022
Issued shares at beginning of year	30,000,000	30,000,000	30,000,000
Treasury shares	(30,000,000)	(30,000,000)	(30,000,000)
Issued and outstanding at end of year	-	-	-
Authorized shares	40,000,000	40,000,000	40,000,000

Common Shares

As at December 31, 2016, prior to business reorganization, the Parent Company has a total of 166,667,096 issued and outstanding common shares held by a total of 132 common stockholders.

On November 3, 2017, the BOD of SMC approved the internal restructuring to consolidate its food and beverage businesses under SMFB. The corporate reorganization is expected to result in synergies in the food and beverage business units of the San Miguel Group, unlock greater shareholder value by providing a sizeable consumer vertical market under SMC, and provide investors direct access to the consumer business of the San Miguel Group through SMFB.

In this connection, the following corporate actions were approved by the BOD of the Parent Company on November 3, 2017: (a) amendments to the Articles of Incorporation to change/expand the primary purpose of SMFB to include the beverage business and accordingly change its corporate name from "San Miguel Pure Foods Company Inc." to "San Miguel Food and Beverage, Inc.", reduce the par value of SMFB's common shares from P10.00 per share to P1.00 per share, and deny pre-emptive rights for issuances or dispositions of all common shares (collectively, the "First Amendments"); (b) upon approval by the SEC of the First Amendments, the increase in SMFB's authorized capital stock by P9,540 divided into 9,540,000,000 common shares with a par value of P1.00 per share, and the amendment to the Articles of Incorporation to reflect such increase (the "Increase"); (c) the acquisition of all of SMC's common shares in San Miguel Brewery Inc. (SMB) and Ginebra San Miguel Inc. (GSMI) (collectively, the "Exchange Shares") and issuance by SMFB of 4,242,549,130 new common shares (the "New Shares") to SMC from the Increase, as consideration for the Exchange Shares; (d) the tender offer for SMB and GSMI shares held by minority shareholders, if required; and the listing on the PSE of the additional shares resulting from the reduction of par value of common shares and the New Shares to be issued to SMC.

On January 18, 2018, the stockholders of SMFB, in its special stockholders' meeting, approved the foregoing corporate actions.

On March 14, 2018, the following amendments to the By-laws of SMFB were approved by the BOD of the Parent Company: (i) the change in corporate name to "San Miguel Food and Beverage, Inc." in the Title of the By-laws; (ii) the change in Official Seal of SMFB to reflect the said new corporate name in Article XI of the By-laws; and (iii) the disqualification for director in SMFB to the effect that persons engaged in any business that competes with or is antagonistic to that of SMFB are disqualified from sitting in the BOD of SMFB, in Article II, Section 1 of the By-laws (collectively, the "Corporate Name Related Amendments").

On March 23, 2018, the SEC approved the First Amendments to the Articles of Incorporation of SMFB.

On April 5, 2018, SMC and SMFB signed the Deed of Exchange of Shares pursuant to which SMC will transfer to SMFB the Exchange Shares at the total transfer value of P336,349. As consideration for its acquisition of the Exchange Shares, SMFB shall issue unto SMC the New Shares which will be taken out of the Increase. As such, the issuance of the New Shares to SMC and the transfer of the Exchange Shares to SMFB were conditioned upon the approval by the SEC of the Increase.

On May 11, 2018, the stockholders of SMFB, in its regular stockholders' meeting, approved the: (i) amendments to the By-laws of SMFB to reflect the Corporate Name Related Amendments, and (ii) delegation to management of the authority previously approved by the BOD on March 14, 2018, to sign, execute and deliver all documents on behalf of SMFB, as well as to take all other actions in order for SMFB to comply with the minimum public ownership requirement of the SEC and PSE for publicly listed companies, including the offer and issuance of new common shares to the public.

On June 18, 2018, the SEC approved the Corporate Name Related Amendments to the By-laws of SMFB.

On June 29, 2018, the SEC approved the Increase by virtue of the issuance to SMFB of the Certificate of Approval of Increase of Capital Stock and Certificate of Filing of Amended Articles of Incorporation. As a result of the approval of the Increase, which involved the issuance by SMFB of the New Shares to SMC in consideration for the Exchange Shares, the consolidation of the food and beverage businesses of SMC under SMFB was completed.

With the approval of the Increase, the SEC consequently accepted and approved the transfer value of the Exchange Shares amounting to P336,349, the investment value of SMFB in SMB and GSML.

As the issuance of the New Shares resulted in SMFB's public ownership level falling below the minimum ten percent (10%) requirement under the PSE's Amended Rule on Minimum Public Ownership ("MPO Rule"), the PSE suspended the trading of SMFB's common and preferred shares (collectively, the "FB Shares") commencing July 6, 2018 and until SMFB is able to secure a favorable ruling/opinion from the Bureau of Internal Revenue (BIR) on the appropriate taxes to be imposed on the trades of FB Shares through the PSE during the period not exceeding six months (the "MPO Exemption Period").

On July 20, 2018, SMFB received BIR Ruling No. 1092-2018 which confirmed that the share swap and the follow-on offer of common shares and all trades of FB Shares through the PSE during the MPO Exemption Period are not subject to capital gains tax of 15% under of Revenue Regulations (RR) No.16-2012 as amended by RR No. 11-2018 (TRAIN Law), and that the stock transaction tax at the rate of six-tenths of one percent (6/10 of 1%) shall be imposed on all trades through the PSE of FB Shares during the same period. The temporary exemption is effective until December 31, 2018. On July 23, 2018, the PSE lifted the trading suspension of FB Shares.

On September 19, 2018, SMFB filed with the PSE an Application for Listing of Stocks, for the listing of the New Shares issued by SMFB to SMC. The PSE issued a Notice of Approval for the listing of the New Shares on November 5, 2018 and such shares were listed with the PSE effective November 9, 2018.

On October 12, 2018, the BIR issued BIR Certification No. 010-2018, which confirmed the tax-free transfer by SMC of the Exchange Shares, in consideration for the New Shares. On October 31, 2018, the BIR issued the Electronic Certificate Authorizing Registration (eCAR) covering this transaction. The Exchange Shares were issued and registered in the name of SMFB in the stock and transfer books of SMB and GSML, as the case may be, on November 5, 2018.

On October 26, 2018, the SEC issued the Order of Registration of Securities and Certificate of Permit to Offer Securities for Sale relating to the offer of up to 1,020,050,000 common shares in SMFB owned by SMC in a secondary sale transaction to institutional investors inclusive of the PSE Trading Participants' share allocation at an offer price of P85.00 per share.

On November 12, 2018, the secondary offering was completed. A total of 400,940,590 SMFB common shares plus the over-allotment option of 60,141,090 SMFB common shares owned by SMC have been sold at a price of P85.00 per share to institutional investors inclusive of the PSE Trading Participants' share allocation, for a total amount of P39,192 million. With the completion of the offering, SMFB is compliant with the MPO Rule.

As at December 31, 2024 and 2023, the Parent Company has a total of 183 and 178 common stockholders, respectively.

Preferred Shares issued and listed with the PSE on March 3, 2011

A summary of the Terms of the Offer is set out below:

The Parent Company, through its underwriters and selling agents, offered 15,000,000 cumulative, non-voting, non-participating and non-convertible preferred shares at an offer price of P1,000.00 per share during the period February 14 to 25, 2011. The dividend rate was set at 8% per annum with dividend payment dates on March 3, June 3, September 3 and December 3 of each year calculated on a 30/360-day basis, as and if declared by the BOD. The preferred shares are redeemable in whole or in part, in cash, at the sole option of the Parent Company, at the end of the 5th year from issuance date or on any dividend payment date thereafter, at the price equal to the issue price plus any accumulated and unpaid cash dividends. Optional redemption of the preferred shares prior to 5th year from issuance date was provided under certain conditions (i.e., accounting, tax or change of control events), as well as on the 3rd anniversary from issuance date or on any dividend payment date thereafter, as and if declared by the BOD. Unless the preferred shares are redeemed by the Parent Company on its 5th year anniversary, the dividend rate shall be adjusted thereafter to the higher of the dividend rate of 8% or the ten-year PDST-F rate prevailing on the optional redemption date plus 3.33% per annum.

On February 3, 2015, the Parent Company's BOD approved the redemption on March 3, 2015 of the 15,000,000 outstanding preferred shares issued on March 3, 2011 at the redemption price of P1,000.00 per share.

The redemption price and all accumulated unpaid cash dividends were paid on March 3, 2015 to relevant stockholders of record as at February 17, 2015. The redeemed preferred shares thereafter became part of the Parent Company's treasury shares.

Perpetual Series "2" Preferred Shares Issued and Listed with the PSE on March 12, 2015

On January 20, 2015, the BOD of the PSE approved, subject to SEC approval and certain conditions, the application of the Parent Company to list up to 15,000,000 perpetual series "2" preferred shares (FBP2 Shares) with a par value of P10.00 per share to cover the Parent Company's preferred shares offering at an offer price of P1,000.00 per share and with a dividend rate to be determined by management.

On February 5, 2015, the SEC favorably considered the Parent Company's Registration Statement covering the registration of up to 15,000,000 FBP2 Shares at an offer price of P1,000.00 per share (the "FBP2 Shares Offering"), subject to the conditions set forth in the pre-effective letter issued by the SEC on the same date.

On February 9, 2015, the PSE issued, subject to certain conditions, the Notice of Approval on the Parent Company's application to list up to 15,000,000 FBP2 Shares with a par value of P10.00 per share to cover the FBP2 Shares Offering at an offer price of P1,000.00 per share and with a dividend rate still to be determined by management on February 11, 2015, the dividend rate setting date.

On February 11, 2015, further to the authority granted by the Parent Company's BOD to management during the BOD meetings on November 5, 2014 and February 3, 2015 to fix the terms of the FBP2 Shares Offering, management determined the terms of the FBP2 Shares (Terms of the Offer), including the initial dividend rate for the FBP2 Shares at 5.6569% per annum.

A summary of the Terms of the Offer is set out below:

The Parent Company, through its underwriters and selling agents, offered up to 15,000,000 cumulative, non-voting, non-participating and non-convertible peso-denominated perpetual series 2 preferred shares at an offer price of P1,000.00 per share during the period February 16 to March 5, 2015. The dividend rate was set at 5.6569% per annum with dividend payable once for every dividend period defined as (i) March 12 to June 11, (ii) June 12 to September 11, (iii) September 12 to December 11, or (iv) December 12 to March 11 of each year, calculated on a 30/360-day basis, as and if declared by the BOD. The series 2 preferred shares are redeemable in whole and not in part, in cash, at the sole option of the Parent Company, on the 3rd anniversary of the listing date or on any dividend period thereafter, at the price equal to the offer price plus any accumulated and unpaid cash dividends. The series 2 preferred shares may also be redeemed in whole and not in part, under certain conditions (i.e., accounting, tax or change of control events). Unless the series 2 preferred shares are redeemed by the Parent Company on the 5th year anniversary of the listing date, the dividend rate shall be adjusted thereafter to the higher of the dividend rate of 5.6569% or the 3-day average of the 7-year PDST-R2 plus 3.75%.

On February 12, 2015, the SEC rendered effective the Registration Statement and other papers and documents attached thereto filed by the Parent Company, and issued the Order of Registration of up to 15,000,000 FBP2 Shares at an offer price of P1,000.00 per share. The Certificate of Permit to Offer Securities for Sale was issued by the SEC on the same date.

On March 12, 2015, the Parent Company's 15,000,000 FBP2 Shares with par value of P10.00 per share were issued and listed with the PSE.

The proceeds from the issuance of FBP2 Shares, net of transaction costs, amounted to P14,885.

On February 3, 2020, the Parent Company's BOD approved the redemption on March 12, 2020 of the 15,000,000 outstanding FBP2 shares issued on March 12, 2015 at the redemption price of P1,000.00 per share.

The redemption price and all accumulated unpaid cash dividends were paid on March 12, 2020 to relevant stockholders of record as at February 17, 2020.

Treasury Shares

Treasury shares, totaling 42,077,580 common shares as at December 31, 2024 and 2023, and 30,000,000 preferred shares as at December 31, 2024 and 2023, respectively, are carried at cost.

Retained Earnings

Unappropriation

The Group's unappropriated retained earnings include the accumulated earnings in subsidiaries which is not available for declaration as dividends until declared by the respective investees.

The Parent Company's retained earnings as at December 31, 2024 and 2023 is restricted in the amount of P182 representing the cost of common shares held in treasury.

Appropriation

(a) Food

On June 6, 2024, the BOD of SMFI approved the reversal of P5,000 of its retained earnings appropriated in 2022 and the appropriation of P8,000 for its multi-tier poultry farms that are expected to be completed within the next four years.

On June 1, 2023, the BOD of SMFI appropriated an additional P8,000 of its retained earnings for its port and grain terminal projects which are expected to be completed within the next five years.

On June 13, 2022, the BOD of SMFI approved the reversal of previous appropriations of P8,000 in 2015 and 2018 for the on-going expansion projects, and the appropriation of P9,000 for its succeeding feedmill expansion projects that are expected to be completed within the next four years.

(b) Beer and NAB

On March 7, 2023, the BOD of SMB approved additional appropriations of P10,000 of its retained earnings for the repayment of a term loan with a local bank secured in December 2022 and P2,538 for the redemption of the Series H bonds which matured in April 2024. The P12,538 appropriation was reversed upon the redemption of the Series H bonds in April 2024.

On December 2, 2022, the BOD of SMB appropriated an additional P7,000 of its retained earnings for the repayment of its term loans with various banks entered in 2022 and P200 for the construction projects in Novaliches and Sariaya, Quezon. Target completion date of Novaliches and Sariaya, Quezon projects is in December 2025 and December 2027, respectively.

On December 3, 2021, the BOD of SMB approved additional appropriations of P16,211 of its retained earnings for the repayment of the SMB's term loans with various banks entered in 2021 and construction of malt terminal in Lucanin Bataan. P71 and P437 were disbursed in 2023 and 2022, respectively while P31 was paid to a local bank for partial payment of principal in 2022. On March 5, 2024, the Company appropriated an additional P1,700 for the Lucanin project. The appropriations to the extent disbursed were accordingly reversed. Lucanin project is expected to be completed in June 2025.

On December 4, 2020, the BOD of SMB approved additional appropriations amounting to P17,000 of its retained earnings for the repayment of the term loan entered in 2019 and redemption of the Series F bonds in April 2022. The P7,000 appropriation for the redemption of SMB's Series F bonds was reversed upon the redemption of the said bonds in April 2022 while the P10,000 appropriation was reversed upon the payment of the term loan in December 2024.

On December 4, 2019, the BOD of SMB approved additional appropriations amounting to P19,962 of its retained earnings for the redemption of the Series G bonds in April 2021 and capacity expansion of SMB's brewery to support volume growth. A total of P17,462 has been disbursed and accordingly reversed from 2020 to 2021. Out of the remaining P2,500 appropriation will be used for the capacity expansion of Bacolod Brewery, P859, P558 and P878 were disbursed in 2024, 2023 and 2022, respectively and were accordingly reversed. The remaining amount of the appropriation pertains to support facilities expected to be completed in December 2025.

Of the P11,600 appropriations in 2018 for the construction of a new brewery in Tagoloan, Misamis Oriental and for the construction of brewhouse and cellars in Sta. Rosa, Laguna. A total of P11,000 has been disbursed and accordingly from 2019 to 2021. Out of the remaining P600, P297, P126 and P177 were disbursed in 2024, 2023 and 2022, were accordingly reversed, respectively and were accordingly reversed.

(c) Spirits

On November 10, 2021, the BOD of GSMI approved the appropriation of P3,512 retained earnings, of the said amount, P3,000 will be used for expansion of capacity to support increase in demand and P512 will be used for rehabilitation of its existing facilities until 2027.

Dividend Declaration

The BOD of the Parent Company approved the declaration and payment of the following cash dividends to common and preferred stockholders:

2024

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common	February 1, 2024	February 16, 2024	March 1, 2024	P0.45
	May 8, 2024	May 23, 2024	June 7, 2024	0.45
	August 7, 2024	August 22, 2024	September 6, 2024	0.90
	November 6, 2024	November 20, 2024	December 6, 2024	1.45

2023

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common	February 2, 2023	February 17, 2023	March 3, 2023	P0.40
	May 9, 2023	May 24, 2023	June 8, 2023	0.40
	August 2, 2023	August 16, 2023	September 1, 2023	0.95
	November 8, 2023	November 22, 2023	December 7, 2023	0.95

Some of the Group's subsidiaries have adjusted unrestricted retained earnings per SEC Revised Securities Regulation Code Rule 68 that exceed their paid-in capital as at December 31, 2024.

Equity Adjustments from Common Control Transactions

The "Equity adjustments from common control transactions" account relate to the acquisition of SMB and GSMI by SMFB through a share swap transaction with SMC in 2018, arising from the difference between the consideration transferred and the net assets acquired. The acquisition is considered to be a business combination of entities under common control as the combining entities are all under the common control of SMC before and after the acquisition. The Group recognized the assets acquired and liabilities assumed at their carrying amounts in the consolidated financial statements of SMC. The carrying amounts in the consolidated financial statements of SMC are based on the fair values of assets and liabilities as of the date SMB and GSMI became subsidiaries of SMFB and adjusted for subsequent transactions. Any goodwill relating to SMB and GSMI recognized in the consolidated financial statements of SMC is also recognized.

22. Revenues

This account consists of:

	<i>Note</i>	2024	2023	2022
Sale of goods		P400,824	P379,792	P358,811
Service revenues and others		23	22	25
Fair valuation adjustments on agricultural produce - net	9	25	8	17
	6, 30	P400,872	P379,822	P358,853

23. Cost of Sales

This account consists of:

	<i>Note</i>	2024	2023	2022
Inventories	9	P158,845	P158,027	P150,282
Taxes and licenses		99,518	91,510	83,491
Depreciation and amortization	25	9,084	9,097	7,809
Communications, light, fuel and water		9,024	8,943	9,452
Personnel	26	5,398	5,001	4,359
Freight, trucking and handling		4,830	4,117	4,186
Repairs and maintenance		2,015	1,648	1,231
Rent	4, 32	301	205	222
Write-down of inventories to net realizable value	9	106	57	6
Others		819	617	442
		P289,940	P279,222	P261,480

24. Selling and Administrative Expenses

This account consists of:

	2024	2023	2022
Selling	P36,931	P35,212	P32,009
Administrative	18,209	16,977	16,653
	P55,140	P52,189	P48,662

Selling expenses consist of:

	Note	2024	2023	2022
Freight, trucking and handling		P10,097	P9,561	P9,391
Advertising and promotions		7,229	6,678	6,022
Depreciation and amortization	25	6,551	6,088	4,977
Contracted services		5,095	4,667	3,822
Personnel	26	3,996	3,752	3,508
Rent	4, 32	1,783	1,651	1,626
Taxes and licenses		570	545	500
Write-down of inventories to net realizable value	9	169	603	1,287
Others		1,441	1,667	876
		P36,931	P35,212	P32,009

Administrative expenses consist of:

	Note	2024	2023	2022
Personnel	26	P7,413	P7,033	P6,775
Contracted services		2,957	2,487	2,269
Management fees	30	1,373	1,381	1,488
Depreciation and amortization	25	1,258	979	1,125
Taxes and licenses		818	770	641
Corporate special program		729	490	723
Repairs and maintenance		645	576	517
Communications, light, fuel and water		544	512	619
Professional fees		519	515	479
Rent	4, 32	490	925	814
Supplies		245	233	273
Travel and transportation		240	187	123
Insurance		72	111	399
Others		906	778	408
		P18,209	P16,977	P16,653

25. Depreciation and Amortization

Depreciation and amortization are distributed as follows:

	Note	2024	2023	2022
Cost of sales:				
Biological assets	10	P3,339	P4,054	P3,303
Property, plant and equipment	13	5,331	4,729	4,212
Right-of-use assets	14	201	188	171
Deferred containers and others	15, 16, 17	213	126	123
	23	9,084	9,097	7,809
Selling and administrative expenses:				
Property, plant and equipment	13	1,318	1,233	1,082
Right-of-use assets	14	657	490	591
Deferred containers and others	15, 16, 17	5,834	5,344	4,429
	24	7,809	7,067	6,102
		P16,893	P16,164	P13,911

“Others” include depreciation of investment property and amortization of land use rights, computer software and licenses and pallets, kegs and CO2 cylinders.

26. Personnel Expenses

This account consists of:

	Note	2024	2023	2022
Salaries and allowances		P10,283	P9,588	P8,845
Retirement costs	29	980	843	842
Other employee benefits		5,544	5,355	4,955
		P16,807	P15,786	P14,642

Personnel expenses are distributed as follows:

	Note	2024	2023	2022
Cost of sales	23	P5,398	P5,001	P4,359
Selling expenses	24	3,996	3,752	3,508
Administrative expenses	24	7,413	7,033	6,775
		P16,807	P15,786	P14,642

27. Other Income and Charges

These accounts consist of:

(a) Interest Expense and Other Financing Charges

	2024	2023	2022
Interest expense	P4,145	P4,215	P3,181
Other financing charges	664	537	357
	P4,809	P4,752	P3,538

Amortization of debt issue costs included as part of "Other financing charges" amounted to P125, P122 and P107 in 2024, 2023 and 2022, respectively (Note 20).

Interest expense on loans payable, long-term debt and lease liabilities is as follows:

	Note	2024	2023	2022
Loans payable	18	P395	P473	P219
Long-term debt	20	3,326	3,361	2,559
Lease liabilities	32	424	381	403
		P4,145	P4,215	P3,181

(b) Interest Income

	Note	2024	2023	2022
Interest from short-term investments, cash in banks and others	7	P3,507	P2,617	P753
Interest on amounts owed by related parties	30	281	450	68
		P3,788	P3,067	P821

(c) Other Income (Charges)

	Note	2024	2023	2022
Rent income	32	P427	P264	P199
Gain on sale of scrap materials		42	47	49
Miscellaneous gain - net (a)	36	-	2,579	200
Gain (loss) on foreign exchange - net	33	(83)	105	(226)
Gain (loss) on derivatives - net	34	(125)	2	(503)
Reversal (provision) on impairment (b)	13, 17	(1,457)	-	31
Others - net (c)		73	157	27
		(P1,123)	P3,154	(P223)

- (a) Miscellaneous gain represents the amount of recognized income from the assignment of product rights, tax credit certificates issued by the BIR to SMB for the tax refund cases involving various San Miguel beer products (Note 36), and loss on sale of La Pacita (Note 5).
- (b) SMMI
In 2022, SMMI recognized impairment loss amounting to P31 due to losses to its properties sustained from a fire incident occurred in its production plant in 2020 and was retired in 2022.
- (c) "Others - net" include casualty losses, including African Swine Fever (ASF) mortalities, retirement of breeding stocks, closure of facilities, gain on insurance proceeds, and dividend income on investments.

28. Income Taxes

- (a) The components of income tax expense are shown below:

	2024	2023	2022
Current	P13,109	P11,923	P11,039
Deferred	(375)	(150)	65
	P12,734	P11,773	P11,104

- (b) Deferred tax asset and liabilities as at December 31 arise from the following:

	2024	2023
Net defined benefit retirement obligation and equity reserve for retirement plan	P2,080	P1,989
Allowance for impairment losses on receivables and write-down of inventories	615	712
NOLCO	23	8
MCIT	16	10
Unrealized gain on derivatives - net	53	34
Others	847	430
	P3,634	P3,183

The above amounts are reported in the consolidated statements of financial position as follows:

	Note	2024	2023
Deferred tax assets	4	P3,657	P3,209
Deferred tax liabilities		(23)	(26)
		P3,634	P3,183

The movements of deferred tax assets and liabilities are accounted for as follows:

	Balance at Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	December 31, 2024		
					Balance at End of Year	Deferred Tax Asset	Deferred Tax Liability
Net defined benefit retirement obligation and equity reserve for retirement plan	P1,989	(P11)	P68	P34	P2,080	P2,080	P -
Allowance for impairment losses on receivables and write-down of inventories	712	(98)	-	1	615	613	2
NOLCO	8	11	-	4	23	23	-
MCIT	10	6	-	-	16	15	1
Unrealized loss on derivatives - net	34	19	-	-	53	69	(16)
Others	430	448	(1)	(30)	847	857	(10)
	P3,183	P375	P67	P9	P3,634	P3,657	(P23)

	Balance at Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	December 31, 2023		
					Balance at End of Year	Deferred Tax Asset	Deferred Tax Liability
Net defined benefit retirement obligation and equity reserve for retirement plan	P1,074	P365	P548	P2	P1,989	P2,008	(P19)
Allowance for impairment losses on receivables and write-down of inventories	669	43	-	-	712	713	(1)
NOLCO	3	5	-	-	8	8	-
MCIT	15	(5)	-	-	10	10	-
Unrealized loss on derivatives - net	69	(38)	-	3	34	33	1
Others	657	(220)	-	(7)	430	437	(7)
	P2,487	P 150	P548	(P2)	P3,183	P3,209	(P26)

As at December 31, 2024, the NOLCO of the Group, which are presented as part of “Deferred tax assets” account in the consolidated statements of financial position, that can be claimed as deduction from future taxable income are as follows:

Year Incurred/Paid	Carryforward Benefits Up to	NOLCO
2020	December 31, 2025	P80
2021	December 31, 2026	78
2022	December 31, 2025	9
2023	December 31, 2026	7
2024	December 31, 2027	43
		P217

As at December 31, 2024, the MCIT of the Group, which are presented as part of “Deferred tax assets” account in the consolidated statements of financial position, that can be claimed as deduction from future taxable income are as follows:

Year Incurred/Paid	Carryforward Benefits Up to	MCIT
2022	December 31, 2025	P7
2024	December 31, 2027	6
		P13

Temporary differences on the combined carryforward benefits of MCIT and NOLCO amounting to P154, P240 and P240 as at December 31, 2024, 2023 and 2022, respectively, were not recognized. Management believes that it may not be probable that sufficient future taxable profits will be available against which the combined carryforward benefits of MCIT and NOLCO can be utilized.

On September 30, 2020, the BIR issued Revenue Regulation (RR) No. 25-2020 to implement Section 4 (bbbb) of RA No. 11494 (“Bayanihan to Recover as One Act”), relative to NOLCO which provides that the net operating loss of a business or enterprise for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The net operating loss for the said taxable years may be carried over as a deduction even after the expiration of RA No. 11494, provided that the same is claimed within the next five (5) consecutive taxable years following the year such loss was incurred.

- (c) The reconciliation between the statutory income tax rate on income before income tax and the Group's effective income tax rate is as follows:

	2024	2023	2022
Statutory income tax rate	25.00%	25.00%	25.00%
Increase (decrease) in income tax rate resulting from:			
Interest income subjected to final tax	(1.29%)	(1.18%)	(0.35%)
Others - net	0.02%	(0.22%)	(0.39%)
Effective income tax rates	23.73%	23.60%	24.26%

On March 26, 2021, the President of the Philippines has approved the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, which provides that MCIT is reduced from 2% to 1% effective July 1, 2020 to June 30, 2023.

Effective July 1, 2023, as prescribed by BIR Revenue Memorandum Circular (RMC) No. 69-2023 issued on June 20, 2023, the rate of MCIT for domestic corporations shall be reverted from 1% to 2% of their gross income.

(d) International Tax Reform - Pillar Two Model Rules

The Group has applied the amendments to PAS 12, International Tax Reform - Pillar Two Model Rules, which provide a mandatory temporary exception from accounting for deferred taxes arising from Pillar Two income taxes. No deferred tax assets or liabilities have been recognized in relation to Pillar Two legislation.

‘Pillar Two legislation’ has been enacted or substantively enacted in certain jurisdictions where the Group operates. For Vietnam, the legislation is effective beginning January 1, 2024. For Hong Kong, Indonesia, and Malaysia, the legislation is not yet effective as at December 31, 2024.

The Group, being part of the of the Top Frontier, is in scope of the enacted or substantively enacted legislation and has performed a Transitional Country-by-Country (CbCR) Safe Harbor (TCSH) test to determine jurisdictions that can be excluded from the full Pillar Two calculations. The test was based on the most recent tax filings, CbCR reports, and financial statements for the covered entities of the Group. All jurisdictions passed the TCSH test.

The Group will continue to monitor developments and will provide additional disclosures when the legislation becomes effective and the impact becomes reasonably estimable.

29. Retirement Plan

SMFB, SMB and GSMI, including majority of their subsidiaries, have funded, noncontributory, defined benefit retirement plans (collectively, the Retirement Plans) covering all of their permanent employees. The Retirement Plans pay out benefits based on final pay. In 2021, the GSMI, SMFI, PF-Hormel and Magnolia made amendments to its Retirement Plan in terms of the percentage of final pay based on the adjusted credited years of service. Contributions and costs are determined in accordance with the actuarial studies made for the Retirement Plans. Annual cost is determined using the projected unit credit method. The Group's latest actuarial valuation date is December 31, 2024. Valuations are obtained on a periodic basis.

Majority of the Retirement Plans are registered with the BIR as tax-qualified plans under Republic Act (RA) No. 4917, as amended. The control and administration of Retirement Plans are vested in the Board of Trustees of each Retirement Plan. Majority of the Board of Trustees of the Retirement Plans who exercises voting rights over the shares and approves material transactions are employees and/or officers of SMFB, SMB, GSMI and their subsidiaries. The Retirement Plans' accounting and administrative functions are undertaken by the Retirement Funds Office of SMC.

The following table shows a reconciliation of the net defined benefit retirement liability and its components:

	Fair Value of Plan Assets		Present Value of Defined Benefit Obligation		Net Defined Benefit Retirement Liability	
	2024	2023	2024	2023	2024	2023
Balance at beginning of year	P16,522	P15,617	(P21,998)	(P19,110)	(P5,476)	(P3,493)
Recognized in Profit or Loss						
Current service costs	-	-	(980)	(843)	(980)	(843)
Interest expense	-	-	(1,335)	(1,366)	(1,335)	(1,366)
Interest income	984	1,111	-	-	984	1,111
	984	1,111	(2,315)	(2,209)	(1,331)	(1,098)
Recognized in Other Comprehensive Income						
Remeasurements:						
Actuarial losses arising from:						
Experience adjustments	-	-	(64)	(756)	(64)	(756)
Changes in financial assumptions	-	-	(74)	(1,338)	(74)	(1,338)
Changes in demographics assumptions	-	-	10	(39)	10	(39)
Return on plan assets excluding interest income	(149)	(22)	-	-	(149)	(22)
Translation adjustments	21	(3)	(26)	3	(5)	-
	(128)	(25)	(154)	(2,130)	(282)	(2,155)
Others						
Contributions	1,326	1,258	-	-	1,326	1,258
Benefits paid	(1,982)	(1,439)	2,003	1,455	21	16
Other adjustments	(87)	-	87	(4)	-	(4)
	(743)	(181)	2,090	1,451	1,347	1,270
Balance at end of year	P16,635	P16,522	(P22,377)	(P21,998)	(P5,742)	(P5,476)

The Group's annual contribution to the Retirement Plans consists of payments covering the current service cost plus amortization of unfunded past service liability.

Retirement costs recognized in the consolidated statements of income amounted to P980, P843 and P842 in 2024, 2023 and 2022, respectively (Note 26).

The above net defined benefit retirement liability was included in the consolidated statements of financial position as part of:

	Note	2024	2023
Other noncurrent assets	17	P6	P4
Other noncurrent liabilities		(5,748)	(5,480)
		(P5,742)	(P5,476)

The carrying amounts of the Group's retirement fund approximate fair values as at December 31, 2024 and 2023.

The Group's plan assets consist of the following:

	In Percentages	
	2024	2023
Investments in marketable securities and shares of stock	81.62	79.02
Investments in pooled funds:		
Stock trading portfolio	1.29	1.32
Fixed income portfolio	5.47	6.24
Investments in real estate	1.07	1.13
Others	10.56	12.29

Investments in Marketable and Debt Securities

As at December 31, 2024, the plan assets include:

- 23,916,720 common shares, 8,598,530 Subseries "2-F", 8,369,770 Subseries "2-I", 3,263,040 Subseries "2-J", 2,498,200 Subseries "2-K", 2,173,800 Subseries "2-L", 5,333,600 Subseries "2-N", and 3,107,000 Subseries "2-O" preferred shares of SMC with fair market value per share of P86, P73.30, P72.25, P71.90, P70, P77.65, P79.70 and P82.30, respectively;
- Investment in SMC bonds amounting to P2,367;
- 46,097,900 common shares and 364,160 Subseries "PRF3B", 117,000 Subseries "PRF4B", 504,000 Subseries "PRF4C" preferred shares, 161,000 Subseries "PRF4D", and 177,000 Subseries "PRF4E" of Petron with fair market value per share of P2.43, P1,030, P1,020, P1,043, P1,050 and P1,050, respectively;
- Investment in Petron bonds amounting to P339;
- 15,784,000 common shares of SMB with fair market value per share of P20.00;
- 4,906,134 common shares of GSMI with fair market value per share of P275.00;
- 13,491,500 common shares of SMFB with fair market value per share of P52.75;
- Investment in SMFB bonds amounting to P183;

- 3,152,443 common shares of Top Frontier with fair market value per share of P63.10;
- 192,144 common shares of PSE with fair market value of P164
- Investment in South Luzon Tollway Corporation (SLTC) bonds amounting to P100;
- Investment in SMC Tollways Corporation (SMCTC) bonds amounting to P125;
- Investment in SMC Global Power Holdings Corp. (SMC Global) bonds amounting to P850;
- Investment in Bank of Commerce (BOC) bonds amounting to P297;
- Investment in other equities amounting to P8; and
- Investment in other bonds amounting to P100.

As at December 31, 2023, the plan assets include:

- 21,801,420 common shares, 8,583,030 Subseries “2-F”, 8,369,770 Subseries “2-I”, 3,263,040 Subseries “2-J”, 2,498,200 Subseries “2-K”, 2,107,100 Subseries “2-L”, 5,333,600 Subseries “2-N”, and 3,107,000 Subseries “2-O” preferred shares of SMC with fair market value per share of P102.10, P72.5, P70.5, P67.95, P68, P78, P77 and P78, respectively;
- Investment in SMC bonds amounting to P1,631;
- 37,404,900 common shares and 364,160 Subseries “PRF3B”, 117,000 Subseries “PRF4B”, and 504,000 Subseries “PRF4C” preferred shares of Petron with fair market value per share of P3.55, P980, P1,000 and P973, respectively;
- Investment in Petron bonds amounting to P329;
- 28,549,900 common shares of SMB with fair market value per share of P20.00;
- 4,861,134 common shares of GSMI with fair market value per share of P168.70;
- 12,347,650 common shares of SMFB with fair market value per share of P51;
- Investment in SMFB bonds amounting to P178;
- 3,152,443 common shares of Top Frontier with fair market value per share of P101.90;
- 192,144 common shares of PSE with fair market value of P170
- Investment in SLTC bonds amounting to P100;
- Investment in SMC Global bonds amounting to P1,075;
- Investment in BOC bonds amounting to P299;
- Investment in other equities amounting to P11; and
- Investment in other bonds amounting to P101.

The fair market value per share of the above shares of stock is determined based on quoted market prices in active markets as of the reporting date (Note 4).

The Group's Retirement Plans recognized gains (losses) on the investment in marketable securities of SMC and its subsidiaries amounting to P297, P345 and (P1,140) in 2024, 2023 and 2022, respectively.

Dividend income from the investment in shares of stock of SMC and its subsidiaries amounted to P440, P297 and P240 in 2024, 2023 and 2022, respectively.

Investments in Shares of Stock

The Group's plan assets also include SMB Retirement Plan's investment in 8,608,494 preferred shares of stock of BPI (inclusive of nominee shares), accounted for under the cost method, amounting to P859 as at December 31, 2024 and 2023 (Note 30).

Investments in Pooled Funds

Investments in pooled funds were established mainly to put together a portion of the funds of the Retirement Plans of SMC and its domestic subsidiaries to be able to draw, negotiate and obtain the best terms and financial deals for the investments resulting from big volume transactions.

The Board of Trustees of the Group's Retirement Plans approved the percentage of assets to be allocated to fixed income instruments and equities. The Retirement Plans have set maximum exposure limits for each type of permissible investments in marketable securities and deposit instruments. The Board of Trustees may, from time to time, in the exercise of its reasonable discretion and taking into account existing investment opportunities, review and revise such allocation and limits.

Investment income and expenses are allocated to the plans based on their pro-rata share in net assets of pooled funds. The Retirement Plans' interests in the net assets of the pooled funds were 57.8% and 64.5% of fixed income portfolio as at December 31, 2024 and 2023, respectively. The Retirement Plans' interests in net assets of the pooled funds were 86.1% and 85.6% of stock trading portfolio as at December 31, 2024 and 2023, respectively.

Approximately 77.9% and 78.9% of the Retirement Plans' investments in pooled funds in stock trading portfolio include investments in shares of stock of SMC and its subsidiaries as at December 31, 2024 and 2023, respectively.

Approximately 68% and 67.5% of the Retirement Plans' investments in pooled funds in fixed income portfolio include investments in shares of stock of SMC and its subsidiaries as at December 31, 2024 and 2023, respectively.

Investments in Real Estate

The Retirement Plans of the Group have investments in real estate properties. The fair value of investment property amounted to P181 as at December 31, 2024 and 2023.

Others

Others include the Retirement Plan's investments in government securities, cash and cash equivalents, receivables and deposits which earn interest.

The Board of Trustees reviews the level of funding required for the retirement fund. Such a review includes the asset-liability matching (ALM) strategy and investment risk management policy. The Group's ALM objective is to match maturities of the plan assets to the defined benefit retirement obligation as they fall due. The Group monitors how the duration and expected yield of the investments are matching the expected cash outflows arising from the retirement benefit obligation. The Group is expected to contribute the amount of P1,284 to the Retirement Plans in 2025.

The Retirement Plans expose the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk as follows:

Investment and Interest Rate Risks. The present value of the defined benefit retirement obligation is calculated using a discount rate determined by reference to market yields to government bonds. Generally, a decrease in the interest rate of a reference government bond will increase the defined benefit retirement obligation. However, this will be partially offset by an increase in the return on the Retirement Plans' investments and if the return on plan asset falls below this rate, it will create a deficit in the Retirement Plans. Due to the long-term nature of the defined benefit retirement obligation, a level of continuing equity investments is an appropriate element of the long-term strategy of the Group to manage the Retirement Plans efficiently.

Longevity and Salary Risks. The present value of the defined benefit retirement obligation is calculated by reference to the best estimates of: (1) the mortality of the plan participants, and (2) the future salaries of the plan participants. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the defined benefit retirement obligation.

The overall expected rate of return is determined based on historical performance of the investments.

The principal actuarial assumptions used to determine retirement benefits are as follows:

	In Percentages	
	2024	2023
Discount rate	6.04%-6.27%	6.10% - 6.58%
Salary increase rate	5.00%	5.00%

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

The weighted average duration of defined benefit retirement obligation ranges from 4.70 to 11.00 years and 1.50 to 11.70 years as at December 31, 2024 and 2023 respectively.

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

	2024		2023	
	1 Percent Increase	1 Percent Decrease	1 Percent Increase	1 Percent Decrease
Discount rate	(P1,283)	1,486	(P1,229)	P1,369
Salary increase rate	1,494	(1,319)	1,406	(1,247)

Transactions with the Retirement Plans are made at normal market prices.

30. Related Party Disclosures

The Parent Company, certain subsidiaries and their shareholders purchase products and services from one another in the normal course of business. The Parent Company requires approval of the BOD for related party transactions amounting to at least ten percent (10%) of the total consolidated assets based on its latest audited financial statements.

Amounts owed by/owed to related parties are collectible/will be settled in cash. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates.

The following are the transactions with related parties and the outstanding balances as at December 31:

	Year	Revenues from Related Parties	Purchases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties	Terms	Conditions
Intermediate Parent Company	2024	P302	P1,827	P5,986	P1,026	On demand except redeemable perpetual securities; non-interest bearing	Unsecured; no impairment
	2023	245	1,590	5,744	1,060		
Entities under Common Control of the Intermediate Parent Company	2024	1,142	44,372	2,481	22,220	On demand; non-interest bearing	Unsecured; no impairment
	2023	1,078	36,777	1,968	23,196		
Joint Venture	2024	13	-	622	5	On demand; interest bearing	Unsecured; with impairment
	2023	40	-	625	2		
Associate of Intermediate Parent Company	2024	269	-	3,515	-	Upon maturity; interest bearing	Unsecured; no impairment
	2023	411	-	3,506	-		
Shareholders in Subsidiaries	2024	72	2,773	118	60	On demand; non-interest bearing	Unsecured; no impairment
	2023	315	3,845	176	57		
Total	2024	P1,798	P48,972	P12,722	P23,311		
Total	2023	P2,089	P42,212	P12,019	P24,315		

- a. Amounts owed by related parties consist of current and noncurrent receivables arising from sale of goods and services, deposits and share in expenses. It also includes investments in equity that pertains to subscription in redeemable perpetual securities and investments in debt securities under investment agreement with Bank of Commerce, both are presented as part of "Investments - net" account in the consolidated statements of financial position (Notes 8, 11, 12 and 17).

- b. Amounts owed to related parties consist of trade and non-trade payables arising from purchases of materials, bottles, shells, cartons, fuel and power and non-trade payables arising from professional fees, insurance, lease of outdoor advertising spaces, lease of land and building, management fees, reimbursement of expenses, and other services rendered by related parties (Note 19). Amounts owed to related parties included under "Other noncurrent liabilities" account in the consolidated statements of financial position amounted to P1,725 and P3,433 as at December 31, 2024 and 2023, respectively.
- c. The Group has entered into various lease agreements with related parties as a lessor and lessee (Note 32).
- d. TSML executed various promissory notes in favor of GSML. The details of which are as follows:
- Principal sum of THB250 together with interest of 5.5% per annum, which interest shall accrue on March 13, 2014.
 - Principal sum of THB50 together with interest of 5.0% per annum, which interest shall accrue on September 2, 2013.
 - Principal sum of THB25 together with interest of 5.0% per annum, which interest shall accrue on June 14, 2013.
 - Principal sum of THB75 together with interest of 3.0% per annum, which interest shall accrue on September 6, 2011.
 - Principal sum of THB75 together with interest of 3.0% per annum, which interest shall accrue on April 7, 2011.

The principal sum is due and payable in full on demand of GSML and the stipulated interest shall be payable every three months.

The receivables from TSML amounting to P540 as at December 31, 2024 and 2023, are included as part of "Amounts owed by related parties" under "Trade and other receivables -net" account in the consolidated statements of financial position (Note 8). Allowance for impairment losses pertaining to these non-trade receivables amounted to P540 as at December 31, 2024 and 2023.

- e. On September 29, 2022, SMFI entered into separate Contract to Sell Agreements with Grand Planters International, Inc., Dewsweeper Industrial Park, Inc. and Bluelight Industrial Estate, Inc. for the acquisition of parcels of land located in the provinces of Quezon and Negros Occidental. Total purchase price amounted to P5,135, payable on installments basis up to 2026 and subject to interest as agreed by the relevant parties.
- f. The compensation of the key management personnel of the Group, by benefit type, follows:

	Note	2024	2023	2022
Short-term employee benefits		P233	P214	P206
Retirement costs	29	32	19	12
		P265	P233	P218

31. Basic Earnings Per Common Share

Basic EPS is computed as follows:

	2024	2023	2022
Net income attributable to equity holders of the Parent Company (a)	P25,743	P23,118	P22,263
Weighted average number of common shares (in millions) (b)	5,909	5,909	5,909
Basic/diluted earnings per common share attributable to equity holders of the Parent Company (a/b)	P4.36	P3.91	P3.77

As at December 31, 2024, 2023 and 2022, the Group has no dilutive equity instruments.

32. Lease Commitments

Operating Leases

Group as Lessor

The Group has entered into lease agreements on its investment property, offices and machinery and equipment. The non-cancellable leases have lease term of one to five years. Some lease agreements include a clause to enable upward revision of the rental change on an accrual basis based on prevailing market conditions.

The future minimum lease receipts under non-cancellable operating leases are as follows:

Operating Leases under PFRS 16	2024	2023
Within one year	P1,258	P888
After one but not more than five years	3,515	2,760
After five years	8,376	8,981
	P13,149	P12,629

Rent income recognized in the consolidated statements of income amounted to P427, P264 and P199 in 2024, 2023 and 2022, respectively (Notes 4 and 27).

Group as Lessee

The Group leases a number of equipment, offices, warehouses, factory facilities and parcels of land under operating lease. The leases will expire in various terms. Some leases provide an option to renew the lease at the end of the lease term and are being subjected to reviews to reflect current market rentals.

The Group recognized interest expense related to these leases amounting to P424, P381 and P403 in 2024, 2023 and 2022, respectively (Note 27).

Changes in liabilities arising from financing activities are as follows:

	2024	2023
Balance as at January 1	P5,176	P5,473
Changes from Financing Activities		
Payments of lease liabilities	(745)	(520)
Total Changes from Financing Activities	(745)	(520)
Other Changes		
Additions during the year	1,168	223
Balance as at December 31	P5,599	P5,176

Rent expense recognized in the consolidated statements of income amounted to P2,574, P2,781 and P2,662 in 2024, 2023 and 2022, respectively (Notes 4, 23, 24 and 30).

33. Financial Risk and Capital Management Objectives and Policies

Objectives and Policies

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

- Market Risk (Interest Rate Risk, Foreign Currency Risk and Commodity Price Risk)
- Liquidity Risk
- Credit Risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Group include cash and cash equivalents, investments in equity and debt instruments, restricted cash, noncurrent receivables and deposit, short-term and long-term loans, lease liabilities and derivative instruments. These financial instruments, except derivative instruments, are used mainly for working capital management purposes. The trade-related financial assets and financial liabilities of the Group such as trade and other receivables, trade payables and other current liabilities, excluding statutory liabilities, and other noncurrent liabilities arise directly from and are used to facilitate its daily operations.

The outstanding derivative instruments of the Group such as commodity and currency options and forwards are intended mainly for risk management purposes. The Group uses derivatives to manage its exposures to commodity price and foreign currency risks arising from the operating activities. The accounting policies in relation to derivatives are set out in Note 3 to the consolidated financial statements.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Group.

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

The BOD constituted the Audit Committee to assist the BOD in fulfilling its oversight responsibility of the Group's corporate governance process relating to the: a) quality and integrity of the consolidated financial statements and financial reporting process and the systems of internal accounting and financial controls; b) performance of the internal auditors; c) annual independent audit of the consolidated financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; d) compliance with tax, legal and regulatory requirements, including the disclosure control and procedures; e) evaluation of management's process to assess and manage the enterprise risk issues; f) evaluation and monitoring of related party transactions; and g) fulfillment of the other responsibilities set out by the BOD. The Audit Committee shall also review the financial reports.

The Audit Committee shall prepare such reports as may be necessary to document the activities of the committee in the performance of its functions and duties. Such reports shall be included in the annual report of the Group and other corporate disclosures as may be required by the SEC and/or the PSE.

The Audit Committee also oversees how management monitors compliance with the risk management policies and procedures of the Group and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and special reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The BOD also constituted the Board Risk Oversight Committee to assist the BOD in fulfilling its oversight responsibility of the Group's enterprise risk management (ERM) system to ensure its functionality and effectiveness. The Board Risk Oversight Committee is tasked to develop and oversee the implementation of a formal ERM plan and annually review and advise the BOD of the Group's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework and external economic environment. It shall also assess the probability of each identified risk becoming a reality and estimate its possible financial impact and likelihood of occurrence, and oversee management's activities in identifying, monitoring, assessing and managing credit, market, liquidity, operational, legal and other risk exposures of the Group.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Group's exposure to changes in interest rates relates primarily to the long-term borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. On the other hand, borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The terms and maturity profile of the interest-bearing long-term borrowings, together with its gross amounts, are shown in the following tables:

December 31, 2024	<1 Year	>1 - 3 Years	>3 - 5 Years	>5 Years	Total
Fixed Rate	P12,223	P29,318	P28,273	P3,000	P72,814
Philippine peso-denominated	3.284%-5.050%	3.284%-5.751%	3.548%-6.841%	6.572%	
Interest rate					
Floating Rate	119	238	7,404	-	7,761
Philippine peso-denominated					
Interest rate		BVAL + margin or BSP TDF overnight rate, whichever is higher	BVAL + margin or BSP TDF overnight rate, whichever is higher	BVAL + margin or BSP TDF overnight rate, whichever is higher	
	P12,342	P29,556	P35,677	P3,000	P80,575
December 31, 2023	<1 Year	>1 - 3 Years	>3 - 5 Years	>5 Years	Total
Fixed Rate					
Philippine peso-denominated	P12,761	P24,286	P29,178	P9,255	P75,480
Interest rate	3.284%-6.00%	3.284%-5.050%	3.548%-6.8412%	3.548%	
Floating Rate	120	238	238	7,285	7,881
Philippine peso-denominated					
Interest rate		BVAL + margin or BSP TDF overnight rate, whichever is higher	BVAL + margin or BSP TDF overnight rate, whichever is higher	BVAL + margin or BSP TDF overnight rate, whichever is higher	
	P12,881	P24,524	P29,416	P16,540	P83,361

The sensitivity to a reasonably possible 1% increase in the interest rates, with all other variables held constant, would have decreased the Group's profit before tax (through the impact on floating rate borrowings) by P78 and P79 for the year ended December 31, 2024 and 2023, respectively. A 1% decrease in the interest rate would have had the equal but opposite effect. These changes are considered to be reasonably possible given the observation of prevailing market conditions in those periods. There is no impact on the Group's other comprehensive income.

The Group manages its interest cost by using an optimal combination of fixed and variable rate debt instruments. The management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up rates charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks.

On the other hand, the investment policy of the Group is to maintain an adequate yield to match or reduce the net interest cost from its borrowings pending the deployment of funds to their intended use in the operations and working capital management. However, the Group invests only in high-quality securities while maintaining the necessary diversification to avoid concentration risk.

In managing interest rate risk, the Group aims to reduce the impact of short-term fluctuations on the earnings. Over the longer term, however, permanent changes in interest rates would have an impact on profit or loss.

The management of interest rate risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various standard and non-standard interest rate scenarios.

Foreign Currency Risk

The functional currency is the Philippine peso, which is the denomination of the bulk of the Group's revenues. The exposure to foreign currency risk results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Group. The risk management objective with respect to foreign currency risk is to reduce or eliminate earnings volatility and any adverse impact on equity. The Group enters into foreign currency hedges using derivative and non-derivative instruments to manage its foreign currency risk exposure.

Information on the Group's foreign currency-denominated monetary assets and monetary liabilities and their Philippine peso equivalents as at December 31 are as follows:

	2024		2023	
	US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
Assets				
Cash and cash equivalents	US\$220	P12,718	US\$297	P16,460
Trade and other receivables	30	1,738	34	1,899
Prepaid expenses and other current assets	9	534	-	7
Noncurrent receivables	-	-	-	-
	259	14,990	331	18,366
Liabilities				
Trade payables and other current liabilities	144	8,343	123	6,818
Lease liabilities	-	-	1	39
Other noncurrent liabilities	-	-	-	17
	144	8,343	124	6,874
Net Foreign Currency-denominated Monetary Assets	US\$115	P6,647	US\$207	P11,492

The Group reported net foreign exchange gain (loss) amounting to (P83), P105 and (P226) in 2024, 2023 and 2022, respectively, with the translation of its foreign currency-denominated assets and liabilities (Note 27). These mainly resulted from the movements of the Philippine peso against the US dollar as shown in the following table:

	US Dollar to Philippine Peso
December 31, 2024	57.845
December 31, 2023	55.370
December 31, 2022	55.755

The management of foreign currency risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various foreign currency exchange rate scenarios.

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to translation of results and financial position of foreign operations) as at December 31, 2024 and 2023.

	2024			
	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity (Net of Tax)	Effect on Income before Income Tax	Effect on Equity (Net of Tax)
Cash and cash equivalents	(P35)	(P211)	P35	P211
Trade and other receivables	(4)	(29)	4	29
Prepaid and other current assets	(5)	(8)	5	8
	(44)	(248)	44	248
Trade payables and other current liabilities	57	130	(57)	(130)
	57	130	(57)	(130)
	P13	(P118)	(P13)	P118

	2023			
	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity (Net of Tax)	Effect on Income before Income Tax	Effect on Equity (Net of Tax)
Cash and cash equivalents	(P34)	(P289)	P34	P289
Trade and other receivables	(6)	(33)	6	33
	(40)	(322)	40	322
Trade payables and other current liabilities	52	110	(52)	(110)
Lease liabilities	-	1	-	(1)
	52	111	(52)	(111)
	P12	(P211)	(P12)	P211

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

Commodity Price Risk

Commodity price risk is the risk that future cash flows from a financial instrument will fluctuate because of changes in commodity prices.

The Group, through SMC, enters into various commodity derivatives to manage its price risks on strategic commodities. Commodity hedging allows stability in prices, thus offsetting the risk of volatile market fluctuations. Through hedging, prices of commodities are fixed at levels acceptable to the Group, thus protecting raw material cost and preserving margins. For hedging transactions, if prices go down, hedge positions may show marked-to-market losses; however, any loss in the marked-to-market position is offset by the resulting lower physical raw material cost.

SMC enters into commodity derivative transactions on behalf of the Group to reduce cost by optimizing purchasing synergies within the SMC Group of Companies and managing inventory levels of common materials.

The Group uses commodity futures, swaps and options to manage the Group's exposures to volatility in prices of certain commodities such as soybean meal and wheat.

Liquidity Risk

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Group's objectives to manage its liquidity risk are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; (c) to be able to access funding when needed at the least possible cost; and (d) to maintain an adequate time spread of refinancing maturities.

The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary.

The table below summarizes the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

December 31, 2024	Carrying Amount	Contractual Cash Flow	1 Year or Less	>1 Year - 2 Years	>2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	P58,221	P58,221	P58,221	P -	P -	P -
Trade and other receivables - net	29,456	29,456	29,456	-	-	-
Derivative assets (included under "Prepaid expenses and other current assets" account)	85	85	85	-	-	-
Financial assets at FVOCI (included under "Investments - net" account)	5,888	5,888	-	-	-	5,888
Financial assets at amortized cost (included under "Investments - net" account)	11,500	14,537	757	841	12,621	318
Noncurrent receivables and deposit - net (included under "Other noncurrent assets - net" account)	244	244	-	24	81	139
Restricted cash (included under "Prepaid expenses and other current assets" account)	228	228	228	-	-	-
Financial Liabilities						
Loans payable	17,103	17,065	17,065	-	-	-
Trade payables and other current liabilities (excluding derivative liabilities)	76,266	76,266	76,266	-	-	-
Derivative liabilities (included under "Trade payables and other current liabilities" account)	150	150	150	-	-	-
Long-term debt (including current maturities)	79,980	92,799	16,023	22,300	51,081	3,395
Lease liabilities (including current portion)	5,599	11,923	991	974	1,815	8,143
Other noncurrent liabilities	1,924	1,924	-	1,725	1	198

December 31, 2023	Carrying Amount	Contractual Cash Flow	1 Year or Less	>1 Year - 2 Years	>2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	P57,007	P57,007	P57,007	P -	P -	P -
Trade and other receivables -net	25,869	25,869	25,869	-	-	-
Derivative assets (included under "Prepaid expenses and other current assets" account)	50	50	50	-	-	-
Financial assets at FVOCI (included under "Investments - net" account)	5,628	5,628	-	-	-	5,628
Financial assets at amortized cost (included under "Investments - net" account)	11,500	16,131	764	841	2,520	12,006
Noncurrent receivables and deposit - net (included under "Other noncurrent assets - net" account)	183	183	-	29	29	125
Financial Liabilities						
Loans payable	14,684	14,658	14,658	-	-	-
Trade payables and other current liabilities (excluding derivative liabilities)	65,208	65,208	65,208	-	-	-
Derivative liabilities (included under "Trade payables and other current liabilities" account)	80	80	80	-	-	-
Long-term debt (including current maturities)	82,810	96,190	16,926	15,395	46,680	17,189
Lease liabilities (including current portion)	5,176	11,546	708	643	1,798	8,397
Other noncurrent liabilities	3,447	3,447	-	3,430	-	17

Credit Risk

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade and other receivables and investment securities. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Trade and Other Receivables

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on the credit risk.

The Group obtains collateral or arranges master netting agreements, where appropriate, so that in the event of default, the Group would have a secured claim.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Group ensures that sales on account are made to customers with appropriate credit history. The Group has detailed credit criteria and several layers of credit approval requirements before engaging a particular customer or counterparty. The review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer and are reviewed on a regular basis. Customers that fail to meet the benchmark creditworthiness may transact with the Group only on a prepayment basis.

Investment in Debt Instruments

The Group limits its exposure to credit risk by investing only in liquid debt instruments with counterparties that have high credit ratings. The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields.

Credit Quality

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

The credit quality of financial assets is being managed by the Group using internal credit ratings. Credit quality of the financial assets was determined as follows:

- High grade includes deposits or placements to reputable banks and companies with good credit standing. High grade financial assets include cash and cash equivalents, restricted cash, investment in debt instruments and derivative assets.
- Standard grade pertains to receivables from counterparties with satisfactory financial capability and credit standing based on historical data, current conditions and the Group's view of forward-looking information over the expected lives of the receivables. Standard grade financial assets include trade and other receivables and noncurrent receivables and deposits.

Receivables with high probability of delinquency and default were fully provided with allowance for impairment losses.

Financial information on the Group's maximum exposure to credit risk without considering the effects of collaterals and other risk mitigation techniques, is presented below:

	Note	2024	2023
Cash and cash equivalents (excluding cash on hand)	7	P54,655	P55,260
Trade and other receivables -net	8	29,456	25,869
Restricted cash	11	228	271
Derivative assets	11	85	50
Financial assets at amortized cost		11,500	11,500
Noncurrent receivables and deposits - net	17	244	183
		P96,168	P93,133

The table below presents the Group's exposure to credit risk and shows the credit quality of the financial assets by indicating whether the financial assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

2024	Financial Assets at Amortized Cost			Financial Assets at FVPL	Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired		
Cash and cash equivalents (excluding cash on hand)	P54,655	P -	P -	P -	P54,655
Trade and other receivables - net	29,456	-	1,141	-	30,597
Restricted cash	228	-	-	-	228
Derivative assets	-	-	-	85	85
Financial assets at amortized cost	11,500	-	-	-	11,500
Noncurrent receivables and deposits -net	-	244	-	-	244
	P95,839	P244	P1,141	P85	P97,309

2023	Financial Assets at Amortized Cost			Financial Assets at FVPL	Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired		
Cash and cash equivalents (excluding cash on hand)	P55,260	P -	P -	P -	P55,260
Trade and other receivables - net	25,869	-	1,185	-	27,054
Restricted Cash	271	-	-	-	271
Derivative assets	-	-	-	50	50
Financial assets at amortized cost	11,500	-	-	-	11,500
Noncurrent receivables and deposits -net	-	183	-	-	183
	P92,900	P183	P1,185	P50	P94,318

The aging of receivables is as follows:

December 31, 2024			Amounts Owed by Related Parties	Total
Current	P18,153	P568	P468	P19,189
Past due:				
1 - 30 days	6,502	82	281	6,865
31 - 60 days	1,206	74	82	1,362
61 - 90 days	226	22	210	458
Over 90 days	534	571	1,618	2,723
	P26,621	P1,317	P2,659	P30,597

December 31, 2023			Amounts Owed by Related Parties	Total
Current	P17,016	P621	P459	P18,096
Past due:				
1 - 30 days	4,790	165	202	5,157
31 - 60 days	491	61	78	630
61 - 90 days	186	129	35	350
Over 90 days	595	616	1,610	2,821
	P23,078	P1,592	P2,384	P27,054

Various collaterals for trade receivables such as bank guarantees, time deposits and real estate mortgages are held by the Group for certain credit limits.

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historical payment behavior and analyses of the underlying customer credit ratings. There are no significant changes in their credit quality.

The Group computes impairment loss on receivables based on past collection experience, current circumstances and the impact of future economic conditions, if any, available at the reporting period (Note 4). There are no significant changes in the credit quality of the counterparties during the year.

The Group's cash and cash equivalents, derivative assets, restricted cash and investment in debt instruments at amortized cost are placed with reputable entities with high quality external credit ratings.

The Group's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of trade and other receivables and noncurrent receivables and deposits is its carrying amount without considering collaterals or credit enhancements, if any. The Group has no significant concentration of credit risk since the Group deals with a large number of homogenous counterparties. The Group does not execute any credit guarantee in favor of any counterparty.

Financial and Other Risks Relating to Livestock

The Group is exposed to financial risks arising from the change in cost and supply of feed ingredients and the selling prices of chicken, hogs and related products, all of which are determined by constantly changing market forces such as supply and demand and other factors. The other factors include environmental regulations, weather conditions and livestock diseases for which the Group has little control. The mitigating factors are listed below:

- The Group is subject to risks affecting the food industry, generally, including risks posed by food spoilage and contamination. Specifically, the fresh meat industry is regulated by environmental, health and food safety organizations and regulatory sanctions. The Group has put into place systems to monitor food safety risks throughout all stages of manufacturing and processing to mitigate these risks. Furthermore, representatives from the government regulatory agencies are present at all times during the processing of dressed chicken and hogs in all dressing and meat plants and issue certificates accordingly. The authorities, however, may impose additional regulatory requirements that may require significant capital investment at short notice.
- The Group is subject to risks relating to its ability to maintain animal health status considering that it has no control over neighboring livestock farms. Livestock health problems could adversely impact production and consumer confidence. However, the Group monitors the health of its livestock on a daily basis and proper procedures are put in place.
- The livestock industry is exposed to risk associated with the supply and price of raw materials, mainly grain prices. Grain prices fluctuate depending on the harvest results. The shortage in the supply of grain will result in adverse fluctuation in the price of grain and will ultimately increase the Group's production cost. If necessary, the Group enters into forward contracts to secure the supply of raw materials at a reasonable price.

Other Market Price Risk

The Group's market price risk arises from its investments carried at fair value (financial assets at FVPL and FVOCI). The Group manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

Capital Management

The Group maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

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

The Group monitors capital on the basis of debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is defined as total current liabilities and total noncurrent liabilities, while equity is total equity as shown in the consolidated statements of financial position.

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

The Group is not subject to externally imposed capital requirements.

34. Financial Assets and Financial Liabilities

The table below presents a comparison by category of the carrying amounts and fair values of the Group's financial instruments as at December 31, 2024 and 2023:

	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	P58,221	P58,221	P57,007	P57,007
Trade and other receivables – net	29,456	29,456	25,869	25,869
Restricted cash (included under "Prepaid expenses and other current assets" account)	228	228	271	271
Derivative assets (included under "Prepaid expenses and other current assets" account)	85	85	50	50
Financial assets at FVOCI (included under "Investments - net" account)	5,888	5,888	5,628	5,628
Financial assets at amortized cost (included under "Investments - net" account)	11,500	11,500	11,500	11,500
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	244	244	183	183
Financial Liabilities				
Loans payable	17,103	17,103	14,684	14,684
Trade payables and other current liabilities (excluding derivative liabilities)	76,266	76,266	65,208	65,209
Derivative liabilities (included under "Trade payables and other current liabilities" account)	150	150	80	80
Long-term debt (including current maturities)	79,980	78,615	82,810	80,692
Other noncurrent liabilities	1,924	1,924	3,447	3,447

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents, Trade and Other Receivables, Restricted Cash, and Noncurrent Receivables and Deposits. The carrying amount of cash and cash equivalents, trade and other receivables, and restricted cash approximates fair value primarily due to the relatively short-term maturities of these financial instruments. In the case of noncurrent receivables and deposits, the fair value is based on the present value of expected future cash flows using the applicable discount rates based on current market rates of identical or similar quoted instruments.

Derivatives. The fair values of forward exchange contracts are calculated by reference to current forward exchange rates. In the case of freestanding commodity derivatives, the fair values are determined based on quoted prices obtained from active markets. Fair values for stand-alone derivative instruments that are not quoted from an active market and for embedded derivatives are based on valuation models used for similar instruments using both observable and non-observable inputs.

Financial Assets at FVOCI. The fair values of publicly traded instruments and similar investments are based on quoted market prices in an active market.

Financial Assets at Amortized Cost. The fair value of investment in debt instruments is estimated as the present value of all future cash flows discounted using prevailing market rate of interest for a similar instrument as of the end of the reporting period.

Loans Payable, Trade Payables and Other Current Liabilities, and Other Noncurrent Liabilities. The carrying amounts of loans payable and trade payables approximates fair value due to the relatively short-term maturities of these financial instruments. In the case of other noncurrent liabilities, the fair value is based on the present value of expected future cash flows using the applicable discount rates based on current market rates of identical or similar quoted instruments.

Long-term Debt. The fair value of interest-bearing fixed rate loans is based on the discounted value of expected future cash flows using the applicable market rates for similar types of instruments as at reporting date. As at December 31, 2024 and 2023, discount rates used ranges from 5.37% to 6.44% and from 5.03% to 5.96% respectively.

Derivative Financial Instruments

The Group's derivative financial instruments according to the type of financial risk being managed and the details of freestanding and embedded derivative financial instruments are discussed below.

The Group, through SMC, enters into various commodity derivative contracts to manage its exposure on commodity price risk. The portfolio is a mixture of instruments including futures, swaps and options.

Derivative Instruments Not Designated as Hedges

The Group enters into certain derivatives as economic hedges of certain underlying exposures. These include freestanding commodity options and embedded currency forwards which are not designated as accounting hedges. Changes in fair value of these instruments are accounted for directly in the consolidated statements of income. Details are as follows:

Freestanding Derivatives

Freestanding derivatives consist of various commodity options entered into by SMC on behalf of the Group.

As of December 31, 2024 and 2023, the Group has no outstanding bought and sold options covering its wheat and soybean meal requirements.

Embedded Derivatives

The Group's embedded derivatives include currency forwards embedded in non-financial contracts. As of December 31, 2024 and 2023, the total outstanding notional amount of such embedded currency forwards amounted to US\$128 and US\$109, respectively. These non-financial contracts consist mainly of foreign currency-denominated purchase orders, sales agreements and capital expenditures. The embedded forwards are not clearly and closely related to their respective host contracts. The net negative fair value of these embedded currency forwards amounted to (P66) and (P30) as of December 31, 2024 and 2023, respectively.

The Group recognized marked-to-market gains (losses) from embedded derivatives amounting to (P125), P2 and (P503) in 2024, 2023 and 2022, respectively (Note 27).

Fair Value Changes on Derivatives

The net movements in fair value of all derivative instruments are as follows:

	Note	2024	2023
Balance at beginning of year		(P30)	(P104)
Net change in fair value of non-accounting hedges	27	(125)	2
		(155)	(102)
Less fair value of settled instruments		89	72
Balance at end of year		(P66)	(P30)

Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy groups financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities (Note 3).

The table below analyzes financial instruments carried at fair value by valuation method:

2024	Level 1	Level 2	Total
Financial Assets			
Derivative assets	P -	P85	P85
Financial assets at FVOCI	5,850	38	5,888
Financial assets at amortized cost	11,500	-	11,500
Financial Liabilities			
Derivative liabilities	-	150	150
2023	Level 1	Level 2	Total
Financial Assets			
Derivative assets	P -	P50	P50
Financial assets at FVOCI	5,628	-	5,628
Financial assets at amortized cost	11,500	-	11,500
Financial Liabilities			
Derivative liabilities	-	80	80

The Group has no financial instruments valued based on Level 3 as at December 31, 2024 and 2023. In 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

35. Registration with the Board of Investments (BOI) and the Authority of Freeport Area of Bataan (AFAB)

Certain expansion projects of SMFB's consolidated subsidiaries are registered with the BOI, as pioneer and non-pioneer status, or with AFAB. As registered enterprises, these SMFB's subsidiaries are subject to certain requirements and are entitled to certain tax and non-tax incentives.

SMFI

SMFI is registered with the BOI and AFAB for certain feedmill, poultry, meats and ready-to-eat meals projects. In accordance with the provisions of Executive Order No. 226 (EO No. 226) otherwise known as "The Omnibus Investment Code of 1987" and the Republic Act No. 9728 (RA No. 9728), also known as "The Freeport Area of Bataan Act of 2009", pursuant to RA No. 11534 or the CREATE Act, the projects are entitled, among others, to fiscal incentives described as follows:

- *New Producer of Animal Feeds (Pellet, Crumble and Mash).* The San Ildefonso, Bulacan feedmill project (Bulacan Feedmill Project) was registered with the BOI on a non-pioneer status on April 14, 2016 under Certificate of Registration No. 2016-074. The Bulacan Feedmill Project is entitled to ITH for four years from July 2018 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration, extendable under certain conditions, but in no case should the aggregate ITH period exceed eight years.

Notwithstanding the expiration of ITH benefit in 2022, SMFI is still required to continue the submission of annual reports to the BOI until 2027, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

- *New Producer of Animal and Aqua Feeds.* The Sta. Cruz, Davao feedmill project (Davao Feedmill Project) was registered with the BOI on a non-pioneer status on April 14, 2016 under Certificate of Registration No. 2016-073. The Davao Feedmill Project is entitled to ITH for four years from July 2018 or actual start of commercial operations, whichever is earlier but in no case earlier than the date of registration, extendable under certain conditions, but in no case should the aggregate ITH period exceed eight years.

On May 24, 2019, the BOI approved SMFI's request to move the Davao Feedmill Project's start of commercial operations and ITH reckoning date to April 2019.

Notwithstanding the expiration of ITH benefit in 2023, SMFI is still required to continue the submission of annual reports to the BOI until 2028, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

- *New Producer of Animal Feeds (Pellet, Crumble and Mash).* The Mandaue, Cebu feedmill project (Cebu Feedmill Project) was registered with the BOI on a non-pioneer status on November 10, 2015 under Certificate of Registration No. 2015-251. The Cebu Feedmill Project is entitled to ITH for four years from July 2018 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration, extendable under certain conditions, but in no case should the aggregate ITH period exceed eight years.

On May 24, 2019, the BOI approved SMFI's request to move the Cebu Feedmill Project's start of commercial operations and ITH reckoning date to December 2019.

Notwithstanding the expiration of ITH benefit in 2023, the SMFI is still required to continue the submission of annual reports to the BOI until 2028, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

- SMFI's Bataan feedmill project (Bataan Feedmill Project) was registered with the AFAB as a *Manufacturer of Feeds for Poultry, Livestock and Marine Species* on January 6, 2017 under Certificate of Registration No. 2017-057, valid for a period of one year, renewable annually subject to qualifications as determined by AFAB.

Said AFAB registration of the Bataan Feedmill Project has been renewed accordingly as follows:

Registration Renewal Date	Certificate of Registration No.	Annual Period Covered
March 6, 2018	2018-096	2018
February 14, 2019	2019-079	2019
December 10, 2019	2020-047	2020
December 29, 2020	2021-081	2021
May 30, 2022	2022-111	2022

Under the terms of SMFI's AFAB registration, the Bataan Feedmill Project is entitled to incentives which include, among others, ITH for four years from May 2018 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

- *New Domestic Producer of Animal Feeds (in Pellet, Crumble and Mash).* The Phividec, Tagoloan, Misamis Oriental feedmill project (CDO Feedmill Project) was registered with the BOI on a pioneer status on May 27, 2020 under Certificate of Registration No. 2020-075. The CDO Feedmill Project is entitled to ITH for four years from June 2020 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration, extendable under certain conditions, but in no case should the aggregate ITH period exceed eight years.

Notwithstanding the expiration of ITH benefit in 2024, the SMFI is still required to continue the submission of annual reports to the BOI until 2029, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

- *New Domestic Producer of Animal Feeds (in Pellet, Crumble and Mash).* The Barangay Soyung, Echague, Isabela feedmill project (Echague Feedmill Project) was registered with the BOI pursuant to CREATE Act on a non-pioneer status on June 5, 2023 under Certificate of Registration No. 2023-100. The Echague Feedmill Project is entitled to ITH for six years from June 5, 2023 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.
- *New Domestic Producer of Dressed Whole Chickens, Further Processed/Cut Up Chickens, and Other Chicken Parts (Liver, Gizzard, Fats, and Skins).* The Barangay Darong, Sta. Cruz, Davao del Sur Magnolia Poultry Processing Plant project (MPPP Davao del Sur Project) was registered with the BOI pursuant to RA No. 11534 (CREATE Act) on a non-pioneer status on January 3, 2024 under Certificate of Registration No. 2024-006. The MPPP Davao del Sur Project is entitled to ITH for five years from January 2024 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.
- *New Domestic Producer of Dressed Whole Chickens, Further Processed/Cut Up Chickens, and Other Chicken Parts (Liver, Gizzard, Fats, and Skins).* The Barangay Ilaya, Palsabangon, Pagbilao, Quezon Magnolia Poultry Processing Plant project (MPPP Pagbilao Project) was registered with the BOI pursuant to RA No. 11534 (CREATE Act) on a non-pioneer status on June 20, 2024 under Certificate of Registration No. 2024-133. The MPPP Pagbilao Project is entitled to ITH for six years from June 2024 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.
- *New Domestic Producer of Animal Feeds.* The Barangay Pulong Balibaguhan, Mabini, Batangas feedmill project (Mabini Feedmill Project) was registered with the BOI pursuant to RA No. 11534 (CREATE Act) on a non-pioneer status on July 16, 2024 under Certificate of Registration No. 2024-201. The Mabini Feedmill Project is entitled to ITH for six years from July 2024 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

With the current provisions of RA No. 11534 or the CREATE Act, registered investment projects prior to CREATE granted with ITH are entitled to finish their ITH entitlement as scheduled, and are given an option to reapply for new tax incentives for the same activity as provided under Section 294 (B) of the same Act.

SMMI

SMMI was registered with the BOI under Registration No. 2016-035 on a non-pioneer status as an Expanding Producer of Wheat Flour and its By-Products (Bran and Pollard) for its flour mill expansion project in Mabini, Batangas on February 16, 2016.

Under the terms of SMMI's BOI registration and subject to certain requirements as provided in EO No. 226, SMMI is entitled to incentives which include, among others, ITH for three years from July 2017 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

On October 25, 2017, the BOI approved SMMI's request to adjust the ITH reckoning date to December 2018 or actual start of commercial operations, whichever is earlier.

On July 25, 2019, the BOI approved SMMI's subsequent request to further adjust the ITH reckoning date to July 2019 or actual start of commercial operations, whichever is earlier. The ITH period of the project commenced on December 1, 2019.

On August 7, 2020, by virtue of Resolution No. 15-19, Series of 2020, the BOI approved SMMI's request for amendment of ITH Base Figure from peso sales value of P9,582 to sales volume of 388,447 metric tons.

The three-year income tax holiday incentive ended June 30, 2022.

Notwithstanding the expiration of ITH benefit in 2022, SMMI is still required to continue the submission of annual reports to the BOI for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

PF-Hormel

PF-Hormel was registered with the BOI under Registration No. 2017-033 on a non-pioneer status as an Expanding Producer of Processed Meat (Hotdog) for its project in General Trias, Cavite on January 31, 2017.

Under the terms of PF-Hormel's BOI registration and subject to certain requirements as provided in EO No. 226, PF-Hormel is entitled to incentives which include, among others, ITH for three years from December 2017 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. The ITH period of the project commenced on December 1, 2017 until November 2020.

Notwithstanding the expiration of ITH benefit in 2020, PF-Hormel is still required to submit the annual reports to the BOI until 2025, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

Domestic Producer of Canned Meat Products. The Sitio de Fuego, Barangay San Francisco, General Trias, Cavite cannery project (PHC Cannery Project) was registered with the BOI pursuant to CREATE Act on a non-pioneer status on January 3, 2024 under Certificate of Registration No. 2024-005. The PHC Cannery Project is entitled to ITH for six years from January 2024 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

36. Other Matters

(a) Toll Agreements

The significant subsidiaries of SMFB have entered into toll processing with various contract growers, breeders, contractors and processing plant operators (collectively referred to as the "Parties"). The terms of the agreements include the following, among others:

- The Parties have the qualifications to provide the contracted services and have the necessary manpower, facilities and equipment to perform the services contracted.
- Tolling fees paid to the Parties are based on the agreed rate per acceptable output or processed product. The fees are normally subject to review in cases of changes in costs, volume and other factors.
- The periods of the agreement vary. Negotiations for the renewal of any agreement generally commence six months before expiry date.

Total tolling expenses amounted to P7,237, P7,234 and, P7,876, respectively, in 2024, 2023 and 2022.

(b) Contingencies

The Group is a party to certain lawsuits or claims (mostly labor-related cases) filed by third parties which are either pending decision by the courts or are subject to settlement agreements. The outcome of these lawsuits or claims cannot be presently determined. In the opinion of management and its legal counsel, the eventual liability from these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements of the Group.

- Claims for Tax Refund

- i. Filed by SMC

In 2004, SMC was assessed excise taxes by the BIR on “San Mig Light” which at that time was one of its products. These assessments were contested by SMC but nonetheless made the corresponding payments. Consequently, SMC filed three claims for refund for overpayments of excise taxes with the BIR.

The first and second claims for refund were then elevated to the Court of Tax Appeals (CTA) and went all the way to the Supreme Court which was resolved in favor of SMC. On September 8, 2020, the BIR issued TCC Nos. 121-20-00012 and 121-20-00013 amounting to P782 and P926, respectively in favor of SMC. P773 out of P782 TCC and P274 out of P926 were partially applied to SMC’s tax obligations as at December 31, 2024.

The third claim for refund was consolidated with a claim for refund which was filed by SMB, a company to which, effective October 1, 2007, SMC had spun off its domestic beer business. The claim was also favorably resolved in favor of SMC and SMB. On August 10, 2020, the BIR issued TCC No. 121-20-00010 amounting to P105 in favor of SMC, which was applied in full to SMC’s tax obligations as at December 31, 2021.

- ii. Filed by SMB

SMB filed 13 claims for refund for overpayments of excise taxes with the BIR which were then elevated to the CTA by way of petition for review. Five of these claims (i.e., CTA Case Nos. 7973, 8209, 8400, 8591 and 8748) were decided by the Supreme Court in favor of SMB and tax credit certificates amounting to P1,430, P1,569 and P761 were received in 2019, 2020 and 2023, respectively. One claim (CTA Case No. 10241) was withdrawn with the issuance of a tax credit certificate in the amount of P162 in 2021. The remaining seven claims for refund are still pending before the courts, as follows:

- (a) Claim for refund of overpayments for the period of January 1, 2013 to December 31, 2013 - Third Division docketed as CTA Case No. 8955 (December 19, 2014);
- (b) Claim for refund of overpayments for the period of January 1, 2014 to December 31, 2014 - Third Division docketed as CTA Case No. 9223 (December 22, 2015);
- (c) Claim for refund of overpayments for the period of January 1, 2015 to December 31, 2015 - Second Division docketed as CTA Case No. 9513 (December 28, 2016);

- (d) Claim for refund of overpayments for the period from January 1, 2016 to December 31, 2016 - First Division docketed as CTA Case No. 9743 (December 29, 2017);
- (e) Claim for refund of overpayments for the period from January 1, 2017 to December 31, 2017 - Third Division docketed as CTA Case No. 10000 (December 27, 2018);
- (f) Claim for refund of overpayments for the period from January 1, 2018 to December 31, 2018 - First Division docketed as CTA Case No. 10223 (December 11, 2019); and
- (g) Claim for refund for overpayments for the period of January 23, 2020 to February 9, 2020 - First Division docketed as CTA Case No. 10745 (via electronic mail on January 21, 2022, registered mail on January 24, 2022, and personal filing on February 2, 2022).

CTA Case No. 8955, SMB's claim for refund for P83, was decided against SMB by the CTA Third Division for having purportedly availed of the wrong mode of appeal as SMB should have filed the petition with the Regional Trial Court (RTC) rather than through a collateral attack on issuances of the BIR via a judicial claim for refund. SMB, through counsel, filed a Motion for Reconsideration, arguing that the case involves a claim for refund and is at the same time a direct attack on the BIR issuances which imposed excise tax rates which are contradictory to, and violative of, the rates imposed in the Tax Code. With the denial of SMB's Motion for Reconsideration on January 5, 2018, SMB elevated the case to the CTA En Banc by way of a Petition for Review. On September 19, 2018, the CTA En Banc reversed and set aside the decision of the CTA Third Division and remanded the case to the CTA Third Division for the resolution of the same on the merits (docketed as CTA EB Case No. 1772). A Motion for Reconsideration was filed by the BIR which was subsequently denied by the CTA En Banc in a resolution dated January 24, 2019. The BIR sought an extension within which to file a Petition for Review with the Supreme Court which was docketed as G.R. No. 244738. After the BIR filed a Manifestation stating that it will no longer file a Petition for Review on Certiorari, the Supreme Court issued a Resolution dated January 8, 2020 considering the case closed and terminated. The records were remanded to the CTA Third Division and the case is now submitted for the CTA Third Division's decision.

CTA Third Division partially granted SMB's Petition on September 14, 2023. The BIR is ordered to refund or issue a TCC in the reduced amount of P83, representing overpayment of excise taxes on the "San Mig Light" removals for the period from January 1, 2013 to December 31, 2013. The BIR filed a Motion for Reconsideration with CTA Third Division which was denied.

On March 20, 2024, the BIR elevated the case to the CTA En Banc by way of Petition for Review dated March 15, 2024 which was docketed as CTA EB No. 2890. On November 26, 2024, the CTA En Banc rendered its Decision denying the BIR's Petition for Review in CTA EB No. 2890. On December 11, 2024, the BIR filed a Motion for Reconsideration on the said Decision to which SMB filed an Opposition on January 30, 2025.

CTA Case No. 9223, SMB's claim for refund for P60, was partially decided in favor of SMB by the CTA Third Division in April 2019. From the CTA Third Division, SMB and the BIR filed separate Petitions for Review with the CTA En Banc. On February 21, 2022, the CTA En Banc rendered a Decision denying the separate Petitions for Review. On March 21, 2022, SMB filed a Petition for Review to the Supreme Court, where it was docketed as G.R. No. 258812. The BIR also elevated the CTA En Banc's Decision to the Supreme Court which was docketed as G.R. No. 261197. In GR No. 258812, the Supreme Court issued a Resolution requiring the BIR to comment on SMB's Petition to which the Office of the Solicitor General (OSG) filed a Comment dated February 19, 2024. In a Resolution dated June 3, 2024, the SC required SMB and the BIR to file their respective Replies on each other's Comment. SMB filed the required Reply on October 24, 2024 while the BIR filed its Reply on November 5, 2024.

CTA Case No. 9513, SMB's claim for refund for P48, was partially decided in favor of SMB by the CTA Second Division. From the CTA Second Division, SMB and the BIR filed separate Petitions for Review with the CTA En Banc. On February 4, 2021, the CTA En Banc affirmed the decision of the CTA Second Division. Both parties filed motions for partial reconsideration of the CTA En Banc's Decision. In its October 22, 2021 Resolution, the CTA En Banc denied the parties' motion for reconsideration. SMB and the BIR filed separate Petitions for Review on Certiorari with the Supreme Court docketed as G.R. No. 257784 and 259263, respectively. These were consolidated by the Supreme Court, after which the BIR filed its comment to SMB's Petition as directed by the court. On September 11, 2023, SMB received the SC's Resolution dated March 22, 2023 requiring the former to file its Comment on the BIR's Petition for Review in G.R. No. 259263. SMB filed the required Comment on September 18, 2023.

CTA Case No. 9743, SMB's claim for refund for P30, was partially decided in favor of SMB by the CTA First Division. The Motion for Partial New Trial of SMB and Motion for Reconsideration filed by SMB and the BIR were denied. Both parties filed their respective Petition for Review with the CTA En Banc. On February 10, 2022, the CTA En Banc rendered a Decision denying the Petitions for Review. The BIR moved for reconsideration while SMB filed a Petition for Review on Certiorari with the Supreme Court which was docketed as G.R. No. 258813. Upon denial by the CTA En Banc of the BIR's motion for reconsideration, the BIR also filed a Petition for Review on Certiorari with the Supreme Court which was docketed as G.R. No. 261196 which the SC denied in a Resolution dated April 19, 2023 for failure to sufficiently show that the CTA committed any reversible error.

In G.R. No. 258813, the Supreme Court issued a Resolution dated October 2, 2023 ordering the BIR to refund or issue a Tax Credit Certificate in the amount of P3.

The SC issued an Entry of Judgment stating that its Resolution dated April 19, 2023 in G.R. No. 261196 had become final and executory, and another Entry of Judgment stating that its Resolution dated October 2, 2023 in G.R. No. 258813 had likewise become final and executory.

Following SMB's Motion for Execution, the CTA First Division issued a Writ of Execution dated September 9, 2024 in CTA Case No. 9743 ordering the BIR to refund to SMB the total amount of P30.

CTA Case No. 10000, SMB's claim for refund for P123, was filed on December 27, 2018 and is pending with the CTA Third Division. On September 22, 2021, the CTA Third Division partially granted SMB's Petition for Review and ordered the refund of P123. The BIR filed for a motion for reconsideration which was denied by the CTA Third Division. The BIR filed a Petition for Review with CTA En Banc docketed as CTA En Banc No. 2625. SMB filed its Comment dated July 25, 2022. On August 2, 2023, the CTA En Banc promulgated its Decision in CTA EB No. 2625 affirming the decision of the CTA Third Division in favor of SMB. The BIR moved for reconsideration but the same was denied by the CTA En Banc on January 8, 2024. The BIR then filed a Petition for Review on Certiorari with the Supreme Court which was docketed as G.R. No. 271254.

CTA Case No. 10223, SMB's claim for refund for P147, was filed on December 11, 2019 and is pending with the CTA Second Division. In its Resolution dated July 19, 2022, the case was submitted for decision. On July 5, 2023, the CTA Second Division promulgated its Decision which ordered the CIR to refund or to issue a TCC in favor of SMB in the amount of P147 representing erroneously, excessively, and/or illegally collected excise taxes due on the removals of its subject beer products for the period covering January 1, 2018 to December 31, 2018.

On July 25, 2023, the CIR filed a Motion for Reconsideration on the aforesaid Decision, to which SMB filed an Opposition. In a Resolution dated October 9, 2023, the Court denied the Motion for Reconsideration of the CIR.

On December 14, 2023, the CIR appealed the Decision and Resolution of the CTA Second Division to the CTA En Banc by way of a Petition for Review, which was docketed as CTA EB No. 2834. On February 1, 2024, SMB filed a Comment on the Petition for Review filed by the BIR in CTA EB No. 2834. On February 28, 2025, the CTA En Banc promulgated its Decision in CTA EB No. 2834 affirming the decision of the CTA Second Division in favor of SMB.

CTA Case No. 10745, SMB's claim for refund for P1,069, was personally filed on February 2, 2022 and is pending with the CTA First Division. The case is a consolidation of two claims, to wit:

- i. P8 under RA No. 10351 - the overpayment arose from the BIR's imposition of excise tax of P27.07 per liter on SMB's beer products for the period January 23, 2020 to February 9, 2020 based on Revenue Memorandum Circular (RMC) No. 90-2012 and RR No. 17-2012. Said BIR issuances are inconsistent with RA No. 10351 which imposes an excise tax of P26.44 per liter under Section 143 of the National Internal Revenue Code (NIRC), as amended by RA No. 10351 beginning January 1, 2020.

- ii. P1,061 under RA No. 11467 - the overpayment arose from the BIR's imposition of excise tax of P35.00 per liter on SMB's beer products, as provided under Section 143 of the NIRC, as amended by RA No. 11467, for the period January 23, 2020 to February 9, 2020. The said imposition was based on RMC No. 65-2020, as amended by RMC No. 113-2020, implementing RA No. 11467 at an earlier date (i.e., January 23, 2020) which is inconsistent with the actual effectivity date of RA No. 11467 (i.e., February 10, 2020).

On November 18, 2024, the CTA First Division rendered a Decision ordering the BIR to refund or issue a Tax Credit Certificate in favor of SMB in the amount of P1,069. On December 11, 2024, the BIR filed a Motion for Partial Reconsideration of the said Decision.

iii. Filed by GSMI

GSMI filed two claims for refund for overpayments of excise taxes with the BIR which were then elevated to the CTA by way of petition for review as follows:

- (a) CTA Case Nos. 8953 and 8954: These cases pertain to GSMI's Claims for Refund with the BIR, in the amounts of P582 in Case No. 8953, and P133 in Case No. 8954, or in the total amount of P715, representing payments of excise tax erroneously, excessively, illegally, and/or wrongfully assessed on and collected from GSMI by the BIR on removals of its distilled spirits or finished products for the periods from January 1, 2013 up to May 31, 2013 in Case No. 8953, and from January 8, 2013 up to March 31, 2013 in Case No. 8954.

The aforementioned assessment and collection arose from the imposition and collection of excise taxes on GSMI's finished products processed and produced exclusively from its inventory of ethyl alcohol, notwithstanding that excise taxes had already been previously paid by GSMI on said ethyl alcohol.

After several hearings and presentation of evidence, both parties filed their respective Formal Offers of Evidence.

On July 28, 2020, The CTA Third Division rendered its Decision and denied GSMI's Petition for Review. GSMI received the said Decision on August 24, 2020, for which it timely filed a Motion for Reconsideration on the aforementioned Decision on 02 September 2020, to which the Commissioner of Internal Revenue filed its Opposition.

The CTA Third Division issued an Amended Decision dated February 1, 2021 which partially granted GSMI's Motion for Reconsideration and ruled that GSMI is entitled to a partial refund of its erroneously and excessively paid excise taxes in the amount of P320 out of its original claim of P715.

GSMI and CIR subsequently filed Motions for Reconsideration on the aforesaid Amended Decision and Oppositions to each other's Motion for Reconsideration. In a Resolution dated October 28, 2021, the CTA Third Division denied for lack of merit GSMI's Motion for Reconsideration and CIR's Motion for Partial Reconsideration of the Amended Decision.

On January 4, 2022, GSMI elevated to the CTA En Banc the Decision dated 28 July 2020, Amended Decision dated February 1, 2021, and Resolution dated October 28, 2021 of the CTA Third Division, by way of a Petition for Review, which was docketed as CTA E.B. No. 2555.

Earlier, the CIR also filed a Petition for Review with the CTA En Banc elevating thereto the Amended Decision dated February 1, 2021 and Resolution dated October 28, 2021 of the CTA Third Division, and the same was docketed as CTA E.B. No. 2544.

On March 28, 2022, the Court En Banc ordered the Parties to file their respective Comments/Oppositions to the Petitions for Review. On April 7, 2022, GSMI filed a Motion for Extension of Time to File Comment on the Petition for Review in CTA EB No. 2544.

On April 21, 2022, GSMI filed its Comment on the Petition for Review. On May 30, 2022, the Court En Banc promulgated a Resolution which denied GSMI's Motion for Extension and submitted the Petitions for Review for decision. On June 13, 2022, GSMI filed its Motion for Reconsideration assailing the said Resolution.

On October 4, 2022, the Court En Banc promulgated a Resolution which set aside the May 30, 2022 Resolution insofar as the Petitions for Review were submitted for decision. The Resolution likewise directed the CIR to file a Comment to GSMI's Motion for Reconsideration, to which the CIR failed despite due notice.

On January 18, 2023, the CTA En Banc granted GSMI's Motion for Extension of Time to File Comment on the Petition for Review in CTA E.B. No. 2544 and admitted GSMI's Comment as part of the records of the case.

In a Decision dated January 18, 2024 received by GSMI on January 23, 2024, the CTA En Banc denied both the Petitions for Review of GSMI and the CIR, and affirmed the Amended Decision of the CTA Third Division dated October 28, 2021 awarding GSMI a partial refund of P320 only.

GSMI had fifteen (15) days from January 23, 2024, or until February 7, 2024, within which to file a Petition for Review on Certiorari with the Supreme Court. On January 30, 2024, GSMI filed a Motion for Extension of Time to File Petition for Review on Certiorari, praying for an extension of thirty (30) days from February 7, 2024, or until March 8, 2024 within which to file a Petition for Review on Certiorari.

On March 4, 2024, GSMI filed with the Supreme Court a Petition for Review on Certiorari dated March 1, 2024, and the same was docketed as SC G.R. No. 271363.

- (b) CTA Case No. 11052: This case is a judicial claim for refund of alleged deficiency taxes paid under protest by GSMI in connection with its removals of alcohol products for the period covering January 23, 2020 to February 9, 2020, in the aggregate amount of P66.

On July 22, 2020, GSMI received a Notice of Discrepancy dated July 6, 2020 issued by the BIR (the "Original NOD"), which enjoined GSMI to pay alleged deficiency excise taxes in the amount of P40, inclusive of interests, for the period covering January 27, 2020 to February 9, 2020.

On August 6, 2020, GSMI submitted to the BIR its Letter-Reply to the Original NOD, where it emphasized that it is not liable to pay the alleged deficiency excise tax liability, and thus, requested its cancellation and withdrawal.

On October 13, 2020, GSMI received from the BIR a Letter dated September 18, 2020 with an attached Amended Notice of Discrepancy, which modified the amount of the alleged deficiency excise tax liability to P72, inclusive of interests, for the period covering January 23, 2020 to February 9, 2020.

On October 28, 2020, GSMI submitted to the BIR its Letter-Reply to the Amended NOD, where it reiterated its position that it is not liable for the alleged deficiency excise taxes.

On November 11, 2020, GSMI received from the BIR a Letter dated November 6, 2020 which reiterated the finding of alleged deficiency excise tax under the Amended NOD.

On December 29, 2020, GSMI paid under protest the amount of P66, representing the deficiency excise tax portion under the Amended NOD, through the BIR Electronic Filing and Payment System (eFPS).

On January 8, 2021, GSMI submitted to the BIR a Letter-Reply to the BIR's Letter dated November 6, 2020. GSMI reiterated its position that it is not liable for the alleged deficiency excise tax liability under the Amended NOD and informed the BIR that it paid under protest the amount of P66 through eFPS on December 29, 2020. In the same Letter-Reply, GSMI explained that with respect to the assessed penalties from the alleged late payment of the deficiency excise tax, it would avail the remedies available under Revenue Regulations No. 13-2001, as amended.

On July 16, 2021, GSMI received a copy of Letter of Authority (LOA) No. LOA-121-2021-00000109 dated July 1, 2021 issued by the BIR, authorizing its revenue officers to examine GSMI's books of accounts and other accounting records for all internal revenue taxes except for value-added tax for taxable year 2020.

On August 3, 2021, GSMI filed with the CIR an administrative claim for refund of the erroneously or illegally collected deficiency excise tax for the period covering January 23, 2020 to February 9, 2020, in the amount of P66, which GSMI paid under protest on December 29, 2020.

On March 7, 2022, the BIR issued a letter notifying GSMI on the transmittal of the entire docket to CIR's Legal Service Division for its resolution and issuance of a clarificatory ruling on the administrative claim for refund.

Prior to the expiry of the two-year statutory period to file judicial action for the recovery of erroneously or illegally collected internal revenue taxes, GSMI filed a Petition for Review with the CTA on December 28, 2022 pursuant to Section 204(C) and 229, Tax Code, and Section 3(a), Rule 8, Revised Rules of the Court of Tax Appeals (RRCTA) in order to preserve its right to claim by judicial action its claims for refund of its erroneously or illegally collected deficiency excise taxes, in connection with its removals of alcohol products for the period covering January 23, 2020 to February 9, 2020.

The case was docketed as CTA Case No.11052, and was raffled to the CTA's First Division. In a Resolution dated May 29, 2023, the CTA First Division ordered the transfer of the case to the CTA Third Division.

Upon service of Summons to the CIR and the filing of the CIR's Answer dated March 24, 2023, pre-trial conference was held on July 26, 2023. Pursuant to the CTA's Order, the parties filed their Joint Stipulation of Facts and Issues on August 29, 2023. Pre-trial was terminated upon the issuance of the CTA's Pre-Trial Order on September 5, 2023.

GSMI presented its lone witness during the hearing on October 4, 2023. At the same hearing, the CTA ordered GSMI to file its Formal Offer of Evidence (FOE) within 10 days therefrom, or not later than October 13, 2023.

GSMI filed its FOE on October 13, 2023. Respondent CIR filed his Comment with Manifestation on GSMI's FOE on November 17, 2023. Respondent CIR's counsel manifested that they will no longer present testimonial evidence since there was no report of the investigation on GSMI's refund claim forwarded to their office.

On January 25, 2024, GSMI received the CTA's Resolution dated January 23, 2024, which admitted its Exhibits "P-1" to "P-17" and "P-19" to "P-21", inclusive of sub-markings. Moreover, the CTA's Resolution noted the manifestation of Respondent CIR that he will no longer present evidence, constraining the CTA to direct the parties to submit their respective memorandum within thirty (30) days from receipt of the Resolution.

GSMI filed its Memorandum on 23 February 2024.

- (c) CTA Case No. 9059: This case pertains to GSMI's Claim for Refund with the BIR, in the total amount of P26, representing payments of excise tax erroneously, excessively, illegally, and/or wrongfully assessed on and collected from GSMI by the BIR on removals of its distilled spirits or finished products for the period from June 1, 2013 up to July 31, 2013.

The aforementioned assessment and collection arose from the imposition and collection of excise taxes on GSMI's finished products processed and produced exclusively from its inventory of ethyl alcohol, notwithstanding that excise taxes had already been previously paid by GSMI on the said ethyl alcohol.

After presentation of its testimonial and documentary evidence, GSMI filed its Formal Offer of Evidence and Supplemental Offer of Evidence, which were all admitted by the CTA. BIR's presentation of evidence was set to January 23, 2019.

In a decision dated February 6, 2020, the CTA denied GSMI's Claim for refund for insufficiency of evidence. On February 20, 2020, GSMI filed a Motion for Reconsideration of the said Decision. However, the Motion for Reconsideration was denied by the CTA on June 9, 2020. On August 28, 2020, GSMI elevated the case to the CTA *En Banc* by way of a Petition for Review.

In a Decision dated November 10, 2021, the CTA En Banc denied the Petition for Review filed by GSMI. The Decision dated 6 February 2020 and the Resolution dated June 9, 2020 of the CTA Second Division were affirmed.

On December 10, 2021, GSMI elevated the Decision of the CTA En Banc to the Supreme Court by way of a Petition for Review, which was docketed as SC G.R. No. 25839.

The case is still pending decision.

- Deficiency Tax Liabilities

- i. IBI

- (a) On December 27, 2016, IBI received a Formal Letter of Demand for tax year 2012 with a demand for payment of income tax, VAT, withholding tax, documentary stamp tax (DST) and miscellaneous tax deficiencies with administrative penalties. IBI filed a Protest. Due to the inaction of the BIR, IBI filed a Petition for Review with the CTA Third Division and docketed as CTA Case No. 9657.

On March 2, 2020, the CTA First Division promulgated its Decision partially granting IBI's Petition for Review. The assessment for deficiency income tax, VAT, DST and compromise penalty are cancelled and set aside. However, the assessment for deficiency expanded withholding tax is affirmed, and IBI was ordered to pay deficiency expanded withholding tax including interest and surcharges amounting to P5.

On October 29, 2020, the BIR filed a Petition for Review with CTA *En Banc*. On January 25, 2021, IBI filed its Comment to the Petition for Review. On July 21, 2022, the CTA En Banc denied the BIR's Petition for Review. Thereafter, the BIR filed for a motion for reconsideration which was also denied by the CTA En Banc.

The BIR filed a Petition for Review on Certiorari dated January 9, 2023 with the Supreme Court docketed as G.R. No. 264402.

ii. SMFI

a) SMFI vs. Office of the City Treasurer, City of Davao

SMFI filed several protests against the assessments issued by the City Treasurer of Davao City imposing permit fees to slaughter against its poultry dressing plants in Sirawan, Toril District and Los Amigos, Tugbok District both located in Davao City.

Following the dismissal of the appeals filed by SMFI with the Davao Regional Trial Court (RTC), the following Petitions for review were filed with the CTA:

- CTA Case AC No. 209, filed on August 23, 2018
- CTA Case AC No. 210, filed on November 12, 2018
- CTA Case AC No. 249, filed on February 26, 2021

It is SMFI's position that Section 367 (a) of the 2005 Revenue Code of the City of Davao (Revenue Code of Davao City) on the imposition of permit fee to slaughter is applicable only to slaughterhouses operated by the City Government of Davao City. SMFI's poultry dressing plants in Sirawan, Toril District and Los Amigos, Tugbok District, being privately owned and operated slaughterhouses are beyond the coverage of Section 357 (a) of the Revenue Code of Davao City. In addition, given that SMFI is already paying ante and post mortem fees for the slaughter of poultry products pursuant to Section 367 (d) of the same Revenue Code, the assessment of permit fee to slaughter would constitute double taxation.

In CTA Case AC No. 209, the CTA First Division dismissed SMFI's Petition on May 29, 2020 and denied the Motion for Reconsideration on February 22, 2021. A Petition for Review was filed on May 12, 2021 with the CTA En Banc and docketed as CTA Case EB No. 2474. On January 31, 2023, the CTA En Banc denied SMFI's Petition. SMFI filed for a Motion for Reconsideration which was likewise denied on August 4, 2023. Following the denial, SMFI elevated and filed for Petition for Review with the Supreme Court on December 27, 2023.

Moreover, the CTA First Division also dismissed on July 3, 2020 the Petition docketed as CTA Case AC No. 210, and on July 28, 2021, SMFI's Motion for Reconsideration was denied. On October 8, 2021, SMFI filed a Petition for Review with the CTA En Banc docketed as CTA Case EB No. 2535, which was likewise denied on May 18, 2023. Thus, a Motion for Reconsideration was filed on September 15, 2023 with the same being denied on March 4, 2024.

Lastly, the CTA Special Third Division on October 12, 2022, dismissed the Petition for Review docketed as CTA Case AC No. 249 on the grounds of lack of jurisdiction on permit fees as it is not a tax, therefore outside the CTA's jurisdiction. On December 22, 2022, SMFI filed a Motion for Reconsideration but was denied on November 9, 2023.

On April 2, 2024, SMFI decided not to pursue the above cases as the poultry dressing plants were already closed, therefore SMFI will no longer have future economic benefit from winning the cases.

- Intellectual Property Rights

- i. G.R. No. 196372: This case pertains to GSMI's application for the registration of the trademark "GINEBRA" under Class 33 covering gin with the Intellectual Property Office of the Philippines (IPOP HL). The IPOP HL rejected GSMI's application on the ground that "GINEBRA" is a Spanish word for gin, and is a generic term incapable of appropriation.

When the Court of Appeals affirmed the IPOP HL's ruling, GSMI filed a Petition for Review on Certiorari (the "Petition") with the Supreme Court. The Supreme Court denied GSMI's Petition. GSMI moved for a reconsideration thereof, and likewise filed a Motion to Refer its Motion for Reconsideration to the Supreme Court *En Banc*. The Supreme Court denied GSMI's Motion for Reconsideration with finality, as well as GSMI's Motion to Refer to its Motion for Reconsideration to the Supreme Court *En Banc*.

Subsequently, GSMI filed a Manifestation with Motion for Relief from Judgment (the "Manifestation") and invoked the case of "*League of Cities vs. Commission of Elections*" (G.R. Nos. 176951, 177499 and 178056) to invite the Supreme Court *En Banc* to re-examine the case. The Office of the Solicitor General filed its Comment Opposition to the Manifestation.

On June 26, 2018, the Supreme Court *En Banc* issued a Resolution which resolves to: (a) Accept the subject case which was referred to it by the Third Division in the latter's resolution dated August 7, 2017; (b) Treat as a Second Motion for Reconsideration (of the resolution dated June 22, 2011) GSMI's Manifestation with Motion for Relief from Judgment dated November 28, 2011; (c) Reinstate the Petition; and (d) Require the respondents to Comment on the Petition within a non-extendible period of ten (10) days from notice thereof.

Respondents, through the OSG, filed their Comment dated July 31, 2018 while GSMI filed its Reply with Leave on August 20, 2018.

On January 4, 2019, the Supreme Court Third Division issued a Resolution ordering the consolidation of the previously consolidated cases (G.R. Nos. 216104, 210224 and 219632) with the *En Banc* case (G.R. No. 196372), stating that "considering that all these cases involve identical parties and raise interrelated issues which ultimately stemmed from the registration of trademark of [TDI] and [GSMI] before the [IPO]."

On February 3, 2020, GSMI filed a Manifestation with the Supreme Court Third Division, informing the Court that on January 27, 2020, it received a copy of a Decision dated December 27, 2019 rendered by the IPO Director General in the consolidated appealed cases involving GSMI's Oppositions to TDI's applications for the registration of the marks "Ginebra Lime & Device," "Ginebra Orange & Device," "Ginebra Especial & Device" and "Ginebra Pomelo & Device", for use on gin products. In the joint Decision, the IPO Director General ruled in favor of GSMI and held that despite being generic or descriptive, the term "GINEBRA" had already attained a secondary meaning in relation to the gin products of GSMI. The Manifestation was filed to inform the Supreme Court Third Division of the status of cases in IPOP HL which involve GSMI's claim over "GINEBRA".

In a Resolution dated March 10, 2020, the Supreme Court En Banc resolved to transfer the consolidated cases from the Third Division to the En Banc, where this case which has the lowest docket number, i.e. G.R. No. 196372, was originally assigned, hence, all four cases are now consolidated and pending before the Supreme Court En Banc. Furthermore, the Supreme Court En Banc also noted GSMI's Manifestation dated February 3, 2020 on the IPO Director General's Decision dated December 27, 2019.

On August 9, 2022, the Supreme Court En Banc promulgated a Decision in the four (4) consolidated Petitions. For G.R. No. 196372, GSMI's Petition for Review was granted. The Director of the Bureau of Trademarks was directed to reinstate GSMI's trademark application for "GINEBRA", cause its publication and give it due course.

On April 17, 2023, GSMI received a copy of TDI's Motion for Reconsideration of the Decision dated August 9, 2022. On August 29, 2023, the Supreme Court En Banc issued a Resolution which denied with finality the Motion for Reconsideration filed by TDI in the consolidated Petitions.

- ii. G. R. Nos. 210224 and 219632: These cases pertain to GSMI's Complaint for Unfair Competition, Trademark Infringement and Damages against Tanduay Distillers, Inc. (TDI) filed with the RTC, arising from TDI's distribution and sale of its gin product bearing the trademark "Ginebra Kapitan" and use of a bottle design, which general appearance was nearly identical and confusingly similar to GSMI's product. The RTC dismissed GSMI's complaint.

When GSMI elevated the case to the Court of Appeals, due to technicalities, two (2) cases were lodged in the Court of Appeals: 1.) Petition for Review (CA-G.R. SP No. 127255), and 2.) Appeal (CA-G.R. SP No. 100332).

Acting on GSMI's Petition for Review, the Court of Appeals reversed, set aside the RTC's Decision, and ruled that "GINEBRA" is associated by the consuming public with GSMI. Giving probative value to the surveys submitted by GSMI, the Court of Appeals ruled that TDI's use of "GINEBRA" in "Ginebra Kapitan" produces a likelihood of confusion between GSMI's "Ginebra San Miguel" gin product and TDI's "Ginebra Kapitan" gin product. The Court of Appeals likewise ruled that "TDI knew fully well that GSMI has been using the mark/word "GINEBRA" in its gin products and that GSMI's "Ginebra San Miguel" has already obtained, over the years, a considerable number of loyal customers who associate the mark "GINEBRA" with GSMI.

On the other hand, upon GSMI's Appeal, the Court of Appeals also set aside the RTC's Decision and ruled that "GINEBRA" is not a generic term there being no evidence to show that an ordinary person in the Philippines would know that "GINEBRA" is a Spanish word for "gin". According to the Court of Appeals, because of GSMI's use of the term in the Philippines since the 1800s, the term "GINEBRA" now exclusively refers to GSMI's gin products and to GSMI as a manufacturer. The Court of Appeals added that "the mere use of the word "GINEBRA" in "Ginebra Kapitan" is sufficient to incite an average person, even a gin-drinker, to associate it with GSMI's gin product," and that TDI "has designed its bottle and label to somehow make a colorable similarity with the bottle and label of Ginebra S. Miguel".

TDI filed separate Petitions for Review on Certiorari with the Supreme Court, docketed as G.R. Nos. 210224 and 219632, which were eventually consolidated by the Supreme Court on April 18, 2016.

On October 26, 2016, GSMI filed its Comment on TDI's Petition for Review on Certiorari.

On December 17, 2018, the Supreme Court consolidated this case with Ginebra San Miguel Inc. vs. Court of Appeals, Director General of the Intellectual Property Office, and Director of the Bureau of Trademarks (G.R. No. 196372).

On February 3, 2020, GSMI filed a Manifestation with the Supreme Court Third Division, informing the Court that on January 27, 2020, it received a copy of a Decision dated December 27, 2019 rendered by the IPO Director General in the consolidated appealed cases involving GSMI's Oppositions to TDI's applications for the registration of the marks "Ginebra Lime & Device," "Ginebra Orange & Device," "Ginebra Especial & Device" and "Ginebra Pomelo & Device", for use on gin products. In the joint Decision, the IPO Director General ruled in favor of GSMI and held that despite being generic or descriptive, the term "GINEBRA" had already attained a secondary meaning in relation to the gin products of GSMI. The Manifestation was filed to inform the Supreme Court Third Division of the status of cases in IPOPHL which involve GSMI's claim over "GINEBRA".

In a Resolution dated March 10, 2020, the Supreme Court En Banc resolved to transfer the consolidated cases from the Third Division to the En Banc. Furthermore, the Supreme Court En Banc also noted GSMI's Manifestation.

On August 9, 2022, the Supreme Court En Banc promulgated a Decision in the four (4) consolidated Petitions. For G.R. Nos. 210224 and 219632, TDI's Petitions for Review were denied, with modification, such that TDI shall pay GSMI temperate damages of P0.3 and attorney's fees of P0.2; other awards of damages against TDI are deleted.

On April 17, 2023, GSMI received a copy of TDI's Motion for Reconsideration of the Decision dated August 9, 2022. On August 29, 2023, the Supreme Court En Banc issued a Resolution which denied with finality the Motion for Reconsideration filed by TDI in the consolidated Petitions.

- iii. G.R. No. 216104: This case pertains to TDI's application for the registration of the trademark "GINEBRA KAPITAN" for Class 33 covering gin with the IPOP HL.

GSMI opposed TDI's application, alleging that it would be damaged by the registration of "GINEBRA KAPITAN" because the term "GINEBRA" has acquired secondary meaning and is now exclusively associated with GSMI's gin products. GSMI argued that the registration of "GINEBRA KAPITAN" for use in TDI's gin products will confuse the public and cause damage to GSMI. TDI countered that "GINEBRA" is generic and incapable of exclusive appropriation, and that "GINEBRA KAPITAN" is not identical or confusingly similar to GSMI's mark.

The IPOP HL ruled in favor of TDI and held that: (a) "GINEBRA" is generic for "gin"; (b) GSMI's products are too well known for the purchasing public to be deceived by a new product like "GINEBRA KAPITAN"; and (c) TDI's use of "GINEBRA" would supposedly stimulate market competition.

On July 23, 2014, the Court of Appeals reversed and set aside the IPOP HL's ruling and disapproved the registration of "GINEBRA KAPITAN". The Court of Appeals ruled that "GINEBRA" could not be considered as a generic word in the Philippines considering that, to the Filipino gin-drinking public, it does not relate to a class of liquor/alcohol but rather has come to refer specifically and exclusively to the gin products of GSMI.

TDI filed a Petition for Review on Certiorari with the SC, which was subsequently consolidated with the case of *"Tanduay Distillers, Inc. vs. Ginebra San Miguel Inc."*, docketed as G.R. No. 210224 on August 5, 2015.

On October 26, 2016, GSMI filed its Comment on TDI's Petition for Review on Certiorari.

On December 17, 2018, the SC consolidated this case with *Ginebra San Miguel Inc. vs. Court of Appeals, Director General of the Intellectual Property Office, and Director of the Bureau of Trademarks* (G.R. No. 196372).

On February 3, 2020, GSMI filed a Manifestation with the Supreme Court Third Division, informing the Court that on January 27, 2020, it received a copy of a Decision dated December 27, 2019 rendered by the IPO Director General in the consolidated appealed cases involving GSMI's Oppositions to TDI's applications for the registration of the marks "Ginebra Lime & Device," "Ginebra Orange & Device," "Ginebra Especial & Device" and "Ginebra Pomelo & Device", for use on gin products. In the joint Decision, the IPO Director General ruled in favor of GSMI and held that despite being generic or descriptive, the term "GINEBRA" had already attained a secondary meaning in relation to the gin products of GSMI. The Manifestation was filed to inform the Supreme Court Third Division of the status of cases in IPOP HL which involve GSMI's claim over "GINEBRA".

In a Resolution dated March 10, 2020, the Supreme Court En Banc resolved to transfer the consolidated cases from the Third Division to the En Banc. Furthermore, the Supreme Court En Banc also noted GSMI's Manifestation dated February 3, 2020 on the IPO Director General's Decision dated December 27, 2019.

On August 9, 2022, the Supreme Court En Banc promulgated a Decision in the four (4) consolidated Petitions. For, G.R. No. 216104, TDI's Petition for Review for the rejection of TDI's trademark application for "GINEBRA KAPITAN" was denied.

On April 17, 2023, GSMI received a copy of TDI's Motion for Reconsideration of the Decision dated 9 August 2022. On August 29, 2023, the Supreme Court En Banc issued a Resolution which denied with finality the Motion for Reconsideration filed by TDI in the consolidated Petitions.

(c) Commitments

The outstanding purchase commitments of the Group amounted to P94,986 and P71,832 as at December 31, 2024 and 2023, respectively.

(d) Foreign Exchange Rates

The foreign exchange rates used in translating the US dollar accounts of foreign subsidiaries to Philippine peso were closing rates of P57.845 and P55.370 in 2024 and 2023, respectively, for consolidated statements of financial position accounts; and average rates of P58.406, P55.632 and P54.502 in 2024, 2023 and 2022, respectively, for income and expense account.

37. Events After the Reporting Date

a) Declaration of Cash Dividends

On February 5, 2025, the BOD of the Parent Company declared cash dividends to all common shareholders of record as of February 19, 2025 amounting to P0.50 per common share. Cash dividends for common shares were paid on March 6, 2025.

b) Series A bonds maturity

On February 26, 2025 and March 3, 2025, the Parent Company entered into an agreement for unsecured, long-term, interest-bearing loans with two local banks with total amount of P10,000 to refinance the maturity of the Series A bonds amounting to P8,000 which matured on March 10, 2025.



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE

This discussion summarizes the significant factors affecting the consolidated financial position, financial performance and cash flows of San Miguel Food and Beverage, Inc. (SMFB or "the Parent Company") and its subsidiaries (collectively, referred to as the "Group") for the three-year period ended December 31, 2024. The following discussion should be read in conjunction with the attached audited consolidated statements of financial position of the Group as at December 31, 2024 and 2023, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2024. All necessary adjustments to present fairly the Group's consolidated financial position as at December 31, 2024 and the financial performance and cash flows for the year ended December 31, 2024 and for all the other periods presented, have been made.

I. BASIS OF PREPARATION

Statement of Compliance

The accompanying consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards are based on International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). PFRS Accounting Standards consist of PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC).

Basis of Measurement

The consolidated financial statements of the Group have been prepared on historical cost basis, except for the following items which are measured on an alternative basis on each reporting date:

Items	Measurement Basis
Derivative financial instruments	Fair value
Financial assets at fair value through profit or loss (FVPL)	Fair value
Financial assets at fair value through other comprehensive income (FVOCI)	Fair value
Defined benefit retirement asset (liability)	Fair value of the plan assets less the present value of the defined benefit retirement obligation
Agricultural produce	Fair value less estimated costs to sell at the point of harvest

Functional and Presentation Currency

The consolidated financial statements are presented in Philippine Peso, which is the functional currency of the Parent Company. All financial information is rounded off to the nearest million (000,000), except when otherwise indicated.

Material Accounting Policy Information

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

The FSRSC approved the adoption of a number of new and amendments to standards as part of PFRS Accounting Standards.

Adoption of Amendments to Standards

The Group has adopted the following amendments to standards effective January 1, 2024 and accordingly, changed its accounting policies in the following areas:

- Classification of Liabilities as Current or Noncurrent - 2020 Amendments and Noncurrent Liabilities with Covenants - 2022 Amendments (Amendments to PAS 1, *Presentation of Financial Statements*). To promote consistency in application and clarify the requirements on determining whether a liability is current or noncurrent, the amendments:
 - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead require that the right must have substance and exist at the reporting date;
 - clarified that only covenants with which the entity must comply on or before the reporting date affect the classification of a liability as current or noncurrent and covenants with which the entity must comply after the reporting date do not affect a liability's classification at that date;
 - provided additional disclosure requirements for noncurrent liabilities subject to conditions within 12 months after the reporting period to enable the assessment of the risk that the liability could become repayable within 12 months; and
 - clarified that settlement of a liability includes transferring an entity's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or noncurrent.

The adoption of the said amendments to standards did not have a material effect on the Group's consolidated financial statements.

New and Amendments to Standards Not Yet Adopted

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2024 and have not been applied in preparing the consolidated financial statements. Except as otherwise indicated, the adoption of new and amendments to standards will not have any significant effect on the Group's consolidated financial statements.

The Group will adopt the following new and amendments to standards on the respective effective dates:

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures*). The amendments clarify that financial assets and financial liabilities are recognized and derecognized on the settlement date, except for regular way purchases or sales of financial assets and financial liabilities that meet the conditions for an exception. The exception allows entities to elect to derecognize certain financial liabilities settled through an electronic payment system before the settlement date.

The amendments also provide guidelines for assessing the contractual cash flow characteristics of financial assets that include environmental, social, and governance-linked features and other similar contingent features.

Entities are required to disclose additional information about financial assets and financial liabilities with contingent features, and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to two standards:
 - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.
 - Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:
 - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss; and
 - replaced the term 'their transaction price (as defined in PFRS 15, *Revenue from Contracts with Customers*)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize the full amount for consideration that is unconditionally a receivable but at the same time recognize the expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

The amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- PFRS 18, *Presentation and Disclosure in Financial Statements*, replaces PAS 1. The new standard introduces the following key requirements:
 - Entities are required to classify all income and expenses into five categories in the statement of income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.
 - Management-defined performance measures are disclosed in a single note to the financial statements.
 - Enhanced guidance is provided on how to group information in the financial statements. Additionally, entities are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities under the indirect method.

In addition, all entities are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities under the indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of income, the statement of cash flows, and the additional disclosures required for management-defined performance measures. The Group is also assessing the impact on how information is grouped in the consolidated financial statements, including for items currently labelled as "other".

PFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

II. FINANCIAL PERFORMANCE

2024 vs 2023

(in millions)	DECEMBER		HORIZONTAL ANALYSIS		VERTICAL ANALYSIS	
	2024	2023	INCREASE (DECREASE)		2024	2023
			AMOUNT	%		
SALES	400,872	379,822	21,050	6%	100%	100%
COST OF SALES	289,940	279,222	10,718	4%	72%	74%
GROSS PROFIT	110,932	100,600	10,332	10%	28%	26%
SELLING AND ADMINISTRATIVE EXPENSES	(55,140)	(52,189)	(2,951)	6%	(14%)	(14%)
OPERATING RESULTS	55,792	48,411	7,381	15%	14%	13%
INTEREST EXPENSE AND OTHER FINANCING CHARGES	(4,809)	(4,752)	(57)	1%	(1%)	(1%)
INTEREST INCOME	3,788	3,067	721	24%	1%	1%
GAIN ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT	19	(2)	21	(1050%)	0%	(0%)
OTHER INCOME (CHARGES) - NET	(1,123)	3,154	(4,277)	(136%)	(0%)	1%
INCOME BEFORE INCOME TAX	53,667	49,878	3,789	8%	13%	13%
INCOME TAX EXPENSE	12,734	11,773	961	8%	3%	3%
NET INCOME	40,933	38,105	2,828	7%	10%	10%
Attributable to:						
Equity holders of the Parent Company	25,743	23,118	2,625	11%	6%	6%
Non-controlling interests	15,190	14,987	203	1%	4%	4%
	40,933	38,105	2,828	7%	10%	10%

The Group delivered a strong performance in 2024, demonstrating sustained growth across its businesses.

Consolidated sales in 2024 amounted to P400,872 million, representing a 6% increase from the previous year, as all businesses achieved sales growth compared to 2023, driven by higher volumes and effective pricing strategies. Consolidated net income reached P40,933 million, reflecting a 7% increase over 2023.

Sales

Consolidated sales rose by 6%, from P379,822 million in 2023 to P400,872 million in 2024, driven by higher sales volumes and improved selling prices. Sales in the Beer and NAB segment grew by 4%, from P147,347 million in 2023 to P152,362 million in 2024. The Spirits segment saw a 17% increase, rising from P53,639 million in 2023 to P62,505 million in 2024. Meanwhile, sales in the Food segment increased by 3%, from P178,847 million in 2023 to P185,016 million in 2024.

Cost of Sales

Consolidated cost of sales rose by 4%, from P279,222 million in 2023 to P289,940 million in 2024. Costs in the Beer and NAB segment rose by 4%, from P93,015 in 2023 to P96,298 in 2024. Costs in the Spirits segment increased by 16%, from P40,835 million in 2023 to P47,270 million in 2024, while costs in the Food segment grew by 1%, from P145,395 million in 2023 to P146,390 million in 2024. These cost increases aligned with higher sales volume, increased manufacturing expenses, and elevated excise tax rates in the Beer and NAB and Spirits segments.

The following table summarizes the cost of sales for the year ended December 31, 2024:

<i>(in millions)</i>	Beer and NAB	Spirits	Food	Others	Eliminations / Reclassifications	Total
Inventories	P16,204	P17,603	P125,049	P-	(P11)	P158,845
Excise tax	71,140	27,481	-	-	-	98,621
Labor	2,205	445	2,746	2	-	5,398
Others	6,749	1,741	18,595	8	(17)	27,076
	P96,298	P47,270	P146,390	P10	(P28)	P289,940

Gross profit

Consolidated gross profit rose by 10%, from P100,600 million in 2023 to P110,932 million in 2024. Gross profit in the Beer and NAB segment grew by 5%, from P54,332 million in 2023 to P57,064 million in 2024. Gross profit in the Spirits segment increased by 19%, from P12,804 million in 2023 to P15,235 million in 2024, while gross profit in the Food segment expanded by 15%, from P33,452 million in 2023 to P38,626 million in 2024. These improvements were driven by higher sales volumes and increased selling prices, despite the impact of higher excise taxes and manufacturing costs.

Selling and Administrative Expenses

Consolidated selling and administrative expenses rose by 6%, from P52,189 million in 2023 to P55,140 million in 2024. Selling and administrative expenses in the Beer and NAB segment grew by 3%, from P22,924 million in 2023 to P23,642 million in 2024. Selling and administrative expenses in the Spirits segment increased by 11%, from P5,969 million in 2023 to P6,639 million in 2024, while selling and administrative expenses in the Food segment rose by 7%, from P23,728 million in 2023 to P25,325 million in 2024. The overall increase was primarily driven by initiatives aimed at supporting volume growth, as well as expenses related to newly-acquired company trucks and newly built facilities, resulting in higher depreciation and manpower-related costs.

Interest Expense and Other Financing Charges

Consolidated interest expense and other financing charges rose by 1%, from P4,752 million in 2023 to P4,809 million in 2024. The increase was primarily attributed to a higher average monthly loan balance in the current year compared to previous year, as well as higher interest rates on floating-rate obligations.

Interest Income

Consolidated interest income rose by 24%, from P3,067 million in 2023 to P3,788 million in 2024. This increase was mainly due to higher money market placements with longer maturity periods and more favorable interest rates.

Gain (loss) on sale of fixed assets

The Group recorded a net gain on sale of fixed assets amounting to P19 million in 2024, compared to a net loss of P2 million in 2023.

Other Income (Charges) - Net

The Group recognized net other charges amounting to P1,123 million in 2024, compared to net other income of P3,154 million in 2023. This change was primarily due to a one-time gain recorded in 2023 from the Spirits segment's assignment of product rights, the Beer and NAB segment's Tax Credit Certificate issued by the Bureau of Internal Revenue (BIR) received in 2023 pursuant to tax refund cases, impairment losses recognized by the Beer and NAB segment in 2024 for its machinery and equipment, including related spare parts, a one-time asset write-down in the Food segment in 2024, and higher foreign exchange and marked-to-market losses resulting from the depreciation of the peso in the current year.

Net Income before Income Tax

As a result of the foregoing, consolidated net income before income tax rose by 8%, from P49,878 million in 2023 to P53,667 million in 2024.

Income Tax Expense

The consolidated income tax expense rose by 8% amounting to P12,734 million in 2024, primarily due to higher taxable income.

Net Income

As a result of the foregoing, the Group's consolidated net income rose by 7%, from P38,105 million in 2023 to P40,933 million in 2024. Net income of the Beer and NAB segment increased by 1%, from P25,322 million in 2023 to P25,625 million in 2024. Net income of the Spirits segment grew by 3% from P7,046 million in 2023 to P7,257 million in 2024, while net income of the Food segment jumped by 33%, from P6,304 million in 2023 to P8,386 million in 2024.

Non-Controlling Interests

The share of non-controlling interests in the Group's net income increased by 1%, from P14,987 million in 2023 to P15,190 million in 2024, primarily due to the Group's higher net income.

Net Income after Tax and Non-Controlling Interests

As a result of the foregoing, the Group's consolidated net income after tax and non-controlling interests increased by 11% to P25,743 million for the year ended December 31, 2024, compared to P23,118 million for the year ended December 31, 2023. Net income after tax and non-controlling interests for the Beer and NAB segment rose by 3%, from P24,758 million in 2023 to P25,430 million in 2024. Net income after tax and non-controlling interests for the Spirits segment increased by 3%, from P7,046 million in 2023 to P7,257 million in 2024, while net income after tax and non-controlling interests for the Food segment jumped by 33%, from P5,681 million in 2023 to P7,568 million in 2024.

Business Highlights for the year ended December 31, 2024

Beer and NAB

The Beer and NAB segment under San Miguel Brewery Inc. (SMB) posted a 4% growth in revenue over 2023, reaching a total of P 153,362 million. This was driven by the full-year impact of the price increase implemented in March 2023 for domestic operations, along with another price increase effective September 1, 2024. Domestic operations contributed P137,560 million, while international operations contributed US\$277 million.

Cost of sales increased by 4% or P3,283 million, primarily due to the rise in excise taxes for fermented liquors in the Philippines, from P41 per liter in 2023 to P43 per liter, effective January 1, 2024. Domestic operations accounted for P88,026 million, while international operations accounted for US\$145 million.

As a result, income from operations rose by 6% from P31,408 million to P33,422 million. Domestic operations contributed P30,054 million, while international operations contributed US\$59 million.

Interest income increased by 9% with higher interest rates for both domestic and international operations.

Impairment loss on noncurrent assets pertained to the impairment of fixed assets and spare parts of San Miguel Brewery Hong Kong Limited's (SMBHK).

Other income in 2023 was higher due to the recognition of a Tax Credit Certificate issued by the BIR for the 2012 San Mig Light tax case.

Income tax expense increased by 6%, or P455 million, due to higher taxable income.

As a result of the above, consolidated net income increased by 1% from P25,322 million to P25,625 million. Domestic operations contributed P22,856 million, while international operations contributed US\$49 million.

Domestic Beer Operations

Domestic operations, including exports production allocated to the Philippines, accounted for 90% of total revenue, or P137,560 million, representing a 4% increase from 2023. This growth was driven by higher selling prices and improved sales volume. The increase in volume was supported by demand-generation initiatives and volume growth programs aimed at boosting offtake.

Income from operations grew by 7%, reaching to P30,054 million compared to the previous year. Net income for 2024 amounted to P30,233 million, reflecting a 38% increase from P21,954 million in 2023.

International Beer Operations

San Miguel Brewing International Limited (SMBIL) reported consolidated revenue of US\$ 277 million for 2024, reflecting a slight decline from the US\$ 281 million reported in the previous year. The decrease was primarily due to slightly lower volumes, an unfavorable sales mix, and the appreciation of the United States dollar against most local currencies.

Nevertheless, SMBIL's global San Miguel brand volumes continued to perform well, growing 7% year-over-year. However, consolidated volumes, which include local brands (i.e., subsidiary-owned beer brands in international markets) but exclude additional exports production allocated to the Philippines, declined slightly by 0.6%. The strong growth of San Miguel's global brands was offset by weaker sales of local and partner brands. When including additional export volumes allocated to the Philippines, SMBIL's consolidated volume would have reflected a 2% increase compared to the previous year.

In South China, volumes rose 3%, driven by stronger sales in the retail chains and wholesaler channels. In Vietnam, global San Miguel brands grew by 14%, fueled by the expansion of on-premise outlets and stronger sales in the modern trade off-premise channels. Exports volumes also increased by 9%, supported by higher sales in the United Arab Emirates (UAE), Canada, New Zealand, Malaysia and other markets across Asia and the Middle East.

However, these gains were partly offset by the volume decline in the Hong Kong, Thailand, and Indonesia operations. In Thailand, the drop was attributed to weaker demand in the Bangkok region and lower sales in the modern trade off-premise channel. In Hong Kong, volumes declined in line with the overall contraction in the beer industry and the continued increase in outbound tourism, particularly to Mainland China. In Indonesia, the local Anker Bir brand saw a decline due to intensified competition in the wholesaler channel.

Despite the slight revenue drop, SMBIL's consolidated operating income for 2024 reached US\$ 59 million, slightly higher than the US\$ 58.7 million recorded in 2023. This was driven by favorable margins and effective management of fixed costs .

Spirits

The Spirits segment under Ginebra San Miguel Inc. (GSMI) demonstrated robust performance, with revenues reaching P62,505 million, a 17% increase from P53,639 million in year 2023, driven by the overall volume growth and price increases. This revenue growth was accompanied by a 16% rise in the cost of sales amounting to P47,270 million compared to P40,835 million in the previous year, primarily due to higher excise tax and input costs.

Selling and administrative expenses increased by 11% to P6,639 million, up from P5,969 million in the previous year, mainly due to higher advertising and promotion expenses, delivery and marketing costs, and personnel expenses.

Interest expense and other financing charges rose significantly by 36%, from P61 million in 2023 to P83 million in 2024, driven by higher interest expense on defined benefit obligation.

Conversely, interest income posted a substantial increase of 55%, rising from P552 million in 2023 to P854 million in 2024, due to higher yields on money market placements.

Other income (charges) - net experienced a significant decline of 87%, from P2,038 million in 2023 to P266 million in 2024, due to a one-time income from the sale of rights recorded in 2023.

With the sustained revenue growth combined with effective cost management, the Spirits segment's consolidated net income for 2024 reached P7,257 million, representing a 3% increase from P7,046 million in 2023.

Food

The Food segment maintained strong topline performance, registering consolidated revenues of P185,016 million for the full year 2024, 3% higher than the previous year's level. Revenue growth was boosted by strong volume growth across most businesses, coupled with the favorable selling prices of Prepared and Packaged Food products and the sustained recovery of chicken prices from second quarter of the year.

The Protein business, comprised of poultry and fresh meats, posted revenues of P70,213 million, climbing 7% from the previous year, as the poultry business delivered higher volumes due to strong demand from the foodservice and retail markets. Selling prices of chicken also improved as the industry inventory of imported frozen chicken decreased. Meanwhile, resurgence of African Swine Fever (ASF) in several provinces continued to hamper plans for hog repopulation efforts, affecting revenue growth in the fresh meats business.

The Animal Nutrition and Health business, comprised of animal feeds, pet care products, and veterinary medicines, recorded revenues of P41,445 million, 8% lower than last year's level. Hog feed sales remained affected by ASF-induced industry depopulation, while unfavorable chicken prices in the first quarter led to limited farm loading, resulting in lower demand for broiler feeds. Additionally, competitive pricing strategies aimed at preserving market volume share, supported by lower input costs, contributed to the lower revenue performance.

The Prepared and Packaged Food business, comprised of processed meats, ready-to-eat and plant-based food, dairy, spreads, and coffee, boosted revenues to P57,395 million, an increase of 12% compared to full year 2023. This growth was driven by higher sales volumes and improved selling prices. Purefoods Luncheon Meat and Purefoods Corned Beef achieved strong double-digit volume growth, enabled by additional production capacity from a company-owned cannery. Tender Juicy® Hotdogs, SPAM®, sliced hams, and Purefoods native line products continued to surpass last year's volumes. Magnolia butter, cheese, margarine, salad aids, flour mixes, and ice cream, as well as the coffee business' Original and Sugarfree variants, also recorded higher volume achievements.

The Food segment's cost of sales amounted to P146,390 million, increasing at a slower pace of 1% compared to the same period last year. Sustained cost reductions in most major raw materials, such as corn, soybean meal, feed wheat, imported beef, and chicken meat, along with enhanced operational efficiencies enabled by the company-owned facilities, helped cushion the impact of increased sales volume.

The Food segment's gross profit rose to P38,626 million, 15% higher than the previous year's level, driven by higher volumes sold at lower costs of major raw materials, and favorable selling prices.

Selling and administrative expenses increased by 7%, reaching P25,325 million, mainly due to higher manpower requirements to support expansion, the implementation of government-mandated wage hikes, increased logistics costs, and higher spending on advertising and promotion to drive volume growth.

As a result, the Food segment's operating income rose to P13,301 million, up 37% from the previous year, marking a significant improvement over full-year 2023 operating results.

2023 vs 2022

(in millions)	DECEMBER		HORIZONTAL ANALYSIS INCREASE (DECREASE)		VERTICAL ANALYSIS	
	2023	2022	AMOUNT	%	2023	2022
SALES	379,822	358,853	20,969	6%	100%	100%
COST OF SALES	279,222	261,480	17,742	7%	74%	73%
GROSS PROFIT	100,600	97,373	3,227	3%	26%	27%
SELLING AND ADMINISTRATIVE EXPENSES	(52,189)	(48,662)	(3,527)	7%	(14%)	(14%)
OPERATING RESULTS	48,411	48,711	(300)	(1%)	13%	14%
INTEREST EXPENSE AND OTHER FINANCING CHARGES	(4,752)	(3,538)	(1,214)	34%	(1%)	(1%)
INTEREST INCOME	3,067	821	2,246	274%	1%	0%
GAIN ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT	(2)	(2)	-	0%	(0%)	(0%)
OTHER INCOME (CHARGES) - NET	3,154	(223)	3,377	(1514%)	1%	(0%)
INCOME BEFORE INCOME TAX	49,878	45,769	4,109	9%	13%	13%
INCOME TAX EXPENSE	11,773	11,104	669	6%	3%	3%
NET INCOME	38,105	34,665	3,440	10%	10%	10%
Attributable to:						
Equity holders of the Parent Company	23,118	22,263	855	4%	6%	6%
Non-controlling interests	14,987	12,402	2,585	21%	4%	3%
	38,105	34,665	3,440	10%	10%	10%

The Group delivered a year of steady topline growth despite the challenging macroeconomic conditions.

Consolidated sales in 2023 amounted to P379,822 million, 6% higher from 2022, as all businesses delivered growth in sales compared to 2022 on improved volumes and pricing. This was attributed to improved volumes and pricing strategies. Consolidated net income, on the other hand, reached P38,105 million, 10% higher than in 2022.

Sales

Consolidated sales increased by 6%, from P358,853 million in 2022 to P379,822 million in 2023. Sales in the Beer and NAB segment increased by 8%, from P136,235 million in 2022 to P147,347 million in 2023, sales in the Spirits segment increased by 13%, from P47,341 million in 2022 to P53,639 million in 2023, and sales in the Food segment increased by 2%, from P175,288 million in 2022 to P178,847 million in 2023. The increase was propelled by higher volumes and better selling prices.

Cost of Sales

Consolidated cost of sales increased by 7%, from P261,480 million in 2022 to P279,222 million in 2023. Cost of sales in the Beer and NAB segment increased by 8%, from P85,779 in 2022 to P93,015 in 2023, cost of sales in the Spirits segment increased by 14%, from P35,863 million in 2022 to P40,835 million in 2023, and cost of sales in the Food segment increased by 4%, from P139,860 million in 2022 to P145,395 million in 2023. Cost increases were in line with higher sales volume across most segments, coupled with higher excise taxes and higher raw material costs in the earlier part of 2023 resulting from challenges such as inflationary pressures and operational setbacks.

The following table summarizes the cost of sales for the year ended December 31, 2023:

(in millions)	Beer and NAB	Spirits	Food	Eliminations / Reclassifications	Total
Inventories	P16,503	P15,886	P125,649	(P11)	P158,027
Excise tax	67,829	22,991	-	-	90,820
Labor	2,052	397	2,552	-	5,001
Others	6,631	1,561	17,194	(12)	25,374
	P93,015	P40,835	P145,395	(P23)	P279,222

Gross profit

Consolidated gross profit increased by 3%, from P97,373 million in 2022 to P100,600 million in 2023. Gross profit in the Beer and NAB segment increased by 8%, from P50,456 million in 2022 to P54,332 million in 2023, gross profit in the Spirits segment increased by 12%, from P11,478 million in 2022 to P12,804 million in 2023, and gross profit in the Food segment decreased by 6%, from P35,428 million in 2022 to P33,452 million in 2023, as the growth in volumes and prices were not sufficient to offset rising input costs.

Selling and Administrative Expenses

Consolidated selling and administrative expenses increased by 7%, from P48,662 million in 2022 to P52,189 million in 2023. Selling and administrative expenses in the Beer and NAB segment increased by 9%, from P20,940 million in 2022 to P22,924 million in 2023, selling and administrative expenses in the Spirits segment increased by 9%, from P5,491 million in 2022 to P5,969 million in 2023, and selling and administrative expenses in the Food segment increased by 5%, from P22,158 million in 2022 to P23,224 million in 2023. The consolidated increase was primarily due to activities intended to further support volume growth and expenses related to newly-acquired company trucks and newly built facilities that resulted in an increase in depreciation and manpower-related expenses.

Interest Expense and Other Financing Charges

Consolidated interest expense and other financing charges increased by 34%, from P3,538 million in 2022 to P4,752 million in 2023. The increase was mainly due to higher interest rates on floating rate obligations and additional loan availment.

Interest Income

Consolidated interest income increased by 274%, from P821 million in 2022 to P3,067 million in 2023. The increase was primarily due to higher money market placements with longer maturity periods and improved rates, as well as interests earned on investments in debt instruments.

Other Income (Charges) - Net

The Group recognized net other income amounting to P3,154 million in 2023 compared to net other charges in 2022 amounting to P223 million. This was primarily due to higher foreign exchange and marked to market gains based on favorable exchange rate movements, the Spirits segment's recognized income from the assignment of product rights, the Beer and NAB segment's Tax Credit Certificate issued by the BIR pursuant to tax refund cases, lower closure and closed facility-related expenses, and lower casualty losses as compared to in 2022.

Net Income before Income Tax

As a result of the foregoing, consolidated net income before income tax increased by 9%, from P45,769 million in 2022 to P49,878 million in 2023.

Income Tax Expense

The consolidated income tax expense increased by 6% amounting to P11,773 million in 2023 due to higher taxable income of the Group.

Net Income

As a result of the foregoing, the Group's consolidated net income increased by 10%, from P34,665 million in 2022 to P38,105 million in 2023. Net income of the Beer and NAB segment increased by 16%, from P21,750 million in 2022 to P25,322 million in 2023, net income of the Spirits segment increased by 55%, from P4,547 million in 2022 to P7,046 million in 2023, and net income of the Food segment amounted to P6,590 million in 2023.

Non-Controlling Interests

Share of non-controlling interests in the Group's net income increased by 21%, from P12,402 million in 2022 to P14,987 million in 2023, mainly due to the higher net income of the Group.

Net Income after Tax and Non-Controlling Interests

As a result of the foregoing, the Group's consolidated net income after tax and non-controlling interests increased by 4% to P23,118 million for the year ended December 31, 2023 versus the P22,263 million for the year ended December 31, 2022. Net income after tax and non-controlling interests of the Beer and NAB segment increased by 15%, from P21,475 million in 2022 to P24,758 million in 2023, net income after tax and non-controlling interests of the Spirits segment increased by 55%, from P4,547 million in 2022 to P7,046 million in 2023, and net income after tax and non-controlling interests of the Food segment decreased by 35%, from P8,268 million in 2022 to P5,681 million in 2023.

Business Highlights for the year ended December 31, 2023

Beer and NAB

The Beer and NAB segment under SMB sustained its growth and recovery in 2023 with consolidated revenues of P147,321 million, 8% higher than 2022's revenue. The improvement was a result of higher volume performance coupled with the price increases for both its domestic and international operations.

Cost of sales increased by 8% to P93,009 million as of December 2023 with the higher sales volume of both domestic and international operations, and the increase in excise tax rate in the Philippines. The domestic operations accounted for P84,597 million, while the international operations recorded US\$152 million.

Consequently, income from operations rose to P31,413 million, 6% higher than in 2022.

Domestic Beer Operations

Domestic operations sustained its growth and recovery in 2023 with revenue of P131,720 million, 8% higher than in 2022 mainly driven by volume growth and the impact of the price increase implemented on March 1, 2023. Volume growth was supported by the recovery of directly-served outlets, brand-building programs, consumer and trade activations as well as the resumption of tourism activities, fiestas and festivals.

Income from operations grew by 4% to P28,151 million compared to 2022. Net income of P21,954 million for 2023 was 12% higher than 2022's P19,542 million.

International Beer Operations

SMBIL registered US\$281 million in consolidated revenue for the year 2023, 7% better than 2022 on account of the 6% growth in volumes.

SMBIL's global San Miguel brands including Red Horse grew across all operating countries and export markets, up 13% to negate the reduction in local beer brands (i.e., beer brands owned by the subsidiaries in the relevant markets) volume. Thailand operations' volumes were higher than in 2022 attributable to the continued implementation of its multi-channel programs, along with the re-opening of more on-premise outlets in the market. South China operations' volumes improved by 10% from 2022 as a result of increased outlet yield and outlet penetration on the back of an expanded network of dealers and wholesalers. While global San Miguel brands grew in Hong Kong, Vietnam, and Indonesia owing to the implementation of outlet penetration programs, this was offset by the shortfall in these markets' local beer brands. This was particularly more significant in the Indonesia operations as its local Anker beer brand contributes more than 80% of its total sales. SMBIL's Exports business posted a double-digit growth from 2022 resulting from higher shipments to UAE, Singapore, USA, and some markets in Africa.

SMBIL's consolidated operating income for 2023 reached US\$58.7 million, 27% higher than 2022 owing to the volume growth, favorable margins, and controlled fixed costs.

Spirits

The Spirits segment under GSMI ended the year 2023 with revenues up 13% to P53,636 million from P47,336 million of 2022 driven by the price increase and higher volume in 2023. This, coupled with lower cost of packaging materials, offset by higher cost of alcohol and bottles resulted to P12,804 million in gross profit, 12% higher than in 2022.

Selling and marketing expenses jumped 9%, from P3,397 million in 2022 to P3,716 million in 2023, primarily due to higher delivery costs, advertising and promotion, and repairs and maintenance.

General and administrative expenses increased by 8% to P2,253 million on account of higher personnel cost, outside services, and local taxes.

Interest expense and other financing charges was higher by 15% or by P8 million mainly from GSML's defined benefit plans.

Interest income in 2023 was higher at P552 million as compared with 2022's P131 million primarily attributable to higher placements with longer maturity period and better interest rates, and earnings from advances and investments.

Other income in 2023 amounted to P2,038 million, compared to 2022's net other charges of P6 million, largely driven by the one-time income for the transfer of product rights and foreign exchange gains.

Income tax expenses increased 53% to P2,319 million in 2023 from P1,511 million in 2022 due primarily to the segment's higher taxable income at year-end 2023.

Food

The Food segment posted revenues of P178,845 million in 2023, 2% higher compared to in 2022. Amid inflationary pressures affecting consumer demand, most businesses delivered higher revenues. The Protein business' volume achievement, however, was dampened by limited broiler supply in the first few months of 2023, as well as the lingering impact of ASF.

The Protein business registered revenues of P65,651 million, 3% lower than in 2022, primarily due to capacity limitations that constrained poultry supply in the early part of 2023. While grown broiler supply eventually improved in the second quarter, a surge in the industry inventory of imported frozen chicken around second semester pulled chicken selling prices down, further affecting the poultry business' revenue achievement for balance of the year. Meanwhile, revenues of the fresh meats business were still hampered by the resurgence of ASF in several provinces, resulting in a deliberate downscaling of hog operations.

The Animal Nutrition and Health business posted revenues of P44,908 million, 5% higher than in 2022, boosted by higher selling prices. The impact of industry depopulation caused by ASF, however, affected sales volumes.

The Prepared and Packaged Food business delivered revenues of P51,351 million, up by 3% from 2022 level mainly on account of better selling prices. Despite tempered consumer spending, sales volume growth was noted for Purefoods Chicken Nuggets, Purefoods Luncheon Meat, Purefoods Chinese Luncheon Meat, as well as Magnolia butter, cheese, salad aids, and flour mixes. Volume growth momentum of San Mig Coffee Sugarfree and Original variants were likewise sustained.

The Food segment's cost of sales at P145,395 million was 4% higher compared to in 2022 resulting from elevated costs of some of the major raw materials, aggravated by the impact of the Philippine peso depreciation. Operating costs and depreciation of new company-owned facilities also contributed to higher input and production costs.

As increase in costs of major raw materials and other production overhead outpaced revenue growth, the Food segment's gross profit dropped to P33,452 million, 6% lower compared to 2022's level.

Selling and administrative expenses went up by 5% to P23,224 million mainly due to increase in manpower requirements to support expansion, as well as the implementation of wage board increases.

Hampered by the above-mentioned challenges, the Food segment's income from operations was weighed down to P10,228 million for the year 2023.

III. FINANCIAL POSITION

2024 vs 2023

(in millions)	December 2024	December 2023	Horizontal Analysis Increase (Decrease)		Vertical Analysis	
			Amount	%	2024	2023
ASSETS						
Current Assets						
Cash and cash equivalents	58,221	57,007	1,214	2%	15%	16%
Trade and other receivables - net	29,456	25,869	3,587	14%	8%	7%
Inventories	47,582	43,096	4,486	10%	13%	12%
Current portion of biological assets - net	3,241	3,515	(274)	(8%)	1%	1%
Prepaid expenses and other current assets	5,506	6,216	(710)	(11%)	1%	2%
Assets held for sale	186	186	-	0%	0%	0%
Total Current Assets	144,192	135,889	8,303	6%	38%	38%
Noncurrent Assets						
Investments - net	17,388	17,128	260	2%	5%	5%
Property, plant and equipment - net	128,590	118,000	10,590	9%	34%	33%
Right-of-use assets - net	4,923	4,633	290	6%	1%	1%
Investment property - net	3,576	3,537	39	1%	1%	1%
Biological assets - net of current portion	2,652	2,667	(15)	(1%)	1%	1%
Goodwill - net	996	996	-	0%	0%	0%
Other intangible assets - net	39,665	39,444	221	1%	11%	11%
Deferred tax assets	3,657	3,209	448	14%	1%	1%
Other noncurrent assets - net	31,467	30,272	1,195	4%	8%	9%
Total Noncurrent Assets	232,914	219,886	13,028	6%	62%	62%
Total Assets	377,106	355,775	21,331	6%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Loans payable	17,103	14,684	2,419	16%	5%	4%
Trade payables and other current liabilities	76,416	65,288	11,128	17%	20%	18%
Lease liabilities - current portion	735	418	317	76%	0%	0%
Income and other taxes payable	10,035	9,668	367	4%	3%	3%
Dividends payable	89	79	10	13%	0%	0%
Current maturities of long-term debt - net of debt issue costs	12,328	12,871	(543)	(4%)	3%	4%
Total Current Liabilities	116,706	103,008	13,698	13%	31%	29%
Noncurrent Liabilities						
Long-term debt – net of current maturities and debt issue costs	67,652	69,939	(2,287)	(3%)	18%	20%
Deferred tax liabilities	23	26	(3)	(12%)	0%	0%
Lease liabilities – net of current portion	4,864	4,758	106	2%	1%	1%
Other noncurrent liabilities	7,672	8,929	(1,257)	(14%)	2%	3%
Total Noncurrent Liabilities	80,211	83,652	(3,441)	(4%)	21%	24%
Equity						
Capital stock	6,251	6,251	-	0%	2%	2%
Additional paid-in capital	366,620	366,620	-	0%	97%	103%
Equity adjustments from common control transactions	(327,793)	(327,793)	-	0%	(87%)	(92%)
Equity reserves	(1,711)	(2,094)	383	(18%)	(0%)	(1%)
Retained earnings:						
Appropriated	45,375	45,392	(17)	(0%)	12%	13%
Unappropriated	57,551	50,996	6,555	13%	15%	14%
Treasury stock	(30,182)	(30,182)	-	0%	(8%)	(8%)
Equity Attributable to Equity Holders of the Parent Company	116,111	109,190	6,921	6%	31%	31%
Non-controlling Interests	64,078	59,925	4,153	7%	17%	17%
Total Equity	180,189	169,115	11,074	7%	48%	48%
Total Liabilities and Equity	377,106	355,775	21,331	6%	100%	100%

Consolidated total assets as of December 31, 2024, amounted to P377,106 million, representing a 6% or P21,331 million increase compared to December 31, 2023. The increase was primarily driven by higher ending cash and receivable levels, as well as the Group's expansion projects.

Consolidated total liabilities as of December 31, 2024, amounted to P196,917 million, which is 5% or P10,257 million higher than the level as of December 31, 2023. The increase was mainly due to higher trade payables and other current liabilities.

Trade and other receivables increased by 14%, or by P3,587 million, due to higher sales and increased credit availment from dealers.

Inventories increased by 10%, or by P4,486 million, mainly due to the higher level of materials, supplies, and finished goods inventory.

Prepaid expenses and other current assets decreased by 11%, or by P710 million, due to lower input tax balance at year-end 2024 and the utilization of tax credits, partially offset by higher excise tax requirements.

Property, plant, and equipment increased by 9%, or by P10,590 million, primarily due to expansion projects in the Food and Beer and NAB segments.

Right-of-use assets increased by 6%, or by P290 million, mainly due to leases qualified under PFRS 16.

Deferred tax assets increased by 14%, or by P448 million, mainly due to the adjustment on retirement costs of the Group based on latest actuarial valuation report of retirement plans.

Notes payable increased by 16%, or by P2,419 million, mainly due to additional loan availments by the Food segment, partially offset by loan settlements in the Spirits segment.

Trade and other current liabilities increased by 17%, or by P11,128 million, primarily due to higher purchases of raw materials and the acquisition of fixed assets for various expansion projects.

Lease liabilities increased by 8%, or by P423 million, due to equivalent increases in leases qualified under PFRS 16.

Dividends payable increased by 13%, or by P10 million, mainly due to higher unclaimed dividends resulting from higher dividends declared during the year.

Other noncurrent liabilities decreased by 14%, or by P1,257 million, mainly due to the reclassification to current liabilities.

Consolidated total equity as of December 31, 2024, amounted to P180,189 million, reflecting a 7% or P11,074 million increase compared to December 31, 2023. The increase was primarily driven by net income amounting to P40,933 million, which was partially offset by the dividends declared by the Group amounting to P30,825 million.

2023 vs 2022

(in millions)	December 2023	December 2022	Horizontal Analysis Increase (Decrease)		Vertical Analysis	
			Amount	%	2023	2022
ASSETS						
Current Assets						
Cash and cash equivalents	57,007	41,099	15,908	39%	16%	12%
Trade and other receivables - net	25,869	22,110	3,759	17%	7%	7%
Inventories	43,096	60,746	17,650)	(29%)	12%	18%
Current portion of biological assets - net	3,515	3,418	97	3%	1%	1%
Prepaid expenses and other current assets	6,216	5,412	804	15%	2%	2%
Assets held for sale	186	172	14	8%	0%	0%
Total Current Assets	135,889	132,957	2,932	2%	38%	39%
Noncurrent Assets						
Investments - net	17,128	17,143	(15)	(0%)	5%	5%
Property, plant and equipment - net	118,000	106,611	11,389	11%	33%	31%
Right-of-use assets - net	4,633	5,171	(538)	(10%)	1%	2%
Investment property - net	3,537	3,638	(101)	(3%)	1%	1%
Biological assets - net of current portion	2,667	2,671	4)	(0%)	1%	1%
Goodwill - net	996	996	-	0%	0%	0%
Other intangible assets - net	39,444	39,365	79	0%	11%	12%
Deferred tax assets	3,209	2,510	699	28%	1%	1%
Other noncurrent assets - net	30,272	28,416	1,856	7%	9%	8%
Total Noncurrent Assets	219,886	206,521	13,365	6%	62%	61%
Total Assets	355,775	339,478	16,297	5%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Loans payable	14,684	21,055	(6,371)	(30%)	4%	6%
Trade payables and other current liabilities	65,288	62,536	2,752	4%	18%	18%
Lease liabilities - current portion	418	432	(14)	(3%)	0%	0%
Income and other taxes payable	9,668	5,474	4,194	77%	3%	2%
Dividends payable	79	67	12	18%	0%	0%
Current maturities of long-term debt - net of debt issue costs	12,871	506	12,365	2444%	4%	0%
Total Current Liabilities	103,008	90,070	12,938	14%	29%	27%
Noncurrent Liabilities						
Long-term debt – net of current maturities and debt issue costs	69,939	77,733	(7,794)	(10%)	20%	23%
Deferred tax liabilities	26	23	3	13%	0%	0%
Lease liabilities – net of current portion	4,758	5,041	(283)	(6%)	1%	1%
Other noncurrent liabilities	8,929	7,538	1,391	18%	3%	2%
Total Noncurrent Liabilities	83,652	90,335	(6,683)	(7%)	24%	27%
Equity						
Capital stock	6,251	6,251	-	0%	2%	2%
Additional paid-in capital	366,620	366,620	-	0%	103%	108%
Equity adjustments from common control transactions	(327,793)	(327,793)	-	0%	(92%)	(97%)
Equity reserves	(2,094)	(836)	(1,258)	150%	(1%)	(0%)
Retained earnings:						
Appropriated	45,392	31,366	14,026	45%	13%	9%
Unappropriated	50,996	57,860	(6,864)	(12%)	14%	17%
Treasury stock	(30,182)	(30,182)	-	0%	(8%)	(9%)
Equity Attributable to Equity Holders of the Parent Company	109,190	103,286	5,904	6%	31%	30%
Non-controlling Interests	59,925	55,787	4,138	7%	17%	16%
Total Equity	169,115	159,073	10,042	6%	48%	47%
Total Liabilities and Equity	355,775	339,478	16,297	5%	100%	100%

Consolidated total assets as of December 31, 2023 amounted to P355,775 million, 5% or P16,297 million higher than as of December 31, 2022. The increase was primarily due to higher ending cash and receivable levels, and expansion projects of the Group. Consolidated total liabilities as of December 31, 2023 amounted to P186,660 million, 3% or P6,255 million higher than in December 31, 2022. The increase was primarily due to the availment of long-term debt of the Beer and NAB segment, and short-term loans of the Spirits segment.

Cash and cash equivalents increased by 39%, or by P15,908, due to higher cash generated from operations, proceeds from transfer of product rights, and deferred VAT remittance that was offset by payment of dividends and funding of investing activities.

Trade and other receivables increased by 17%, or by P3,759, due to higher sales and interest receivables from higher money market placements.

Inventories decreased by 29%, or by P17,650 million, mainly due to the normalized level coming from the high level in December 2022 due to purposive buying of raw materials at that time in anticipation of price increases, depletion of hedged meat materials, and higher production volumes.

Prepaid expenses and other current assets increased by 15%, or by P804 million, due to higher input tax balance as of the end of 2023 as a result of the BIR's implementation of quarterly filing of VAT starting 2023 compared to the usual monthly filings in the prior year, the Beer and NAB Segment's receipt of Tax Credit Certificate from tax refund cases, and higher excise tax prepayments.

Property, plant, and equipment increased by 11%, or by P11,389 million, mainly due to the expansion projects of the Food and Beer and NAB segments.

Right-of-use assets decreased by 10%, or by P538 million, mainly due to the depreciation of assets.

Deferred tax assets increased by 28%, or by P699 million, mainly due to the recognition of deferred tax on provision for inventory losses and adjustment on retirement costs of the Group based on latest actuarial valuation report of retirement plans.

Other noncurrent assets increased by 7%, or by P1,856 million, due to the Food segment's deposits on land for future development and reclassification of some property, plant, and equipment as idle assets, and the Beer and NAB segment's higher provision for deferred containers.

Notes payable decreased by 30%, or by P6,371 million, mainly due to the Food segment's settlement of short-term loans, partially offset by the Spirits segment's new availment.

Income and other taxes payable increased by 77%, or by P4,194 million, due to the higher taxable income of the Group and higher VAT payable due to the implementation of quarterly remittances starting 2023 as compared to 2022's monthly filing.

Dividends payable increased by 18%, or by P12 million, mainly due to higher unclaimed dividends relative to higher dividends declared during the year.

Long-term debt had a net increase of 6%, or by P4,571 million, mainly due to the availment of long-term loan of the Beer and NAB segment.

Other noncurrent liabilities increased by 18%, or by P1,391 million, mainly due to the Group's increase in retirement liabilities based on latest actuarial valuation report of retirement plans.

Consolidated total equity as of December 31, 2023 amounted to P169,115 million, 6% or P10,042 million higher than as of December 31, 2022. The increase was primarily due to the net income amounting to P38,105 million which was offset by the dividends declared by the Group amounting P26,390 million.

IV. SOURCES AND USES OF CASH

A brief summary of cash flow movements is shown below:

	December 31		
<i>(in Millions)</i>	2024	2023	2022
Net cash flows provided by operating activities	P58,055	P71,388	P35,495
Net cash flows used in investing activities	(25,349)	(27,690)	(35,425)
Net cash flows used in financing activities	(32,080)	(27,751)	(1,382)

Net cash from operations basically consisted of income for the period and changes in non-cash current assets, certain current liabilities, and others.

Net cash used in investing activities include the following:

	December 31		
<i>(in Millions)</i>	2024	2023	2022
Additions to investments, property, plant and equipment and investment property	(P16,688)	(P15,748)	(P26,463)
Increase in biological assets, intangible assets and other noncurrent assets	(12,522)	(15,153)	(9,860)
Interest received	3,690	2,937	730
Dividends received	145	139	137
Proceeds from sale of investments and property and equipment	26	135	31

Net cash used in financing activities consist of the following:

	December 31		
<i>(in Millions)</i>	2024	2023	2022
Proceeds from short-term and long-term borrowings	P314,749	P232,332	P112,453
Payments of short-term and long-term borrowings	(315,285)	(234,254)	(91,862)
Cash dividends paid	(30,815)	(26,378)	(21,370)
Payments of lease liabilities	(745)	(520)	(603)
Share issuance costs	(3)	(1)	-
Increase in non-controlling interests and others	8	-	-
Increase in other non-current liabilities	11	1,070	-

The effect of exchange rate changes on cash and cash equivalents amounted to P588 million, (P39) million, and P830 million for the periods ended December 31, 2024, 2023, and 2022, respectively.

V. ADDITIONAL INFORMATION ON UNAPPROPRIATED RETAINED EARNINGS

The unappropriated retained earnings of the Parent Company as of December 31, 2024 and 2023 are restricted in the amount of P182 million, representing the cost of common shares held in treasury.

The Group's unappropriated retained earnings include accumulated earnings in subsidiaries, which are not available for declaration as dividends until declared by the respective investees.

VI. KEY PERFORMANCE INDICATORS

The following are the major performance measures that the Group uses. Analyses are employed by comparisons and measurements based on the financial data as of the periods indicated below.

KPI	As of December 31, 2024	As of December 31, 2023
Liquidity: Current Ratio Quick Ratio	1.24 0.75	1.32 0.81
Solvency: Debt to Equity Ratio Asset to Equity Ratio	1.09 2.09	1.10 2.10
Profitability: Return on Average Equity Attributable to Equity Holders of the Parent Company Interest Rate Coverage Ratio Return on Assets	22.85% 12.16 11.17%	21.76% 11.50 10.96%

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Operating Efficiency: Volume Growth Revenue Growth Operating Margin	2.00% 5.54% 13.92%	0.60% 5.84% 12.75%

The manner by which the Group calculates the above indicators is as follows:

KPI	Formula
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Quick Ratio	$\frac{\text{Current Assets} - \text{Inventory} - \text{Current Portion of Biological Assets} - \text{Prepayments}}{\text{Current Liabilities}}$
Debt to Equity Ratio	$\frac{\text{Total Liabilities (Current + Noncurrent)}}{\text{Equity}}$
Asset to Equity Ratio	$\frac{\text{Total Assets (Current + Noncurrent)}}{\text{Equity}}$
Return on Average Equity Attributable to Equity Holders of the Parent Company	$\frac{\text{Net Income Attributable to Equity Holders of the Parent Company}^*}{\text{Average Equity Attributable to Equity Holders of the Parent Company}^{**}}$
Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interests and Taxes}}{\text{Interest Expense and Other Financing Charges}}$
Return on Assets	$\frac{\text{Net Income}}{\text{Average Total Assets}}$
Volume Growth	$\left(\frac{\text{Sum of all Businesses' Sales at Prior Period Prices}}{\text{Prior Period Net Sales}} \right) - 1$
Revenue Growth	$\left(\frac{\text{Current Period Net Sales}}{\text{Prior Period Net Sales}} \right) - 1$
Operating Margin	$\frac{\text{Income from Operating Activities}}{\text{Net Sales}}$

* Excluding cash dividends paid to preferred shareholders

** Excluding preferred capital stock and related additional paid-in capital

VII. OTHER MATTERS

a) Commitments

The Group's outstanding purchase commitments as of December 31, 2024 and 2023 amounted to P94,986 million and P71,832 million, respectively.

- b) There are no unusual items in terms of nature or amount that affect assets, liabilities, equity, net income, or cash flows, except for those mentioned in the Management's Discussion and Analysis of Financial Position and Financial Performance.
- c) There were no material changes in estimates of amounts reported in prior interim periods of the current year, nor were there material changes in estimates of amounts reported in prior financial years.
- d) There were no known trends, demands, commitments, events, or uncertainties that would have a material impact on the Group's liquidity. The Group does not anticipate any cash flow or liquidity issues within the next 12 months. Additionally, the Group was not in default or breach of any note, loan, lease, or other indebtedness or financing arrangement requiring payments. There were no significant amounts of the Group's trade payables that remained unpaid within the stated trade terms.
- e) There were no known trends, events, or uncertainties expected to have a favorable or unfavorable impact on net sales, revenues, or income from continuing operation.
- f) There were no known events that would trigger a direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.

Additionally, there were no material changes in contingent liabilities and contingent assets, except for Note 38 of the Audited Consolidated Financial Statements as at December 31, 2024.

- g) There are no significant elements of income or loss that did not arise from continuing operations.
- h) Sales are affected by seasonality of customer purchasing patterns. In the Philippines, food and alcoholic beverages, including those produced by the Group, generally experience increased sales during the Christmas season. Additionally, alcoholic beverages see higher sales during the summer season, which typically slow down in the third quarter due to rainy weather. As a result, performance for any given quarter is not necessarily indicative of what may be expected for other quarters or the entire year, and the Group's financial condition and results of operations may fluctuate significantly from quarter to quarter.
- i) There were no material off-balance-sheet transactions, arrangements, obligations (including contingent obligations), or other relationships with unconsolidated entities or other parties created during the reporting period.



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

The Board of Directors and Stockholders
San Miguel Food and Beverage, Inc.
40 San Miguel Avenue,
Mandaluyong City

We have audited, in accordance with Philippine Standards on Auditing, the separate financial statements of San Miguel Food and Beverage, Inc. (the Company) as at and for the years ended December 31, 2024 and 2023, on which we have rendered our report dated April 14, 2025.

Our audits were made for the purpose of forming an opinion on the separate financial statements of the Company taken as a whole. The supplementary information included in the Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management.

This supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not a required part of the separate financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the separate financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the separate financial statements taken as a whole.

R.G. MANABAT & CO.

Maria Arlene C. Yu
MARIA ARLEENE C. YU

Partner

CPA License No. 0108855

SEC Accreditation No. 108855-SEC, Group A, valid for five (5) years
covering the audit of 2021 to 2025 financial statements

Tax Identification No. 225-068-761

BIR Accreditation No. 08-000745-041-2023

Issued October 9, 2023, valid until October 9, 2026

PTR No. MKT 10467161

Issued January 2, 2025 at Makati City

April 14, 2025
Makati City, Metro Manila

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)

**RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024**
(Amounts in Thousands)

San Miguel Food and Beverage, Inc.
(A Subsidiary of San Miguel Corporation)
40 San Miguel Avenue, Mandaluyong City

Unappropriated Retained Earnings, beginning of reporting period	P2,156,510
Less: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	19,204,965
Unappropriated Retained Earnings, as adjusted	(17,048,455)
Add: Net income for the current year	19,082,777
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	11,149
Sub-total	19,071,628
Adjusted Net Income	2,023,173
Add: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Benefit from income tax deferred	3,007
Sub-total	3,007
Total Retained Earnings, end of the reporting period available for dividend	P2,026,180



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**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING
WITH THE SECURITIES AND EXCHANGE COMMISSION**

The Board of Directors and Stockholders
San Miguel Food and Beverage, Inc.
40 San Miguel Avenue
Mandaluyong City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of San Miguel Food and Beverage, Inc. (the Company) and its Subsidiaries (the Group), as at December 31, 2024 and 2023 and each of the three years in the period ended December 31, 2024, on which we have rendered our report dated April 14, 2025.

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

- Map of the Conglomerate
- Supplementary Schedules of Annex 68-J

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



These supplementary information are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

R.G. MANABAT & CO.

Maria Arleene C. Yu
MARIA ARLEENE C. YU

Partner

CPA License No. 0108855

SEC Accreditation No. 108855-SEC, Group A, valid for five (5) years
covering the audit of 2021 to 2025 financial statements

Tax Identification No. 225-068-761

BIR Accreditation No. 08-000745-041-2023

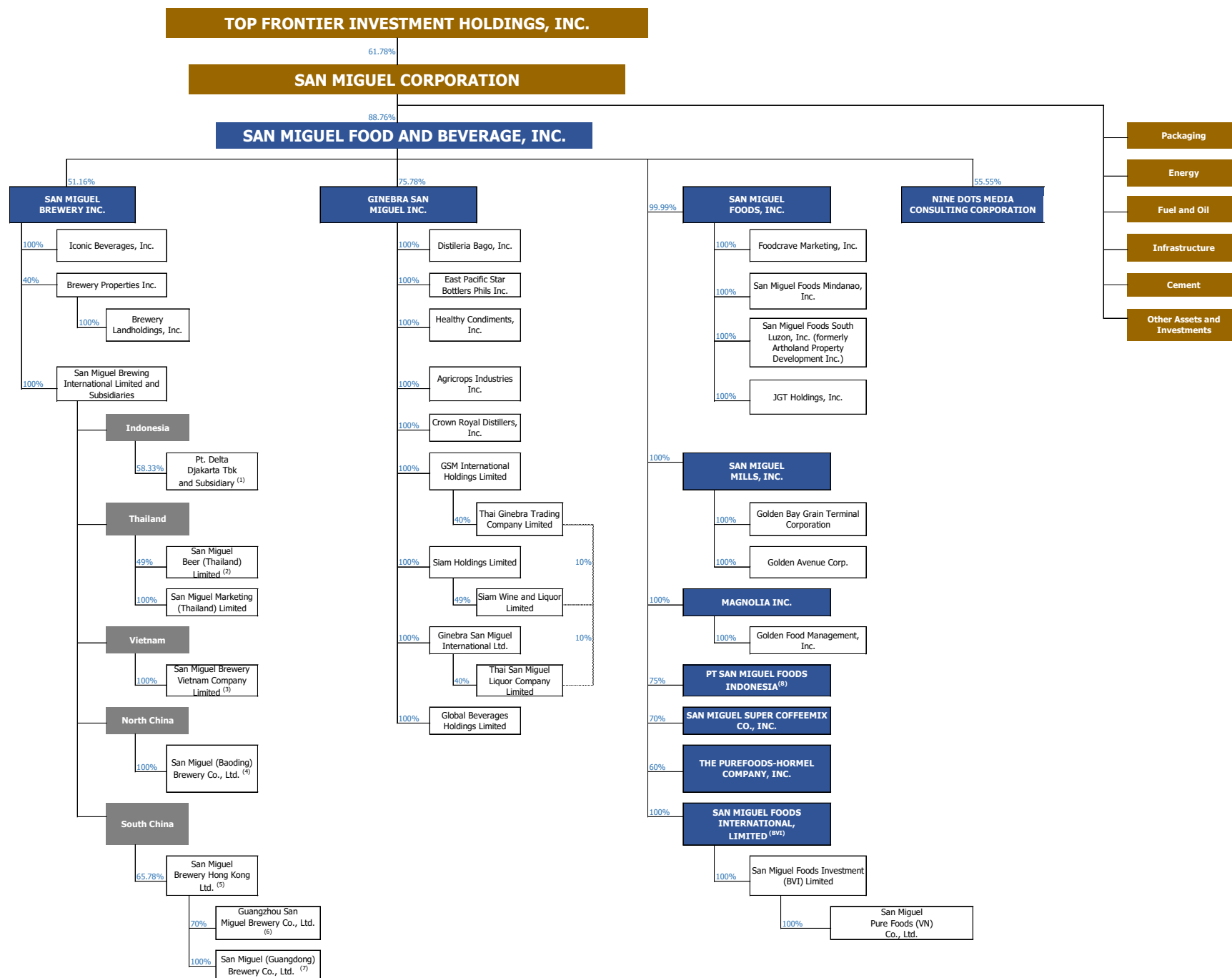
Issued October 9, 2023, valid until October 9, 2026

PTR No. MKT 10467161

Issued January 2, 2025 at Makati City

April 14, 2025

Makati City, Metro Manila



The structure includes the ultimate parent company, Top Frontier Investment Holdings, Inc. and the intermediate parent company, San Miguel Corporation with its major subsidiaries, associates and joint ventures.

I. San Miguel Food and Beverage, Inc.

- 1. Owned thru San Miguel Malaysia (L) Pte. Ltd.*
- 2. Owned thru San Miguel Holdings (Thailand) Limited*
- 3. Owned thru Dragon Island Investments Limited and San Miguel (Vietnam) Limited*
- 4. Owned thru San Miguel Brewing International Limited (BVI) and San Miguel (China) Investment Company Limited. The company has ceased operations and is in the process of liquidation.*
- 5. Owned thru Neptunia Corporation Limited*
- 6. Owned thru San Miguel (Guangdong) Limited (93%). The company has ceased operations and is in the process of liquidation.*
- 7. Owned thru San Miguel Shunde Holdings Limited (92%)*
- 8. The company has ceased operations and is in the process of liquidation.*

II. Co-Subsidiaries

- 9. Packaging includes San Miguel Yamamura Packaging Corporation and subsidiaries, Mindanao Corrugated Fibreboard, Inc., and San Miguel Yamamura Packaging International Limited and subsidiaries, including San Miguel Yamamura Phu Tho Packaging Company Limited, San Miguel Yamamura Glass (Vietnam) Limited, San Miguel Yamamura Haiphong Glass Company Limited, Zhaoqing San Miguel Yamamura Glass Company Limited, Foshan San Miguel Yamamura Packaging Company Limited and subsidiary, San Miguel Yamamura Packaging and Printing Sdn. Bhd., San Miguel Yamamura Woven Products Sdn. Bhd. and subsidiary, Packaging Research Centre Sdn. Bhd., San Miguel Yamamura Plastic Films Sdn. Bhd., San Miguel Yamamura Australasia Pty Ltd and subsidiaries including SMYC Pty Ltd. and subsidiary, Foshan Cospak Packaging Co Ltd., SMYV Pty Ltd, SMYP Pty Ltd and subsidiary, SMYBB Pty Ltd, SMYJ Pty Ltd and Vinocor Ltd.*
- 10. Energy includes San Miguel Global Power Holdings Corp. (formerly SMC Global Power Holdings Corp.) and subsidiaries, including Sual Power Inc. (formerly San Miguel Energy Corporation) and subsidiary, South Premiere Power Corp., San Roque Hydropower Inc. (formerly Strategic Power Devt. Corp.), Limay Power Inc. (formerly SMC Consolidated Power Corporation), Malita Power Inc. (formerly San Miguel Consolidated Power Corporation), SMCGP Masinloc Partners Company Limited, SMCGP Masinloc Power Company Limited, Masinloc Power Co. Ltd. (formerly Masinloc Power Partners Co. Ltd.), PowerOne Ventures Energy Inc., SMGP BESS Power Inc. (formerly Universal Power Solutions, Inc.), Excellent Energy Resources Inc., Mariveles Power Generation Corporation, San Miguel Electric Corp., SMC PowerGen Inc., SMC Power Generation Corp., Albay Power and Energy Corp., Lumiere Energy Technologies, Inc., Central Luzon Premiere Power Corp., Oceantech Power Generation Corporation and subsidiary, SMGP Kabankalan Power Co. Ltd. (formerly SMCGP Philippines Energy Storage Co. Ltd.), and Prime Electric Generation Corporation and subsidiary*
- 11. Fuel and Oil includes Petron Corporation and subsidiaries, including Petron Marketing Corporation, Petron Freeport Corporation, Overseas Ventures Insurance Corporation Ltd., New Ventures Realty Corporation and subsidiaries, Mema Holdings Inc. and subsidiaries, Petron Singapore Trading Pte., Ltd., Petron Global Limited, Petron Oil & Gas International Sdn. Bhd. and subsidiaries including Petron Fuel International Sdn. Bhd., Petron Oil (M) Sdn. Bhd. and Petron Malaysia Refining & Marketing Bhd. (collectively Petron Malaysia), Petron Finance (Labuan) Limited and Petrochemical Asia (HK) Limited and subsidiaries.*
- 12. Infrastructure includes San Miguel Holdings Corp. and subsidiaries, including SMC NAIAAX Corporation, Trans Aire Development Holdings Corp., SMC TPLEX Holdings Company, Inc., SMC TPLEX Corporation, Universal LRT Corporation (BVI) Limited, Atlantic Aurum Investments B.V. and subsidiaries, Wiselink Investment Holdings, Inc., Cypress Tree Capital Investments, Inc. and subsidiaries, San Miguel Aerocity Inc., SMC Mass Rail Transit 7 Inc., Luzon Clean Water Development Corporation, Alloy Manila Toll Expressways, Inc., SMC Infraventures Inc. and subsidiary, SMC Skyway Stage 4 Corporation, Pasig River Expressway Corporation, Intelligent E-Processes Technologies Corp., SMC Northern Access Link Expressway Corp., SMC Southern Access Link Expressway Corp., South Luzon Toll Road-5 Expressway Inc., TPLEX Operations and Maintenance Corporation, SMC NBEX Inc., SMC CBEX Inc., SMC PLEX Inc., and SMC TPLEX Extension Infrastructure Corp.*

Atlantic Aurum Investments B.V. and subsidiaries include SMC Tollways Corporation and subsidiaries including Stage 3 Connector Tollways Holdings Corporation and subsidiary, SMC Skyway Stage 3 Corporation, and SMC Skyway Corporation and subsidiary, Skyway O&M Corporation, SMC SLEX Holdings Company Inc. and subsidiaries, Manila Toll Expressway Systems Inc. and SMC SLEX Inc.

Cypress Tree Capital Investments, Inc. and subsidiaries include Star Infrastructure Development Corporation and Star Tollway Corporation (collectively the Star Tollways Group).

SMC Bulacan Water Services Corporation and subsidiaries include Obando Water Company, Inc. and Bulakan Water Company, Inc.

- 13. Cement includes San Miguel Equity Investments Inc. and subsidiaries.*

- 14. Other Assets and Investments includes San Miguel Properties, Inc. and subsidiaries, including SMPI Makati Flagship Realty Corp., Bright Ventures Realty, Inc. and Tierra Verdosa Services Corp. (formerly Tierra Verdosa Real Estate Services, Inc.), SMC Shipping and Lighterage Corporation and subsidiaries, including SL Harbor Bulk Terminal Corporation, SMC Asia Car Distributors Corp. and subsidiaries, SMC Equivest Corporation, Petrogen Insurance Corp., San Miguel International Limited and subsidiary, SMC Stock Transfer Service Corporation, ArchEn Technologies Inc., SMITS, Inc. and subsidiaries, San Miguel Integrated Logistics Services, Inc., Anchor Insurance Brokerage Corporation, Davana Heights Development Corporation and subsidiaries, Silvertides Holdings Corporation and subsidiary, Deity Holdings Corporation, Fonterra Verde Holdings Inc., One Verdana Holdings Inc. and Worldsummit Holdings Corporation.*

SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES
AGING OF ACCOUNTS RECEIVABLE
AS OF DECEMBER 31, 2024
(In Millions)

Type of Receivable:	Total	Current	1-30 days	31-60 days	61-90 days	Over 90 days
A. Trade	P26,912	P18,342	P6,566	P1,222	P227	P555
Less: Allowance	(317)	(78)	(11)	(1)	(1)	(226)
Net Trade Receivable	26,595	18,264	6,555	1,221	226	329
B. Non-Trade	3,685	846	299	140	229	2,171
Less: Allowance	(824)	(32)	(1)	(1)	(3)	(787)
Net Non-Trade Receivable	2,861	814	298	139	226	1,384
Net Receivables	P29,456	P19,078	P6,853	P1,360	P452	P1,713

SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2024

A	- FINANCIAL ASSETS	
B	- AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)	NOT APPLICABLE
C	- AMOUNTS RECEIVABLE/ PAYABLE WITH RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS	
D	- INTANGIBLE ASSETS - OTHER ASSETS	
E	- LONG-TERM DEBT	
F	- INDEBTEDNESS TO RELATED PARTIES	NOT APPLICABLE
G	- GUARANTEES OF SECURITIES OF OTHER ISSUERS	NOT APPLICABLE
H	- CAPITAL STOCK	

SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES

SCHEDULE A - FINANCIAL ASSETS

DECEMBER 31, 2024

(Amounts in Millions, except Number of Shares Data)

Name of Issuing Entity/ Description of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Statements of Financial Position	Value Based on Market Quotations at December 31, 2024	Income (Loss) Received and Accrued
Cash and cash equivalents	-	P58,221	- Not Applicable -	P2,897
Trade and other receivables - net	-	29,456	- Not Applicable -	13
Restricted Cash	-	228	- Not Applicable -	-
Derivative assets	-	85	- Not Applicable -	127 *
Financial Assets at FVOCI **	-	5,888	5,888	154
Financial Assets at amortized cost **	-	11,500	11,500	864
Noncurrent receivables and deposits - net	-	244	- Not Applicable -	-
		P105,622	P17,388	P4,055

* This represents net marked-to-market gain/losses from derivative assets and derivative liabilities that have matured during the year and those that are still outstanding as of year-end.

** The number of shares or principal amounts of bonds and notes are presented in ATTACHMENT TO SCHEDULE A - FINANCIAL ASSETS.

See Notes 4, 11, 12, 30, 33 and 34 of the Consolidated Financial Statements.

SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES
ATTACHMENT TO SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2024

(Amounts in Millions, except Number of Shares Data)

Name of Issuing Entity	No. of Shares or Principal Amount of Bonds and Notes	Valued Based on Market Quotation at December 31, 2024
San Miguel Food and Beverage Inc.		
Club Filipino	1	P-
Makati Sports Club, Inc.	1	2
Philippine Long Distance Telephone Company	325	1
Valle Verde Country Club, Inc.	1	1
Manila Electric Company	14,895	-
San Miguel Foods, Inc.		
Club Filipino	1	-
Manila Southwoods Golf & Country Club	1	6
Orchard Golf & Country Club	1	3
Philippine Long Distance Tel. Co.	5,428	-
Sta. Elena Golf & Country Club	1	24
Tagaytay Highland Golf and Country Club	1	3
Makati Sports Club, Inc.	1	2
Royal Tagaytay Country Club	1	-
Magnolia, Inc.		
Alabang Country Club, Inc.	1	14
The Purefoods-Hormel Company, Inc.		
Capitol Hills Golf and Country Club, Inc.	1	-
San Miguel Brewery, Inc and subsidiaries		
San Miguel Corporation		5,785
Bank of Commerce	3,500,000,000	3,500
Philippine Commercial Capital, Inc.	8,000,000,000	8,000
Neptunia Corporation		
HSBC Holdings	20,400	12
San Miguel Brewery Hong Kong		
The Pacific Club Kowloon	1	8
The American Club Hong Kong	1	10
Hong Kong Football Club	1	7
Discovery Bay Golf Club	1	10
Total Financial Assets		P17,388

See Notes 4, 11, 12, 30, 33 and 34 of the Consolidated Financial Statements.

SAN MIGUEL FOOD AND BEVERAGE, INC.AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED
DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Amounts in Millions)

NAME OF RELATED PARTY	BEGINNING BALANCE	ADDITIONS/ CUMULATIVE TRANSLATION RESERVE/ RECLASS/OTHERS	AMOUNTS PAID/DEBIT MEMO	AMOUNTS WRITTEN OFF	TOTAL	CURRENT	NON CURRENT	ENDING BALANCE
San Miguel Food and Beverage, Inc.	P288	P19,975	(P19,923)	P-	P340	P340	P -	P340
Nine Dots Media Consulting Corporation	-	74	(5)	-	69	69	-	69
San Miguel Foods, Inc.	3,756	5	(5)	-	3,756	3,756	-	3,756
The Purefoods-Hormel Company, Inc.	6	5	(5)	-	6	6	-	6
San Miguel Super Coffeemix Co., Inc.	211	2	(2)	-	211	211	-	211
San Miguel Mills, Inc.	-	2	(2)	-	-	-	-	-
Magnolia, Inc.	5	5	(5)	-	5	5	-	5
San Miguel Brewery, Inc. and Subsidiaries	93	14	(29)	-	78	35	43	78
Ginebra San Miguel, Inc. and Subsidiaries	11	20	(18)	-	13	13	-	13
	P4,370	P20,102	(P19,994)	P-	P4,478	P4,435	P43	P4,478

SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES
SCHEDULE C - AMOUNTS PAYABLE TO RELATED PARTIES WHICH ARE ELIMINATED
DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Amounts in Millions)

NAME OF RELATED PARTY	BEGINNING BALANCE	ADDITIONS/ CUMULATIVE TRANSLATION RESERVE/ RECLASS/OTHERS	AMOUNTS COLLECTED/ CREDIT MEMO	AMOUNTS WRITTEN OFF	TOTAL	CURRENT	NON CURRENT	ENDING BALANCE
San Miguel Food and Beverage, Inc.	P3,960	P45	P -	P -	P4,005	P4,005	P -	P4,005
San Miguel Foods, Inc.	118	1,203	(1,201)	-	120	120	-	120
The Purefoods-Hormel Company, Inc.	8	1,622	(1,616)	-	14	14	-	14
San Miguel Mills, Inc.	4	59	(60)	-	3	3	-	3
Magnolia, Inc.	17	3,579	(3,558)	-	38	38	-	38
PT San Miguel Foods Indonesia	234	21	-	-	255	255	-	255
San Miguel Foods Intl, Ltd	1	-	-	-	1	1	-	1
SMF Investment (BVI) Ltd.	3	-	-	-	3	3	-	3
San Miguel Brewery, Inc. and Subsidiaries	18	33	(22)	-	29	29	-	29
Ginebra San Miguel, Inc. and Subsidiaries	7	18	(15)	-	10	10	-	10
	P4,370	P6,580	(P6,472)	P -	P4,478	P4,478	P -	P4,478

SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES
SCHEDULE D - INTANGIBLE ASSETS AND OTHER ASSETS
DECEMBER 31, 2024
(Amounts in Millions)

Part A - Goodwill and Other Intangible Assets

Description	Beginning Balance	Additions/ Acquisition of Subsidiaries	Other Changes/ Reclassification/ (Disposal)	Charged to Costs and Expenses	Cumulative Translation Reserve	Ending Balance
Cost						
Trademarks and brand names	P37,282	P -	P -	P -	P91	P37,373
Licenses	2,133	-	-	-	110	2,243
Computer software and licenses	1,485	107	-	-	7	1,599
Goodwill	996	-	-	-	-	996
Formulas and recipes and franchise	65	-	-	-	-	65
	41,961	107	-	-	208	42,276
Accumulated Amortization						
Computer software and licenses	1,264	-	(1)	77	5	1,345
	1,264	-	(1)	77	5	1,345
Accumulated Impairment Losses						
Trademarks and brand names	252	-	-	-	13	265
Computer software and licenses	5	-	-	-	-	5
	257	-	-	-	13	270
Carrying Amount	P40,440	P107	P1	(P77)	190	P40,661

See Note 16 of the Consolidated Financial Statements.

SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES
SCHEDULE D - INTANGIBLE ASSETS AND OTHER ASSETS
DECEMBER 31, 2024
(Amounts in Millions)

Part B - Other Noncurrent Assets

Description	Beginning Balance	Additions/ Acquisition of Subsidiaries	Other Changes/ Reclassification/ (Disposal)	Charged to Costs and Expenses	Cumulative Translation Reserve/ Fair Value Reserve	Ending Balance
Costs						
Deferred containers	P50,786	P7,838	(P1,247)	P -	(P4)	P57,373
Noncurrent receivables and deposits	183	4	57	-	-	244
Noncurrent prepaid input tax	329	-	-	(142)	-	187
Pallets and crates	482	340	7	(312)	-	517
Idle assets	4,140	-	252	-	(1)	4,391
Deposits on land for future development	2,442	597	(1,101)	-	-	1,938
Noncurrent prepaid rent	77	-	-	63	-	140
Others - net	522	150	82	-	3	757
	58,961	8,929	(1,950)	(391)	(2)	65,547
Accumulated Amortization						
Deferred containers	24,948	-	(538)	5,548	(1)	29,957
Idle Assets	2,376	-	(95)	78	-	2,359
	27,324	-	(633)	5,626	(1)	32,316
Accumulated Impairment:						
Deferred containers	928	-	(384)	-	-	544
Idle assets	437	-	-	784	(1)	1,220
	1,365	-	(384)	784	(1)	1,764
Other Noncurrent Assets - net	P30,272	P8,929	(P933)	(P6,801)	P -	P31,467

See Note 17 of the Consolidated Financial Statement.

SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES
SCHEDULE E – LONG-TERM DEBT
DECEMBER 31, 2024
(Amounts in Millions)

Title of Issue	Agent/Lender	Outstanding Balance	Current Portion of Debt	Transaction Cost Current	Amount Shown as Current	Non-current Portion of Debt	Non-current Transaction Costs	Amount Shown as Non-current	Current and Long term Debt	Interest Rate	Number of Periodic Installments	Interest Payments	Final Maturity
Fixed	Banco De Oro Unibank, Inc.	P4,000	P0	P0	P-	P4,000	P(8)	P3,992	P3,992	3.80%	Bullet	Quarterly	March 30, 2026
Fixed	Bank of the Philippine Islands	2,000	0	0	-	2,000	(4)	1,996	1,996	3.95%	Bullet	Quarterly	March 30, 2026
Fixed	China Banking Corporation	1,500	-	-	-	1,500	(3)	1,497	1,497	3.950%	Bullet	Quarterly	March 30, 2026
Fixed	Rizal Commercial Banking Corporation	2,421	21	(4)	17	2,400	(2)	2,398	2,415	3.88%	Amortized	Quarterly	March 30, 2026
Fixed	Banco De Oro Unibank, Inc.	2,000	0	0	-	2,000	(7)	1,993	1,993	4.15%	Amortized	Quarterly	March 30, 2028
Fixed	Bank of the Philippine Islands	4,000	4000	(2)	3,998	-	-	-	3,998	4.63%	Bullet	Quarterly	April 1, 2025
Fixed	Bank of the Philippine Islands	3,000	0	0	-	3,000	(11)	2,989	2,989	5.75%	Bullet	Quarterly	April 1, 2027
Fixed	China Banking Corporation	5,000	0	0	-	5,000	(24)	4,976	4,976	6.84%	Bullet	Quarterly	December 20, 2027
Fixed	China Banking Corporation	5,000	0	0	-	5,000	(25)	4,975	4,975	6.53%	Bullet	Quarterly	December 20, 2027
Fixed	Bank of the Philippine Islands	5,000	0	0	-	5,000	(37)	4,963	4,963	6.57%	Bullet	Quarterly	December 21, 2029
Fixed	China Banking Corporation	3,000	0	0	-	3,000	(23)	2,977	2,977	6.57%	Bullet	Quarterly	December 23, 3031
Fixed	China Banking Corporation	2,000	0	0	-	2,000	(15)	1,985	1,985	6.57%	Bullet	Quarterly	December 21, 2029
Fixed	RCBC Trust and Investments Division	8,000	8,000	(5)	7,995	-	-	-	7,995	5.050%	Bullet	Quarterly	March 10, 2025
Fixed	RCBC Trust and Investments Division	7,000	-	-	-	7,000	(32)	6,968	6,968	5.250%	Bullet	Quarterly	March 10, 2027
Fixed	Bank of the Philippine Islands	1,894	53	(1)	52	1,840	(2)	1,838	1,890	3.284%	28 Quarters	Quarterly	December 18, 2026
Fixed	Bank of the Philippine Islands	9,703	149	(1)	148	9,554	(41)	9,513	9,661	3.548%	28 Quarters	Quarterly	December 12, 2029
Floating	Bank of the Philippine Islands	7,762	119	(1)	118	7,644	(33)	7,611	7,729	i) 3-month PHP BVAL + 0.75% or ii) BSP 28-day TDF Rate + 0.375% whichever is higher	28 Quarters	Quarterly	December 12, 2029
Fixed	BDO Unibank, Inc.	5,000	-	-	-	5,000	(14)	4,986	4,986	3.846%	20 Quarters	Quarterly	September 29, 2026
Fixed	Bank of the Philippine Islands	2,000	-	-	-	2,000	(5)	1,995	1,995	3.846%	20 Quarters	Quarterly	September 29, 2026
		P 80,280	P12,342	(P14)	P12,328	P 67,938	(P286)	P67,652	P79,980				

See Notes 20, 27, 33 and 34 of the Consolidated Financial Statements.

SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES
SCHEDULE H - CAPITAL STOCK
DECEMBER 31, 2024

Description	Number of Shares Authorized	Number of Shares Issued	Share Swap Transaction	Stock Split	Treasury Shares	Shares Issued and Outstanding	Number of Shares Held		
							Related Party	Directors and Officers	Others
Common Shares	11,600,000,000	170,874,854	4,242,549,130	1,537,873,686	42,077,580	5,909,220,090	5,245,082,440	150	664,137,500
Preferred Shares	40,000,000	30,000,000	-	-	30,000,000	-	-	-	-
Total	11,640,000,000	200,874,854	4,242,549,130	1,537,873,686	72,077,580	5,909,220,090	5,245,082,440	150	664,137,500

See Notes 21 and 31 of the Consolidated Financial Statements.

SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE – RELATED INFORMATION
DECEMBER 31, 2024
(Amounts in Millions)

	2024	2023
Total Audit Fees	P63	P58
Non-audit services fees:		
Other assurance services	1	1
Tax services	3	1
All other services	2	1
Total Non-audit Fees	6	3
Total Audit and Non-Audit Fees	P69	P61

**MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS OF**

SAN MIGUEL FOOD AND BEVERAGE, INC.

Held on 5 June 2024¹

The Annual Stockholders' Meeting of the Company was conducted virtually and streamed live through the link accessible from the Company's website www.smfb.com.ph. Stockholders attended the meeting by remote communication and voted through the sending of ballots or by appointing a proxy pursuant to the rules provided in the Notice of Meeting and Definitive Information Statement of the Company.

PRESENT:

Stockholders

See Record of Attendance attached as **Annex "A"** to these minutes.

Directors

RAMON S. ANG – Vice Chairman, President and Chief Executive Officer

FRANCISCO S. ALEJO III – Chief Operating Officer, Food Division

EMMANUEL B. MACALALAG – Chief Operating Officer, Spirits Division

FERDINAND K. CONSTANTINO – Treasurer

AURORA T. CALDERON

JOHN PAUL L. ANG

MENARDO R. JIMENEZ

FRANCIS H. JARDELEZA

RICARDO C. MARQUEZ

(also Chairman of Board Risk Oversight and Sustainability Committee)

CIRILO P. NOEL

(also Chairman of Audit Committee)

ESTELA M. PERLAS-BERNABE

(also Chairman of Related Party Transaction Committee)

AURORA S. LAGMAN

(also Chairman of Corporate Governance Committee)

In attendance:

CARLOS ANTONIO M. BERBA – President, San Miguel Brewery Inc.

ILDEFONSO B. ALINDOGAN – Chief Finance Officer, Chief Strategy Officer

KRISTINA LOWELLA I. GARCIA – Investor Relations Manager, Data Protection Officer

ALEXANDRA VICTORIA B. TRILLANA – Corporate Secretary, Compliance Officer,
General Counsel

MA. CELESTE L. RAMOS – Assistant Corporate Secretary

JOHANNA DOMINIQUE G. ESTEBAN – Internal Audit Head

KPMG R.G. MANABAT & CO. (Jose P. Javier, representative)

SMC STOCK TRANSFER SERVICE CORP. (Enrique L. Yusingco, representative)

I. CALL TO ORDER

The live stream of the meeting at www.smfb.com.ph started promptly at 2:00 p.m. After the national anthem and invocation, Mr. Ramon S. Ang, Vice Chairman, President and Chief Executive Officer, acted as Chairman of the meeting, called the meeting to order and presided over the proceedings.

¹ Draft subject to approval of the stockholders at the next stockholders' meeting.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary, Atty. Alexandra B. Trillana, certified that notices were duly sent. She further certified that there was a quorum for the valid transaction of business. There was present in person, by attendance advice emailed to the Company, or by proxy, stockholders representing approximately 89.26% of the outstanding capital stock of the Company.

The total number of shares in attendance was 5,274,258,704. Of this total number of shares, 5,273,799,481 were represented by proxy while 459,223 shares were represented in person. She informed the assembly that the Chairman held proxy for or represented approximately 89.25% of the outstanding capital stock of the Company and that he was voting in favor of all corporate actions in the Agenda submitted for approval in the meeting, or as instructed in the proxies.

Atty. Trillana also acknowledged the attendance of the members of the Board of Directors, as listed above, as well as the Company's key officers, KPMG R.G. Manabat & Co., the external auditor for the year 2023, and SMC Stock Transfer Service Corporation, the Company's independent stock transfer agent, who attended the meeting onsite at the Executive Dining Room, 2nd Floor, San Miguel Corporation, 40 San Miguel Avenue, Mandaluyong City, from where the meeting was livestreamed.

The stockholders were advised that after the Annual Report for 2023, questions and comments, if any, emailed to the dedicated email address for the meeting smfbasm@sanmiguel.com.ph will be read and addressed. Questions not answered during the meeting will be replied to by the Office of the Corporate Secretary or Investor Relations Manager.

The full agenda of the meeting was presented. The Corporate Secretary said that the rationale and brief explanation of each item in the agenda were provided in the Notice and the Definitive Information Statement (DIS) for the meeting posted in the Company's website as early as May 8, 2024.

As stated in the DIS, the method of voting for all matters submitted to a vote at the meeting is by ballot or by proxy validly submitted by outstanding stockholders of record as of May 6, 2024. A sample ballot/proxy, which enabled stockholders to vote in writing on each item or proposal in the Agenda, was provided in the DIS and made available for download on the Company's website. The Company's independent stock transfer agent was appointed to canvass and validate the votes.

Each stockholder is allowed one vote per share and the election of the Board of Directors is by cumulative voting by the common shareholders.

Where a quorum is present, a simple majority vote of the stockholders holding common shares, by ballot or proxy validly submitted, will be needed for the approval of the minutes of the previous stockholders' meeting, the approval of the annual report and 2023 audited financial statements, the ratification of all acts of the Board of Directors and management since the last annual stockholder's meeting, the appointment of the external auditor of the Company for 2024, and the ratification of external auditor fees for 2023. On the other hand, the affirmative vote of stockholders holding at least two-thirds (2/3) of the common shares present and represented by proxy at the meeting or who submitted ballots is necessary for the approval of the proposals to amend the Articles of Incorporation of the Company.

In the election of directors, the 15 qualified nominees who receive the highest votes shall be deemed duly elected as directors. A stockholder may distribute his votes per share to as many persons as there are directors to be elected, or he may cumulate his shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of shares he has, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares he owns as shown in the books of the Company multiplied by the whole number of directors to be elected.

Atty. Trillana further informed the stockholders that the vote canvassing results, including the number of votes against the relevant items in the Agenda, as well as those that abstained from voting, will be posted in the Company's website and disclosed in accordance with the requirements of the regulators.

Each proposed resolution for consideration by the stockholders was presented as these were taken up.

III. APPROVAL OF THE MINUTES OF THE 2023 ANNUAL STOCKHOLDERS' MEETING

The Chairman referred to the next item on the Agenda, which is the approval of the minutes of the annual meeting of the stockholders held on June 7, 2023, a copy of which had been attached to the DIS, as well as posted on the Company's website.

Upon motion duly made and seconded by separate stockholders, and there being no objection, the following resolution presented was approved:

Resolution No. 2024-06-05-01

"RESOLVED, that the minutes of the Annual Stockholders' Meeting of the Company held on June 7, 2023, be approved."

With the vote of the Chairman, majority of the outstanding common shares represented at the meeting had voted in favor of the proposal. The exact number of votes is provided in **Annex "B"** hereof.

IV. PRESENTATION OF ANNUAL REPORT AND APPROVAL OF 2023 AUDITED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company as at and for the year ended December 31, 2023, had likewise been attached to the DIS for the meeting and posted on the Company's website.

The Annual Report of the Company for the year ended December 31, 2023 in SEC Form 17-A, referred to in the DIS and also posted on the Company's website, sets out the dividends paid to the stockholders in the year 2023. It also provides that in 2023, the Company had no transactions with directors, officers or any principal stockholders (owning at least 10% of the total outstanding shares of the Company) that are not in the ordinary course of business of the Company. There have been no complaints, disputes or problems regarding related party transactions of the Company.

Upon the request of the Chairman, Mr. Ildefonso B. Alindogan, Vice President, Chief Finance Officer and Chief Strategy Officer, delivered the Company's Annual Report for 2023. He also reported on the financial results of

the Company for the first quarter of 2024. A copy of the Report is attached to these minutes as **Annex “C”**.

After the report, Ms. Kristina Garcia, Investor Relations Manager, read the questions submitted by stockholders:

A stockholder inquired how the completion of the first mega poultry farm in Hagonoy, Davao del Sur will help boost the country’s food security?

Mr. Francisco S. Alejo III, Director and Chief Operating Officer for the Food Division replied that the Hagonoy facility is the first of several mega poultry farms that will be built across the country to support capacity expansion to meet the increasing market demand for chicken and chicken products. The latest technology in poultry farming and best practices in animal health and nutrition will be employed, thus allowing the facility to consistently produce healthy chickens of premium quality to meet consumer demand for safe and affordable products.

The mega poultry farms will ensure capacity availability at all times, making a bigger impact in boosting our country’s food security.

Another stockholder inquired on the initiatives in place in San Miguel Brewery Inc. (SMB) to further increase demand and grow volumes given its market share in the Philippines.

Mr. Carlos Antonio M. Berba, SMB’s President, replied that for 2024, the aim is to further boost demand and further grow volumes by putting focus on consumption programs and capture untapped market opportunities.

This includes magnifying leadership by strengthening distinctiveness of SMB brands, leveraging on its portfolio, intensifying visibility and availability in all trade channels, and implementing consumption-generating programs to build a stronger consumer base. The visibility and availability of no and low alcohol brands will be strengthened to aligned to the sustainability thrust, and aggressively expand share in the premium market.

Lastly, a stockholder shared his observation that Ginebra San Miguel Inc. (GSMI) has been very successful in hitting record revenues. He asked if there is still more room for growth this year and if there are still areas in the Philippines where market share can grow.

Mr. Emmanuel B. Macalalag, Director and Chief Operating Officer for the Spirits Division, replied that the current market share of Ginebra San Miguel stands at 48% and thus, there is still room for growth. Geographically, Ginebra intends to grow its market share in Visayas and Mindanao by continuing to expand its distribution reach and coverage with the addition of more dealer routes, satellite warehouses, and the deployment of market development teams.

This year, one of the main objectives of GSMI is to further strengthen its position as market leader in the local spirits industry.

There being no other questions submitted in advance of the meeting, upon motion duly made and seconded by separate stockholders, and there being no objection, the following resolution presented was approved:

Resolution No. 2024-06-05-02

“RESOLVED, that the Question-and-Answer session of stockholders be closed, and that the Annual Report of the Company for 2023 as presented, including the 2023 Audited Consolidated

Financial Statements of the Company and its subsidiaries, be approved and ratified.”

With the vote of the Chairman, majority of the outstanding common shares represented at the meeting had voted in favor of the proposal. The exact number of votes is provided in **Annex “B”** hereof.

V. RATIFICATION OF ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND CORPORATE OFFICERS

The Chairman proceeded to the next item on the Agenda, which is the ratification of all acts and proceedings of the Board of Directors and corporate officers since June 7, 2023 until the date of this meeting, June 5, 2024.

The Corporate Secretary explained that the ratification by the stockholders is sought for the acts and resolutions of the Board of Directors, its Committees, as well as acts of officers of the Company taken or adopted since the annual stockholders’ meeting on June 7, 2023, until the date of this meeting, June 5, 2024, as approved by the Board during its meetings and/or covered by disclosures to the regulators and posted on the Company’s website. The acts of management at the direction of the Company’s Board of Directors and officers are those undertaken to implement the resolutions of the Board or its Committees, or conducted in the regular course of business.

A summary of these acts and resolutions, which include the appointment of officers, members of the Board committees, and lead independent director, filing of the Company’s Quarterly Reports with the SEC, PSE and PDEx, approval of external auditor’s 2023 Audit Plan and fees negotiated by Management, creation of Board Risk Oversight and Sustainability Committee and appointment of two additional members of the Committee, amendments to the Board Diversity Policy, declaration of cash dividends, approval of the Charter of the Board Risk Oversight and Sustainability Committee, approval of amendments to the Articles of Incorporation, approval of (i) 2023 Audited Financial Statements; (ii) 2023 Annual Report for filing with SEC, PSE and PDEx; and (iii) Consolidated Internal Audit Plan and Consolidated Outsourcing Plan of the Internal Audit Group, approval of the holding of the 2024 Annual Stockholders’ Meeting through remote communication, and SEC Form 17-A containing a discussion that directors do not receive any compensation or director’s fees from the Company other than a reasonable per diem of Php25,000 for every Board meeting attended and Php20,000 for every Board Committee meeting attended, were set out in the DIS and presented at the meeting for reference.

Upon motion duly made and seconded by separate stockholders, and there being no objection, the following resolution presented was approved:

Resolution No. 2024-06-05-03

“RESOLVED, that all acts, resolutions and proceedings of the Board of Directors and Corporate Officers of the Company since the Annual Meeting of the Stockholders on June 7, 2023 until today, June 5, 2024, as set forth in the minutes of the meetings of the Board of Directors, as well as the financial statements and records of the Company, be approved, confirmed and ratified.”

With the vote of the Chairman, majority of the outstanding common shares represented at the meeting had voted in favor of the proposal. The exact number of votes is provided in **Annex “B”** hereof.

VI. APPROVAL OF AMENDMENTS TO THE ARTICLES OF INCORPORATION

(A) Primary Purpose of Company

The Corporate Secretary advised the stockholders that on March 6, 2024, the Board of Directors approved the amendment to the Second Article of the Articles of Incorporation to clarify the primary purpose of the Company as it relates to the kind of assets it owns, particularly, the lease and license, as the case may be, of real and personal property of every kind and description whether tangible or intangible, such as trademarks and other intellectual property rights.

Upon motion duly made and seconded by separate stockholders, and there being no objection, the following resolution presented was approved:

Resolution No. 2024-06-05-04

“RESOLVED, that the amendment to the Second Article of the Articles of Incorporation to clarify the primary purpose of the Company as it relates to the kind assets it owns; particularly, the lease and license, as the case may be, of real and personal property of every kind and description whether tangible or intangible such as trademarks and other intellectual property rights, be approved;

RESOLVED, FURTHER, that the said Article be amended to read as follows (amendment in boldface underscored):

“SECOND: that the purpose for which such corporation is formed, is as follows, to wit:

PRIMARY PURPOSE

xxx; to own, acquire, pledge, buy, sell, convey, **lease, license, assign and transfer, as the case may be,** meats, fish, fruits, cereals, grains, foods, and vegetables and their by-products, alcoholic and non-alcoholic beverages, goods and merchandise, real and personal property of every kind or description **whether tangible or intangible such as trademarks and other intellectual property rights,** which may be incidental in carrying out the business of the corporation. xxx.”

With the vote of the Chairman, more than 2/3 of the outstanding common shares represented at the meeting had voted in favor of the proposal. The exact number of votes is provided in **Annex “B”** hereof.

(B) Pasig City Principal Office Address of Company

The Corporate Secretary further advised that on March 6, 2024, the Board of Directors approved the amendment to the Third Article of the Articles of Incorporation to specify the Company’s current office address at 100 E. Rodriguez Jr. Ave. (C5 Road), Barangay Ugong, Pasig City, to align with the Company’s records and filings with other government and regulatory authorities.

Upon motion duly made and seconded by separate stockholders, and there being no objection, the following resolution presented was approved:

Resolution No. 2024-06-05-05

“RESOLVED, that the amendment to the Third Article of the Articles of Incorporation to specify the current office address of the Company in Pasig City, which is at 100 E. Rodriguez Jr. Avenue (C5 Road), Barangay Ugong, Pasig City, be approved;

RESOLVED, FURTHER, that the said Article be amended to read as follows (amendment in boldface underscored):

“THIRD: - that the place where the principal office of the Corporation is to be located or established is at **100 E. Rodriguez Jr. Avenue (C5 Road), Barangay Ugong**, Pasig City, Metro Manila, Philippines. Branch offices may be established anywhere in the Philippines or abroad.”

With the vote of the Chairman, more than 2/3 of the outstanding common shares represented at the meeting had voted in favor of the proposal. The exact number of votes is provided in **Annex “B”** hereof.

VII. APPOINTMENT OF EXTERNAL AUDITOR FOR 2024 AND RATIFICATION OF EXTERNAL AUDITOR FEES

The stockholders proceeded to consider the nomination for the position of external auditor of the Company.

The Corporate Secretary informed the assembly that after evaluation, the Audit Committee recommends (a) the re-appointment of the accounting firm KPMG R.G. Manabat & Co. as the external auditor of the Company for fiscal year 2024, and (b) the ratification of KPMG’s fees for the preparation of the 2023 audited parent and consolidated financial statements of the Company in the amount of approximately Php1.35Mn. The audit plan for 2024 shall be presented to the Audit Committee for approval, while the fees payable to the auditor shall, with the authority of the Audit Committee, be negotiated by management to be in the best interest of the Company. The Chairman of the Audit Committee, Independent Director Cirilo P. Noel, confirmed this.

Upon motion duly made and seconded by separate stockholders, and there being no objection, the following resolutions presented were approved:

Resolution No. 2024-06-05-06

“RESOLVED, that the accounting firm of KPMG R.G. Manabat & Co. be appointed as external auditor of the Company for fiscal year 2024.”

Resolution No. 2024-06-05-07

“RESOLVED, that the fees billed by KPMG R.G. Manabat & Co. for the preparation of the 2023 audited parent and consolidated financial statements of the Company, be ratified.”

With the vote of the Chairman, majority of the outstanding common shares represented at the meeting had voted in favor of each proposal. The exact number of votes are provided in **Annex “B”** hereof.

VIII. ELECTION OF BOARD OF DIRECTORS

The next item on the Agenda is the election of the members of the Board of Directors of the Company.

The Corporate Secretary informed the assembly that in accordance with the By-laws, Manual on Corporate Governance and rules of the Securities and Exchange Commission (SEC), any stockholder, including minority stockholders, may submit nominations to the Board of Directors of the Company. The Corporate Governance Committee will determine whether the nominees for directors, including nominees for independent directors, have all the qualifications and none of the disqualifications to serve as members of the Board before submitting the nominees for election by the stockholders. The profiles of the nominees to the Board of Directors were provided in the DIS for this meeting, for consideration by the stockholders. This was confirmed by the Chairperson of the Corporate Governance Committee, Independent Director Aurora S. Lagman.

The names of the nominees to the Company's Board of Directors as endorsed by the Corporate Governance Committee, all of whom were determined to possess the qualifications and none of the disqualifications under the Company's By-laws and Manual on Corporate Governance, were presented.

They are:

Ramon S. Ang
 John Paul L. Ang
 Francisco S. Alejo III
 Carlos Antonio M. Berba
 Emmanuel B. Macalalag
 Ferdinand K. Constantino
 Aurora T. Calderon
 Menardo R. Jimenez
 Francis H. Jardeleza
 Monica L. Ang-Mercado
 Ricardo C. Marquez
 Cirilo P. Noel
 Aurora S. Lagman
 Estela M. Perlas-Bernabe
 Antonio S. Abacan, Jr.

The Corporate Secretary said that the nominees for independent directors as identified in the DIS for the meeting, are Gen. Ricardo C. Marquez, Mr. Cirilo P. Noel, Justice Aurora S. Lagman, Justice Estela M. Perlas-Bernabe, and Mr. Antonio S. Abacan, Jr. This is in accordance with the SEC requirement of electing independent directors.

A stockholder moved for the election of the 15 nominees as members of the Board of Directors of the Company, and that the votes of the common shareholders present and represented by proxies or who submitted ballots be recorded accordingly. The motion was duly seconded by another stockholder.

There being no objection to the motion, the following resolution presented was approved:

Resolution No. 2024-06-05-08

“RESOLVED, That the following be elected as members of the Board of Directors of the Company, to serve as such beginning June 5, 2024 for a term of one (1) year and until their successors are elected and qualified:

Ramon S. Ang
John Paul L. Ang
Francisco S. Alejo III
Carlos Antonio M. Berba
Emmanuel B. Macalalag
Ferdinand K. Constantino
Aurora T. Calderon
Menardo R. Jimenez
Francis H. Jardeleza
Monica L. Ang-Mercado
Ricardo C. Marquez (Independent)
Cirilo P. Noel (Independent)
Aurora S. Lagman (Independent)
Estela M. Perlas-Bernabe (Independent)
Antonio S. Abacan, Jr. (Independent).”

Accordingly, the Chairman declared the nominees as duly elected members of the Board of Directors of the Company. On behalf of management, the Chairman welcomed the newly elected Board of Directors and thanked the stockholders for their vote of confidence.

IX. ANNOUNCEMENT OF RESULTS

The vote canvassing results stating the number of votes for and against the relevant items in the Agenda, as well as those that abstained from voting, and including the votes garnered by each nominee to the Board of Directors (as earlier posted in the Company’s website), is attached to these minutes as **Annex “B”**. With regard to the election of the Board of Directors, the Chairman distributed his votes equally for all nominees, unless otherwise instructed in the proxies held by him.

X. OTHER MATTERS / ADJOURNMENT

The Chairman asked if there were any other matters that any stockholder wished to bring up to the assembly.

There being no other matters, the Chairman entertained a motion for adjournment. A stockholder moved to adjourn the meeting, which motion was duly seconded by another stockholder. No objection being made, the Chairman adjourned the meeting and thanked all stockholders for their attendance and participation.

ATTESTED BY:

RAMON S. ANG

Vice Chairman and Chairman of the Meeting

Certified Correct:


ALEXANDRA VICTORIA B. TRILLANA
Corporate Secretary

DRAFT

San Miguel Food and Beverage, Inc.

Annual Stockholders' Meeting - June 5, 2024

Record Date - May 6, 2024

Proxy and Attendance Report (Final)

Stockholder Name	No. Of Common Shares	% vs O/S (Common)
With Proxy		
San Miguel Corporation	5,245,082,440	88.76%
Deutsche Bank AG Manila Branch	7,584,950	0.13%
HSBC	1,168,064	0.02%
Citibank	5,978,964	0.10%
Standard Chartered Bank	13,985,063	0.24%
WITH PROXY TOTAL	5,273,799,481	89.25%
ATTENDING IN PERSON		
Directors:		
Ramon S. Ang	10	0.000%
Francisco S. Alejo III	10	0.000%
Francisco S. Alejo III (lodged)	230,000	0.004%
Carlos Antonio M. Berba	10	0.000%
Emmanuel B. Macalalag	10	0.000%
Ferdinand K. Constantino	10	0.000%
Aurora T. Calderon	10	0.000%
Menardo R. Jimenez	10	0.000%
Ma. Romela M. Bengzon	10	0.000%
Francis H. Jardeleza	10	0.000%
John Paul L. Ang	10	0.000%
Ricardo C. Marquez	10	0.000%
Cirilo P. Noel	10	0.000%
Winston A. Chan	10	0.000%
Aurora S. Lagman	10	0.000%
Estela M. Perlas-Bernabe	10	0.000%
Estela M. Perlas-Bernabe (lodged)	3,000	0.000%
Officers:		
Kristina Lowella I. Garcia	10,000	0.000%
Others:		
Enrique LI. Yusingco	27,900	0.000%
Christopher A. Bernardo	188,173	0.003%
IN PERSON TOTAL	459,223	0.01%
TOTAL ATTENDING STOCKHOLDERS IN PERSON OR BY PROXY	5,274,258,704	89.26%
Others (without proxy or registration)	634,961,386	10.74%
Total Outstanding Shares	5,909,220,090	100.00%

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San Miguel Food and Beverage, Inc.
PROXY VOTING MODULE
Stockholders' Meeting Vote Canvassing Results

PAGE 1

NOM. NO.	NOMINEE	VOTES
1	RAMON S. ANG	5,264,122,163
2	FRANCISCO S. ALEJO III	5,273,109,454
3	CARLOS ANTONIO M. BERBA	5,273,109,454
4	EMMANUEL B. MACALALAG	5,273,109,454
5	FERDINAND K. CONSTANTINO	5,271,662,336
6	AURORA T. CALDERON	5,261,935,030
7	MENARDO R. JIMENEZ	5,273,109,454
8	FRANCIS H. JARDELEZA	5,273,109,454
9	JOHN PAUL L. ANG	5,261,866,840
10	MONICA L. ANG-MERCADO	5,273,109,454
11	RICARDO C. MARQUEZ	5,273,109,454
12	CIRILO P. NOEL	5,264,757,630
13	AURORA S. LAGMAN	5,273,109,454
14	ESTELA M. PERLAS-BERNABE	5,273,109,454
15	ANTONIO S. ABACAN, JR.	5,273,799,481
Total votes registered		79,106,992,215
Total votes counted for election of board nominees		79,056,128,566
Total uncast votes for election of board nominees		50,863,649

RES. NO.	RESOLUTION	SHARES VOTED	% TO TOTAL O.S.
2	Approval of the Minutes of the 2023 Annual Stockholders' Meeting on June 7, 2023	5,273,799,481	89.247%
	For	5,273,725,301 -	89.246%
	Against	0 -	0.000%
	Abstain	74,180 -	0.001%
3	Approval of the Annual Report and Audited Financial Statements of the Company for the year ended December 31, 2023	5,273,799,481	89.247%
	For	5,273,628,691 -	89.244%
	Against	0 -	0.000%
	Abstain	170,790 -	0.003%
4	Ratification of all the acts of the Board of Directors and Officers since the 2023 Annual Stockholders' Meeting	5,273,799,481	89.247%
	For	5,273,628,691 -	89.244%
	Against	0 -	0.000%
	Abstain	170,790 -	0.003%
5	Approval of Amendments to the Articles of Incorporation to clarify: The primary purpose of Company as it relates to the assets it owns, in the Second Article	5,273,799,481	89.247%
	For	5,273,799,481 -	89.247%
	Against	0 -	0.000%
	Abstain	0 -	0.000%
6	Approval of Amendments to the Articles of Incorporation to clarify: The Pasig City principal office address of Company, in the Third Article	5,273,799,481	89.247%
	For	5,273,799,481 -	89.247%
	Against	0 -	0.000%
	Abstain	0 -	0.000%

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San Miguel Food and Beverage, Inc.
PROXY VOTING MODULE
Stockholders' Meeting Vote Canvassing Results

PAGE 2

7 Appointment of KPMG R.G. Manabat & Co. as external auditor of the Company for fiscal year 2024	5,273,799,481	89.247%
For	5,273,799,481	89.247%
Against	0	0.000%
Abstain	0	0.000%
8 Ratification of external auditor fees billed by KPMG R.G. Manabat & Co. to the Company for fiscal year 2023	5,273,799,481	89.247%
For	5,273,799,481	89.247%
Against	0	0.000%
Abstain	0	0.000%

SUMMARY REPORT

% TO
TOTAL O.S.

OUTSTANDING COMMON SHARES	5,909,220,090	
OUTSTANDING PREFERRED SHARES	0	
TOTAL OUTSTANDING SHARES AS OF RECORD DATE	5,909,220,090	
TOTAL SHARES IN ATTENDANCE :		
Attending proxy assignees	5,273,799,481	
Attending stockholders	459,223	
	5,274,258,704	89.255%
LESS :		
Invalidated / knocked-off / Uncast shares - Proxy Assignees	0	
Knock-off by attending stockholder	0	
Invalidated shares - Stockholders	0	
Uncast shares of stockholders	459,223	
TOTAL SHARES/VOTES COUNTED	5,273,799,481	89.247%

NOTE:

Total no. of stockholders in attendance	20
Total no. of stockholder with ballots	0

*** END OF REPORT ***

June 5, 2024

Message to Shareholders

Good Afternoon, Mr. Chairman and President, Directors of the Company, and shareholders.

2023 was a remarkable year for San Miguel Food and Beverage Inc. as we continued to grow our topline and delivered record profits.

While the first half of the year was marked by challenges such as high interest rates, inflation, and supply chain bottlenecks, SMFB persevered and ended the year even stronger.

Consolidated sales amounted to P379.8 billion, reflecting a 6% increase from the prior year. All business segments delivered sales growth. While consolidated operating income dipped slightly to P48.4 billion, net income jumped 10% to P38.1 billion, the highest net income figure achieved by SMFB since its consolidation in 2018.

The Beer business reported an 8% growth in consolidated sales to P147.3 billion, spurred by stronger demand in both domestic and overseas markets.

Domestic sales climbed 8% to P131.7 billion due to effective marketing campaigns and expanded sales initiatives. On the other hand, revenue from its international operations rose 7%, driven by robust demand for its San Miguel global brands, resulting in overall growth, particularly in South China, Thailand, and Exports.

Beer's consolidated operating income for 2023 was 6% higher at P31.4 billion.

The Food business delivered P178.8 billion in revenues, 2% higher, driven by increased pricing across its business segments to cope with rising input costs, backed by aggressive marketing efforts to boost demand.

The flour, processed meats, dairy, and coffee segments performed strongly, but constraints in poultry, which accounts for a large portion of the food business, adversely affected overall performance.

Food ended the year with operating income of P10.2 billion, which surpassed pre-pandemic levels.

Meanwhile, the Spirits business registered another record year. Revenues grew 13% to P53.6 billion due to its initiatives to strengthen brand equity. Operating income was up 14% at P6.8 billion.

Moving on to the first quarter of 2024, we are pleased to report that SMFB delivered strong first quarter results, highlighted by significant growth in operating income and operating margin expansion.

Consolidated revenues for the period amounted to P95.4 billion, up 2%. Consolidated operating income, on the other hand, totaled P13.1 billion, 13% higher, attributable to higher sales volumes from its Food and Spirits businesses. Consolidated net income, meanwhile, increased 1% to P10 billion.

The first quarter was a good start to the year for Food as it sustained its topline growth and delivered strong profits. Consolidated sales hit P43 billion, up 2%, driven largely by higher volumes across most of its segments. Operating income expanded by 78% to P2.7 billion, on back of higher gross profits as prices of key raw materials eased and efficiencies from company-owned facilities continue to reap benefits.

Similarly, Spirits posted a strong first quarter. The strength of its core brands, as well as supply chain improvements built over the years, helped protect volumes and profitability. As a result, revenues grew 17% to P15.1 billion, on back of a jump in volumes and increase in selling prices. Operating income was up 40% at P2.3 billion.

On the other hand, Beer posted consolidated revenues of P37.4 billion, 3% lower on account of lower volume. The first quarter 2023 performance in the domestic business was pushed by the build-up in trade in anticipation of a price increase effective March 2023. Beer's international business, on the other hand, registered a slight decline in volumes due to market mix. Its global San Miguel brands, however, continued to deliver robust volumes as it grew 4%. As a result, consolidated operating income was down 4% to P8.1 billion.

Last year, as a group, we prioritized investing in strengthening our competitiveness. In addition to further building our brand equity, we expanded our facilities and distribution network to make our products more accessible to consumers. We, likewise, ensured that our employees were provided with a broader set of skills that are aligned with SMFB's strategic goals and to cope with the rapidly changing food and beverage industry.

As we evolve and move forward, sustainability remains integral to our strategy. We are committed to align with the sustainability targets of our parent company, San Miguel Corporation. We are confident that in cultivating success within SMFB and embracing a culture of sustainability, we are better equipped to deliver value to all our stakeholders.

We acknowledge the hard work and dedication of all our employees across the Beer, Spirits, and Food Divisions and their agility as we navigated another challenging year as a team.

We look forward to another year ahead, improving our capabilities, driving growth, and scaling up our ambition as the Philippines' leading food and beverage company.

Thank you.

**SAN MIGUEL FOOD AND BEVERAGE, INC.
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
As at March 31, 2025 and December 31, 2024 and
For the Periods Ended March 31, 2025 and 2024**

**SAN MIGUEL FOOD AND BEVERAGE, INC.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2025 AND DECEMBER 31, 2024
(In Millions)**

	<i>Note</i>	2025 Unaudited	2024 Audited
ASSETS			
Current Assets			
Cash and cash equivalents	8, 9	P60,986	P58,221
Trade and other receivables - net	6, 8, 9	22,666	29,456
Inventories		51,426	47,582
Current portion of biological assets - net		3,414	3,241
Prepaid expenses and other current assets	6, 8, 9	5,681	5,506
Assets held for sale		186	186
Total Current Assets		144,359	144,192
Noncurrent Assets			
Investments - net	6, 8, 9	17,329	17,388
Property, plant and equipment - net	4	130,528	128,590
Right-of-use assets - net		5,224	4,923
Investment property - net		3,584	3,576
Biological assets - net of current portion		2,677	2,652
Goodwill - net		996	996
Other intangible assets - net		39,602	39,665
Deferred tax assets		3,656	3,657
Other noncurrent assets - net	6, 8, 9	30,781	31,467
Total Noncurrent Assets		234,377	232,914
		P378,736	P377,106
LIABILITIES AND EQUITY			
Current Liabilities			
Loans payable	6, 8, 9	P13,382	P17,103
Trade payables and other current liabilities	6, 8, 9	77,777	76,416
Lease liabilities - current portion	6, 8, 9	729	735
Income and other taxes payable		12,155	10,035
Dividends payable	5	735	89
Current maturities of long-term debt – net of debt issue costs	8, 9	10,287	12,328
Total Current Liabilities		115,065	116,706
Noncurrent Liabilities			
Long-term debt – net of current maturities and debt issue costs	8, 9	65,578	67,652
Deferred tax liabilities		23	23
Lease liabilities – net of current portion	6, 8, 9	5,265	4,864
Other noncurrent liabilities	6, 8, 9	7,438	7,672
Total Noncurrent Liabilities		78,304	80,211

Forward

CERTIFIED CORRECT:

Monica L. Ang-Mercado
Chief Finance Officer

	2025 Unaudited	2024 Audited
Equity		
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	P6,251	P6,251
Additional paid-in capital	366,620	366,620
Equity adjustments from common control transactions	(327,793)	(327,793)
Equity reserves	(1,856)	(1,711)
Retained earnings:		
Appropriated	48,445	45,375
Unappropriated	59,035	57,551
Treasury stock	(30,182)	(30,182)
	120,520	116,111
Non-controlling Interests	64,847	64,078
Total Equity	185,367	180,189
	P378,736	P377,106

See Accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:


Monica E. Ariz Mercado
Chief Financial Officer

**SAN MIGUEL FOOD AND BEVERAGE, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED MARCH 31, 2025 AND 2024
(In Millions, Except Per Share Data)

	<i>Note</i>	2025 Unaudited	2024 Unaudited
SALES	3	P98,878	P95,432
COST OF SALES		70,317	69,692
GROSS PROFIT		28,561	25,740
SELLING AND ADMINISTRATIVE EXPENSES		(13,357)	(12,621)
INTEREST EXPENSE AND OTHER FINANCING CHARGES		(1,374)	(1,129)
INTEREST INCOME		974	914
GAIN ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT		1	1
OTHER INCOME - Net	8, 9	255	117
INCOME BEFORE INCOME TAX		15,060	13,022
INCOME TAX EXPENSE		3,478	3,048
NET INCOME		P11,582	P9,974
Attributable to:			
Equity holders of the Parent Company		P7,509	P6,004
Non-controlling interests		4,073	3,970
		P11,582	P9,974
Basic and Diluted Earnings Per Common Share Attributable to Equity Holders of the Parent Company	7	P1.27	P1.02

See Accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:


Monica L. Ang Mercado
Chief Finance Officer

**SAN MIGUEL FOOD AND BEVERAGE, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED MARCH 31, 2025 AND 2024
(In Millions)

	2025 Unaudited	2024 Unaudited
NET INCOME	P11,582	P9,974
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Net gain on financial assets at fair value through other comprehensive income	1	5
	1	5
Items that may be reclassified to profit or loss		
Gain (loss) on exchange differences on translation of foreign operations	(348)	124
	(348)	124
OTHER COMPREHENSIVE GAIN (LOSS) - Net of tax	(347)	129
TOTAL COMPREHENSIVE INCOME - Net of tax	P11,235	P10,103
Attributable to:		
Equity holders of the Parent Company	P7,364	P6,077
Non-controlling interests	3,871	4,026
	P11,235	P10,103

See Accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:


Morica L. Ang Mercado
Chief Finance Officer

**SAN MIGUEL FOOD AND BEVERAGE, INC.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED MARCH 31, 2025 AND 2024**
(In Millions)

Equity Attributable to Equity Holders of the Parent Company

	Equity Reserves													Total	Non- controlling Interests	Total Equity
	Capital Stock		Additional Paid-in Capital	Equity Adjustments from Common Control Transactions		Reserve for Retirement Reserve	Other			Retained Earnings		Treasury Stock				
	Note	Common		Preferred	Fair Value Reserve		Translation Reserve	Equity Reserve	Appro- priated	Unappro- priated	Common	Preferred				
As at January 1, 2025 (Audited)		P 5,951	P 300	P 366,620	(P 327,793)	(P 3,275)	P 41	P 1,600	(P 77)	P 45,375	P 57,551	(P 182)	(P 30,000)	P 116,111	P 64,078	P 180,189
Net gain on financial assets at fair value through other comprehensive income		-	-	-	-	-	1	-	-	-	-	-	-	1	-	1
Loss on exchange differences on translation of foreign operations		-	-	-	-	-	-	(146)	-	-	-	-	-	(146)	(202)	(348)
Other comprehensive income (loss)		-	-	-	-	-	1	(146)	-	-	-	-	-	(145)	(202)	(347)
Net income		-	-	-	-	-	-	-	-	7,509	7,509	-	-	7,509	4,073	11,582
Total comprehensive income (loss)		-	-	-	-	-	1	(146)	-	-	7,509	-	-	7,364	3,871	11,235
Appropriation – net		-	-	-	-	-	-	-	-	3,070	(3,070)	-	-	-	-	-
Cash dividends declared	5	-	-	-	-	-	-	-	-	-	(2,955)	-	-	(2,955)	(3,102)	(6,057)
As at March 31, 2025 (Unaudited)		P 5,951	P 300	P 366,620	(P 327,793)	(P 3,275)	P 42	P 1,454	(P 77)	P 48,445	P 59,035	(P 182)	(P 30,000)	P 120,520	P 64,847	P 185,367
Forward																

Forward

CERTIFIED CORRECT:


Monica L. Argüero
Chief Finance Officer

Equity Attributable to Equity Holders of the Parent Company

	Equity Reserves													Non-controlling Interests	Total Equity	
	Note	Capital Stock		Additional Paid-in Capital	Equity Adjustments from Common Control Transactions	Reserve for Retirement	Equity Reserves			Retained Earnings		Treasury Stock				
		Common	Preferred				Fair Value Reserve	Translation Reserve	Other Equity Reserve	Appropriated	Unappropriated	Common	Preferred			
As at January 1, 2024 (Audited)		P5,951	P300	P366,620	(P327,793)	(P3,117)	P34	P1,066	(P77)	P45,392	P50,996	(P182)	(P30,000)	P109,190	P59,925	P169,115
Net gain on financial assets at fair value through other comprehensive income		-	-	-	-	-	5	-	-	-	-	-	-	5	-	5
Gain on exchange differences on translation of foreign operations		-	-	-	-	-	-	68	-	-	-	-	-	68	56	124
Other comprehensive income		-	-	-	-	-	5	68	-	-	-	-	-	73	56	129
Net income		-	-	-	-	-	-	-	-	6,004	-	-	-	6,004	3,970	9,974
Total comprehensive income		-	-	-	-	-	5	68	-	-	6,004	-	-	6,077	4,026	10,103
Appropriation – net		-	-	-	-	-	-	-	-	1,620	(1,620)	-	-	-	-	-
Cash dividends declared	5	-	-	-	-	-	-	-	-	-	(2,659)	-	-	(2,659)	(2,846)	(5,505)
As at March 31, 2024 (Unaudited)		P5,951	P300	P366,620	(P327,793)	(P3,117)	P39	P1,134	(P77)	P47,012	P52,721	(P182)	(P30,000)	P112,608	P61,105	P173,713

See Accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:


Monica L. Ang-Macedo
Chief Financial Officer

**SAN MIGUEL FOOD AND BEVERAGE, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2025 AND 2024
(In Millions)

	<i>Note</i>	2025 Unaudited	2024 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		P15,060	P13,022
Adjustments for:			
Depreciation and amortization	4	4,223	3,534
Interest expense and other financing charges		1,374	1,129
Retirement costs		356	355
Impairment losses on receivables and write-down of inventories		151	202
Gain on fair valuation of agricultural produce		(30)	(8)
Dividend income		(36)	(35)
Interest income		(974)	(914)
Net other charges (gain) on derivative transactions		(43)	37
Operating income before working capital changes		20,081	17,322
Decrease (increase) in:			
Trade and other receivables		6,783	4,363
Inventories		(3,804)	817
Current portion of biological assets		(173)	208
Prepaid expenses and other current assets		(247)	66
Increase (decrease) in trade payables and other current liabilities		164	(2,569)
Cash generated from operations		22,804	20,207
Income taxes paid		(1,007)	(910)
Interest paid		(1,830)	(1,922)
Contributions paid		(409)	(356)
Net cash flows provided by operating activities		19,558	17,019
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment and investment property	4	(3,374)	(2,847)
Increase in biological assets, intangible assets and other noncurrent assets		(868)	(1,733)
Proceeds from sale of investments and property and equipment		1	2
Dividends received		36	35
Interest received		960	881
Net cash flows used in investing activities		(3,245)	(3,662)

Forward

CERTIFIED CORRECT:


Monica L. Ang-Mercado
Chief Finance Officer

	2025 Unaudited	2023 Unaudited
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Short-term borrowings	P59,729	P66,473
Long-term borrowings	7,940	-
Payments of:		
Short-term borrowings	(63,450)	(64,114)
Long-term borrowings	(12,085)	(85)
Lease liabilities	(171)	(115)
Cash dividends paid	(5,411)	(4,953)
Net cash flows used in financing activities	(13,448)	(2,794)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(100)	239
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,765	10,802
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	58,221	57,007
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P60,986	P67,809

See Accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:


Monica L. Ang-Mercado
Chief Finance Officer

**SAN MIGUEL FOOD AND BEVERAGE, INC.
AND SUBSIDIARIES**

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Millions, Except Per Share Data)

1. Reporting Entity

San Miguel Food and Beverage, Inc. (SMFB or the “Parent Company”), a subsidiary of San Miguel Corporation (SMC or the “Intermediate Parent Company”), was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) in October 1956.

The Parent Company is a public company under Section 17.2 of the Securities Regulation Code. Its common and preferred shares are listed in the Philippine Stock Exchange (PSE) since 1973 and 2011, respectively. Top Frontier Investment Holdings, Inc. (“Top Frontier”) is the ultimate parent company of SMFB and its subsidiaries (SMFB and its subsidiaries collectively referred to as the “Group”). SMC and Top Frontier are both public companies under Section 17.2 of the Securities Regulation Code.

The accompanying consolidated financial statements comprise the financial statements of the Group.

The Group is engaged in various business activities, which as of reporting date include poultry operations, livestock farming and processing and selling of meat products, processing and marketing of refrigerated and canned meat products, manufacturing and marketing of feeds and flour products, spreads, and dairy-based products, importation and marketing of coffee and coffee-related products, and grain terminal handling. Following the corporate reorganization in June 2018, the Group is also engaged in manufacturing, selling and distribution of alcoholic and non-alcoholic beverages.

On August 7, 2024, the Board of Directors (BOD) of SMFB approved the amendment of the Company’s principal address from 100 E. Rodriguez Jr. Avenue (C-5 Road), Barangay Ugong, Pasig City to 40 San Miguel Avenue, Mandaluyong City. The change of the principal address was approved by the SEC on January 10, 2025. Accordingly, the Company filed an application for registration information with the Bureau of Internal Revenue (BIR) and BIR issued the updated certificate of registration dated January 31, 2025.

2. Material Accounting Policy Information

The interim consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting* and do not include all the information required in the annual consolidated financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements as at December 31, 2024.

The interim consolidated financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) on May 7, 2025.

The interim consolidated financial statements are presented in Philippine Peso and all financial information are rounded off to the nearest million (000,000), except when otherwise indicated.

The principal accounting policies adopted in the preparation of the interim consolidated financial statements of the Group are consistent with those followed in the most recent annual audited consolidated financial statements, except for the changes in accounting policies as explained below.

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the adoption of a number of new amendments to standards as part of Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Adoption of Amendments to Standards

The Group has adopted the Lack of Exchangeability (Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates*) effective January 1, 2025. The amendments clarify that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

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

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

The adoption of the amendments to standards did not have a material effect on the interim consolidated financial statements.

New and Amendments to Standards Not Yet Adopted

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2025 and have not been applied in preparing the interim consolidated financial statements. Unless otherwise indicated, none of these is expected to have a significant effect on the interim consolidated financial statements.

The Group will adopt the following new and amendments to standards on the respective effective dates:

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures*). The amendments clarify that financial assets and financial liabilities are recognized and derecognized on the settlement date, except for regular way purchases or sales of financial assets and financial liabilities that meet the conditions for an exception. The exception allows entities to elect to derecognize certain financial liabilities settled through an electronic payment system before the settlement date.

The amendments also provide guidelines for assessing the contractual cash flow characteristics of financial assets that include environmental, social, and governance-linked features and other similar contingent features.

Entities are required to disclose additional information about financial assets and financial liabilities with contingent features, and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to two standards:
 - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.
 - Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:
 - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss; and
 - replaced the term 'their transaction price (as defined in PFRS 15, *Revenue from Contracts with Customers*)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that's unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

The amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- PFRS 18, *Presentation and Disclosure in Financial Statements*, replaces PAS 1, *Presentation of Financial Statements*. The new standard introduces the following key requirements:
 - Entities are required to classify all income and expenses into five categories in the statement of income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss;

- Management-defined performance measures are disclosed in a single note to the financial statements; and
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities under the indirect method.

PFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

The Group continues to assess the impact of the above new and amendments to standards effective subsequent to 2025 on the interim consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the interim consolidated financial statements when these amendments are adopted.

3. Segment Information

Operating Segments

The reporting format of the Group's operating segments is determined based on the Group's risks and rates of return which are affected predominantly by differences in the products and services produced. The operating businesses are organized and managed by SMC separately according to the nature of the products produced and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group has three reportable segments, namely: Food, Beer and Non-alcoholic Beverages (NAB), and Spirits. Management identified and grouped the operating units in its operating segments with the objective of transforming the Group into a more rationalized and focused organization. The structure aims to boost efficiencies across the Group and raise effectiveness in defining and meeting the needs of consumers in innovative ways.

The Food Segment is engaged in (i) the processing and marketing of branded value-added refrigerated processed meats, canned meats, ready-to-eat viands, seafood and plant-based food products, the manufacture and marketing of butter, margarine, cheese, milk, ice cream and salad aids, the marketing of flour mixes, and the importation and marketing of coffee products (collectively known as "Prepared and Packaged Food"); (ii) the production and sale of feeds, veterinary medicine and pet care products ("Animal Nutrition and Health"); (iii) poultry and livestock farming, and the processing and sale of poultry and fresh meats ("Protein"); and (iv) the milling, production and marketing of flour and bakery ingredients, grain terminal handling, foodservice and international operations ("Others").

The Beer and NAB segment is engaged in the production, marketing and selling of fermented, malt-based and non-alcoholic beverages within the Philippines and several foreign markets.

The Spirits segment is engaged in the production of hard liquor in the form of gin, Chinese wine, brandy, rum, vodka and other hard liquor variants which are available nationwide, while some are exported to select countries.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist primarily of operating cash, receivables, inventories, biological assets, and property, plant and equipment, net of allowances, accumulated depreciation and amortization, and impairment. Segment liabilities include all operating liabilities and consist primarily of trade payables and other current liabilities, and other noncurrent liabilities, excluding interest and dividends payable. Segment assets and liabilities do not include deferred taxes.

Inter-segment Transactions

Segment revenues, expenses and performance include sales and purchases between operating segments. Such transactions are eliminated in consolidation.

Financial information about reportable segments follows:

	Food		Beer and NAB		Spirits		Others		Total Reportable Segments		Eliminations		Consolidated	
	March 2025	December 2024	March 2025	December 2024	March 2025	December 2024	March 2025	December 2024	March 2025	December 2024	March 2025	December 2024	March 2025	December 2024
Sales														
External	P46,312	P42,950	P36,297	P37,366	P16,269	P15,116	P-	P-	P98,878	P95,432	P-	P-	P98,878	P95,432
Inter-segment	1		-		1	1	12		14	1	(14)	(1)	-	-
Total sales	P46,313	P42,950	P36,297	P37,366	P16,270	P15,117	P12	P-	P98,892	P95,433	(P14)	(P1)	P98,878	P95,432
Expenses														
Inventories	P30,317	P29,374	P3,676	P4,120	P4,534	P4,266	P-	P-	P38,527	P37,760	(P1)	(P11)	P38,526	P37,749
Excise taxes	-	-	16,616	17,737	7,159	6,623	-	-	23,775	24,360	-	-	23,775	24,360
Total Expenses	P30,317	P29,374	P20,292	P21,857	P11,693	P10,889	P-	P-	P62,302	P62,120	(P1)	(P11)	P62,301	P62,109
Results														
Segment operating result	P4,419	P2,605	P8,215	P8,131	P2,464	P2,278	P103	P104	P15,201	P13,118	P3	P1	P15,204	P13,119
Interest expense and other financing charges													(1,374)	(1,129)
Interest income													974	914
Gain on sale of investments and property and equipment													1	1
Other income (charges) - net													255	117
Income tax expense													(3,478)	(3,048)
Net income													P11,582	P9,974
Other Information														
Segments assets													P314,220	P312,814
Investments	P155,422	P162,818	P120,188	P124,727	P32,529	P28,180	P1,273	P1,523	P309,412	P317,248	P4,808	(P4,434)	17,329	17,388
Right-of-use assets - net	58	52	15,767	15,832	1,500	1,500	358,390	358,390	375,715	375,774	(358,386)	(358,386)	5,224	4,923
Goodwill, trademarks and brand names													38,143	38,163
Other assets													164	161
Deferred tax assets													3,656	3,657
Consolidated total assets													P378,736	P377,106
Segment liabilities													P84,927	P83,614
Loans payable	P58,206	P55,800	P18,737	P21,518	P8,312	P6,689	P4,087	P4,089	P89,342	P88,096	(P4,415)	(P4,482)	13,382	17,103
Long-term debt													75,865	79,980
Lease liabilities													5,994	5,599
Income and other taxes payable													12,155	10,034
Dividends and interest payable													1,023	564
Deferred tax liabilities													23	23
Consolidated total liabilities													P193,369	P196,917

Disaggregation of Revenue

The following table shows the disaggregation of revenue by timing of revenue recognition and the reconciliation of the disaggregated revenue with the Group's reportable segments:

	Food		Beer and NAB		Spirits		Consolidated
	March 2025	March 2024	March 2025	March 2024	March 2025	March 2024	March 2024
Timing of Revenue Recognition							
Sales recognized at point in time	P46,308	P42,943	P36,297	P37,366	P16,269	P15,116	P95,425
Sales recognized over time	4	7	-	-	-	-	7
Total External Sales	P46,312	P42,950	P36,297	P37,366	P16,269	P15,116	P95,432

4. Property, Plant and Equipment

The movements and balances of property, plant and equipment are as follows:

March 31, 2025 and December 31, 2024

	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Furniture, Other Equipment and Others	Leasehold Improvements	Capital Projects in Progress	Total
Cost							
January 1, 2024 (Audited)	P18,676	P43,681	P101,124	P7,247	P2,152	P33,992	P206,872
Acquisition of a subsidiary	121	-	-	-	-	-	121
Additions	2	255	141	180	4	16,105	16,687
Disposals	-	(19)	(483)	(200)	(1)	(3)	(706)
Reclassifications	791	6,033	6,970	897	165	(13,938)	918
Currency translation adjustments	61	330	775	21	-	7	1,194
December 31, 2024 (Audited)	19,651	50,280	108,527	8,145	2,320	36,163	225,086
Additions	-	1	19	11	1	3,337	3,369
Disposals	-	(10)	(115)	(18)	-	-	(143)
Reclassifications	593	1,099	1,429	434	1,222	(4,417)	360
Currency translation adjustments	(15)	(101)	(261)	(11)	-	(1)	(389)
March 31, 2025 (Unaudited)	20,229	51,269	109,599	8,561	3,543	35,082	228,283
Accumulated Depreciation							
January 1, 2024 (Audited)	1,907	13,007	55,589	4,021	596	-	75,120
Depreciation	198	1,364	4,196	783	108	-	6,649
Disposals	-	(19)	(391)	(193)	(1)	-	(604)
Reclassifications	-	1	(7)	(15)	-	-	(21)
Currency translation adjustments	2	150	384	15	-	-	551
December 31, 2024 (Audited)	2,107	14,503	59,771	4,611	703	-	81,695
Depreciation	37	365	1,103	214	31	-	1,750
Disposals	-	(3)	(112)	(17)	-	-	(132)
Reclassifications	-	(3)	3	-	-	-	-
Currency translation adjustments	(3)	(47)	(138)	(9)	-	-	(197)
March 31, 2025 (Unaudited)	2,141	14,815	60,627	4,799	734	-	83,116
Accumulated Impairment Losses							
January 1, 2024 (Audited)	-	3,301	10,384	66	1	-	13,752
Impairment	-	460	168	45	-	-	673
Disposals	-	-	(91)	(1)	-	-	(92)
Currency translation adjustments	-	104	361	3	-	-	468
December 31, 2024 (Audited)	-	3,865	10,822	113	1	-	14,801
Disposals	-	(7)	(3)	-	-	-	(10)
Currency translation adjustments	-	(40)	(111)	(1)	-	-	(152)
March 31, 2025 (Unaudited)	-	3,818	10,708	112	1	-	14,639
Carrying Amount							
December 31, 2024 (Audited)	P17,544	P31,912	P37,934	P3,421	P1,616	P36,163	P128,590
March 31, 2025 (Unaudited)	P18,088	P32,636	P38,264	P3,650	P2,808	P35,082	P130,528

March 31, 2024

Cost	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Furniture, Other Equipment and Others	Leasehold Improvements	Capital Projects In Progress	Total
January 1, 2024 (Audited)	P18,676	P43,681	P101,124	P7,247	P2,152	P33,992	P206,872
Additions	8	5	36	12	-	2,695	2,756
Disposals	-	(17)	(82)	(39)	(1)	-	(139)
Reclassifications	363	1,576	1,106	166	125	(3,079)	257
Currency translation adjustments	(56)	80	148	(3)	-	-	169
March 31, 2024 (Unaudited)	18,991	45,325	102,332	7,383	2,276	33,608	209,915
Accumulated Depreciation							
January 1, 2024 (Audited)	1,907	13,007	55,589	4,021	596	-	75,120
Depreciation	52	314	1,004	191	25	-	1,586
Disposals	-	(17)	(82)	(36)	(1)	-	(136)
Reclassifications	-	-	(6)	(1)	-	-	(7)
Currency translation adjustments	(3)	21	11	(3)	-	-	26
March 31, 2024 (Unaudited)	1,956	13,325	56,516	4,172	620	-	76,589
Accumulated Impairment Losses							
January 1, 2024 (Audited)	-	3,301	10,384	66	1	-	13,752
Currency translation adjustments	-	46	141	1	-	-	188
March 31, 2024 (Unaudited)	-	3,347	10,525	67	1	-	13,940
Carrying Amount							
March 31, 2024 (Unaudited)	P17,035	P28,653	P35,291	P3,144	P1,655	P33,608	P119,386

Depreciation and amortization recognized in the consolidated statements of income amounted to P1,750 and P1,586 for the periods ended March 31, 2025 and 2024, respectively.

5. Dividends

The BOD of the Parent Company approved the declaration and payment of the following cash dividends to common stockholders:

2025

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common	February 5, 2025	February 19, 2025	March 6, 2025	P0.50

2024

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common	February 1, 2024	February 16, 2024	March 1, 2024	P0.45

6. Related Party Disclosures

The Parent Company, certain subsidiaries and their shareholders, associates and joint ventures purchase products and services from one another in the normal course of business. The Parent Company requires approval of the BOD for related party transactions amounting to at least ten percent (10%) of the total consolidated assets based on its latest audited financial statements.

Amounts owed by/owed to related parties are collectible/will be settled in cash. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates.

The following are the transactions with related parties and the outstanding balances as at March 31, 2025 and December 31, 2024:

	Year	Revenues from Related Parties	Purchases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties	Terms	Conditions
Intermediate Parent Company	March 31, 2025	P89	P499	P5,913	P1,014	On demand except redeemable perpetual securities; non-interest bearing	Unsecured; no impairment
	December 31, 2024	302	1,827	5,986	1,026		
Entities under Common Control of the Intermediate Parent Company	March 31, 2025	253	10,348	2,147	20,068	On demand; non-interest bearing	Unsecured; no impairment
	December 31, 2024	1,142	44,372	2,481	22,220		
Joint Venture	March 31, 2025	15	-	622	-	On demand; interest bearing	Unsecured; with impairment
	December 31, 2024	13	-	622	5		
Retirement Plan	March 31, 2025	-	-	-	13	On demand; non-interest bearing	Unsecured; no impairment
	December 31, 2024	-	-	-	-		
Associate of Intermediate Parent Company	March 31, 2025	67	-	3,512	-	Upon maturity; interest bearing	Unsecured; no impairment
	December 31, 2024	269	-	3,515	-		
Shareholders in Subsidiaries	March 31, 2025	50	1,909	136	58	On demand; non-interest bearing	Unsecured; no impairment
	December 31, 2024	72	2,773	118	60		
Total	March 31, 2025	P474	P12,756	P12,330	P21,153		
Total	December 31, 2024	P1,798	P48,972	P12,722	P23,311		

- a. Amounts owed by related parties consist of current and noncurrent receivables arising from sale of goods and services, deposits and share in expenses. It also includes investments in equity that pertains to subscription in redeemable perpetual securities and investments in debt securities under investment agreement with Bank of Commerce, both are presented as part of "Investments – net" account in the consolidated statement of financial position.
- b. The amounts owed by joint venture includes receivables from Thai San Miguel Liquor Company Limited included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statement of financial position amounting to P540 as at December 31, 2024.
- c. Amounts owed to related parties consist of trade and non-trade payables arising from purchases of materials, bottles, shells, cartons, fuel and power and non-trade payables arising from professional fees, insurance, lease of outdoor advertising spaces, lease of land and building, management fees, reimbursement of expenses, and other services rendered by related parties.
- d. The Group has entered into various lease agreements with related parties as a lessor and lessee.

There were no known transactions with parties that fall outside the definition "related parties" under PAS 24, Related Party Disclosures, but with whom SMC or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

7. Basic and Diluted Earnings Per Share (EPS)

Basic EPS is computed by dividing the net income for the period attributable to equity holders of the Parent Company by the weighted average number of issued and outstanding common shares during the period, with retroactive adjustment for any stock dividends declared.

For the purpose of computing diluted EPS, the net income for the period attributable to equity holders of the Parent Company and the weighted-average number of issued and outstanding common shares during the period are adjusted for the effect of all potential dilutive debt or equity instruments.

Basic and diluted EPS is computed as follows:

	March 31	
	2025	2024
Net income attributable to common shareholders of the Parent Company (a)	P7,509	P6,004
Weighted average number of common shares issued and outstanding (in millions) (b)	5,909	5,909
Basic and diluted earnings per common share attributable to equity holders of the Parent Company – basic and diluted (a/b)	P1.27	P1.02

As at March 31, 2025 and 2024, the Parent Company has no dilutive debt or equity instruments.

8. Financial Risk and Capital Management Objectives and Policies

Objectives and Policies

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

- Market Risk (Interest Rate Risk, Foreign Currency Risk and Commodity Price Risk)
- Liquidity Risk
- Credit Risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Group include cash and cash equivalents, investments in equity and debt instruments, restricted cash, noncurrent receivables and deposit, short-term and long-term loans, lease liabilities and derivative instruments. These financial instruments, except derivative instruments, are used mainly for working capital management purposes. The trade-related financial assets and financial liabilities of the Group such as trade and other receivables, trade payables and other current liabilities, excluding statutory liabilities, and other noncurrent liabilities arise directly from and are used to facilitate its daily operations.

The outstanding derivative instruments of the Group such as commodity and currency options and forwards are intended mainly for risk management purposes. The Group uses derivatives to manage its exposures to commodity price and foreign currency risks arising from the operating activities.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Group.

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

The BOD constituted the Audit Committee to assist the BOD in fulfilling its oversight responsibility of the Group's corporate governance process relating to the: a) quality and integrity of the consolidated financial statements and financial reporting process and the systems of internal accounting and financial controls; b) performance of the internal auditors; c) annual independent audit of the consolidated financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; d) compliance with tax, legal and regulatory requirements, including the disclosure control and procedures; e) evaluation of management's process to assess and manage the enterprise risk issues; f) evaluation and monitoring of related party transactions; and g) fulfillment of the other responsibilities set out by the BOD. The Audit Committee shall also review the financial reports.

The Audit Committee shall prepare such reports as may be necessary to document the activities of the committee in the performance of its functions and duties. Such reports shall be included in the annual report of the Group and other corporate

disclosures as may be required by the SEC and/or the PSE.

The Audit Committee also oversees how management monitors compliance with the risk management policies and procedures of the Group and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and special reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The BOD also constituted the Board Risk Oversight Committee to assist the BOD in fulfilling its oversight responsibility of the Group's enterprise risk management (ERM) system to ensure its functionality and effectiveness. The Board Risk Oversight Committee is tasked to develop and oversee the implementation of a formal ERM plan and annually review and advise the BOD of the Group's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework and external economic environment. It shall also assess the probability of each identified risk becoming a reality and estimate its possible financial impact and likelihood of occurrence, and oversee management's activities in identifying, monitoring, assessing and managing credit, market, liquidity, operational, legal and other risk exposures of the Group.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Group's exposure to changes in interest rates relates primarily to the long-term borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. On the other hand, borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group manages its interest cost by using an optimal combination of fixed and variable rate debt instruments. Management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up rates charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks.

On the other hand, the investment policy of the Group is to maintain an adequate yield to match or reduce the net interest cost from its borrowings pending the deployment of funds to their intended use in the operations and working capital management. However, the Group invests only in high-quality securities while maintaining the necessary diversification to avoid concentration risk.

In managing interest rate risk, the Group aims to reduce the impact of short-term fluctuations on the earnings. Over the longer term, however, permanent changes in interest rates would have an impact on profit or loss.

The management of interest rate risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various standard and non-standard interest rate scenarios.

Interest Rate Risk Table

The terms and maturity profile of the interest-bearing long-term borrowings, together with its gross amounts, are shown in the following tables:

March 31, 2025	<1 Year	>1 - 3 Years	>3 - 5 Years	>5 Years	Total
Fixed Rate					
Philippine peso-denominated	P10,118	P31,124	P16,553	P7,000	P64,795
Interest rate	3.284%- 3.950%	3.284%- 6.925%	3.548%- 6.572%	6.295%-6.572%	
Floating Rate					
Philippine peso-denominated	178	357	7,523	3,703	11,761
Interest rate		BVAL + margin or BSP TDF overnight rate, whichever is higher	BVAL + margin or BSP TDF overnight rate, whichever is higher	BVAL + margin or BSP TDF overnight rate, whichever is higher	
	P10,296	P31,481	P24,076	P10,703	P76,556

December 31, 2024	<1 Year	>1 - 3 Years	>3 - 5 Years	>5 Years	Total
Fixed Rate					
Philippine peso-denominated	P12,223	P29,318	P28,273	P3,000	P72,814
Interest rate	3.284%- 5.050%	3.284%- 5.751%	3.548%- 6.841%	6.572%	
Floating Rate					
Philippine peso-denominated	119	238	7,404	-	7,761
Interest rate		BVAL + margin or BSP TDF overnight rate, whichever is higher	BVAL + margin or BSP TDF overnight rate, whichever is higher	BVAL + margin or BSP TDF overnight rate, whichever is higher	
	P12,342	P29,556	P35,677	P3,000	P80,575

The sensitivity to a reasonably possible 1% increase in the interest rates, with all other variables held constant, would have decreased the Group's profit before tax (through the impact on floating rate borrowings) by P29 and P78 for the period ended March 31, 2025 and for the year ended December 31, 2024, respectively. A 1% decrease in the interest rate would have had the equal but opposite effect. These changes are considered to be reasonably possible given the observation of prevailing market conditions in those periods. There is no impact on the Group's other comprehensive income.

Foreign Currency Risk

The functional currency is the Philippine Peso, which is the denomination of the bulk of the Group's revenues. The exposure to foreign currency risk results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Group. The risk management objective with respect to foreign currency risk is to reduce or eliminate earnings volatility and any adverse impact on equity. The Group enters into foreign currency hedges using derivative and non-derivative instruments to manage its foreign currency risk exposure.

Information on the Group's foreign currency-denominated monetary assets and monetary liabilities and their Philippine Peso equivalents is as follows:

	March 31, 2025		December 31, 2024	
	US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
Assets				
Cash and cash equivalents	US\$220	12,580	US\$220	P12,718
Trade and other receivables	29	1,669	30	1,738
Prepaid expenses and other current assets	4	222	9	534
Noncurrent receivables	3	167	-	-
	256	14,638	259	14,990
Liabilities				
Trade payables and other current liabilities	28	1,608	144	8,343
Lease liabilities	1	63	-	-
	29	1,671	144	8,343
Net Foreign Currency-denominated Monetary Assets	US\$227	12,967	US\$115	P6,647

The Group reported net gain on foreign exchange amounting to P28 and P9 for the periods ended March 31, 2025 and 2024, respectively, with the translation of its foreign currency-denominated assets and liabilities. These mainly resulted from the movements of the Philippine Peso against the US dollar as shown in the following table:

	US Dollar to Philippine Peso
March 31, 2025	P57.210
December 31, 2024	57.845
March 31, 2024	56.240
December 31, 2023	55.370

The management of foreign currency risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various foreign currency exchange rate scenarios.

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to translation of results and financial position of foreign operations):

	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity (Net of Tax)	Effect on Income before Income Tax	Effect on Equity (Net of Tax)
March 31, 2025				
Cash and cash equivalents	(P14)	(P216)	P14	P216
Trade and other receivables	(5)	(28)	5	28
Prepaid expenses and other current assets	-	(4)	-	4
Non-current receivables	-	(3)	-	3
	(19)	(251)	19	251
Trade payables and other current liabilities	74	101	(74)	(101)
Other noncurrent liabilities	-	1	-	(1)
	74	102	(74)	(102)
	P55	(P149)	(P55)	P149

	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity (Net of Tax)	Effect on Income before Income Tax	Effect on Equity (Net of Tax)
December 31, 2024				
Cash and cash equivalents	(P35)	(P211)	P35	P211
Trade and other receivables	(4)	(29)	4	29
Prepaid expenses and other current assets	(5)	(8)	5	8
	(44)	(248)	44	248
Trade payables and other current liabilities	57	130	(57)	(130)
	57	130	(57)	(130)
	P13	(P118)	(P13)	P118

Exposures to foreign exchange rates vary during the period depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

Commodity Price Risk

Commodity price risk is the risk that future cash flows from a financial instrument will fluctuate because of changes in commodity prices.

The Group, through SMC, enters into various commodity derivatives to manage its price risks on strategic commodities. Commodity hedging allows stability in prices, thus offsetting the risk of volatile market fluctuations. Through hedging, prices of commodities are fixed at levels acceptable to the Group, thus protecting raw material cost and preserving margins. For hedging transactions, if prices go down, hedge positions may show marked-to-market losses; however, any loss in the marked-to-market position is offset by the resulting lower physical raw material cost.

SMC enters into commodity derivative transactions on behalf of the Group to reduce cost by optimizing purchasing synergies within the SMC Group of Companies and managing inventory levels of common materials.

The Group uses commodity futures, swaps, and options to manage the Group's exposures to volatility in prices of certain commodities such as soybean meal and wheat.

Liquidity Risk

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Group's objectives to manage its liquidity risk are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; (c) to be able to access funding when needed at the least possible cost; and (d) to maintain an adequate time spread of refinancing maturities.

The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary.

The table below summarizes the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

March 31, 2025	Carrying Amount	Contractual Cash Flow	1 Year or Less	>1 Year - 2 Years	>2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	P60,986	P60,986	P60,986	P -	P -	P -
Trade and other receivables - net	22,666	22,666	22,666	-	-	-
Restricted cash (included under "Prepaid expenses and other current assets" account)	222	222	222	-	-	-
Derivative assets (included under "Prepaid expenses and other current assets" account)	84	84	84	-	-	-
Financial assets at FVOCI (included under "Investments" account)	5,829	5,829	-	-	-	5,829
Financial assets at amortized cost (included under "Investments" account)	11,500	14,328	822	841	12,665	-
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	273	417	6	31	96	284
Financial Liabilities						
Loans payable	13,382	13,354	13,354	-	-	-
Trade payables and other current liabilities (excluding derivative liabilities)	77,644	77,644	77,644	-	-	-
Derivative liabilities (included under "Trade payables and other current liabilities" account)	133	133	133	-	-	-
Long-term debt (including current maturities)	75,865	89,416	14,109	19,476	44,274	11,557
Lease liabilities (including current portion)	5,994	12,793	1,015	936	1,959	8,883
Other noncurrent liabilities	1,725	1,725	-	1,725	-	-

December 31, 2024	Carrying Amount	Contractual Cash Flow	1 Year or Less	>1 Year - 2 Years	>2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	P58,221	P58,221	P58,221	P-	P-	P-
Trade and other receivables - net	29,456	29,456	29,456	-	-	-
Restricted cash (included under "Prepaid expenses and other current assets" account)	228	228	228	-	-	-
Derivative assets (included under "Prepaid expenses and other current assets" account)	85	85	85	-	-	-
Financial assets at FVOCI (included under "Investments - net" account)	5,888	5,888	-	-	-	5,888
Financial assets at amortized cost (included under "Investments - net" account)	11,500	14,537	757	841	12,621	318
Noncurrent receivables and deposit - net (included under "Other noncurrent assets - net" account)	244	244	-	24	81	139
Financial Liabilities						
Loans payable	17,103	17,065	17,065	-	-	-
Trade payables and other current liabilities (excluding derivative liabilities)	76,266	76,266	76,266	-	-	-
Derivative liabilities (included under "Trade payables and other current liabilities" account)	150	150	150	-	-	-
Long-term debt (including current maturities)	79,980	92,799	16,023	22,300	51,081	3,395
Lease liabilities (including current portion)	5,599	11,923	991	974	1,815	8,143
Other noncurrent liabilities	1,924	1,924	-	1,725	1	198

Credit Risk

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade and other receivables and investment securities. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Trade and Other Receivables

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on the credit risk.

The Group obtains collateral or arranges master netting agreements, where appropriate, so that in the event of default, the Group would have a secured claim.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Group ensures that sales on account are made to customers with appropriate credit history. The Group has detailed credit criteria and several layers of credit approval requirements before engaging a particular customer or counterparty. The review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer and are reviewed on a regular basis. Customers that fail to meet the benchmark creditworthiness may transact with the Group only on a prepayment basis.

Investment in Debt Instruments

The Group limits its exposure to credit risk by investing only in liquid debt instruments with counterparties that have high credit ratings. The Group monitors

changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields.

Credit Quality

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

The credit quality of financial assets is being managed by the Group using internal credit ratings. Credit quality of the financial assets was determined as follows:

- High grade includes deposits or placements to reputable banks and companies with good credit standing. High grade financial assets include cash and cash equivalents, restricted cash, investment in debt instruments and derivative assets.
- Standard grade pertains to receivables from counterparties with satisfactory financial capability and credit standing based on historical data, current conditions and the Group's view of forward-looking information over the expected lives of the receivables. Standard grade financial assets include trade and other receivables and noncurrent receivables and deposits.

Receivables with high probability of delinquency and default were fully provided with allowance for impairment losses.

Financial information on the Group's maximum exposure to credit risk, without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	March 31, 2025	December 31, 2024
Cash and cash equivalents (excluding cash on hand)	P60,591	P54,655
Trade and other receivables - net	22,666	29,456
Restricted cash	222	228
Derivative assets	84	85
Financial assets at amortized cost	11,500	11,500
Noncurrent receivables and deposits - net	273	244
	P95,336	P96,168

The table below presents the Group's exposure to credit risk and shows the credit quality of the financial assets by indicating whether the financial assets are subjected to 12-month expected credit loss (ECL) or lifetime ECL. Assets that are credit-impaired are separately presented.

March 31, 2025	Financial Assets at Amortized Cost			Financial Assets at FVPL	Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired		
Cash and cash equivalents (excluding cash on hand)	P60,591	P -	P -	P -	P60,591
Trade and other receivables - net	22,666	-	1,222	-	23,888
Restricted cash	222	-	-	-	222
Derivative assets	-	-	-	84	84
Financial assets at amortized cost	11,500	-	-	-	11,500
Noncurrent receivables and deposits - net	-	273	-	-	273
Total	P94,979	P273	P1,222	P84	P96,558

December 31, 2024	Financial Assets at Amortized Cost			Financial Assets at FVPL	Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired		
Cash and cash equivalents (excluding cash on hand)	P54,655	P-	P-	P-	P54,655
Trade and other receivables -net	29,456	-	1,141	-	30,597
Restricted cash	228	-	-	-	228
Derivative assets	-	-	-	85	85
Financial assets at amortized cost	11,500	-	-	-	11,500
Noncurrent receivables and deposits -net	-	244	-	-	244
	P95,839	P244	P1,141	P85	P97,309

The aging of receivables is as follows:

March 31, 2025	Amounts Owed by Related Parties			Total
	Trade	Non-trade		
Current	P16,436	P674	P272	P17,382
Past due:				
1-30 days	2,401	143	30	2,574
31-60 days	533	59	664	1,256
61-90 days	142	24	88	254
Over 90 days	544	532	1,346	2,422
	P20,056	P1,432	P2,400	P23,888

December 31, 2024	Amounts Owed by Related Parties			Total
	Trade	Non-trade		
Current	P18,153	P568	P468	P19,189
Past due:				
1 - 30 days	6,502	82	281	6,865
31 - 60 days	1,206	74	82	1,362
61 - 90 days	226	22	210	458
Over 90 days	534	571	1,618	2,723
	P26,621	P1,317	P2,659	P30,597

Various collaterals for trade receivables such as bank guarantees, time deposits and real estate mortgages are held by the Group for certain credit limits.

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historical payment behavior and analyses of the underlying customer credit ratings. There are no significant changes in their credit quality.

The Group computes impairment loss on receivables based on past collection experience, current circumstances and the impact of future economic conditions, if any, available at the reporting period. There are no significant changes in the credit quality of the counterparties during the period.

The Group's cash and cash equivalents, derivative assets, restricted cash and investment in debt instruments at amortized cost are placed with reputable entities with high quality external credit ratings.

The Group's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of trade and other receivables and noncurrent receivables and deposits is its carrying amount without considering collaterals or credit enhancements, if any. The Group has no significant concentration of credit risk since the Group deals with a large number of homogenous counterparties.

The Group does not execute any credit guarantee in favor of any counterparty.

Financial and Other Risks Relating to Livestock

The Group is exposed to financial risks arising from the change in cost and supply of feed ingredients and the selling prices of chicken, hogs and related products, all of which are determined by constantly changing market forces such as supply and demand and other factors. The other factors include environmental regulations, weather conditions and livestock diseases for which the Group has little control. The mitigating factors are listed below:

- The Group is subject to risks affecting the food industry, generally, including risks posed by food spoilage and contamination. Specifically, the fresh meat industry is regulated by environmental, health and food safety organizations and regulatory sanctions. The Group has put into place systems to monitor food safety risks throughout all stages of manufacturing and processing to mitigate these risks. Furthermore, representatives from the government regulatory agencies are present at all times during the processing of dressed chicken, and hogs in all dressing and meat plants and issue certificates accordingly. The authorities, however, may impose additional regulatory requirements that may require significant capital investment at short notice.
- The Group is subject to risks relating to its ability to maintain animal health status considering that it has no control over neighboring livestock farms. Livestock health problems could adversely impact production and consumer confidence. However, the Group monitors the health of its livestock on a daily basis and proper procedures are put in place.
- The livestock industry is exposed to risk associated with the supply and price of raw materials, mainly grain prices. Grain prices fluctuate depending on the harvest results. The shortage in the supply of grain will result in adverse fluctuation in the price of grain and will ultimately increase the Group's production cost. If necessary, the Group enters into forward contracts to secure the supply of raw materials at a reasonable price.

Other Market Price Risk

The Group's market price risk arises from its investments carried at fair value (financial assets at FVPL and FVOCI). The Group manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

Capital Management

The Group maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

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

The Group monitors capital on the basis of debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is defined as total current liabilities and total noncurrent liabilities, while equity is total equity as shown in the consolidated statements of financial position.

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

The Group is not subject to externally-imposed capital requirements.

9. Financial Assets and Financial Liabilities

Recognition and Initial Measurement. 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.

The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument.

A financial asset (unless a trade receivable without a significant financing component) or financial liability is initially measured at the fair value of the consideration given or received. The initial measurement of financial instruments, except for those designated as at FVPL, includes transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial Assets

The Group classifies its financial assets, at initial recognition, as subsequently measured at amortized cost, FVOCI and FVPL. The classification depends on the contractual cash flow characteristics of the financial assets and the business model of the Group for managing the financial assets.

Subsequent to initial recognition, financial assets are not reclassified unless the Group changes the business model for managing financial assets. All affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

The business model refers to how the Group manages the 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. The Group considers the following information in assessing the objective of the business model in which a financial asset is held at a portfolio level, which reflects the way the business is managed and information is provided to management:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how employees of the business are compensated; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

The Group considers the contractual terms of the instrument in assessing whether the contractual cash flows are solely payments of principal and interest. For purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin. The assessment includes whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. The Group considers the following in making the assessment:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

For purposes of subsequent measurement, financial assets are classified in the following categories: financial assets at amortized cost, financial assets at FVOCI (with or without recycling of cumulative gains and losses) and financial assets at FVPL.

Financial Assets at Amortized Cost. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model with the objective of holding financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the consolidated statements of income when the financial asset is derecognized, modified or impaired.

The Group's cash and cash equivalents, trade and other receivables, investment in debt instruments at amortized cost, noncurrent receivables and deposits, and restricted cash are included under this category.

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 and are subject to an insignificant risk of changes in value.

Financial Assets at FVOCI. Investment in debt instruments is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in the fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Financial assets at FVOCI are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income.

Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment on investment in debt instruments are recognized in the consolidated statements of income. When investment in debt instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the consolidated statements of changes in equity are transferred to and recognized in the consolidated statements of income.

Dividends earned on holding an investment in equity instrument are recognized as dividend income in the consolidated statements of income when the right to receive the payment has been established, unless the dividend clearly represents a recovery of the part of the cost of the investment. When investment in equity instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the consolidated statements of changes in equity are never reclassified to the consolidated statements of income.

The Group's investments in equity and debt instruments at FVOCI are classified under this category.

Financial Assets at FVPL. All financial assets not classified as measured at amortized cost or FVOCI are measured at FVPL. This includes derivative financial assets that are not designated as cash flow hedge. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

At initial recognition, the Group may irrevocably designate a financial asset as at FVPL if the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on different bases.

The Group carries financial assets at FVPL using their fair values. Attributable transaction costs are recognized in the consolidated statements of income as incurred. Changes in fair value and realized gains or losses are recognized in the consolidated statements of income. Fair value changes from derivatives accounted for as part of an effective cash flow hedge are recognized in other comprehensive income. Any interest earned from investment in debt instrument designated as at FVPL is recognized in the consolidated statements of income. Any dividend income from investment in equity instrument is recognized in the consolidated statements of income when the right to receive payment has been established, unless the dividend clearly represents a recovery of the part of the cost of the investment.

The Group's derivative assets that are not designated as cash flow hedge and investments in equity instruments at FVPL are classified under this category.

Financial Liabilities

The Group determines the classification of its financial liabilities, at initial recognition, in the following categories: financial liabilities at FVPL and other financial liabilities. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Financial Liabilities at FVPL. Financial liabilities are classified under this category through the fair value option. Derivative instruments (including embedded derivatives) with negative fair values, except those covered by hedge accounting relationships, are also classified under this category.

The Group carries financial liabilities at FVPL using their fair values and reports fair value changes in the consolidated statements of income. Fair value changes from derivatives accounted for as part of an effective accounting hedge are recognized in other comprehensive income and presented in the consolidated statements of changes in equity. Any interest expense incurred is recognized as part of "Interest expense and other financing charges" account in the consolidated statements of income.

The Group's derivative liabilities that are not designated as cash flow hedge are classified under this category.

Other Financial Liabilities. This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial measurement, other financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability. The effective interest rate amortization is included in "Interest expense and other financing charges" account in the consolidated statements of income. Gains and losses are recognized in the consolidated statements of income when the liabilities are derecognized as well as through the amortization process.

Debt issue costs are considered as an adjustment to the effective yield of the related debt and are deferred and amortized using the effective interest method. When a loan is paid, the related unamortized debt issue costs at the date of repayment are recognized in the consolidated statements of income.

The Group's liabilities arising from its trade transactions or borrowings such as loans payable, accounts payable and accrued expenses, long-term debt, lease liabilities and other noncurrent liabilities are included under this category.

Derecognition of Financial Assets and Financial 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 when:

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

When the Group has transferred its 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 the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes the associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the 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 Group is required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. 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. The difference in the respective carrying amounts is recognized in the consolidated statements of income.

Impairment of Financial Assets

The Group recognizes allowance for ECL on financial assets at amortized cost and investments in debt instruments at FVOCI.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

The Group recognizes an allowance for impairment based on either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

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

The Group recognizes lifetime ECLs for receivables that do not contain significant financing component. The Group uses provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the borrowers and the economic environment.

At each reporting date, the Group assesses whether these financial assets at amortized cost and investments in debt instruments at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the restructuring of a financial asset by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

The Group directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering the contractual cash flows on a financial asset, either partially or in full. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The ECLs on financial assets at amortized cost are recognized as allowance for impairment losses against the gross carrying amount of the financial asset, with the resulting impairment losses (or reversals) recognized in the consolidated statements of income. The ECLs on investments in debt instruments at FVOCI are recognized as accumulated impairment losses in other comprehensive income, with the resulting impairment losses (or reversals) recognized in the consolidated statements of income.

Classification of Financial Instruments between Liability and Equity

Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Interests, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

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

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

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole or in part, the amount separately determined as the fair value of the liability component on the date of issue.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

The table below presents a comparison by category of the carrying amounts and fair values of the Group's financial instruments:

	March 31, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	P60,986	P60,986	P58,221	P58,221
Trade and other receivables - net	22,666	22,666	29,456	29,456
Restricted cash (included under "Prepaid expenses and other current assets" account)	222	222	228	228
Derivative assets (included under "Prepaid expenses and other current assets" account)	84	84	85	85
Financial assets at FVOCI (included under "Investments - net" account)	5,829	5,829	5,888	5,888
Financial assets at amortized cost (included under "Investments - net" account)	11,500	11,500	11,500	11,500
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	273	273	244	244
Financial Liabilities				
Loans payable	13,382	13,382	17,103	17,103
Trade payables and other current liabilities (excluding derivative liabilities)	77,644	77,644	76,266	76,266
Derivative liabilities (included under "Trade payables and other current liabilities" account)	133	133	150	150
Long-term debt (including current maturities)	75,865	75,084	79,980	78,615
Other noncurrent liabilities	1,725	1,725	1,924	1,924

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents, Trade and Other Receivables, Restricted Cash, and Noncurrent Receivables and Deposits. The carrying amount of cash and cash equivalents, trade and other receivables and restricted cash approximates fair value primarily due to the relatively short-term maturities of these financial instruments. In the case of noncurrent receivables and deposits, the fair value is based on the present value of expected future cash flows using the applicable discount rates based on current market rates of identical or similar quoted instruments.

Derivatives. The fair values of forward exchange contracts are calculated by reference to current forward exchange rates. In the case of freestanding commodity derivatives, the fair values are determined based on quoted prices obtained from active markets. Fair values for stand-alone derivative instruments that are not quoted from an active market and for embedded derivatives are based on valuation models used for similar instruments using both observable and non-observable inputs.

Financial Assets at FVOCI. The fair values of publicly traded instruments and similar investments are based on quoted market prices in an active market.

Financial Assets at Amortized Cost. The fair value of investment in debt instruments is estimated as the present value of all future cash flows discounted using prevailing market rate of interest for a similar instrument as of the end of the reporting period.

Loans Payable, Trade Payables and Other Current Liabilities, and Other Noncurrent Liabilities. The carrying amounts of loans payable and trade payables approximate fair value due to the relatively short-term maturities of these financial instruments. In the case of other noncurrent liabilities, the fair value is based on the present value of expected future cash flows using the applicable discount rates based on current market rates of identical or similar quoted instruments.

Long-term Debt. The fair value of interest-bearing fixed rate loans is based on the discounted value of expected future cash flows using the applicable market rates for similar types of instruments as at reporting date. As at March 31, 2025 and December 31, 2024, discount rates used ranges from 4.81% to 6.18% and from 5.37% to 6.44% respectively.

Derivative Financial Instruments

The Group's derivative financial instruments according to the type of financial risk being managed and the details of freestanding and embedded derivative financial instruments are discussed below.

The Group, through SMC, enters into various commodity derivative contracts to manage its exposure on commodity price risk. The portfolio is a mixture of instruments including futures, swaps and options.

Derivative Instruments Not Designated as Hedges

The Group enters into certain derivatives as economic hedges of certain underlying exposures. These include freestanding commodity options and embedded currency forwards which are not designated as accounting hedges. Changes in fair value of these instruments are accounted for directly in the consolidated statements of income. Details are as follows:

Freestanding Derivatives

Freestanding derivatives consist of various commodity options entered into by SMC on behalf of the Group.

As at March 31, 2025 and December 31, 2024, the Group has no outstanding bought and sold options covering its wheat and soybean meal requirements.

Embedded Derivatives

The Group's embedded derivatives include currency forwards embedded in non-financial contracts. As at March 31, 2025 and December 31, 2024, the total outstanding notional amount of such embedded currency forwards amounted to, US\$142, and US\$128, respectively. These non-financial contracts consist mainly of foreign currency-denominated purchase orders, sales agreements and capital expenditures. The embedded forwards are not clearly and closely related to their respective host contracts. The net negative fair value of these embedded currency forwards amounted to (P49) and (P66) as at March 31, 2025 and December 31, 2024, respectively.

The Group recognized marked-to-market gains (losses) from freestanding and embedded derivatives amounting to P22 and (P42) for the periods ended March 31, 2025 and 2024, respectively.

Fair Value Changes on Derivatives

The net movements in fair value of the derivative instruments are as follows:

	March 31, 2025	December 31, 2024
Balance at beginning of year	(P66)	(P30)
Net change in fair value of non-accounting hedges	22	(125)
	(44)	(155)
Less fair value of settled instruments	(5)	89
Balance at end of year	(P49)	(P66)

Fair Value Measurements

The Group measures financial and non-financial assets and liabilities at fair value at each reporting date.

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: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

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

Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy groups financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The table below analyzes financial instruments carried at fair value by valuation method:

	March 31, 2025			December 31, 2024		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets						
Derivative assets	P-	P84	P84	P-	P85	P85
Financial assets at FVOCI	5,829	-	5,829	5,850	38	5,888
Financial assets at amortized cost	11,500	-	11,500	11,500	-	11,500
Financial Liabilities						
Derivative liabilities	-	133	133	-	150	150

The Group has no financial instruments valued based on Level 3 as at March 31, 2025 and December 31, 2024. For the period ended March 31, 2025 and for the year ended December 31, 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

10. Other Matters

a. Commitments

The outstanding purchase commitments of the Group amounted to P90,258 and P94,986 as at March 31, 2025 and December 31, 2024, respectively.

- b. There were no unusual items as to nature and amount affecting assets, liabilities, equity, net income or cash flows, except those stated in Management's Discussion and Analysis of Financial Position and Financial Performance.
- c. There were no material changes in estimates of amounts reported in prior financial years.

11. Event After the Reporting Date

On May 7, 2025, the BOD of the Parent Company declared regular cash dividends to all common shareholders of record as of May 22, 2025, amounting to P0.50 per common share, respectively. Cash dividends for common shares are payable on June 6, 2025.



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE

INTRODUCTION

The following discussion should be read in conjunction with the attached unaudited consolidated financial statements of San Miguel Food and Beverage, Inc. ("SMFB" or the "Parent Company") and its subsidiaries (collectively referred to as the "Group") as at and for the period ended March 31, 2025 (with comparative figures as at December 31, 2024 and for the period ended March 31, 2024). All necessary adjustments to present fairly the consolidated financial position, financial performance and cash flows of the Group as at March 31, 2025, and for all the other periods presented, have been made. Certain information and footnote disclosures normally included in the audited consolidated financial statements prepared in accordance with the Philippine Financial Reporting Standards have been omitted.

Operating Segments

The Group has three primary operating segments, namely, the Beer and Non-alcoholic Beverages (NAB) Segment, the Spirits Segment, and the Food Segment.

The Beer and NAB Segment is engaged in the production, marketing, and selling of fermented, malt-based, and non-alcoholic beverages within the Philippines and several foreign markets.

The Spirits Segment is engaged in the production of hard liquor in the form of gin, Chinese wine, brandy, rum, vodka, and other hard liquor variants, which are available nationwide, while some are exported to select countries.

The Food Segment is engaged in (i) the processing and marketing of branded value-added refrigerated processed meats, canned meats, ready-to-eat viands, seafood, and plant-based food products, the manufacture and marketing of butter, margarine, cheese, milk, ice cream, and salad aids, the marketing of flour mixes, and the importation and marketing of coffee products (collectively known as "Prepared and Packaged Food"); (ii) the production and sale of feeds, veterinary medicine, and pet care products ("Animal Nutrition and Health"); (iii) poultry and livestock farming, and the processing and sale of poultry and fresh meats ("Protein"); and (iv) the milling, production and marketing of flour and bakery ingredients, grain terminal handling, foodservice, and international operations ("Others").

I. FINANCIAL PERFORMANCE

Three months ended March 31, 2025 compared to three months ended March 31, 2024

(in millions)	MARCH		HORIZONTAL ANALYSIS INCREASE (DECREASE)		VERTICAL ANALYSIS	
	2025	2024	AMOUNT	%	2025	2024
SALES	98,878	95,432	3,446	4%	100%	100%
COST OF SALES	70,317	69,692	625	1%	71%	73%
GROSS PROFIT	28,561	25,740	2,821	11%	29%	27%
SELLING AND ADMINISTRATIVE EXPENSES	(13,357)	(12,621)	(736)	6%	(14%)	(13%)
OPERATING RESULTS	15,204	13,119	2,085	16%	15%	14%
INTEREST EXPENSE AND OTHER FINANCING CHARGES	(1,374)	(1,129)	(245)	22%	(1%)	(1%)
INTEREST INCOME	974	914	60	7%	1%	1%
GAIN ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT	1	1	-	0%	0%	0%
OTHER INCOME (CHARGES) - NET	255	117	138	118%	0%	0%
INCOME BEFORE INCOME TAX	15,060	13,022	2,038	16%	15%	14%
INCOME TAX EXPENSE	3,478	3,048	430	14%	4%	3%
NET INCOME	11,582	9,974	1,608	16%	12%	10%
Attributable to:						
Equity holders of the Parent Company	7,509	6,004	1,505	25%	8%	6%
Non-controlling interests	4,073	3,970	103	3%	4%	4%
	11,582	9,974	1,608	16%	12%	10%

The Group started 2025 on a strong note, delivering positive financial results for the first quarter.

Consolidated sales for the three months ended March 31, 2025 amounted to P98,878 million, 4% higher than the same period in 2024. Consolidated net income reached P11,582 million, a 16% increase year-on-year.

Sales

Consolidated sales increased by 4%, from P95,432 million in the first quarter of 2024 to P98,878 million in the first quarter of 2025. Sales in the Beer and NAB Segment declined by 3%, from P37,367 million to P36,297 million. On the other hand, sales in the Spirits Segment increased by 8%, from P15,117 million to P16,270 million, while sales in the Food Segment also grew by 8%, from P42,950 million to P46,313 million. The overall increase was mainly driven by favorable selling prices across all businesses and stronger volume growth in the Food Segment.

Cost of Sales

Consolidated cost of sales slightly increased by 1% from P69,692 million in the first quarter of 2024 to P70,317 million in the first quarter of 2025. Cost of sales in the Beer and NAB Segment declined by 7%, from P24,024 million to P22,410 million. In the Spirits Segment, it rose by 7%, from P11,394 million to P12,187 million, while the Food Segment saw a 4% increase, from P34,268 million to P35,720 million. The overall increase reflects the impact of higher sales volume, the annual increase in excise taxes, and some elevated input costs compared to the same period last year.

The following table summarizes the cost of sales for the three months ended March 31, 2025:

(in millions)	Beer and NAB	Spirits	Food	Others	Eliminations / Reclassifications	Total
Inventories	P3,676	P4,534	P30,317	P -	(P1)	P38,526
Excise tax	16,616	7,159	-	-	-	23,775
Labor	563	109	658	3	-	1,333
Others	1,555	385	4,745	4	(6)	6,683
	P22,410	P12,187	P35,720	P7	(P7)	P70,317

Gross profit

Consolidated gross profit rose by 11%, from P25,740 million for the three months ended March 31, 2024 to P28,561 million for the same period in 2025.

Selling and Administrative Expenses

Consolidated selling and administrative expenses increased by 6%, from P12,621 million for the first quarter of 2024 to P13,357 million in the first quarter of 2025. By segment, selling and administrative expenses in the Beer and NAB Segment rose by 9%, from P5,212 million to P5,672 million; in the Spirits Segment, by 12%, from P1,445 million to P1,619 million; and in the Food Segment, by 2%, from P6,077 million to P6,174 million. The overall increase was mainly due to higher amortization of deferred containers

in the Beer and NAB Segment, increased advertising, promotions, and distribution and handling costs in the Spirits Segment, and higher handling costs from increased volumes, rate adjustments, depreciation, and manpower expenses related to new facilities in the Food Segment.

Interest Expense and Other Financing Charges

Consolidated interest expense and other financing charges increased by 22%, from P1,129 million in the first quarter of 2024 to P1,374 million in the first quarter of 2025, mainly due to new loan availments at higher interest rates.

Interest Income

Consolidated interest income increased by 7%, from P914 million to P974 million, primarily due to higher money market placements with longer maturity periods and better rates.

Other Income - Net

The Group recorded consolidated net other income amounting to P255 million for the first quarter of 2025, compared to P117 million for the same period in 2024. The 118% increase was mainly due to favorable foreign exchange and derivatives movements compared to a loss last year, as well as lower casualty losses and facility closures under the Food Segment.

Net Income before Income Tax

As a result of the foregoing, consolidated net income before income tax amounted to P15,061 million for the three months ended March 31, 2025.

Income Tax Expense

The Group's income tax expense increased by 14%, from P3,048 million in the first quarter of 2024 to P3,478 million in the first quarter of 2025.

Net Income

As a result, SMFB's consolidated net income increased by 16%, from P9,974 million in the first quarter of 2024 to P11,582 million in the first quarter of 2025. Net income of the Beer and NAB Segment rose slightly by 1%, from P6,514 million to P6,572 million; net income of the Spirits Segment grew by 11%, from P1,907 million to P2,112 million; and net income of the Food Segment posted an 83% increase, from P1,655 million to P3,029 million.

Non-Controlling Interests

The share of non-controlling interests in the Group's net income increased by 3%, from P3,970 million in the first quarter of 2024 to P4,073 million in the first quarter of 2025.

Net Income after Tax and Minority Interest

As a result of the foregoing, SMFB's consolidated net income after tax and minority interest rose by 25%, from P6,004 million for the three months ended March 31, 2024 to P7,509 million for the same period in 2025. By segment, net income after tax and minority interest for the Beer and NAB Segment grew by 1%, from P6,379 million to P6,436 million; for the Spirits Segment, by 11%, from P1,907 million to P2,112 million; and for the Food Segment, by 84%, from P1,397 million to P2,750 million.

Business Highlights for the period ended March 31, 2025

Beer and NAB

The Beer and NAB Segment, under San Miguel Brewery Inc. (SMB), posted consolidated revenues of P36,297 million, 3% lower than the same period last year, due to a 10% decline in sales volume. Domestic operations contributed P31,965 million, while international operations contributed US\$75 million.

Cost of sales decreased by 7% or P1,614 million, reflecting lower sales volume. Domestic operations accounted for P20,219 million, while international operations accounted for US\$38 million.

Selling and administrative expenses increased by 9% or P460 million, mainly due to higher depreciation and amortization. Domestic operations accounted for P4,701 million, while international operations accounted for US\$17 million.

Despite the lower volumes, income from operations slightly increased to P8,215 million, supported by lower manufacturing costs. Domestic operations contributed P7,045 million, while international operations contributed US\$20 million.

Interest expense and other financing charges increased by 7%, mainly due to the higher interest rates on the P10 billion term loans drawn in December 2024.

Interest income rose by 5% driven by higher money market placements in the domestic operations.

Consolidated net income, which reached P6,572 million, was slightly higher than last year's P6,514 million. Domestic operations contributed P5,416 million while international operations contributed US\$20 million.

The operating and financial highlights of each subdivision under the Beer and NAB Segment are as follows:

Domestic Beer Operations

Domestic operations' revenue for the first quarter of 2025 amounted to P31,965 million, lower by P1,090 million or 3% due to a decline in volumes. The weaker volume performance was attributed mainly to the impact of price increases in the hard liquor category in the trade, and the shift in Lenten season timing from March last year to April this year.

Income from operations reached P7,045 million, slightly higher than last year due to improved pricing and lower costs. However, with the lower first quarter volumes, net income declined by 13% year-on-year to P5,416 million.

International Beer Operations

San Miguel Brewing International Limited (SMBIL) recorded consolidated revenues of US\$75 million in the first quarter of 2025, down 3% from the previous year. This decline was mainly due to lower volumes, an unfavorable market mix, and depreciation of most local currencies against the US dollar.

Global San Miguel brand volumes continued to perform well, registering a 4% increase year-on-year. However, consolidated volume as of March 2025, excluding additional export production allocated to the Philippines, was slightly lower than last year, as the growth in global San Miguel brands was offset by weaker sales of local and partner brands. Including export volumes allocated to the Philippines, total volume would have been 1% higher than the previous year.

South China operations saw a 4% volume increase driven by expanded distribution in the online and retail chain channels. The Exports business also sustained strong growth, up 5% from the first quarter of 2024, supported by higher sales in the UAE, South Korea, and other markets across Asia and the Middle East.

Meanwhile, operations in Hong Kong, Thailand, Indonesia, and Vietnam recorded lower volumes. In Hong Kong, volume was affected by a continued rise in outbound tourism, particularly to Mainland China, and a decline in overall beer industry volume. In Thailand, volume lagged due to underperformance in the modern trade channel, with mixed results across sales regions. In Indonesia, heightened competition in the wholesaler channel led to a reduction in Anker Bir volumes. In Vietnam, San Miguel brand volumes were slightly lower due to a reduction in the number of retail outlets.

SMBIL's consolidated operating income remained steady at US\$20 million, the same level reported in the first quarter of the previous year.

Spirits

The Spirits Segment, under Ginebra San Miguel Inc. (GSMI), generated revenues of P16,270 million, reflecting an 8% increase from first quarter last year's P15,117 million, primarily driven by a selling price adjustment implemented in February 2025. Cost of sales rose by 7% to P12,187 million from P11,394 million, due to higher input costs and excise taxes. The increase in selling price more than offset these cost pressures, resulting in a 10% increase in gross profit.

Selling and administrative expenses rose by 12%, from P1,445 million to P1,619 million, mainly due to higher advertising and promotional spending, as well as increased delivery and marketing expenses.

Interest income climbed 19% to P225 million from P189 million, driven by higher money market placements.

Other income rose significantly by 57% from P90 million to P141 million, due mainly to a P51 million marked-to-market gain on derivatives.

The Spirits Segment posted a net income of P2,112 million for the first quarter of 2025, an 11% increase from P1,907 million in the same period last year.

Food

The Food Segment posted consolidated revenues of P46,313 million for the first quarter of 2025, 8% higher than same period in 2024, driven by strong volume growth across most businesses and favorable selling prices for chicken and Prepared and Packaged Food products.

The Protein business, comprising poultry and fresh meats, led the Food Segment's topline growth and posted revenues of P18,571 million, up 19% compared to the first quarter of 2024. Poultry sales volume was spurred by robust demand from the foodservice segment, supported by steady internal supply. Chicken selling prices remained elevated amidst tight industry supply, contributing to the revenue increase. Conversely, the prolonged impact of African Swine Fever (ASF) continued to constrain revenue performance in the fresh meats business.

The Animal Nutrition and Health business, comprising feeds, veterinary medicine, and pet care products, recorded revenues of P9,812 million, 8% lower than the same period last year. Hog feed sales remained affected by the ASF-induced industry depopulation. The business also implemented targeted competitive pricing, supported by lower input costs, to preserve market volume share, which partly contributed to the decline in revenues.

The Prepared and Packaged Food business, which includes processed meats, ready-to-eat and plant-based food, dairy, spreads, and coffee, delivered revenues of P13,857 million, up 9% year-on-year, on the back of higher sales volumes and improved selling prices. Purefoods Luncheon Meat and Purefoods Corned Beef posted strong double-digit volume growth, enabled by additional production capacity from the company-owned cannery. SPAM®, Purefoods Chicken Nuggets, Purefoods Bacon and the Purefoods native line also exceeded prior-year first quarter sales volumes. Magnolia butter, margarine, cheese, salad aids, all-purpose cream, flour mixes, and ice cream, as well as San Mig Super Coffee Original variant and Essenso®, likewise achieved higher volumes.

Cost of sales for the Food Segment amounted to P35,720 million, 4% higher than same period last year. In addition to volume growth, the increase was driven by rising prices of imported meat and dairy inputs, higher operating costs from newly established facilities, and increased fuel and power costs.

Gross profit rose to P10,593 million, up 22% from the first quarter of 2024, driven by volume gains, favorable pricing, and lower costs for certain key raw materials in the Protein, and Animal Nutrition and Health businesses.

Selling and administrative expenses stood at P6,174 million, a modest 2% increase from the same period in the prior year, as operating expenses were tightly managed to support volume growth.

Supported by the full recovery of the Poultry business and enhanced efficiencies from company-owned facilities, operating income for the Food Segment surged to P4,419 million, a 70% increase from first quarter of last year.

Three months ended March 31, 2024 compared to three months ended March 31, 2023

(in millions)	MARCH		HORIZONTAL ANALYSIS INCREASE (DECREASE)		VERTICAL ANALYSIS	
	2024	2023	AMOUNT	%	2024	2023
SALES	95,432	93,186	2,246	2%	100%	100%
COST OF SALES	69,692	69,863	(171)	(0%)	73%	75%
GROSS PROFIT	25,740	23,323	2,417	10%	27%	25%
SELLING AND ADMINISTRATIVE EXPENSES	(12,621)	(11,742)	879	7%	(13%)	(13%)
OPERATING RESULTS	13,119	11,581	1,538	13%	14%	12%
INTEREST EXPENSE AND OTHER	(1,129)	(1,164)	(35)	(3%)	(1%)	(1%)
FINANCING CHARGES						
INTEREST INCOME	914	740	174	24%	1%	1%
GAIN ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT	1	2	(1)	(50%)	0%	0%
OTHER INCOME (CHARGES) - NET	117	1,855	(1,738)	(94%)	0%	2%
INCOME BEFORE INCOME TAX	13,022	13,014	8	0%	14%	14%
INCOME TAX EXPENSE	3,048	3,139	(91)	(3%)	3%	3%
NET INCOME	9,974	9,875	99	1%	10%	11%
Attributable to:						
Equity holders of the Parent Company	6,004	5,653	351	6%	6%	6%
Non-controlling interests	3,970	4,222	(252)	(6%)	4%	5%
	9,974	9,875	99	1%	10%	11%

The Group continued to deliver solid results for the first quarter of 2024.

Consolidated sales for the three months ended March 31, 2024 amounted to P95,432 million, 2% higher compared to the same period in 2023, while the consolidated net income amounted P9,974 million, 1% higher than in the same period in 2023.

Sales

Consolidated sales increased by 2%, from P93,186 million for the three months ended March 31, 2023 to P95,432 million for the same period in 2024. Sales in the Beer and NAB Segment decreased by 3%, from P38,335 million in 2023 to P37,367 million in 2024, sales in the Spirits Segment increased by 17%, from P12,945 million in 2023 to P15,117 million in 2024, and sales in the Food Segment increased by 2%, from P41,908 million in 2023 to P42,950 million in 2024. The increase was mainly due to higher sales volume of the Food and Spirits businesses.

Cost of Sales

The level of consolidated cost of sales was maintained, P69,863 million for the three months ended March 31, 2023 and P69,692 million for the same period in 2024. Cost of sales in the Beer and NAB Segment decreased by 3%, from P24,864 million in 2023 to P24,024 million in 2024, cost of sales in the Spirits Segment increased by 15%, from P9,906 million in 2023 to P11,394 million in 2024, and cost of sales in the Food Segment decreased by 2%, from P35,100 million in 2023 to P34,268 million in 2024. The net variance was due to the relative costs of higher sales volume and the annual increase in excise taxes, offset by lower average costs of raw materials primarily used by the Food Segment compared to the same period in 2023.

The following table summarizes the cost of sales for the three months ended March 31, 2024:

(in millions)	Beer and NAB	Spirits	Food	Reclassifications/adju: ments/interco	Total
Inventories	P4,120	P4,266	P29,374	(P11)	P37,749
Excise tax	17,737	6,623	-		24,360
Labor	525	105	645		1,275
Others	1,642	400	4,261	5	6,308
	P24,024	P11,394	P34,280	(P6)	P69,692

Gross profit

Consolidated gross profit increased by 10%, from P23,323 million for the three months ended March 31, 2023 to P25,740 million for the same period in 2024.

Selling and Administrative Expenses

Consolidated selling and administrative expenses increased by 7%, from P11,742 million for the three months ended March 31, 2023 to P12,621 million for the same period in 2024. Selling and administrative expenses in the Beer and NAB Segment increased by 4%, from P5,033 million in 2023 to P5,212 million in 2024, selling and administrative expenses in the Spirits Segment increased by 3%, from P1,408 million

in 2023 to P1,445 million in 2024, and selling and administrative expenses in the Food Segment increased by 12%, from P5,407 million in 2023 to P6,077 million in 2024. The increase was primarily due to the higher handling costs related to volume increase and higher rates, as well as increased advertising and promotions spending.

Interest Expense and Other Financing Charges

Consolidated interest expense and other financing charges decreased by 3%, from P1,164 million for the three months ended March 31, 2023 to P1,129 million for the same period in 2024. The decrease was mainly due to lower average loan balances during the period.

Interest Income

Consolidated interest income increased by 24%, from P740 million for the three months ended March 31, 2023 to P914 million for the same period in 2024. The significant increase was primarily due to higher money market placements with longer maturity periods and improved rates, as well as interests earned on investments in debt instruments.

Gain on sale of investments and property and equipment

The gain recognized, amounting to P1 million for the three months ended March 31, 2024, was due to the proceeds from sale of fixed assets.

Other Income - Net

The Group recognized consolidated net other income amounting to P117 million for the three months ended March 31, 2024 compared to the consolidated net other income of P1,855 million for the same period in 2023. The decrease was primarily due to the Spirits Segment's one-time gain from the assignment of product rights in 2023, 2024's lower foreign exchange gain and marked to market losses as a result of depreciation of the Peso against the US Dollar.

Net Income before Income Tax

As a result of the foregoing, consolidated net income before income tax for the three months ended March 31, 2024 amounted to P13,022 million.

Income Tax Expense

The Group's income tax expense decreased by 3%, from P3,139 million for the three months ended March 31, 2023 to P3,048 million for the same period in 2024.

Net Income

As a result of the foregoing, SMFB's consolidated net income increased by 1%, from P9,875 million for the three months ended March 31, 2023 to P9,974 million for the same period in 2024. Net income of the Beer and NAB Segment decreased by 4%, from P6,819 million in 2023 to P6,514 million in 2024, while net income of the Spirits Segment decreased by 25%, from P2,532 million in 2023 to P1,907 million in 2024. On the other hand, the Food Segment's net income increased by 150%, from P661 million in 2023 to P1,655 million in 2024.

Non-Controlling Interests

Share of non-controlling interests in the Group's net income decreased by 6%, from P4,222 million in the first quarter of 2023 to P3,970 million in the first quarter of 2024.

Net Income after Tax and Minority Interest

As a result of the foregoing, SMFB's consolidated net income after tax and minority interest increased by 6%, from P5,653 million for the three months ended March 31, 2023 to P6,004 million for the same period in 2024. Net income after tax and minority interest of the Beer and NAB Segment decreased by 4%, from P6,624 million in 2023 to P6,379 million in 2024, net income after tax and minority interest of the Spirits Segment decreased by 25%, from P2,532 million in 2023 to P1,907 million in 2024, and net income after tax and minority interest of the Food Segment increased by 190% from P482 million in 2023 to P1,397 million in 2024.

Business Highlights for the period ended March 31, 2024

Beer and NAB

SMB domestic operations accounted for P33,055 million total revenues for the first quarter of 2024, 3% lower compared to the first quarter of 2023, given same period 2023's higher beer volume due to the build-up in the trade in anticipation of a March 2023 price adjustment.

With the lower first quarter volumes, income from operations likewise fell to P7,016 million, 4% lower than in the same period 2023. Nevertheless, SMB still posted a net income of P6,233 million, 9% higher than in the first quarter of 2023 mainly due to the dividends received from SMBIL in January 2024.

SMBIL registered consolidated revenues of US\$77 million in the first quarter of 2024, 3% lower than in the comparable period in 2023 on account of a 1% shortfall in volumes, market mix, and the depreciation of most local currencies against the US Dollar.

SMBIL's global San Miguel brands continued to deliver robust volumes as it grew 4% as of the first quarter of 2024. This was offset by lower volumes of local brands (i.e., beer brands owned by the subsidiaries in the relevant markets) and partner brands. Sales in the South China operations grew 11% through effective penetration and promotion programs, while Thailand operations' volumes expanded due to the impact of outlet expansion efforts since 2023 and the growth in its new low alcohol, low carbohydrates beer. Volumes of global San Miguel brands in the Vietnam operations were also higher than in the first three months of 2023 due to the expansion in draught outlets and higher yield from the modern trade off-premise channel. Meanwhile, the Exports business likewise grew from same period in 2023 as growth momentum in the United Arab Emirates was sustained and volumes in some major markets in Africa improved. On the other hand, the Hong Kong and Indonesia operations posted a decline in sales in the first quarter of 2024. Hong Kong operations' volume was affected by the contraction of the beer industry, increasing number of outbound tourists particularly those crossing the border to China, and tourist arrivals that were still behind pre-pandemic levels. Volumes in the Indonesia operations were lower due to the decline in sales of Anker Bir in the wholesaler channel.

Consolidated operating income of SMBIL for the first quarter of 2024 stood at US\$20 million, 3% lower versus same period 2023 as the impact of lower volumes and unfavorable market mix and foreign exchange was offset by lower average production costs.

Spirits

The Spirits Segment's revenue amounted to P15,117 million for the quarter ended March 31, 2024, 17% higher than in the first quarter of 2023's P12,945 million, mainly due to volume improvement of major brands and a price increase.

Gross profit for the three months ended March 31, 2024 amounted to P3,723 million, 22% higher than in the first three months of 2023 or by P684 million, driven by the selling price increase, generally stable costs of major materials, and improvement of the distillery's biogas generation.

Interest expense and other financing charges increased by 11% to P20 million in the first quarter of 2024 from P18 million in the first quarter of 2023 mainly from the short-term loan availed by the Segment in the last quarter of 2023.

Interest income registered a 101% growth to P189 million for the first quarter of 2024 from P94 million in the same period in 2023 primarily due to the interest received from money market placements and related party advances.

Other income amounted to P90 million for the first quarter of 2024 from P1,663 million for first quarter of 2023 mainly driven by the one-time miscellaneous income recognized in 2023.

The group's net income after tax for the first quarter of 2024 amounted to P1,907 million, lower by P625 million from P2,532 million for the first quarter of 2023.

Food

The Food Segment started the year strong and posted consolidated revenues of P42,950 million for the first three months of 2024, up by 2% versus same period in 2023, primarily driven by higher sales volume achievement across most Food businesses.

The Protein business delivered revenues of P15,544 million for the first quarter of 2024, up 2% from the same period in 2023. A stable growth in broiler supply enabled the business to address the robust demand from foodservice, supermarkets, and wet markets, offsetting the impact of low chicken selling prices brought about by the influx of imported frozen chicken. On the other hand, the resurgence of ASF in several provinces continues to hamper plans for repopulation, thereby affecting fresh meats business' revenue.

The Animal Nutrition and Health business recorded revenues of P10,706 million, 3% lower than same period in 2023. The strong performance of free-range fowl feeds partly cushioned the drop in hog feeds sales, which continues to be hampered by the ASF-induced industry depopulation. The business likewise maintained volumes through competitive pricing timed with the softening of direct materials costs, to preserve profitability despite lower tactical selling price.

The Prepared and Packaged Food business posted revenues of P12,734 million, up 9% compared to same period in 2023, boosted by better selling prices and higher sales volume. Sales volume growth was noted for The Purefoods-Hormel Company, Inc.'s Tender Juicy® Hotdogs, Purefoods Luncheon Meat, Purefoods Corned Beef, sliced hams and Purefoods native line. Magnolia Inc.'s butter, cheese, salad aids, flour mixes and ice cream, as well as San Miguel Super Coffeemix Co., Inc.'s Sugarfree and Barako variants, likewise recorded higher volume.

The Food Segment's cost of sales was 2% lower at P34,268 million compared to same period in 2023, mainly driven by cost breaks in most of the major raw materials such as corn, soybean meal, feed wheat, broiler, imported beef, skimmed milk powder, cheese curds, and anhydrous milkfat, coupled with enhanced operational efficiencies enabled by the company-owned facilities.

Gross profit rose to P8,682 million, 28% higher compared to the first quarter of 2023, driven by higher volumes sold with lower costs of major raw materials compared to same period 2023 level.

Selling and administrative expenses increased 12% to P6,077 million mainly due to an increase in manpower requirements to support expansion, implementation of government-mandated wage hikes, and higher spending on advertising and promotion to support and drive volume growth.

As a result, the Food Segment's operating income for the first quarter rose to P2,605 million, 86% higher than same period in 2023.

II. FINANCIAL POSITION

Financial Position as of March 31, 2025 vs December 31, 2024

(in millions)	MARCH 2025	December 2024	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease) Amount	%	2025	2024
ASSETS						
Current Assets						
Cash and cash equivalents	60,986	58,221	2,765	5%	16%	15%
Trade and other receivables - net	22,666	29,456	(6,790)	(23%)	6%	8%
Inventories	51,426	47,582	3,844	8%	14%	13%
Current portion of biological assets - net	3,414	3,241	173	5%	1%	1%
Prepaid expenses and other current assets	5,681	5,506	175	3%	1%	1%
Assets held for sale	186	186	-	0%	0%	0%
Total Current Assets	144,359	144,192	167	0%	38%	38%
Noncurrent Assets						
Investments - net	17,329	17,388	(59)	(0%)	5%	5%
Property, plant and equipment - net	130,528	128,590	1,938	2%	34%	34%
Right-of-use assets - net	5,224	4,923	301	6%	1%	1%
Investment property - net	3,584	3,576	8	0%	1%	1%
Biological assets - net of current portion	2,677	2,652	25	1%	1%	1%
Goodwill - net	996	996	-	0%	0%	0%
Other intangible assets - net	39,602	39,665	(63)	(0%)	10%	11%
Deferred tax assets	3,656	3,657	(1)	(0%)	1%	1%
Other noncurrent assets - net	30,781	31,467	(686)	(2%)	8%	8%
Total Noncurrent Assets	234,377	232,914	1,463	1%	62%	62%
Total Assets	378,736	377,106	1,630	0%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Loans payable	13,382	17,103	(3,721)	(22%)	4%	5%
Trade payables and other current liabilities	77,777	76,416	1,361	2%	21%	20%
Lease liabilities - current portion	729	735	(6)	(1%)	0%	0%
Income and other taxes payable	12,155	10,035	2,120	21%	3%	3%
Dividends payable	735	89	646	726%	0%	0%
Current maturities of long-term debt - net of debt issue costs	10,287	12,328	(2,041)	(17%)	3%	3%
Total Current Liabilities	115,065	116,706	(1,641)	(1%)	30%	31%
Noncurrent Liabilities						
Long-term debt – net of current maturities and debt issue costs	65,578	67,652	(2,074)	(3%)	17%	18%
Deferred tax liabilities	23	23	-	0%	0%	0%
Lease liabilities – net of current portion	5,265	4,864	401	8%	1%	1%
Other noncurrent liabilities	7,438	7,672	(234)	(3%)	2%	2%
Total Noncurrent Liabilities	78,304	80,211	(1,907)	(2%)	21%	21%
Equity						
Capital stock	6,251	6,251	-	0%	2%	2%
Additional paid-in capital	366,620	366,620	-	0%	97%	97%
Equity adjustments from common control transactions	(327,793)	(327,793)	-	0%	(87%)	(87%)
Equity reserves	(1,856)	(1,711)	(145)	8%	(0%)	(0%)
Retained earnings:						
Appropriated	48,445	45,375	3,070	7%	13%	12%
Unappropriated	59,035	57,551	1,484	3%	16%	15%
Treasury stock	(30,182)	(30,182)	-	0%	(8%)	(8%)
Equity Attributable to Equity Holders of the Parent Company	120,520	116,111	4,409	4%	32%	31%
Non-controlling Interests	64,847	64,078	769	1%	17%	17%
Total Equity	185,367	180,189	5,178	3%	49%	48%
Total Liabilities and Equity	378,736	377,106	1,630	0%	100%	100%

Consolidated total assets as of March 31, 2025 amounted to P378,736 million almost unchanged from the December 31, 2024 level.

Cash and cash equivalents increased by 5% or by P2,765 million, driven by higher cash generated from operations, partially offset by dividend payments and funding of investing activities.

Trade and other receivables declined by 23% or by P6,790 million, reflecting collections from peak season sales and lower credit sales during the period.

Inventories rose by 8% or by P3,844 million due to higher balances of materials, supplies, and finished goods across the Group.

Loans payable decreased by 22% or by P3,721 million, primarily due to lower availments during the period.

Income and other taxes payable increased by 21% or by P2,120 million, attributed to the Group's higher taxable income and increased value-added tax (VAT) payable for the quarter.

Dividends payable surged by 726% or by P646 million, mainly due to higher declared dividends in March 2025, with a portion remaining unpaid and unclaimed.

Long-term debt, including the current maturities, declined by 5% or by P4,115 million, following the settlement of the Beer Segment's P4 billion term loan and Parent Company's redemption of P8 billion in Series A bonds. The redemption was funded by two P4 billion term loans, both completed in March 2025.

Consolidated total equity as of March 31, 2025 stood at P185,367 million, 3% or P5,178 million higher than December 31, 2024 level. The increase was primarily due to the net income of P11,582 million, partially offset by dividends declared during the period amounting P6,057 million.

Financial Position as of March 31, 2024 vs December 31, 2023

<i>(in millions)</i>	March 2024	December 2023	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease) Amount	%	2024	2023
ASSETS						
Current Assets						
Cash and cash equivalents	67,809	57,007	10,802	19%	19%	16%
Trade and other receivables - net	21,594	25,869	(4,275)	(17%)	6%	7%
Inventories	42,202	43,096	(894)	(2%)	12%	12%
Current portion of biological assets - net	3,307	3,515	(208)	(6%)	1%	1%
Prepaid expenses and other current assets	6,122	6,216	(94)	(2%)	2%	2%
Assets held for sale	186	186	-	0%	0%	0%
Total Current Assets	141,220	135,889	5,331	4%	39%	38%
Noncurrent Assets						
Investments - net	17,221	17,128	93	1%	5%	5%
Property, plant and equipment - net	119,386	118,000	1,386	1%	33%	33%
Right-of-use assets - net	4,529	4,633	(104)	(2%)	1%	1%
Investment property - net	3,537	3,537	-	0%	1%	1%
Biological assets - net of current portion	2,512	2,667	(155)	(6%)	1%	1%
Goodwill - net	996	996	-	0%	0%	0%
Other intangible assets - net	39,438	39,444	(6)	(0%)	11%	11%
Deferred tax assets	3,257	3,209	48	1%	1%	1%
Other noncurrent assets - net	30,425	30,272	153	1%	8%	9%
Total Noncurrent Assets	221,301	219,886	1,415	1%	61%	62%
Total Assets	362,521	355,775	6,746	2%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Loans payable	17,043	14,684	2,359	16%	5%	4%
Trade payables and other current liabilities	63,164	65,288	(2,124)	(3%)	17%	18%
Lease liabilities - current portion	415	418	(3)	(1%)	0%	0%
Income and other taxes payable	11,202	9,668	1,534	16%	3%	3%
Dividends payable	631	79	552	699%	0%	0%
Current maturities of long-term debt - net of debt issue costs	20,836	12,871	7,965	62%	6%	4%
Total Current Liabilities	113,291	103,008	10,283	10%	31%	29%
Noncurrent Liabilities						
Long-term debt – net of current maturities and debt issue costs	61,919	69,939	(8,020)	(11%)	17%	20%
Deferred tax liabilities	23	26	(3)	(12%)	0%	0%
Lease liabilities – net of current portion	4,709	4,758	(49)	(1%)	1%	1%
Other noncurrent liabilities	8,866	8,929	(63)	(1%)	2%	3%
Total Noncurrent Liabilities	75,517	83,652	(8,135)	(10%)	21%	24%
Equity						
Capital stock	6,251	6,251	-	0%	2%	2%
Additional paid-in capital	366,620	366,620	-	0%	101%	103%
Equity adjustments from common control transactions	(327,793)	(327,793)	-	0%	(90%)	(92%)
Equity reserves	(2,021)	(2,094)	(73)	(3%)	(1%)	(1%)
Retained earnings:						
Appropriated	47,012	45,392	1,620	4%	13%	13%
Unappropriated	52,721	50,996	1,725	3%	15%	14%
Treasury stock	(30,182)	(30,182)	-	0%	(8%)	(8%)
Equity Attributable to Equity Holders of the Parent Company	112,608	109,190	3,418	3%	31%	31%
Non-controlling Interests	61,105	59,925	1,180	2%	17%	17%
Total Equity	173,713	169,115	4,598	3%	48%	48%
Total Liabilities and Equity	362,521	355,775	6,746	2%	100%	100%

Consolidated total assets as of March 31, 2024 amounted to P362,521 million, 2% or P6,746 million higher than December 31, 2023 level. The increase was primarily due to higher cash generated from operations. Consolidated total liabilities as of March 31, 2024 amounted to P188,808 million, 1% or P2,148 million higher than December 31, 2023 level. The slight increase was primarily due to net availment of short-term loans and higher taxes payable.

Cash and cash equivalents increased by 19% or by P10,802 million due to higher cash generated from operations that was offset by payment of dividends and funding of investing activities.

Trade and other receivables decreased by 17% or by P4,275 million due to collection of receivables from peak season sales and better collection efforts.

Biological assets decreased by 6% or by P363 million mainly attributable to lower feed costs of the Poultry business and decrease in volume of flocks loaded as compared to December 31, 2023 balances.

Loans payable increased by 16% or by P2,359 million due to net additional availments during the period.

Income and other taxes payable increased by 16% or by P1,534 million due to the higher taxable income of the Group and higher VAT payable for the quarter.

Dividends payable increased by 699% or by P552 million mainly due to the declared dividends in March 2024 but payable within the year.

Consolidated total equity as of March 31, 2024 amounted to P173,713 million, 3% or P4,598 million higher than December 31, 2023 level. The increase was primarily due to the net income amounting to P9,974 million less the dividends declared by the Group amounting P5,505 million during the period.

III. SOURCES AND USES OF CASH

A brief summary of cash flow movements for the periods ended March 31, 2025 and 2024 is shown below:

<i>(in millions)</i>	2025	2024
Net cash flows provided by operating activities	P19,558	P17,019
Net cash flows used in investing activities	(3,245)	(3,662)
Net cash flows used in financing activities	(13,448)	(2,794)

Net cash from operations basically consisted of income for the period and changes in non-cash current assets, certain current liabilities and others.

Net cash used in investing activities include the following:

<i>(in millions)</i>	2025	2024
Additions to property, plant and equipment and investment property	(P3,374)	(P2,847)
Increase in biological assets, intangible assets and other noncurrent assets	(868)	(1,733)
Proceeds from sale of investments and property, and equipment	1	2
Dividends received	36	35
Interest received	960	881

Net cash used in financing activities consist of the following:

<i>(in millions)</i>	2025	2024
Proceeds from short-term and long-term borrowings	P67,669	P66,473
Payments of short-term and long-term borrowings	(75,535)	(64,199)
Cash dividends paid	(5,411)	(4,953)
Payment of lease liabilities	(171)	(115)

The effect of exchange rate changes on cash and cash equivalents amounted to (P100) million and P239 million for the periods ended March 31, 2025 and 2024, respectively.

IV. KEY PERFORMANCE INDICATORS

The following are the major performance measures that the Group uses. Analyses are employed by comparisons and measurements based on the financial data of the periods indicated below.

KPI	As of March 31, 2025	As of December 31, 2024
Liquidity:		
Current Ratio	1.25	1.24
Quick Ratio	0.73	0.75
Solvency:		
Debt to Equity Ratio	1.04	1.09
Asset to Equity Ratio	2.04	2.09
Profitability:		
Return on Average Equity Attributable to Equity Holders of the Parent Company	23.03%	22.85%
Interest Rate Coverage Ratio	11.96	12.16
Return on Assets	11.26%	11.17%

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Operating Efficiency:		
Volume Growth	(3.50%)	0.10%
Revenue Growth	3.61%	2.41%
Operating Margin	15.38%	13.75%

The manner by which the Group calculates the above indicators is as follows:

KPI	Formula
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Quick Ratio	$\frac{\text{Current Assets} - \text{Inventory} - \text{Current Portion of Biological Assets} - \text{Prepayments}}{\text{Current Liabilities}}$
Debt to Equity Ratio	$\frac{\text{Total Liabilities (Current + Noncurrent)}}{\text{Equity}}$
Asset to Equity Ratio	$\frac{\text{Total Assets (Current + Noncurrent)}}{\text{Equity}}$
Return on Average Equity Attributable to Equity Holders of the Parent Company	$\frac{\text{Net Income Attributable to Equity Holders of the Parent Company}^*}{\text{Average Equity Attributable to Equity Holders of the Parent Company}^{**}}$
Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interests and Taxes}}{\text{Interest Expense and Other Financing Charges}}$
Return on Assets	$\frac{\text{Net Income}^*}{\text{Average Total Assets}}$
Volume Growth	$\left(\frac{\text{Sum of all Businesses' Sales at Prior Period Prices}}{\text{Prior Period Net Sales}} \right)^{-1}$
Revenue Growth	$\left(\frac{\text{Current Period Net Sales}}{\text{Prior Period Net Sales}} \right)^{-1}$
Operating Margin	$\frac{\text{Income from Operating Activities}}{\text{Net Sales}}$

* Annualized for quarterly reporting

** Excluding preferred capital stock and related additional paid-in capital

V. OTHER MATTERS

a. Commitments

The Group's outstanding purchase commitments amounted to P90,258 million and P94,986 million as at March 31, 2025 and December 31, 2024, respectively.

- b. There were no known trends, demands, commitments, events, or uncertainties that will have a material impact on the Group's liquidity. The Group does not anticipate any cash flow or liquidity problems within the next 12 months. The Group was not in default or breach in any material respect of any note, loan, lease, or other indebtedness or financing arrangement requiring payments. There were no significant amounts of the Group's trade payables that have not been paid within the stated trade terms.
- c. There were no known events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation, and there were no changes in contingent liabilities and contingent assets since the last annual reporting date. No material contingencies and any other events or transactions exist that are material to an understanding of the current interim period.
- d. There were no known trends, events, or uncertainties that have had or that are reasonably expected to have a favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- e. There are no significant elements of income or loss that did not arise from continuing operations.
- f. Sales are affected by seasonality of customer purchase patterns. In the Philippines, food and alcoholic beverages, including those the Group produce, generally experience increased sales during the Christmas holiday season. In addition, alcoholic beverages experience increased sales in the summer months, and typically slow down in the third quarter during the rainy season. As a result, performance for any one quarter is not necessarily indicative of what is to be expected for any other quarter or for any year and the Group's financial condition and results of operations may fluctuate significantly from quarter to quarter.
- g. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES
TRADE AND OTHER RECEIVABLES
March 31, 2025
(In Millions)

		Past Due					
	Total	Current	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	
Trade	P 20,056	P 16,436	P 2,401	P 533	P 142	P 544	
Non-trade	1,432	674	143	59	24	532	
Others	2,400	272	30	664	88	1,346	
Total	23,888	P 17,382	P 2,574	P 1,256	P 254	P 2,422	
Less allowance for impairment losses	1,222						
Net	P 22,666						

SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS

The following are the major performance measures that the Group uses. Analyses are employed by comparisons and measurements based on the financial data of the periods indicated below.

KPI	As of March 31, 2025	As of December 31, 2024
Liquidity: Current Ratio	1.25	1.24
Quick Ratio	0.73	0.75
Solvency: Debt to Equity Ratio	1.04	1.09
Asset to Equity Ratio	2.04	2.09
Profitability: Return on Average Equity Attributable to Equity Holders of the Parent Company	23.03%	22.85%
Interest Rate Coverage Ratio	11.96	12.16
Return on Assets	11.26%	11.17%

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Operating Efficiency: Volume Growth	(3.5%)	0.10%
Revenue Growth	3.61%	2.41%
Operating Margin	15.38%	13.75%

The manner by which the Group calculates the above indicators is as follows:

KPI	Formula
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Quick Ratio	$\frac{\text{Current Assets} - \text{Inventory} - \text{Current Portion of Biological Assets} - \text{Prepayments}}{\text{Current Liabilities}}$
Debt to Equity Ratio	$\frac{\text{Total Liabilities (Current + Noncurrent)}}{\text{Equity}}$
Asset to Equity Ratio	$\frac{\text{Total Assets (Current + Noncurrent)}}{\text{Equity}}$
Return on Average Equity Attributable to Equity Holders of the Parent Company	$\frac{\text{Net Income Attributable to Equity Holders of the Parent Company}^*}{\text{Average Equity Attributable to Equity Holders of the Parent Company}^{**}}$
Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interests and Taxes}}{\text{Interest Expense and Other Financing Charges}}$
Return on Assets	$\frac{\text{Net Income}^*}{\text{Average Total Assets}}$
Volume Growth	$\left(\frac{\text{Sum of all Businesses' Sales at Prior Period Prices}}{\text{Prior Period Net Sales}} \right) - 1$
Revenue Growth	$\left(\frac{\text{Current Period Net Sales}}{\text{Prior Period Net Sales}} \right) - 1$
Operating Margin	$\frac{\text{Income from Operating Activities}}{\text{Net Sales}}$

* Annualized for quarterly reporting

** Excluding preferred capital stock and related additional paid-in capital