



**November 20, 2023**

**SECURITIES AND EXCHANGE COMMISSION**

SEC Headquarters, 7907 Makati Avenue,  
Salcedo Village, Bel-Air, Makati City

ATTENTION : **DIR. VICENTE GRACIANO P. FELIZMENIO, JR.**  
Markets and Securities Regulation Department

*via PSE EDGE*

**PHILIPPINE STOCK EXCHANGE, INC.**

PSE Tower, 28<sup>th</sup> Street, cor. 5<sup>th</sup> Avenue,  
Bonifacio Global City, Taguig City

ATTENTION : **MS. ALEXANDRA D. TOM WONG**  
Head, Disclosure Department

*via electronic mail*

**PHILIPPINE DEALING & EXCHANGE CORP.**

Market Regulatory Services Group  
29<sup>th</sup> Floor BDO Equitable Tower  
8751 Paseo de Roxas, Makati City

ATTENTION : **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**  
Head - Issuer Compliance and Disclosures Department

Gentlemen:

Please see attached the SEC Form 17-C (Current Report) of Aboitiz Equity Ventures Inc. filed in compliance with the Securities Regulation Code, its 2015 Implementing Rules and Regulations, the Revised Disclosure Rules of the Philippine Stock Exchange (PSE), and the Issuer Disclosure Operating Guidelines of the Philippine Dealing Exchange Corp. (PDEX).

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

**ABOITIZ EQUITY VENTURES INC.**

By:

**MAILENE M. DE LA TORRE**

Assistant Corporate Secretary

COVER SHEET

C E O 2 5 3 6

S.E.C. Registration Number

A B O I T I Z E Q U I T Y V E N T U R E S I N C .

( Company's Full Name )

3 2 N D S T R E E T , B O N I F A C I O G L O B A L

C I T Y , T A G U I G C I T Y , M E T R O M A N I L A

P H I L I P P I N E S

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

CONNIE G. CHU

Contact Person

(02) 8 886-2800

Company Telephone Number

1 2 3 1

Month Day

Fiscal Year

1 7 - C

FORM TYPE

4th Monday of April

0 4 2 4

Month Day

Annual Meeting

N/A

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc

N/A

Amended Articles Number/Section

Total No. of Stockholders

x

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

\_\_\_\_\_

LCU

Document I.D.

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Cashier

STAMPS

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SIGNATURE (S)

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ABOITIZ EQUITY VENTURES INC.**

By:

A handwritten signature in black ink, appearing to read 'Mde la Torre', written in a cursive style.

Mailene M. de la Torre  
Assistant Corporate Secretary

Date: November 20, 2023

**AEV DISCLOSURE**  
**Substantial Acquisitions**

<b>Subject of the Disclosure</b>	Signing of the Share Purchase Agreement (SPA) for the acquisition of ownership in Coca-Cola Beverages Philippines, Inc. (CCBPI)	
<b>Background/Description of the Disclosure</b>	Aboitiz Equity Ventures Inc. (AEV) and Coca-Cola Europacific Partners plc (CCEP) signed today, November 20, 2023, the SPA with The Coca-Cola Company (TCCC) to jointly acquire 100% of CCBPI (the "Transaction"). AEV will hold 40% beneficial ownership in CCBPI, while CCEP will hold 60% stake in CCBPI	
<b>Date of Approval by the Board of Directors</b>	August 30, 2023	
<b>Date of Approval by the Stockholders</b>	N/A	
<b>Other Relevant Regulatory Agency, if applicable</b>	Philippine Competition Commission (PCC)	
<b>Date of Approval by the Relevant Regulatory Agency, if applicable</b>	TBA	
<b>Rationale for the transaction including the benefits which are expected to be accrued to the Issuer as a result of the transaction</b>	Acquisition of the exclusive bottler and distributor of the products of TCCC in the Philippines which benefits from attractive profitability and growth prospects	
<b>Description of the transaction including the timetable for implementation and related regulatory requirements, if any</b>	<p>AEV and CCEP, through a holding company that is owned 60% and 40% by CCEP and AEV, respectively, will acquire 100% of the share capital of CCBPI. The holding company will be funded by CCEP and AEV proportional to their shareholding</p> <p>The Transaction is expected to close in Q1 of 2024 upon completion of all conditions precedent, including PCC approval.</p>	
<b><i>Identities of the parties to the transaction (add rows as may be necessary)</i></b>		
<b>Name</b>	<b>Nature of Business</b>	<b>Nature of any material relationship with the Issuer, their directors/officers or any of their affiliates</b>
Coca-Cola Europacific Partners plc	Engaged in consumer goods, making, selling and distributing an extensive range of primarily non-alcoholic ready to drink beverages	None
Coca-Cola South Asia Holdings Inc.	Holding company	None
Coca-Cola Holdings (Overseas) Ltd	Holding company	None
Coca-Cola Beverages Philippines, Inc.	Manufacture and distribution of alcoholic and non-alcoholic beverages	None

**PSE Disclosure Form 5-1 –Substantial Acquisitions**

References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 and/or Section 5 of the Revised Disclosure Rules

<b>Terms and Conditions of the Transaction</b>	
<b>The nature and amount of consideration given (e.g. price per share, the aggregate amount)</b>	USD1.8 billion for 100% of CCBPI, subject to cash, debt-like items and working capital adjustments at closing of the Transaction
<b>Basis upon which the amount of consideration or value of the transaction was determined</b>	Based on an enterprise value of USD 1.8 billion on a cash-free, debt-free basis which was arrived on a willing buyer, willing seller basis between CCEP, AEV and TCCC
<b>Number of shares to be acquired</b>	AEV and CCEP will acquire through the holding company: (a) 2,447,956,683 shares of class A common stock with par value of PHP2.00, and (b) 1,000 shares of class B common stock with par value PHP1.00
<b>Ratio/Percentage to total outstanding capital stock</b>	100% (AEV: 40%; CCEP: 60%)
<b>Terms of payment</b>	Lump sum cash payment at closing with a true-up adjustment post-closing
<b>Conditions precedent to closing of the transaction, if any</b>	<ol style="list-style-type: none"> <li>1. Receipt of approval from the PCC</li> <li>2. No governmental entity of competent authority shall have issued an order or enacted a law that makes the transaction illegal or prohibits the consummation of the transaction.</li> <li>3. Fulfillment of the warranties and covenants of the Sellers and the Buyers.</li> <li>4. No material adverse effect shall have occurred.</li> <li>5. Completion of the incorporation of the holding company which will acquire the shares in CCBPI</li> </ol>
<b>Description of the company subject of the transaction</b>	
<b>Nature of business</b>	To conduct, undertake and engage in the manufacture, production, sale, import, export and otherwise carry out the business activities for both non-alcoholic beverages and alcoholic beverages, in all forms, kinds and classes, and any and all business activities incidental or related to carrying out this objective, including but not limited to distribution and warehousing services and management and administrative services in relation thereto.
<b>Discussion of major projects and investments</b>	CCBPI is the leading beverage supplier in the Philippines, with a wide supply chain footprint consisting of 73 production lines and 19 plants
<b>List of subsidiaries and affiliates, with percentage holdings (add rows as may be necessary)</b>	
<b>Name</b>	<b>% Ownership</b>
Philippine Bottlers, Inc. (“PBI”)	99.9%
Cosmos Bottling Corporation (“CBC”)	99.5% (indirectly owned through PBI)
Coca-Cola Bottlers Business Services, Inc. (“CCBBSI”)	99.9%
PETValue	30.0%
Luzviminda Land Holdings, Inc. (“LLHI”)	40.0%

**PSE Disclosure Form 5-1 –Substantial Acquisitions**

References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 and/or Section 5 of the Revised Disclosure Rules

<b>Capital Structure</b>		
<i>Authorized Capital Stock (add rows as may be necessary)</i>		
<b>Type of Security</b>	<b>Amount</b>	<b>Number of Shares</b>
Shares of stock (Common Shares A)	<u>PHP4,895,913,366.00</u>	<u>2,447,956,683</u> Common Shares A
Shares of stock (Common Shares B)	<u>Php100,000.00</u>	<u>100,000</u> Common Shares B
<i>Subscribed Shares (add rows as may be necessary)</i>		
<b>Type of Security</b>	<b>Amount</b>	<b>Number of Shares</b>
Shares of stock (Common Shares A)	<u>PHP4,895,913,366.00</u> <i>(excluding additional paid in capital)</i>	<u>2,447,956,683</u> Common Shares A
Shares of stock (Common Shares B)	<u>Php1,000.00</u> <i>(excluding additional paid in capital)</i>	<u>1,000</u> Common Shares B
<i>Paid up Capital</i>		
<b>Amount</b>	<b>Number of Shares</b>	
<u>PHP4,895,914,366.00</u> <i>(excluding additional paid in capital)</i>	<u>2,447,956,683</u> Common Shares A <u>1,000</u> Common Shares B	
<i>Issued Shares (add rows as may be necessary)</i>		
<b>Type of security</b>	<b>Amount</b>	<b>Number of Shares</b>
Shares of stock (Common Shares A)	<u>PHP4,895,913,366</u> <i>(excluding additional paid in capital)</i>	<u>2,447,956,683</u> Common Shares A
Shares of stock (Common Shares B)	<u>Php1,000.00</u> <i>(excluding additional paid in capital)</i>	<u>1,000</u> Common Shares B
<i>Outstanding Shares (add rows as may be necessary)</i>		
<b>Type of security</b>	<b>Amount</b>	<b>Number of Shares</b>
Shares of stock (Common Shares A)	<u>PHP4,895,913,366</u> <i>(excluding additional paid in capital)</i>	<u>2,447,956,683</u> Common Shares A
Shares of stock (Common Shares B)	<u>Php1,000.00</u> <i>(excluding additional paid in capital)</i>	<u>1,000</u> Common Shares B
<i>Par Value(add rows as may be necessary)</i>		
<b>Type of Security</b>	<b>Amount</b>	
Common Shares A	PHP2.00 per Common Share A	
Common Shares B	PHP1.00 per Common Share B	
<i>Ownership Structure (including percentage holdings) (add rows as may be necessary)</i>		
<b>Name</b>	<b>Number of Shares</b>	<b>% Ownership</b>
Coca-Cola South Asia Holdings, Inc.	<u>1,939,882,138</u> Common Share A <u>996</u> Common Share B	79.2%

**PSE Disclosure Form 5-1 –Substantial Acquisitions**

References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 and/or Section 5 of the Revised Disclosure Rules

Coca-Cola Holdings (Overseas) Ltd.	<b>508,074,544</b> Common Share A	20.8%
<b>Board of Directors</b> (add rows as may be necessary)		
<b>Name</b>	<b>(Regular or Independent)</b>	
Gareth Paul McGeown	Regular	
Francis Garcia	Regular	
Andrea Therese Cheng	Regular	
Jawahar Solai Kuppuswamy	Regular	
Terence Fernando	Regular	
<b>Principal Officers</b> (add rows as may be necessary)		
<b>Name</b>	<b>Position/Designation</b>	
Gareth Paul McGeown	Chairman/CEO President	
Jawahar Solai Kuppuswamy	Chief Finance Officer	
Terence Fernando	Corporate Secretary	
Jai Jagannath Tamayo	Assistant Corporate Secretary	
Cherie Amor Galan	Assistant Corporate Secretary	
<b>Effect (s) on the business, financial condition and operations of the Issuer, if any</b>	Build on AEV's portfolio diversification strategy to enter the branded consumer goods spaces	
<b>Other relevant Information</b>	Attached are the following documents for CCBPI: 1. Certificate of Incorporation; 2. Articles of Incorporation and By-Laws; 3. General Information Sheet (GIS); and 4. Latest Audited Financial Statements.	

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Republic of the Philippines  
SECURITIES AND EXCHANGE COMMISSION  
EDSA, Greenhills, Mandaluyong  
Metro-Manila

0098792

Reg. No. \_\_\_\_\_

TO ALL TO WHOM THESE PRESENTS MAY COME GREETINGS:

WHEREAS, Articles of Incorporation and By-Laws duly signed and acknowledged for the organization of the

COCA-COLA BOTTLERS PHILIPPINES, INC.

under and in accordance with the provisions of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980, were presented for filing in this Commission on May 5, 1981 and a copy of said Articles and By-Laws are hereto attached;

NOW, THEREFORE, by virtue of the powers and duties vested in me by law, I do hereby certify that the said Articles of Incorporation and By-Laws were, after due examination to determine whether they are in accordance with law, duly registered in this Commission on the 5 day of May Anno Domini, nineteen hundred and eighty-one.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at PHILIPPINES Mandaluyong, Metro-Manila, Philippines, this 5 day of May, in the year of our Lord nineteen hundred and eighty-one.

RECEIVED  
BY F.M. CANAL  
DATE 5/5/81



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JULIO A. BULIT, JR.  
Associate Commissioner

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Person to be contacted	_____
Address	_____
Tel. No.	_____

BI MAY 5 P 3: 27

ARTICLES OF INCORPORATION  
RECORDS  
DIVISION

COCA-COLA BOTTLERS PHILIPPINES, INC.

PAID P 800  
O. R. NO. 785203  
DATE JST-9

*Handwritten signatures and initials:*  
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S...  
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KNOW ALL MEN BY THESE PRESENTS:

The undersigned incorporators, all of whom are residents of the Philippines, and a majority of whom are residents of the Philippines, have this day voluntarily agreed to form a stock corporation under the laws of the Republic of the Philippines;

PAID P 10  
O. R. NO. 785207  
DATE JST-9

AND WE HEREBY CERTIFY:

FIRST: That the name of said Corporation shall be COCA-COLA BOTTLERS PHILIPPINES, INC.

PAID P 8  
O. R. NO. 785212  
DATE JST-9

SECOND: That the purposes for which such Corporation is incorporated are:

PRIMARY PURPOSES and

To engage in the manufacture, distribution and sale of nonalcoholic beverages, more commonly known as soft drinks, in the Philippines and to engage in any and all business activities incidental or related to carrying out this objective.

PAID P 57  
O. R. NO. 785217  
DATE JST-9

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1. To own, lease, construct or otherwise acquire, own, hold, manage,

operate, maintain, sell, lease, dispose of, bottling plants, factories, warehouses, cold storage vaults, refrigerating equipment, and other structures with the real estate necessary therefor, as may be necessary or useful for the achievement of the primary purpose of the Corporation.

2. To manufacture, acquire, import, export, prepare, buy, sell, and generally to deal in and with all kinds of ingredients, materials, appliances, supplies, tools and equipment used in the manufacture, preparation, making, bottling, preparing for market and marketing of any of the products described in the primary purpose clause, including all kinds of bottling machines, bottles, glass containers, crowns, stoppers, siphons, filters, corks, caps, seals, boxes, barrels, kegs, crates, jars, cans, and other containers of every kind and description.

3. To purchase, acquire, and take over, as a going concern or otherwise, and to carry on, maintain and operate all or any part of the property or business of any person, firm, association or corporation deemed to be necessary or useful for the achievement of the primary purpose of the corporation, and to do so for the same in

cash, stocks, bonds, debentures or other obligations of the corporation, and undertake, assume and guarantee the liabilities of any person, firm, association or corporation, whose property or business may so be taken over or shares of whose capital stock may be acquired and owned by the Corporation, but to the extent only permitted by law.

4. To apply for, obtain, register, purchase, lease, or otherwise acquire, and to the extent authorized by law, to hold, use, own, operate, develop and introduce, sell, assign, and otherwise dispose of any trademarks, trade names, distinctive marks, patents, inventions, improvements and processes, used in connection with, or secured under letters patent of the Republic of the Philippines, or elsewhere or otherwise, and necessary or useful for the achievement of the primary purpose of the Corporation in connection with the business of the Corporation, and to use, exercise, grant licenses in respect of, and otherwise, turn to account, any such patents, inventions, processes and the like or any such property rights.

PRR\_Securities

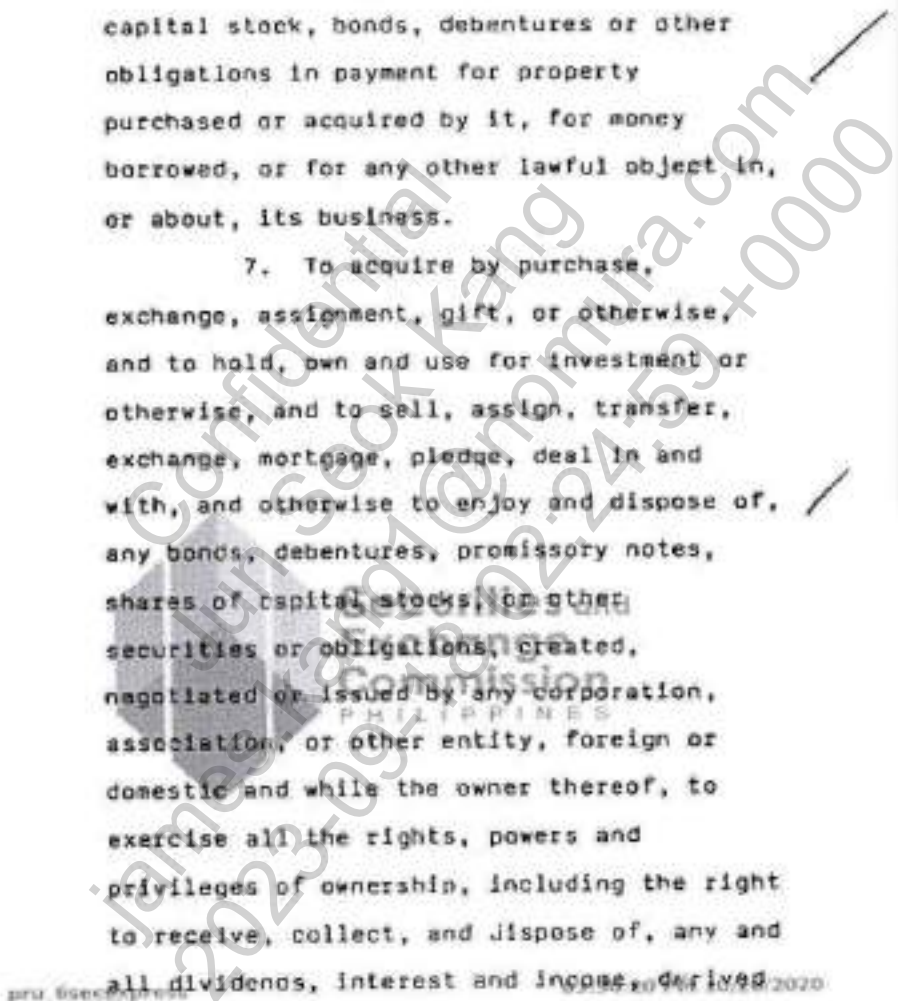
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5. To enter into, make, perform and carry out contracts of every kind and

for any lawful purpose, pertaining to the business of the Corporation, or in any manner incident thereto, as principal agent, or otherwise, with any person, firm, association, or corporation.

6. To issue pursuant to law, capital stock, bonds, debentures or other obligations in payment for property purchased or acquired by it, for money borrowed, or for any other lawful object in, or about, its business.

7. To acquire by purchase, exchange, assignment, gift, or otherwise, and to hold, own and use for investment or otherwise, and to sell, assign, transfer, exchange, mortgage, pledge, deal in and with, and otherwise to enjoy and dispose of, any bonds, debentures, promissory notes, shares of capital stocks, or other securities or obligations, created, negotiated or issued by any corporation, association, or other entity, foreign or domestic and while the owner thereof, to exercise all the rights, powers and privileges of ownership, including the right to receive, collect, and dispose of, any and all dividends, interest and income derived therefrom, and the right to vote on any shares of the capital stock, and upon any



bonds, debentures, or other securities, having voting power, so owned, but to the extent only permitted by law.

8. To aid, in any manner authorized by law, any corporation, association, or other entity of which the Corporation is a creditor, or of which any bonds, debentures, promissory notes, shares of capital stock or other securities, or obligations or any interest therein, are held or owned by the Corporation, and generally, to do any lawful acts or things designed to promote, protect, preserve, improve, or enhance the value of any bonds, debentures, promissory notes, shares of capital stock, securities or obligations.

9. To borrow such sums of money, and to contract such debts, from time to time, as may be deemed necessary for, or of aid in the accomplishment of, any of its lawful purposes or objects; to execute, issue and dispose of its promissory notes, bonds, debentures, certificates, and other negotiable or transferable instruments, or other securities, or evidence of indebtedness, for any monies, so borrowed, or debts so contracted, and to secure the same by pledge of any of its personal property, or by mortgage or mortgages, or

deed or deeds of trust, upon any, or all, of the assets, properties, concession, subsidies or franchises of the Corporation, or by deeds constituting liens and charges upon and affecting the income and revenue of its properties, in whole or in part, upon such lawful terms and conditions, as may be set forth in the instrument or instruments mortgaging or affecting the same, or in any contract, deed or instrument, relating thereto; to confer upon the holder of any debentures or bonds of the Corporation, secured or unsecured, the right to convert the principal thereof into stock of the Corporation, upon such lawful terms and conditions, as shall be fixed by the Board of Directors, all subject to the limitations established by the law.

10. To do everything necessary, suitable or proper for the accomplishment of any purpose or the attainment of any object or the furtherance of any power hereinbelow set forth as principal, agent or otherwise, either alone or in association with other corporations, firms, or individuals, and to do every other act or thing incidental or appurtenant to or growing out of or connected with the aforesaid business or purposes, objects or powers or any part or

part thereof, provided the same be not inconsistent with the laws under which the Corporation is organized.

THIRD: That the principal office of the Corporation is located in Metro Manila, Philippines.

FOURTH: That the term for which said Corporation is to exist is fifty (50) years from and after the date of the issuance of the certificate of incorporation.

FIFTH: That the names, nationalities and residences of the incorporators of the Corporation are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Residence</u>
Ernest Kahn	Filipino	21 Anghaw Street North Forbes, Makati
Jose Antonio Garcia	Filipino	39 Constellation Bel Air II, Makati
Dudley W. Jones	Australian	Apartment 6-B 110 Legaspi St. Legaspi Village Makati, Metro Manila
Raul S. Roco	Filipino	81 Calamba St. Quezon City
Delfin C. Gonzales	Filipino	Suite 5-C, Avalon Condominium, 95 Xa- vier St., Greenhills Metro Manila

SIXTH That the number of directors of the Corporation shall be eleven (11), and the names, nationalities, and residences of the first directors of the Corporation are as follows:

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<u>Name</u>	<u>Nationality</u>	<u>Residence</u>
Ernest Kahn	Filipino	21 Amorsolo Street North Forbes, Makati, Metro Manila
Jose Antoni Garcia	Filipino	39 Constellation Street Bel Air, Makati, M. Mla.
Dudley W. Jones	Australian	Apt. 6-B, 110 Legaspi St. Legaspi Village, Makati, Metro Manila
Raul S. Roco	Filipino	81 Calamba Street Quezon City
Nazario Avendano	Filipino	23 Marikit corner Masaya Sts., West Triangle, Quezon City
Jose Gabriel D. Olives	Filipino	27 Sarangaya St. White Plains, Quezon City
Delfin C. Gonzales	Filipino	Suite 5-C, Avalon Condominium, 95 Xavier St., Greenhills, M. Mla.
Jesus Manalastas	Filipino	11-A Mabini Street San Roque, Marikina, Metro Manila
Victoria C. delos Reyes	Filipino	37 Zodiac St., Bel-Air Makati, Metro Manila
Lorna Patajo Kapunan	Filipino	4 Surigao St., West Ave., Quezon City
Raoul R. Angangco	Filipino	34 Kalinga St., La Vista Quezon City

SEVENTH: That the authorized capital stock of the Corporation is EIGHT HUNDRED THOUSAND (P800,000.00) PESOS in lawful money of the Philippines, divided into EIGHT HUNDRED (800) SHARES with the par value of ONE THOUSAND (P1,000.00) PESOS per share.

Except in case of a disposition made in favor of the parent company or a subsidiary wholly owned by its parent company, and except transfers between stockholders

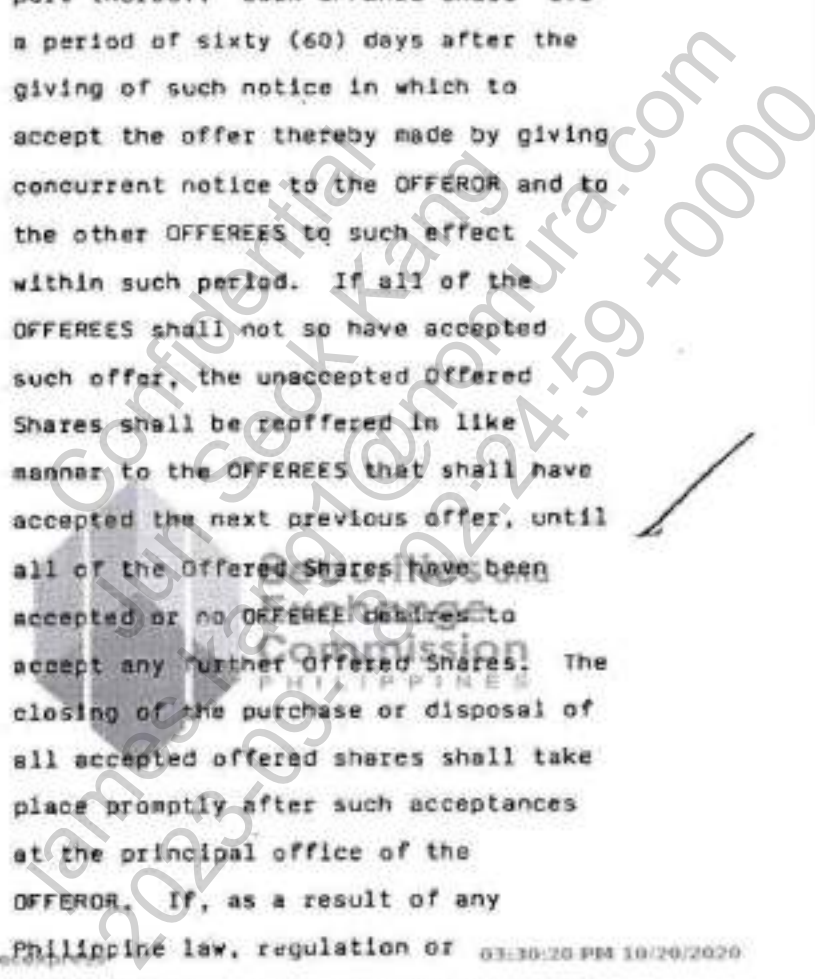
and their financial directors, any disposition of stock by any stockholder or their assignee, will be subject to a right of first refusal by the nondisposing party. The shareholder desiring to dispose of its shares shall observe the following procedure:

- (1) The disposing shareholder (hereinafter referred to as the OFFEROR) shall give concurrent notice to such effect to each of the other shareholders (such other shareholders being hereinafter referred to as the OFFEREEES), which notice shall state the number of shares of the common stock which the OFFEROR proposes to sell (such shares being hereinafter referred to as the "Offered Shares") and the price at and the terms upon which the OFFEROR proposes to sell the Offered Shares, and in the event OFFEROR has received an offer from a party other than a shareholder, the name and address of such party. Such notice shall constitute an offer to dispose to the OFFEREEES all of the Offered Shares at such price and upon such terms. The Offered Shares shall be so offered to the OFFEREEES in nearly as may be in proportion to their respective

shareholdings in the Corporation at the time of such offer; provided, however, that the OFFEROR may combine fractions and offer the entire share to any OFFEREE which would otherwise be entitled to the offer of a fractional part thereof. Each OFFEREE shall have a period of sixty (60) days after the giving of such notice in which to accept the offer thereby made by giving concurrent notice to the OFFEROR and to the other OFFEREEs to such effect within such period. If all of the OFFEREEs shall not so have accepted such offer, the unaccepted Offered Shares shall be reoffered in like manner to the OFFEREEs that shall have accepted the next previous offer, until all of the Offered Shares have been accepted or no OFFEREE desires to accept any further Offered Shares. The closing of the purchase or disposal of all accepted offered shares shall take place promptly after such acceptances at the principal office of the OFFEROR. If, as a result of any Philippine law, regulation or governmental policy, any OFFEREE shall

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not be able to purchase the Offered Shares, such OFFEROR may assign its right to purchase the Offered Shares to any third party or parties, qualified under Philippine law, including, without limitation, other OFFEREEES.

(2) If any of the Offered Shares shall not be accepted in accordance with the foregoing provisions, then within a period of one hundred eighty (180) days after the giving of such offer notice, the OFFEROR shall have the right to dispose to any third party or parties (such party or parties being hereinafter referred to as the "Outside Purchaser"), all of the unaccepted Offered Shares, but only at such price and upon such terms as shall not be more favorable to the Outside Purchaser than those offered to the OFFEREEES.

(3) If the Offer shall not dispose of all of the unaccepted Offered Shares within such one hundred and eighty (180) day period, the Offeror shall continue to hold such unsold Offered Shares subject to the terms and conditions of this Offer.

PHILIPPINE SECURITIES AND EXCHANGE COMMISSION  
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(4) All subscribers and stockholders shall have preemptive rights to all unsubscribed and unissued or new shares of the Corporation.

(5) These conditions shall appear or be referred to in the stock certificates. The formalities for the sale of shares hereinabove mentioned may be dispensed with upon the written consent of all the stockholders. Any and all transferees shall take such shares subject to the provisions of this Article and any sale or transfer in violation of the above conditions shall be null and void.

(6) This Article shall not be deemed to restrict any encumbrance of shares by way of security or collateral to secure a loan, as in a pledge, or mortgage or assignment or other encumbrance, but a sale under a pledge, mortgage, assignment or encumbrance or tax lien, as well as any other involuntary transfer, shall be subject to these provisions. The disposition of treasury shares by the Corporation, must first be offered to the stockholders

and shall likewise be subject to the procedures in this Article.

EIGHT: That at least twenty-five (25%) percent of the authorized capital stock above stated has been subscribed as follows:

<u>Name of Subscriber</u>	<u>Nationality</u>	<u>No. of Shares Subscribed</u>	<u>Amount Subscribed</u>
Ernest Kahn	Filipino	190	P190,000.00
Jose Antonio Garcia	Filipino	1	1,000.00
Dudley W. Jones	Australian	1	1,000.00
Raul S. Roco	Filipino	1	1,000.00
Nazario Avendano	Filipino	1	1,000.00
Jose Gabriel D. Olives	Filipino	1	1,000.00
Delfin C. Gonzales	Filipino	1	1,000.00
Jesus M. Manalastas	Filipino	1	1,000.00
Victoria C. delos Reyes	Filipino	1	1,000.00
Lorna Patajo-Kapunan	Filipino	1	1,000.00
Raoul R. Angango	Filipino	1	1,000.00

Total - 200 *My* P200,000.00 *My*

NINTH: That the above subscribers have paid at least twenty-five (25%) percent of the total subscription as follows:

<u>Name of Subscriber</u>	<u>Amount Subscribed</u>	<u>Total Paid-in Subscription</u>
Ernest Kahn	P190,000.00	P40,000.00
Jose Antonio Garcia	1,000.00	1,000.00
Dudley W. Jones	1,000.00	1,000.00
Raul S. Roco	1,000.00	1,000.00
Nazario Avendano	1,000.00	1,000.00
Jose Gabriel D. Olives	1,000.00	1,000.00
Delfin C. Gonzales	1,000.00	1,000.00
Jesus M. Manalastas	1,000.00	1,000.00
Victoria C. delos Reyes	1,000.00	1,000.00
Lorna Patajo-Kapunan	1,000.00	1,000.00
Raoul R. Angango	1,000.00	1,000.00

Total - P200,000.00 *My* P50,000.00 *My*

TENTH: That NAZARIO AVENDANO has been elected by the subscribers as TREASURER of the Corporation to act as such until his successor is duly elected and qualified in accordance with the By-Laws and that as such Treasurer, he has been authorized to receive for and in the name

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and for the benefit of the Corporation, all subscriptions or contributions or donations paid or given by the subscribers.

ELEVENTH: No transfer of stock or interest which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of the Corporation and this restriction shall be indicated in all the stock certificates issued by the Corporation.

IN WITNESS WHEREOF, we have herewith signed these Articles of Incorporation, this 3rd day of May, 1981 in Makati, Metro Manila, Philippines.

*Ernest Kahn*  
ERNEST KAHN  
TAN K-5657-K2316-A-5

*Dudley W. Jones*  
DUDLEY W. JONES  
TAN J-5231-J1312-A-2

Securities  
Exchange  
Commission  
PHILIPPINES

*Jose Antonio Garcia*  
JOSE ANTONIO GARCIA  
TAN G-6225-F-2829-A-5  
*Raul S. Roco*  
RAUL S. ROCO  
TAN R-2641-K-2641-A-4

*Alfonso C. Gonzales Jr.*  
ALFONSO C. GONZALES  
TAN 3274-157-1

SIGNED IN THE PRESENCE OF:

Ms. Cecilia B. Omate

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*R.S.R.*

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REPUBLIC OF THE PHILIPPINES )  
MAKATI, METRO MANILA ) S.S.

TREASURERS AFFIDAVIT

I, NAZARIO AVENDANO, being duly sworn, depose and say:

That I have been elected by the subscribers of the corporation as Treasurer thereof, to act as such until my successor has been duly elected and qualified in accordance with the by-laws of the corporation, and that as such Treasurer, I hereby certify under oath that at least 25% of the authorized capital stock of the corporation has been subscribed and at least 25% of the total subscription has been paid, and received by me, in cash or property, in the amount of not less than P5,000.00 in accordance with the Corporation Code.

*[Signature]*

NAZARIO AVENDANO  
Treasurer

SUBSCRIBED AND SWORN to before me this **MAY 5 1981** day of 1981 at Makati, Metro Manila, affiant exhibiting to me his Res. Cert. No. J4400065P issued at Makati on March 5, 1981.

Doc. No. *309*  
Page No. *63*  
Book No. *7*  
Series of 1981.



Securities and Exchange Commission

*[Signature]*  
ANTONIO M. LORENTE  
NOTARY PUBLIC FOR RIZAL  
UNTIL DECEMBER 31, 1981  
PTR # 9472517, MAY 16, 1980  
MAKATI, METRO MANILA

27113 0032 0016

MAY 5 1981

... known to ... persons ...  
 ... articles of the ...  
 ... HOSTILE ... ... and acknowledged ...  
 ... that the same is ... free and voluntary act and deed ...  
 WITNESS MY HAND AND SEAL in the place and on the  
 date first above written.

Doc. No. 300  
 Page No. 65  
 Book No. 27  
 Series of 1981

ANTONIO M. LLORENTE  
 NOTARY PUBLIC FOR RIZAL  
 UNTIL DECEMBER 31, 1981  
 PTR # 5472517, MAY 16, 1980  
 MAKATI, METRO MANILA



Confidential  
 James Seok Kang  
 2023-09-17  
 +0990

2113 0032 0017



Person to be contacted	_____
Address	_____
Tel. No.	_____

BY-LAWS

8: MAY 06 P 3: 28

COCA-COLA BOTTLERS PHILIPPINES, INC.

RECORDS DIVISION

ARTICLE I

STOCKHOLDERS

PAID P 25-  
O. R. NO. 7172462  
DATE 5-5-11

Section 1. Annual Meeting

A meeting of the stockholders of the Corporation shall be held annually on the fourth Tuesday of April or, if such day be a holiday, then on the next secular day which is not a holiday, at the place where the principal office of the Corporation is located, for the purpose of electing directors and for the transaction of all other business that may properly be brought before the meeting. Such meeting duly convened may be adjourned from time to time.

PAID P 25-  
O. R. NO. 7172462  
DATE 5-5-11

Section 2. Delayed Annual Meeting

If for any reason the annual meeting of the stockholders shall not be held on the day designated in Section 1 of this Article, or on any subsequent day to which it shall have been duly adjourned, such meeting may be called and held as a special meeting, and the same proceedings may be had and the same business may be transacted at such meeting as at any annual meeting.

Section 3. Special Meetings

A special meeting of the stockholders may be called at any time by the Chairman, the President or by two or more members of the Board of Directors.

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Section 4. Notice of Meeting

(A) Service of Notice.

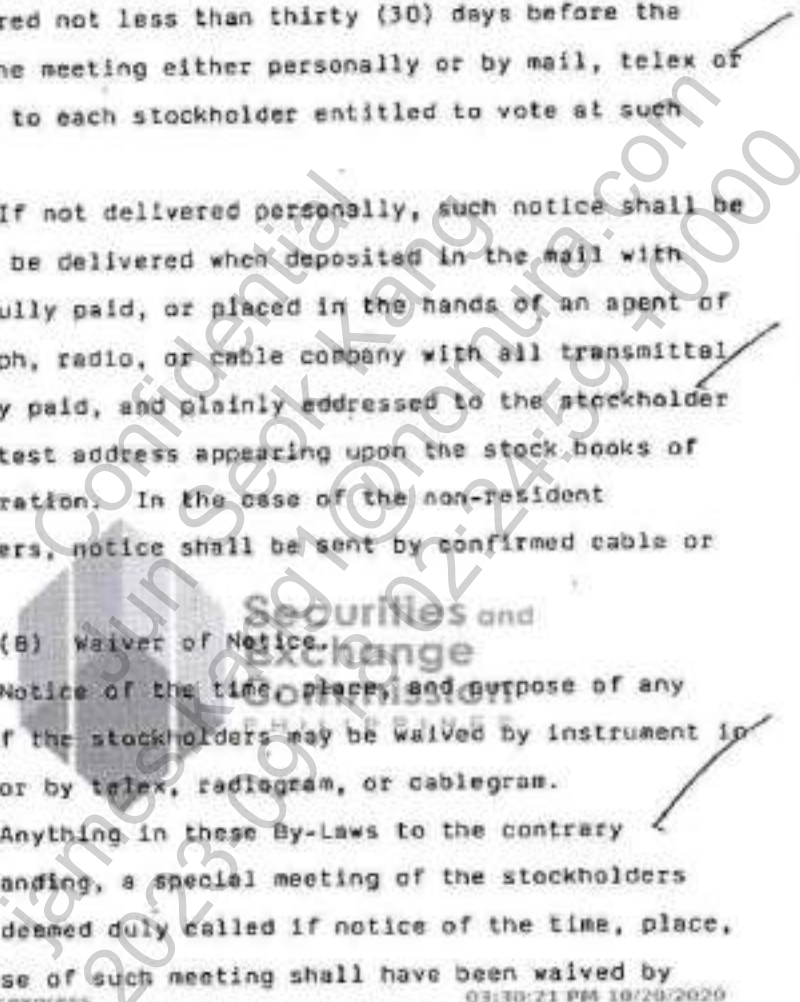
Written notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than thirty (30) days before the date of the meeting either personally or by mail, telex or telegram, to each stockholder entitled to vote at such meeting.

If not delivered personally, such notice shall be deemed to be delivered when deposited in the mail with postage fully paid, or placed in the hands of an agent of a telegraph, radio, or cable company with all transmittal fees fully paid, and plainly addressed to the stockholder at his latest address appearing upon the stock books of the Corporation. In the case of the non-resident stockholders, notice shall be sent by confirmed cable or telex.

(B) Waiver of Notice.

Notice of the time, place, and purpose of any meeting of the stockholders may be waived by instrument in writing, or by telex, radiogram, or cablegram.

Anything in these By-Laws to the contrary notwithstanding, a special meeting of the stockholders shall be deemed duly called if notice of the time, place, and purpose of such meeting shall have been waived by stockholders entitled to vote at least eighty (80%)



percent of the outstanding stock entitled to vote, and if notice of the time, place, and purpose of such meeting shall have been delivered either personally or by telegram, radiogram or cablegram at least five (5) days prior to the date designated for the holding of such meeting to remaining stockholders entitled to vote who shall not have waived notice.

Section 5. Quorum

At any stockholders' meeting, the holders of a majority of the issued and outstanding stock entitled to vote at such meeting, present in person or represented by proxy, shall constitute a quorum for all purposes except in those cases where the law, the Articles of Incorporation of the Corporation or these By-Laws require the affirmative vote of a greater number.

In cases where the Articles of Incorporation or these By-Laws provide for the affirmative vote of the holders of seventy-five (75%) percent of the total number of issued and outstanding shares of common stock to authorize a corporate action, the holders of at least eighty (80%) percent of the issued and outstanding stock of common stock entitled to vote, present in person or represented by proxy, shall be required to constitute a quorum.

Section 6. Voting

(A) Inspectors.

PHILIPPINE SECURITIES AND EXCHANGE COMMISSION

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At any meeting of the stockholders, if the chairman of the meeting so directs or if any stockholder

present so requests, the polls shall be opened and closed, the proxies and ballots shall be received and taken in charge, and all questions with respect to the qualifications of voters, the validity of proxies, and the acceptance or rejection of votes shall be decided by three inspectors to be appointed by the chairman of the meeting.

(B) Voting Shares.

Each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of shareholders except in the election of directors where cumulative voting shall apply.

(C) Methods of Voting.

At any stockholders' meeting, each stockholder shall be entitled to vote either in person or by proxy appointed by instrument in writing subscribed by such stockholder or by his duly authorized attorney and delivered to the secretary or to the inspectors at the meeting.

(D) Fixing Record Date.

The Board of Directors may designate, but shall not be required to designate in advance, a date not exceeding thirty (30) days preceding the date of any meeting of stockholders, or the date of the payment of any dividends, or the date for the allotment of rights, or the date when any change, conversion, or exchange of capital stock shall go into effect, as a record date for the determination of the stockholders entitled to notice of,

and to vote at, such meeting, or to receive payment of such dividends or allotment of rights, or to the exercise of such rights, as the case may be, and notwithstanding any transfer of any stock on the books of the Corporation after any such record date designated as aforesaid.

Section 7. Voting Requirement for Certain Corporate Actions.

The affirmative vote of the holders of seventy-five (75%) percent of the total number of issued and outstanding shares of common stock shall be required to authorize corporate action by the shareholders with respect to any of the following matters:

- a) Amendment of the Articles of Incorporation;
- b) Adoption, amendment, repeal of By-Laws;
- c) Increase or decrease in the authorized capital stock;
- d) Merger or consolidation with any other corporation;
- e) Voluntary extrajudicial dissolution or judicial dissolution of the Corporation;
- f) Approval of annual audited financial statements;

- g) Declaration and payment of stock or property dividends;
- h) Increase or decrease in the number of directors and removal of directors;
- i) Issuance of any share of stock of any class, or any security convertible into or exchangeable for any share of stock, or the grant of an option to purchase any such share of convertible or exchangeable security;
- j) Sale, mortgage, or other disposition of all or substantially all the assets of the Corporation;
- k) Incurring or increasing bonded indebtedness;
- l) Any corporate action which would change in any manner the rights and obligations of the shareholders; and
- m) Entry into any new business or any change in the nature of the present business of the Corporation including investment in any other company.

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Confidential  
James C. Sok Kang  
james.sokkang@anomura.com  
2023-09-12 12:24:59 +0000  
Securities and Exchange Commission  
PHILIPPINES

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number and Term of Office.

(A) The Board of Directors shall consist of eleven (11) members. The local investor shall nominate seven (7) directors and the foreign investor shall nominate four (4) directors. Each director shall hold office for one (1) year and until his successor is duly elected and qualified; provided, however, that any director may be removed from office, with or without cause, at any time by a seventy-five (75%) percent vote of the outstanding capital stock.

Section 2. General Powers.

The Board of Directors shall manage the business, property and affairs of the Corporation and have such powers as are conferred upon it by law and by these By-Laws.

Section 3. Specific Powers.

Without prejudice to the general powers hereinabove conferred and subject to the specific limitations stated in Section 10 of this Article, the Board of Directors shall have the following specific powers:

(A) Power to Elect Officers

The Board of Directors shall elect and/or appoint all officers of the Corporation; provided that the office of the President shall at all times be reserved for the nominee of the foreign investor.

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jamesse@secdocs.com

(B) Designation of Depositories

The Board of Directors shall designate the trust company or trust companies or the bank or banks or the financial institution or financial institutions in which shall be deposited the moneys and securities of the Corporation.

(C) Power to Remove Officers

The President may be removed at any time by a majority vote of all the members of the Board of Directors. Any other officer or employee of the Corporation may be removed by the Board of Directors, with or without cause, whenever in its sole judgment the interest of the Corporation will be served by such removal.

(D) Power to Fill Vacancies.

Vacancies in the Board of Directors shall be filled with a person nominated by the party who had the original right of nomination in accordance with Section 1(A) of this Article.

(E) Power to Fix Compensation and

The compensation of the officers and agents of the Corporation shall be determined by the Board of Directors at such amounts as in its sole discretion it may deem proper.

(F) Delegation of Powers.

The Board of Directors may delegate from time to time to an officer any duties that it can lawfully delegate and that are authorized or required to be executed, during the intervals between meetings of the Board, and such officer shall report to the Board of

Directors when and as required by the Board of Directors.

Section 4. Compensation

The members of the Board of Directors, as such, shall not receive compensation.

Section 5. Annual Meeting

At the place within the Philippines where the annual stockholders' meeting is held in April of each year, and immediately following the same, the Board of Directors, as constituted and upon final adjournment of such annual meeting, shall convene without further notice for the purpose of electing officers and transacting all other business properly brought before it. However, in the event a quorum of the Board of Directors cannot be obtained immediately after the adjournment of the annual stockholders' meeting, the annual meeting of the Board of Directors shall be deferred and called like any special meeting of the Board in the manner provided for in Section 7 hereof.

Section 6. Regular Meetings and

Regular meetings of the Board of Directors shall be held at such place, either within or without the Philippines as the Board may determine at least once in each calendar quarter. If the day herein set for the regular meeting of the Board of Directors is declared a holiday, then the Board of Directors shall meet on the next secular day which is not a holiday.

Section 7. Special Meeting. 03:20:22 PM 18/20/2020

Special meetings of the Board of Directors may be held at any time and place whenever called by the

Chairman, the President, or by any two (2) Directors, and if so determined by a quorum of the Board, no advance notice of the meeting need be given.

Section 8. Notice of Meeting.

(A) Service of Notice.

In the absence of a determination by a quorum of the Board of Directors that no advance notice need be given, then at least ten (10) days prior to the day of holding any regular or special meeting of the Board, notice of the time, place, and purpose of such meeting shall be served by mail or telegram, telephone, radiogram, or cablegram upon each member of the Board or delivered to him personally. In the case of the non-resident directors, notice shall be sent by confirmed cable or telex.

(B) Waiver of Notice.

Notice of the time, place, and purpose of any meeting of the Board of Directors may be waived by instrument in writing or by telegram, radiogram, cablegram, or telex.

Section 9. Quorum

Six (6) members of the Board of Directors of whom at least four (4) are directors representing the local investor and at least two (2) are directors representing the foreign investor shall constitute a quorum for all purposes and at all meetings, and the decision of the majority of such quorum shall be a valid corporate act, except in those cases where the Articles of Incorporation or these By-Laws specify a different quorum and require the affirmative vote of a greater number.

Section 10. Quorum and Voting Requirement for  
Certain Corporate Actions By The  
Board of Directors.

(A) Any six (6) directors shall constitute a quorum for purposes of this Sub-Section. The affirmative vote of a majority of all the members of the Board of Directors shall be required to authorize corporate action with respect to the following matters:

- a) Non-extension of the term of the management control of the foreign investor over the Corporation;
- b) Termination for cause of the management control of the foreign investor over the Corporation;
- c) Removal of the President; and
- d) Election of officers.

(B) The affirmative vote of at least nine (9) directors, of whom at least two are directors representing the foreign investor, shall be required to authorize corporate action with respect to the following matters:

- a) Approval of significant corporate accounting and tax policies or changes thereto;
- b) Approval of annual budgets and change in the financial period;
- c) Making of capital expenditures including investments, other than short term

deposits of funds in approved financial institutions, in an amount as shall be determined by the Board from time to time;

- d) Adoption in each calendar year of general borrowing resolutions delegating to the President and Treasurer authority to secure loans or other credit facilities consistent with the borrowing limits and other conditions set forth in the said resolutions;
- e) Securing loans or other credit facilities in amounts in excess of the borrowing limits and/or differing materially from the other conditions set forth in the general borrowing resolutions of the Board of Directors;
- f) Creation of debt or of contingent liabilities other than supplier's credit;
- g) Guaranteeing debts of others;
- h) Sales of corporate assets, including investments, with a book value in excess of an amount as shall be determined by the Board from time to time;
- i) Declaration of dividends, whether cash, stock, property, and distribution or other disposition of earnings; and

- j) Introduction of new products, entry into any new business or any change in the nature of the present business of the Corporation, including investments in any other company.

## ARTICLE III

## OFFICERS

Section 1. Number.

The officers of the Corporation shall be a Chairman of the Board, a Vice Chairman, a President, a Vice President or Vice Presidents, a Treasurer, an Assistant Treasurer, a Secretary, a Controller and such other officers as from time to time shall be designated and elected by the Board of Directors. The local investor shall nominate the Chairman, the Vice Chairman, the Secretary and the Assistant Treasurer. The foreign investor shall nominate the President after mutual consultations with the local investor. The President shall nominate the Vice Presidents, the Treasurer, and the Controller of the Corporation. Each party agrees to vote for the nominees of the other party. This provision shall apply so long as the foreign investor has management control of the Corporation and the local investor has not exercised the rights under Article II, Section 10, A, a, b and c.

Section 2. Election.

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All officers of the Corporation shall be elected at the first meeting of the Board of Directors after the

annual election of directors, and shall hold office for one (1) year and until their respective successors shall have been duly elected and qualified.

Section 3. Eligibility.

The Chairman of the Board, the Vice Chairman and the President shall be chosen from among the members of the Board of Directors. No other officer need be a director or stockholder of the Corporation. Any two (2) or more positions may be held concurrently by the same person, except that no one shall act as president and secretary or as president and treasurer at the same time.

Section 4. Duties.

(A) Chairman of the Board

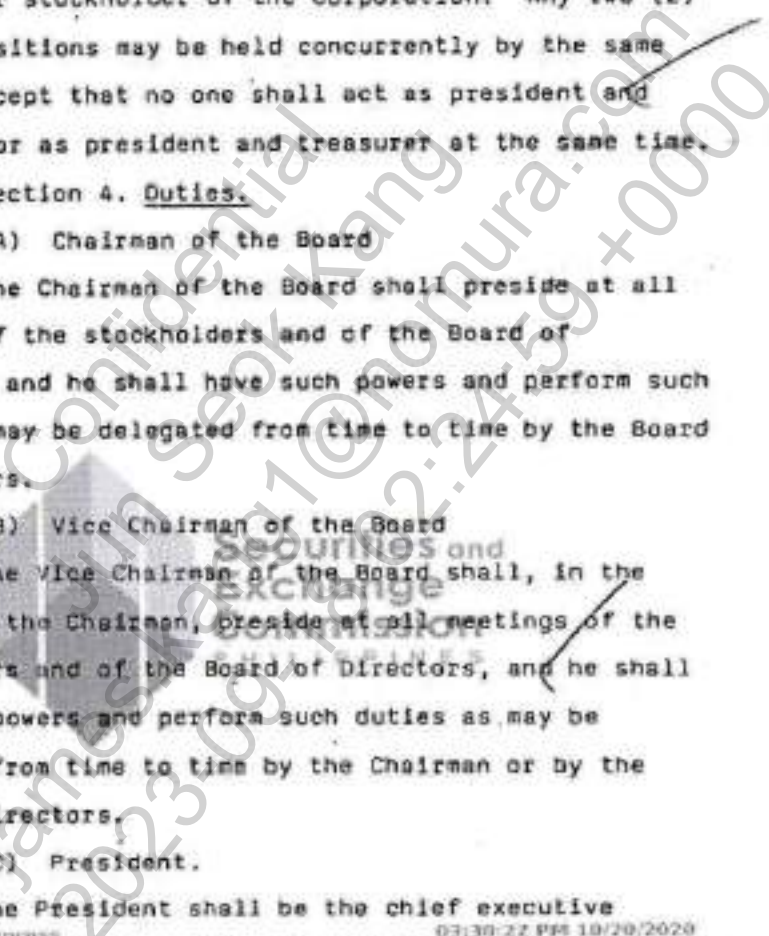
The Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors, and he shall have such powers and perform such duties as may be delegated from time to time by the Board of Directors.

(B) Vice Chairman of the Board

The Vice Chairman of the Board shall, in the absence of the Chairman, preside at all meetings of the stockholders and of the Board of Directors, and he shall have such powers and perform such duties as may be delegated from time to time by the Chairman or by the Board of Directors.

(C) President.

The President shall be the chief executive officer of the Corporation. He shall have general charge,



control, supervision and direct and active management of the day to day business operations of the Corporation, conducting the same according to his own discretion whenever and wherever the same is not expressly limited by a resolution or instruction of the Board of Directors. He shall also perform the duties incident to and vested in the office of the President, and shall perform such other duties as may be prescribed by the Board of Directors or which may properly pertain to his office and which in his judgment will secure the interest of the Corporation in accordance with the provisions of law and these By-Laws.

(D) Vice President or Vice Presidents

The Vice President or Vice Presidents shall have such powers and perform such duties as may be delegated from time to time by the Board of Directors.

E) Treasurer

The Treasurer shall have and exercise, under the supervision of the President, all powers and duties commonly incident to the office of treasurer of a corporation. He shall have the custody of, and be responsible for all the funds, securities, and bonds of the Corporation, and keep a complete and accurate record of receipts and disbursements and other commercial transactions in the corresponding books of account of the Corporation. He shall deposit all funds of the Corporation in such trust company or trust companies or bank or banks or financial institution or financial institutions as the Board shall designate from time to

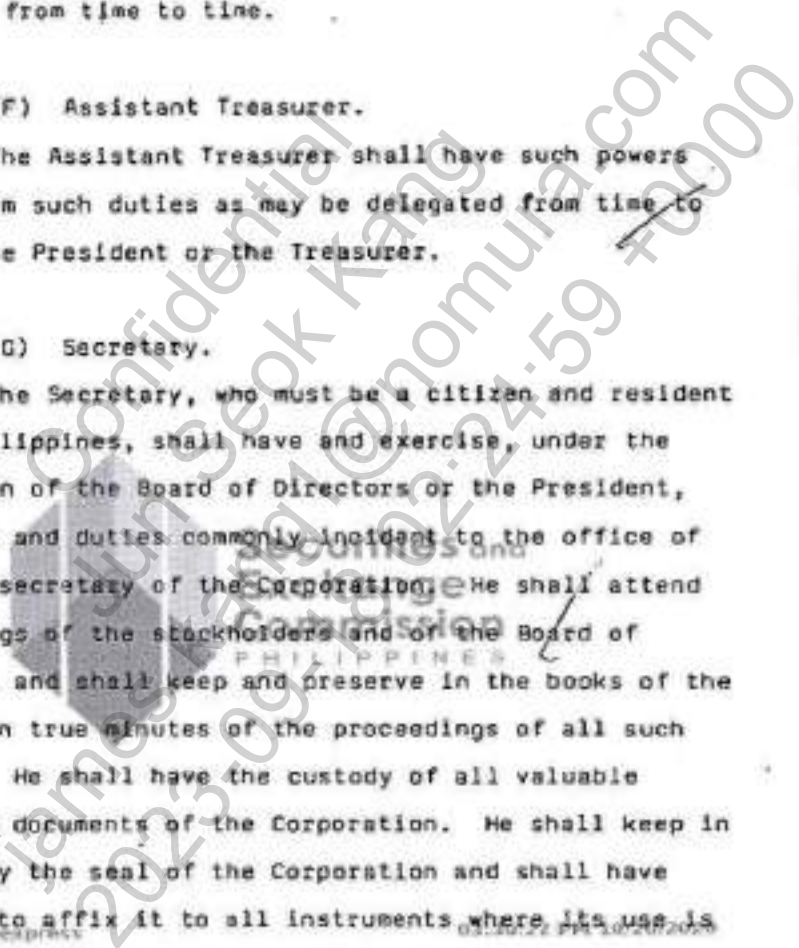
time. He shall endorse for deposit or collection all checks, notes, and drafts on behalf of the Corporation. He shall render an annual statement showing the financial condition of the Corporation on the 31st of December of each year and on such other financial reports as the Board of Directors or the President may require. He shall also have such other duties as the Board or the President may designate from time to time.

(F) Assistant Treasurer.

The Assistant Treasurer shall have such powers and perform such duties as may be delegated from time to time by the President or the Treasurer.

(G) Secretary.

The Secretary, who must be a citizen and resident of the Philippines, shall have and exercise, under the supervision of the Board of Directors or the President, all powers and duties commonly incident to the office of corporate secretary of the Corporation. He shall attend all meetings of the stockholders and of the Board of Directors, and shall keep and preserve in the books of the Corporation true minutes of the proceedings of all such meetings. He shall have the custody of all valuable papers and documents of the Corporation. He shall keep in his custody the seal of the Corporation and shall have authority to affix it to all instruments where its use is required. He shall give all notices required by statute,



by the Articles of Incorporation, or by the By-Laws. He shall also have such other duties as the Board or the President may designate from time to time.

#### ARTICLE IV

##### STOCK

###### Section 1. Form of Stock Certificate.

Each holder of stock of the Corporation shall be entitled to a stock certificate signed by the President or a Vice President and by the Secretary and sealed with the corporate seal. The certificate of stock shall be in such form as shall be prescribed by the Board of Directors.

###### Section 2. Loss of Stock Certificate

In case of loss, mutilation, or destruction of an issued and outstanding certificate of stock, a duplicate certificate may be issued upon such terms as the Board of Directors may prescribe in accordance with Section 73 of the Corporation Code of the Philippines.

###### Section 3. Transfer of Shares of Stock.

Shares of stock of the Corporation shall be transferred on the books of the Corporation only by the holder of such shares in person or by his attorney upon surrender and cancellation of a certificate or of certificates for an equivalent number of shares, subject to Section 4 of this Article.

###### Section 4. Disposition of Shares.

Except in case of a disposition made in favor of the parent company or a subsidiary wholly owned by its parent company and except transfers between stockholders

and their nominee directors, any disposition of stock by any stockholder or their assignees will be subject to a right of first refusal by the nondisposing party. The shareholder desiring to dispose of its shares shall observe the following procedure:

(1) The disposing shareholder (hereinafter referred to as the OFFEROR) shall give concurrent notice to such effect to each of the other shareholders (such other shareholdings being hereinafter referred to as the OFFEREEES), which notice shall state the number of shares of the common stock which the OFFEROR proposes to sell (such shares being hereinafter referred to as the "Offered Shares") and the price at and the terms upon which the OFFEROR proposes to sell the Offered Shares, and in the event OFFEROR has received an offer from a party other than a shareholder, the name and address of such party. Such notice shall constitute an offer to dispose to the OFFEREEES all of the Offered Shares at such price and upon such terms. The Offered Shares shall be so offered to the OFFEREEES as nearly as may be in proportion to their respective shareholdings in the Corporation at the time of such offer; provided, however, that the OFFEROR may combine fractions and offer the entire share to any OFFEREE which would otherwise be entitled to the

offer of a fractional part thereof. Each OFFEREE shall have a period of sixty (60) days after the giving of such notice in which to accept the offer thereby made by giving concurrent notice to the OFFEROR and to the other OFFEREEES to such effect within such period. If all of the OFFEREEES shall not so have accepted such offer, the unaccepted Offered Shares shall be reoffered in like manner to the OFFEREEES that shall have accepted the next previous offer, until all of the Offered Shares have been accepted or no OFFEREE desires to accept any further Offered Shares. The closing of the purchase or disposal of all accepted Offered Shares shall take place promptly after such acceptance at the principal office of the OFFEROR. If, as a result of any Philippine law, regulation or government policy, any OFFEREE shall not be able to purchase the Offered Shares, such OFFEREE may assign its right to purchase the Offered Shares to any third party or parties, qualified under Philippine law, including, without limitation, other OFFEREEES.

(2) If any of the Offered Shares shall not be accepted in accordance with the foregoing provisions, then, within a period of one hundred eighty (180) days after the giving of such offer notice, the OFFEROR shall have the right to dispose to any third party or parties (such party or

parties being hereinafter referred to as the "Outside Purchaser"), all of the unaccepted Offered Shares, but only at such price and upon such terms as shall not be more favorable to the Outside Purchaser than those offered to the OFFEREES.

(3) If the OFFEROR shall not dispose of all of the unaccepted Offered Shares within such one hundred and eighty (180) day period, the OFFEROR shall continue to hold such unsold Offered Shares subject to the provisions of this Article.

(4) All subscribers and stockholders shall have preemptive rights to all unsubscribed and unissued or new shares of the Corporation.

(5) These conditions shall appear or be referred to in the stock certificates. The formalities for the sale of shares hereinabove mentioned may be dispensed with upon the written consent of all the stockholders. Any and all transferees shall take such shares subject to the provisions of this Article and any sale or transfer in violation of the above conditions shall be null and void.

(6) This Article shall not be deemed to restrict any encumbrance of shares by way of security or collateral to secure a loan, as in a pledge, or mortgage or assignment or other encumbrance, but a sale under a pledge, mortgage,

assignment or encumbrance or tax lien, as well as any other involuntary transfer, shall be subject to these provisions. The disposition of treasury shares by the Corporation must first be offered to the stockholders and shall likewise be subject to the procedures in this Article.

ARTICLE V

EXECUTION OF INSTRUMENTS

Section 1. Checks and Drafts.

All checks, drafts, and orders for the payment of moneys shall be signed in the name of the Corporation and on its behalf by the Treasurer, by the President or by such other officers or agents as the Board of Directors or the President shall designate from time to time.

Section 2. Contracts and Conveyances.

When the execution of any contract, conveyance or other instrument has been authorized by the Board of Directors without specification as to the executing officer, the President may execute the same in the name and on behalf of the Corporation, and the Secretary may affix the corporate seal thereto.

ARTICLE VI

SEAL OF THE CORPORATION

The seal of the Corporation shall consist of two concentric circles inscribed therein "COCA-COLA BOTTLERS PHILIPPINES, INC.-1981".

ARTICLE VII

VOTING UPON STOCK HELD BY THE CORPORATION

Unless otherwise ordered by the Board of Directors, the President shall have full power and authority on behalf of the Corporation to attend, to act, and to vote at any meeting of stockholders of any company in which the Corporation may hold stocks, and at any such meeting shall possess and may exercise all rights and powers incident to the ownership of such stock which any owner thereof might have possessed and exercised if present. The Board, by resolution, from time to time, may confer like powers upon any other person or persons.

ARTICLE VIII

FISCAL YEAR

The twelve-month period from January 1 through December 31 shall be the fiscal year of the Corporation.

ARTICLE IX

AMENDMENT OF BY-LAWS

These By-Laws may be amended, altered, changed, added to, or repealed at any meeting of the stockholders by the vote of stockholders owning or representing seventy-five (75%) percent of the subscribed capital stock.

ARTICLE X

DEFINITION

The term "local investor" as used in these By-Laws refers to the San Miguel Corporation, its assigns

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James Jun S. Soriano  
2023-09-17 @nomura.com  
Exchange Commission  
PHILIPPINES  
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and successors in interest.

The term "foreign investor" as used in these By-Laws refers to The Coca-Cola Export Corporation and/or Refreshment Sales, Inc., their assigns and successors in interest.

The foregoing By-Laws were adopted by the incorporators of the Corporation at a meeting held in Makati, Metro Manila on this 5th day of May, 1981.

IN WITNESS WHEREOF, we, the undersigned incorporators present at said meeting and voting thereat in favor of the adoption of said By-Laws, have hereunto subscribed our names, this 5th day of May, 1981 at Makati, Metro Manila, Philippines.

*[Signature]*  
ERNEST KAHN

*[Signature]*  
JOSE ANTONIO GARCIA

*[Signature]*  
DUDLEY W. JONES

Securities and  
Exchange  
Commis  
PHILIPPINES  
*[Signature]*  
RAUL S. ROCO

*[Signature]*  
DELFIN C. DONZALEZ

ATTEST:

*[Signature]*  
Chairman

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REPUBLIC OF THE PHILIPPINES  
SECURITIES AND EXCHANGE COMMISSION

Ground Floor, Secretariat Building, PICC  
City Of Pasay, Metro Manila

CERTIFIED TRUE COPY

TERENCE S. FERNANDO  
Corporate Secretary

COMPANY REG. NO. 98792

CERTIFICATE OF FILING  
OF  
AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the amended articles of incorporation of the

**COCA-COLA BEVERAGES PHILIPPINES, INC.**  
(Amending Article II Primary and Secondary Purposes thereof)

copy annexed, adopted on August 27, 2020 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 15 of the Revised Corporation Code of the Philippines, Republic Act No. 11232, which took effect on February 23, 2019, and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing/lending company and time shares/club shares/membership certificates issuers or selling agents thereof; nor to operate a fiat money to virtual currency exchange. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Pasay City, Metro Manila, Philippines, this 23<sup>rd</sup> day of September, Twenty Twenty.

  
DANIEL P. GABUYO  
Assistant Director  
SO Order 1188 Series of 2018

BA/qba



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

SECRETARY'S CERTIFICATE  
(RE: NO PENDING INTRA-CORPORATE DISPUTE CASE)

I, PORTIA SHIRLEY VALENCIA-BONDOC, Filipino, of legal age, with office address at 27F Six/Neo Building, 5<sup>th</sup> Avenue corner 26<sup>th</sup> Street, Bonifacio Global City, Taguig City, after having been duly sworn in accordance with law, hereby depose and state that:

1. I am the duly-elected and incumbent Assistant Corporate Secretary of COCA-COLA BEVERAGES PHILIPPINES, INC. (the "Corporation"), a corporation duly organized and existing under Philippine laws, with principal office address at 27F Six/Neo Building, 5<sup>th</sup> Avenue corner 26<sup>th</sup> Street, Bonifacio Global City, Taguig City.
2. To the best of my knowledge, no action or proceeding has been filed or is pending before any Court or tribunal involving an intra-corporate dispute and/or claim by any person or group against the Board of Directors, individual directors, stockholders, and/or major corporate officers of the Corporation, and *vice-versa*.

IN WITNESS WHEREOF, I hereby affix my signature on SEP 01 2020 at  
MAKATI CITY

PORTIA SHIRLEY VALENCIA-BONDOC  
Assistant Corporate Secretary  
TIN: 259-013-831

SUBSCRIBED AND SWORN TO before me this SEP 01 2020 day of SEP 01 2020, at MAKATI CITY, by affiant who exhibited to me her Philippine Passport No. [REDACTED] issued by DFA-NCR South on 05 July 2019 and valid until 04 July 2029, as competent evidence of her identity.

Doc. No. 409;  
Page No. 95;  
Book No. 87;  
Series of 2020.

RUBEN T. M. RAMIREZ  
Notary Public for Makati City  
Until December 31, 2021  
275 E. Bonifacio St., Makati City  
IDP No. 1904/17/1/December 10, 2019  
Roll No. 2844/MCLE No. VI-0030246  
PTR No. MCT 8117044/3-02-2020  
Appointment No. M-158

**DIRECTORS' CERTIFICATE  
OF AMENDMENT OF THE ARTICLES OF INCORPORATION OF  
COCA-COLA BEVERAGES PHILIPPINES, INC.**



**KNOW ALL MEN BY THESE PRESENTS:**

We, the undersigned, being the Chairman, Corporate Secretary, and at least a majority of the members of the Board of Directors of **COCA-COLA BEVERAGES PHILIPPINES, INC.** (the "Corporation"), do hereby certify that the accompanying Amended Articles of Incorporation of the Corporation, embodying the amendment of the primary purpose and secondary purposes of the Corporation in the Second Article of the Articles of Incorporation to read as follows:

**SECOND:** that the purposes for which such Corporation is incorporated are:

**Primary Purpose**

To conduct, undertake and engage in the manufacture, production, sale, import, export and otherwise carry out business activities for both non-alcoholic beverages and alcoholic beverages, in all forms, kinds and classes, and any and all business activities incidental or related to carrying out this objective, including but not limited to distribution and warehousing services and management and administrative services in relation thereto.

**Secondary Purpose**

1. To own, lease, construct or otherwise acquire, own, hold, manage, operate, maintain, sell, lease, dispose of, bottling plants, fermentation plants, breweries, distilleries, refineries, factories, warehouses, cold storage vaults, refrigerating equipment, and other structures with the real estate necessary therefore, as may be necessary or useful for the achievement of the primary purpose of the Corporation.
2. To manufacture, acquire, import, export, prepare, buy, sell and generally to deal in and with all kinds of ingredients, components, by-products, materials, appliances, supplies, tools and equipment used in the manufacture, preparation, making, bottling, preparing for market and marketing of any of the products described in the primary purpose clause,

including all kinds of bottling machines, bottles, glass containers, crowns, stoppers, syphons, filters, corks, caps, seals, boxes, barrels, kegs, crates, jars, cans, and other containers and their adjuncts of every kind, material and description.

was approved by the affirmative vote of the stockholders owning and/or representing at least two-thirds (2/3) of the issued and outstanding capital stock of the Corporation at a meeting held for that purpose at the principal office of the Corporation on August 27, 2020 and approved likewise by at least a majority of the Board of Directors on even date.

We further certify that the attached Amended Articles of Incorporation is a true and correct copy thereof.

(Signature page follows)

Confidential  
Idesa Roxas  
idesa.roxas@aboitiz.com  
2023-08-23 04:47:16 +0000

SEP 03 2023 IN WITNESS WHEREOF, we have signed this Certificate this  
at

[Redacted Signature]

**GARETH MCGEOWN**  
Chairman/President  
TIN No. [Redacted]

[Redacted Signature]

**JAWAHAR SOLAI KUPPUSWAMY**  
Director  
TIN No. [Redacted]

[Redacted Signature]

**MATTHIAS VON OELHAFEN**  
Director  
TIN No. [Redacted]

[Redacted Signature]

**ANDREA THERESE CHENG**  
Director  
TIN No. [Redacted]

[Redacted Signature]

**TERENCE FERNANDO**  
Director/Corporate Secretary  
TIN No. [Redacted]

COUNTERSIGNED:

[Redacted Signature]

**PORTIA SHIRLEY VALENCIA-BONDOC**  
Assistant Corporate Secretary  
Secretary of the Joint Special Meeting  
of the Board of Directors and Stockholders  
TIN No. [Redacted]

ides@foras@aboitiz.com  
2023-08-23 04:47:16 +0000



**AMENDED  
ARTICLES OF INCORPORATION**

OF

**COCA-COLA BEVERAGES PHILIPPINES, INC.  
(Formerly: COCA-COLA FEMSA PHILIPPINES, INC.)**

KNOW ALL MEN BY THESE PRESENTS:

The undersigned incorporators, all of legal age and a majority of whom are residents of the Philippines, have this day voluntarily agreed to form a stock corporation under the laws of the Republic of the Philippines.

AND WE HEREBY CERTIFY:

FIRST: That the name of said corporation shall be COCA-COLA BEVERAGES PHILIPPINES, INC. (As amended on the Regular Meeting of the Board of Directors on March 12, 2014 and the Annual Meeting of the Stockholders on March 12, 2014, further amended on 13 December 2018)

SECOND: That the purposes for which such Corporation is incorporated are:

**Primary Purpose**

To conduct, undertake and engage in the manufacture, production, sale, import, export and otherwise carry out business activities for both non-alcoholic beverages and alcoholic beverages, in all forms, kinds and classes, and any and all business activities incidental or related to carrying out this objective, including but not limited to distribution and warehousing services and management and administrative services in relation thereto. (As amended on August 27, 2020)

**Secondary Purpose**

1. To own, lease, construct or otherwise acquire, own, hold, manage, operate, maintain, sell, lease, dispose of, bottling plants, fermentation plants, breweries, distilleries, refineries, factories, warehouses, cold storage vaults, refrigerating equipment, and other structures with the real estate necessary therefore, as may be necessary or useful for the achievement of the primary purpose of the Corporation. (As amended on August 27, 2020)
2. To manufacture, acquire, import, export, prepare, buy, sell and generally to deal in and with all kinds of ingredients, components, by-products, materials, appliances, supplies, tools and equipment used in the manufacture, preparation, making, bottling, preparing for market and marketing of any of the products described in the primary purpose clause, including all kinds of bottling machines, bottles, glass containers, crowns, stoppers, syphons, filters, corks, caps, seals, boxes, barrels, kegs, crates, jars, cans, and other containers and their adjuncts of every kind, material and description. (As amended on August 27, 2020)
3. To purchase, acquire and take over, as a going concern or otherwise, and to carry on, maintain and operate all or any part of the property or business of any person, firm, association or corporation deemed to be necessary or useful for the achievement of the primary purpose of the Corporation, and to pay for the same in cash, stocks, bonds, debentures or other obligations of the corporation, and to undertake, assume and guarantee the liabilities of any person, firm, association or corporation, whose property or business may be so taken over or shares of whose capital stock may be acquired and owned by the Corporation, but to the extent only permitted by law.

4. To apply for, obtain, register, purchase, lease or otherwise acquire, and to the extent authorized by law, to hold, use, own, operate, develop and introduce, sell, assign and otherwise dispose of any trademarks, trade names, distinctive marks, patents, inventions, improvements and processes, used in connection with, or secured under letters patent of the Republic of the Philippines, or elsewhere or otherwise, and necessary or useful for the achievement of the primary purpose of the Corporation in connection with the business of the Corporation and to use, exercise, grant licenses in respect of, and otherwise, turn to account, any such patents, inventions, processes and the like or any such property rights.
5. To enter into, make perform and carry out contracts of every kind and for any lawful purpose, pertaining to the business of the Corporation, or in any manner incident thereto, as principal agent, or otherwise, with any person, firm, association or corporation.
6. To issue pursuant to law, capital stock, bonds, debentures or other obligations in payment for property purchased or acquired by it, for money borrowed or for any other lawful object in, or about, its business.
7. To acquire by purchase, exchange, assignment, gift or otherwise, and to hold, own and use for investment or otherwise, and to sell, assign, transfer or obligation, exchange, mortgage, pledge, deal in and with, otherwise to enjoy and dispose of, any bonds, debentures, promissory notes, shares of capital stocks, or other securities or obligations, created, negotiated or issued by any corporation, association or other entity, foreign or domestic and while the owner thereof, to exercise all the rights, powers and privileges of ownership, including the right to receive, collect and dispose of, any and all dividends, interest and income, derived there from, and the right to vote on any shares of the capital stock, and upon any bonds, debentures, or other securities having voting power, so owned, but to the extent only permitted by law.
8. To aid, in any manner authorized by law, any corporation, association or other entity of which the corporation is a creditor, or of which any bonds, debentures, promissory notes, shares of capital stock or other securities, or obligations or any interest therein, are held or owned by the Corporation, and generally, to do any lawful acts or things designed to promote, protect, preserve, improve or enhance the value of any bonds, debentures, promissory notes, shares of capital stocks, securities of obligations.
9. To borrow such sums of money, and to contract such debts, from time to time, as may be deemed necessary for, or of aid in the accomplishment of, any of its lawful purposes or objects; to execute, issue and dispose of its promissory notes, bonds, debentures, certificates, and other negotiable or transferable instruments or other securities, or evidence of indebtedness, for any monies so borrowed, or debts so contracted, and to secure the same by pledge or any of its personal property, or by mortgage or mortgages, or deed or deeds of trust, upon any, or all, of the assets, properties, concessions, subsidies or franchises of the Corporation, or by deeds constituting liens and charges upon and affecting the income and revenue of its properties, in whole or in part, upon such lawful terms and conditions, as may be set forth in the instrument or instruments mortgaging or affecting the same, or in any contract, deed or instrument, relating thereto, to confer upon the holder of any debentures or bonds of the Corporation, secured or unsecured, the right to convert the principal thereof into stock of the Corporation, upon such lawful terms and conditions, as shall be fixed by the Board of Directors, all subject to the limitations established by the law.
10. To provide accounting services, financial management and consultancy services, including any and all services incidental or related to the same. The said services shall be for internal management purposes only, the output will not be submitted to regulatory licensing and government agencies, and shall not involve the practice of accounting profession. (As amended on January 18, 2012)

11. To do everything necessary, suitable or proper for the accomplishment of any purpose or the attainment of any object or the furtherance of any power herein below set forth as principal, agent or otherwise, either alone or in association with other corporations, firms, or individuals, and to do every other act or thing incidental or appurtenant to or growing out of or connected with the aforesaid business or purposes, objects or powers or any part or parts thereof, provided the same be not inconsistent with the laws under which the Corporation is organized.

THIRD: That the principal office of the Corporation is located at 27F Net Lima Building, 5<sup>th</sup> Avenue corner 26<sup>th</sup> Street, Bonifacio Global City, Taguig City. (As amended March 12, 2014)

FOURTH: That the term for which said Corporation is to exist is fifty (50) years from and after the date of the issuance of the certificate of incorporation.

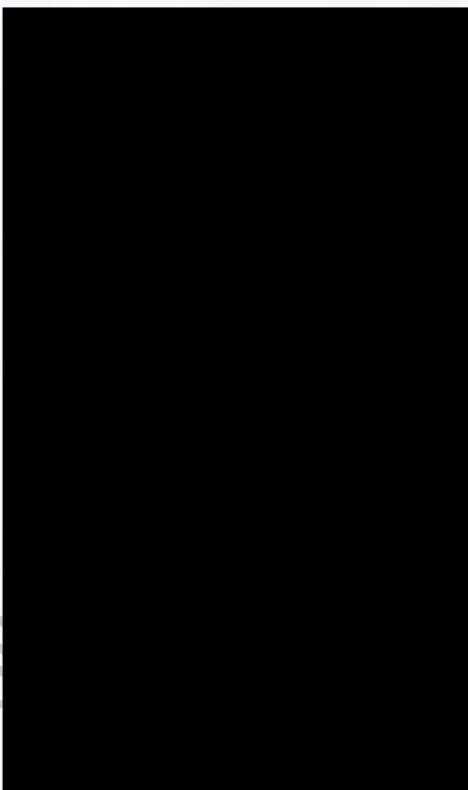
FIFTH: That the names, nationalities and residences of the incorporators of the Corporation are as follows:

Name	Nationality	Residence
Ernest Khan	Filipino	
Jose Antonio Garcia	Filipino	
Dudley W. Jones	Australian	
Raul S. Roco	Filipino	
Delfin C. Gonzalez	Filipino	

SIXTH: That the number of directors of the Corporation shall be five (5) and the names, nationalities and residences of the first directors of the Corporation are as follows: (As amended on June 11, 1997 and further amended on July 8, 1997 and further amended on February 28, 2002 and further amended on May 3, 2002 and further amended on 25 January 2013, and further amended on 02 August 2019)

Name	Nationality	Residence
Ernest Khan	Filipino	
Jose Antonio Garcia	Filipino	
Dudley W. Jones	Australian	

Raul S. Roco	Filipino
Nazario Avendaño	Filipino
Jose Gabriel D. Olives	Filipino
Delfin C. Gonzalez	Filipino
Jesus Manalastas	Filipino
Victoria C. delos Reyes	Filipino
Lorna Patajo-Kapunan	Filipino
Raoul R. Angcangco	Filipino



SEVENTH: That the authorized capital stock of the corporation is Twenty Eight Billion Eight Hundred Seventy One Million Thirteen Thousand Three Hundred Sixty Six Pesos (P28,871,013,366.00) in lawful money of the Philippines, divided into Fourteen Billion Four Hundred Thirty Five Million Four Hundred Fifty Six Thousand Six Hundred Eighty Three (14,435,456,683) Class A Common Shares with a par value of Two Pesos (P 2.00) per share and One Hundred Thousand (100,000) Class B Common Shares with a par value of One Peso (P1.00) per share. (As amended on December 4, 2013)

**Section 1 – Liquidation Preference**

In the event of any liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary, Class A Common Shares rank in priority to Class B Common Shares for any payment or distribution of the assets of the Corporation (whether capital or surplus). (As Amended on December 4, 2013)

Section 2 – Deleted. (As amended on December 4, 2013)

Section 3 – Deleted. (As amended on December 4, 2013)

Section 4 - Deleted. (As amended on December 4, 2013)

Section 5 - Deleted. (As amended on December 4, 2013)

**Section 6 - Restriction on transfer of shares**

No shares held by any Shareholder may be transferred unless the transferee shall agree, and it shall be a condition precedent to the Corporation's recognition of such transfer that the transferee or assignee shall agree to be subject to each of the terms of the shareholders agreement applicable to Shareholders. Upon the execution and delivery of

an adoption agreement by any transferee, such transferee shall be deemed to be a party thereto as if such transferee were the transferor and such transferee's signature appeared on the signature pages of the shareholders agreement and shall be deemed to be a Shareholder. The Corporation shall not permit the transfer of the Shares on its books or issue a new certificate representing any such Shares unless and until such transferee shall have complied with the terms of this provision. (As amended on January 25, 2013)

#### **Section 7 - Conditions of any Transfer**

Any sale of any Shares not in compliance with the terms and conditions of these Articles shall be null and void and shall not be recorded in the books of the Corporation. (As amended on 28 February 2002)

#### **Section 8 - Pre-Emptive Right**

- (a) Subject to the terms and conditions of this Section 8 and applicable securities laws, if the Corporation proposes to offer or sell any new shares, as well as rights, options or warrants to purchase such shares, or securities that are or may become, convertible or exchangeable into or exercisable for such shares (the "New Shares"), the Corporation shall first offer such New Shares to each Shareholder. The Corporation shall make such offer by giving written notice (a "New Issue Offer Notice") to each Shareholder, stating (i) its bona fide intention to offer such New Shares, (ii) the number of such New Shares to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Shares.
- (b) Each Shareholder shall have the absolute right to purchase that number of New Shares as shall be equal to (i) the number of the New Shares proposed to be sold by the Corporation multiplied by (ii) a fraction, the numerator of which shall be the number of Shares owned by such Shareholder and the denominator of which shall be the aggregate number of Shares then owned by all of the Shareholders (the "Pro Rata Share"). A Shareholder shall be entitled to apportion its Pro Rata Share of the New Shares among itself and its Affiliates in such proportions as it deems appropriate.
- (c) The Shareholders shall have a right of oversubscription such that if any Shareholder fails to purchase its Pro Rata Share of the New Shares proposed to be sold by the Corporation, the other Shareholder shall have the right to purchase up to the balance of the New Shares not so purchased. Such right of oversubscription may be exercised by a Shareholder by accepting the offer contained in New Issue Offer Notice as to more than its Pro Rata Share. If, as a result thereof, such oversubscriptions exceed the total number of New Shares available in respect of such oversubscription privilege, the oversubscribing Shareholders shall be cut back with respect to their oversubscriptions on a pro rata basis in accordance with their respective Pro Rata Share or as they may otherwise agree among themselves.
- (d) If a Shareholder desires to purchase all or any part of the New Shares, such Shareholder shall notify the Corporation in writing thereof within 10 business days of the date of the New Issue Offer Notice, which notice shall state the number of New Shares such Shareholder desires to purchase. Such notice shall, when taken in conjunction with the offer of such New Shares, be deemed to constitute a valid, legally binding, and enforceable agreement for the sale and purchase of such New Shares (subject to the limitations set forth above as to a Shareholder's right to purchase more than its Pro Rata Share of the New Shares). Subject to compliance with the applicable law, sales of the New Shares to be sold to the purchasing Shareholders pursuant to this sub-section (d) shall be made at the offices of the Corporation on the 30<sup>th</sup> business day after the date of the New Issue Offer Notice. Such sales shall be effected by the issuance by the

Corporation of a certificate or certificates evidencing the New Shares to be purchased by the purchasing Shareholder, against payment to the Corporation of the purchase price therefore by such purchasing Shareholder in immediately available funds.

- (e) If the Shareholders do not purchase all of the New Shares, the New Shares not so purchased may be sold by the Corporation to any Person at any time within 90 days after the date the New Issue Offer was made. Any such sale shall occur at not less than the price and upon other terms and conditions, if any, not more favorable to the buyer than those specified in the New Issue Offer. The Shareholder acknowledge and agree that it shall be a condition precedent to such purchase that the Person acquiring the New Shares execute and deliver an adoption agreement in form and substance reasonably acceptable to both Shareholders.

For purposes of this Section 8:

"Person" means an individual, company, corporation, trust, association, joint venture, governmental Authority or any other entity.

"Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by or under common control with, such Person. For the purposes of this definition, (a) "control" (including, with correlative meaning, the terms "controlling," "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of such Person through the ownership of more than 50% of such Person's voting securities, by contract or otherwise, and (b) the Corporation and its Subsidiaries shall not be deemed to be "Affiliates" of any Shareholder or any of its Affiliates.

(As amended on January 25, 2013)

EIGHTH: That at least twenty-five percent (25%) of the authorized capital stock above stated has been subscribed as follows:

Name of Subscriber	Nationality	No. of Shares Subscribed	Amount Subscribed
Ernest Kahn	Filipino	190	P190,000.00
Jose Antonio Garcia	Filipino	1	1,000.00
Dudley W. Jones	Australian	1	1,000.00
Raul S. Roco	Filipino	1	1,000.00
Nazario Avendaño	Filipino	1	1,000.00
Jose Gabriel D. Olives	Filipino	1	1,000.00
Delfin C. Gonzalez	Filipino	1	1,000.00
Jesus M. Manalastas	Filipino	1	1,000.00
Victoria C. Delos Reyes	Filipino	1	1,000.00
Lorna Patajo-Kapunan	Filipino	1	1,000.00
Raoul R. Angcango	Filipino	1	1,000.00

Total

200

P200,000.00

NINTH: That the above subscribers have paid at least twenty-five percent (25%) of the total subscription as follows:

Name of Subscriber	Amount Subscribed	Total Paid-in Subscription
Ernest Khan	P190, 000.00	P40,000.00
Jose Antonio Garcia	1,000.00	1,000.00
Dudley W. Jones	1,000.00	1,000.00
Raul S. Roco	1,000.00	1,000.00
Nazario Avendaño	1,000.00	1,000.00
Jose Gabriel D. Olives	1,000.00	1,000.00
Delfin C. Gonzalez	1,000.00	1,000.00
Jesus M. Manalastas	1,000.00	1,000.00
Victoria C. Delos Reyes	1,000.00	1,000.00
Lorna Patajo-Kapunat	1,000.00	1,000.00
Raoul R. Angcango	1,000.00	1,000.00
Total	P200, 000.00	P50, 000.00

TENTH: That NAZARIO AVENDAÑO has been elected by the subscriber as Treasurer of the Corporation to act as such until his successor is duly elected and qualified in accordance with By-laws, and that as such Treasurer, he has been authorized to receive for and in name and for the benefit of the Corporation all subscription or contributions or donations paid or given by the subscribers.

IN WITNESS WHEREOF, we hereunto signed these Articles of Incorporation, this 3<sup>rd</sup> day of May 1981 in Makati, Metro Manila.

(SGD.) ERNEST KHAN  
TAN K-5657-K2316-A-5

(SGD.) JOSE ANTONIO GARCIA  
TAN G-6225-F-2829-A-5

(SGD.) DUDLEY W. JONES  
TAN J-5231-J1312-A-2

(SGD.) RAUL S. ROCO  
TAN R-2641-K-2641-A-4

(SGD.) DELFIN C. GONZALEZ, JR.  
TAN 3274-157-1



REPUBLIC OF THE PHILIPPINES  
SECURITIES AND EXCHANGE COMMISSION  
Ground Floor, Secretariat Building, PICC  
City Of Pasay, Metro Manila

Securities and  
COMPANY REG. NO. 98792  
Commission  
PHILIPPINES

## CERTIFICATE OF FILING OF NEW BY-LAWS


KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the New By-Laws of

**COCA-COLA BEVERAGES PHILIPPINES, INC.**

copy annexed, adopted on August 02, 2019 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and majority of the said Board was approved by the Commission on this date pursuant to the provisions of Section 47 of the Revised Corporation Code of the Philippines, Republic Act No. 11232, which took effect on February 23, 2019, and copies thereof are filed with the Commission.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Pasay City, Metro Manila, Philippines, this 11<sup>th</sup> day of October, Twenty Nineteen.

  
DANIEL P. GABUYO  
Assistant Director  
SO Order 1188 Series of 2018

JS/qba



Machine Validation:

ORN 184134B

October 01, 2019 02:23pm

OFELIA A. CAPISPISAN

PHP2,080.00\*\*\*\*\*



Republic of the Philippines  
DEPARTMENT OF FINANCE  
SECURITIES AND EXCHANGE COMMISSION  
Secretariat Building, PICC Complex  
Roxas Boulevard, Pasay City, 1307



**PAYMENT ASSESSMENT FORM**

PHILIPPINES

No. 20191001-166897

<b>DATE</b> 10/01/2019	<b>RESPONSIBILITY CENTER</b> CRMD
---------------------------	--------------------------------------

**PAYOR:** COCA-COLA BEVERAGES PHILIPPINES INC  
TAGUIG

NATURE OF COLLECTION	QUANTITY	ACCOUNT CODE	AMOUNT
Amended Articles of Incorporation		4020102000 (606)	1,000.00
Amended By Laws		4020102000 (606)	1,000.00
		Subtotal: 4020102000 (606)	2,000.00
Legal Research Fee (A0823)		2020105000 (131)	20.00
Documentary Stamp Tax	2	4010401000 (4010401)	60.00
---NOTHING FOLLOWS---			
<b>TOTAL AMOUNT TO BE PAID</b>			<b>Php 2,080.00</b>

Assessed by: jasubido  
Amount in words: TWO THOUSAND EIGHTY PESOS AND 00/100  
Remarks: *AAI 20191008-44*  
*APM 20191008-45*

**SEC Landbank Accounts**

Landbank Region/Area	SEC Clearing Account	SEC Account
Region II, III-A, III-B, IV, Area IVA, AREA IV-B, and Region VIII	3402-2319-20	Head Office / Tatala
Region I	3402-2319-39	Baguio
Region V	3402-2319-48	Legaspi
Region VI	3402-2319-54	Iloilo / Bacolod
Region VII	3402-2319-62	Cebu
Region IX	3402-2319-70	Zamboanga
Region X	3402-2319-82	Cagayan De Oro
Region XI & XII	3402-2319-97	Davao

**Note:**

- This form is valid for forty-five (45) calendar days from the date of Payment Assessment Form.
- Accepted mode of payment at SEC Main Office, Pasay City:  
1. Cash 2. Manager's/Cashier's Check 3. Postal Money Order
- Accepted mode of payment at selected Landbank branches:  
1. Cash 2. Manager's/Cashier's Check payable to the Securities and Exchange Commission
- Preparation of OnCall Payment Slip shall be per Account Code as reflected in the Payment Assessment Form.
- ANY ALTERATIONS WILL INVALIDATE THIS FORM

For National Capital Region (NCR), payments are only allowed thru the ff. Landbank branches:

Name of Branch	SEC Clearing Account
Edsa Greenhills	3402-2319-20
Edsa Congressional	
Asnola E.O.	
YMCA	
DOTC	
Ortigas E.O.	
Muntinlupa	
North Avenue	

# COVER SHEET

for Applications at  
COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application <div style="border: 1px solid black; padding: 2px; text-align: center;">AMENDMENT</div>	SEC Registration Number <div style="border: 1px solid black; padding: 2px; text-align: center;">98792</div>
Former Company Name <div style="border: 1px solid black; padding: 2px; text-align: center;">COCA-COLA BEVERAGES PHILIPPINE S, INC.</div>	

**AMENDED TO:**  
New Company Name

Principal Office (No./Street/Barangay/City/Town/Province)


27 F. NETA LIMA BUILDING 5TH AVE.  
COR. 26TH ST. BGC TAGUIG CITY  
1684

Company Email Address <div style="border: 1px solid black; height: 20px;"></div>	Company's Telephone Numbers <div style="border: 1px solid black; padding: 2px; text-align: center;">866-2116</div>	Mobile Number <div style="border: 1px solid black; height: 20px;"></div>
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**CONTACT PERSON INFORMATION**  
The designated person MUST be a Director/Incorporator/Partner/Stockholder/Agent of the Corporation

Name of Contact Person <div style="border: 1px solid black; padding: 2px;">Jomel V. Ricafrente</div>	Email Address <div style="border: 1px solid black; padding: 2px;">jomel.ricafrente@coc-cola-ph.com.ph</div>	Telephone Numbers <div style="border: 1px solid black; height: 20px;"></div>	Mobile Number <div style="border: 1px solid black; height: 20px;"></div>
Contact Person's Address <div style="border: 1px solid black; height: 20px;"></div>			

To be accomplished by CRMD Personnel

Assigned Processor	Signature
	
Document I.D.	
Received by Corporate Filing and Records Division (CFRD)	
Forwarded to:	
<input type="checkbox"/> Corporate and Partnership Registration Division	
<input type="checkbox"/> Green Lane Unit	
<input type="checkbox"/> Financial Analysis and Audit Division	
<input type="checkbox"/> Licensing Unit	
<input type="checkbox"/> Compliance Monitoring Division	

NEW BY-LAWS OF  
COCA-COLA BEVERAGES PHILIPPINES INC.

ARTICLE I  
STOCKHOLDERS

Securities and  
Exchange  
Commission  
PHILIPPINES

Section 1. Annual Meeting

A meeting of the stockholders of the Corporation shall be held annually on the fourth Tuesday of April or, if such day be a holiday, then on the next business day which is not a holiday, at the place where the principal office of the Corporation is located, for the purpose of electing directors and for the transaction of all other business that may be properly be brought before meeting. Such meeting duly convened may be adjourned from time to time.

Section 2. Delayed Annual Meeting

If for any reason the annual meeting of the stockholders shall not be held on the day designated in Section 1 of this Article, or on any subsequent day to which it shall have been duly adjourned, such meeting may be called and held as a special meeting, and the same proceedings may be had and the same business may be transacted at such meeting as at any annual meeting.

Section 3. Special Meeting

A special general meeting of stockholders may be called by the Chairman or the Acting Chairman of the Board, the President, the Secretary, any Director, or by a stockholder with at least five (5) calendar days' notice given in accordance with Section 4 of this Article, provided, however, that a special meeting of shareholders called for the purpose of removing one or more Directors must be called by the Secretary on the order of the President or on the written demand of the shareholders representing or holding at least a majority of the issued and outstanding shares.

Section 4. Notice of Meeting

A. Service of Notice

Written notice stating the place, day and hour of the meeting and, in case of the special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than five (5) calendar days before the date of the meeting either personally or by mail, electronic mail, telex or telegram, to each stockholder entitled to vote at such meeting.

If not delivered personally such notice shall be deemed to be delivered when sent by electronic mail, or deposited in the mail with postage fully paid, or placed in the hands of an agent of a telegraph, radio or cable company with all transmittal fees fully paid and plainly addressed to the stockholder at his latest address appearing upon the stock books of the Corporation. In the case of non-resident stockholders, notice shall be sent by electronic mail, confirmed cable or telex.

## B. Waiver of Notice

The transactions of any meeting of stockholders, either annual or special, however called and notice, and wherever held, shall be as valid as though taken at a meeting duly called and noticed if a quorum be present either in person or by proxy, and if either before or after the meeting each stockholder entitled to vote, not present in person or by proxy, signs a written waiver of notice of a consent to a holding of the meeting, or an approval of the minutes. Attendance by a stockholder at a meeting also shall constitute a waiver of notice of that meeting, except if that stockholder objects at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

## Section 5. Quorum

No business shall be transacted at any meeting of the stockholders unless quorum of members is present at the time when the meeting proceeds to business and continues to be present until the conclusion of the meeting. A quorum for all meetings of the stockholders shall require the presence, either in person or by proxy of representatives of all stockholders. If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to seven (7) calendar days later, at the same time and place and written notice of that adjourned meeting must be given. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, a quorum shall require the presence, either by person or proxy, of a representative of the stockholders holding at least a majority of the issued and outstanding stock.

## Section 6. Voting

### A. Inspectors

At any meeting of the stockholders, if the chairman of the meeting so directs or if any stockholders present so requests, the polls shall be opened and closed, the proxies and ballots shall be received and taken in charge, and all questions with respect to the qualifications of voters, the validity of proxies, and the acceptance or rejection of votes shall be decided by three inspectors to be appointed by the chairman of the meeting.

### B. Voting Stocks

Each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of shareholders except in the election of directors where cumulative voting shall apply.

### C. Methods of Voting

Every shareholder entitled to vote shares shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by the stockholder and filed with the Secretary. The written proxy shall be in such form as is directed by the Board of Directors.

D. Fixing Record Date

The Board of Directors may designate, but shall not be required to designate in advance, a date not exceeding thirty (30) days preceding the date of any meeting of stockholders, or the date of payment of any dividends, or the date for allotment of rights, or the date when any change, conversion or exchange of capital stock shall go into effect, as a record date for the determination of the stockholders entitled to notice of, and to attend, such meeting, or to receive payment of such dividend or allotment of rights, or to exercise of such right, as the case may be, and notwithstanding any transfer of any stock on the books of the corporation after any such record date designated as aforesaid.

E. General Voting Requirements

Except for corporate actions that need to comply with the specific voting requirements under the Corporation Code, all resolutions of the stockholders shall be carried by a simple majority of the votes cast from all issue and outstanding shares present at a duly called and convened meeting and entitled to vote. In the case of an equality of votes on a matter before the meeting of shareholders, the chairman of the meeting shall not have a second or casting vote. The chairman of the meeting shall not have the power of a veto on any matter before a meeting of the shareholders.

Section 7. Minutes

The minutes of meetings of the stockholders shall be kept in written form in English by the Secretary of the Corporation or if the Secretary is not present, another person designated by the chairman of the meeting, and shall be signed by the chairman of the meeting and one representative from each of the stockholders present personally or by proxy.

ARTICLE II  
DIRECTORS

Section 1. Numbers and Terms of Office

A. Number of Directors

The Board of Directors of the Corporation will consist of such number of directors as stated in Article VI of the Corporation's Articles of Incorporation.

B. Term of Office

The members of the Board shall hold for a term of one (1) year, and until their respective successors shall have been duly elected and qualified. The Chairman shall hold office for a term of one (1) year and until his/her successor shall have been duly elected and qualified.

Section 2. General Powers

The Board of Directors shall manage the business, property and affairs of the Corporation and have such powers as are conferred it by law and these By-laws.

Section 3. Specific Powers:

Without prejudice to the general powers hereinabove conferred and subject to the specific limitations stated in Section 9 of this article, the Board of Directors shall have the following specific powers.

- A. Power to Elect the President and Other Corporate Officers  
The Board of Directors shall elect and/or appoint the President, Treasurer or Chief Finance Officer, and Corporate Secretary of the Corporation.
- B. Designation of Depositories  
The Board of Directors shall designate the trust company or trust companies or the bank or banks or financial institution or financial institutions into which shall be deposited the moneys and securities of the Corporation.
- C. Power to Remove Officers  
The President may be removed any time by a majority vote of all the members of the Board of Directors. Any other officer or employee of the Corporation may be removed by majority vote of all the members of the Board of Directors, with or without cause, whenever in its sole judgement the interest of the Corporation will be served by such removal.
- D. Power to Fill Vacancies  
Vacancies in the Board of Directors, arising other than by removal or expiration of term, shall be filled with a person nominated by the remaining directors if still constituting a quorum.
- E. Power to Fix Compensation  
The compensation of the officers and agents of the Corporation shall be determined by the Board of Directors at such amounts which, in its sole discretion, it may deem proper.
- F. Delegation of Powers  
The Board of Directors may delegate from time to time to an officer any duties that it can lawfully delegate and that are authorized or required to be executed, during the intervals between meetings of the Board, and such officer shall report to the Board of Directors when and as required by the Board of Directors.

Section 4. Compensation

- A. Remuneration of Directors  
Directors will receive no remuneration or other compensation including any per diems from the Corporation for their services as Directors and no payment in connection with the loss of their office as Directors or with the transfer of the whole or any part of the undertaking or property of the Corporation provided, however, that this should not be read to restrict the right of executive officers to be compensated by the Corporation for their services as executive officers.

B. Indemnification of Directors

Except as otherwise prohibited under the Corporation Code, all Directors shall be indemnified and held harmless by the Corporation from and against any and all loss, cost, liability and expense that may be incurred by them in connection with the proper performance of their duties as Directors.

C. Costs

Directors shall bear their own expenses incurred in attending Board meetings.

Section 5. Annual Meeting

At the place within the Philippines where the annual stockholders' meeting is held in April of each year, and immediately following the same, the Board of Directors, as constituted and upon final adjournment of such annual meeting, shall convene without further notice for the purpose of electing officers and transacting all other business properly brought before it. However, in the event a quorum of the Board of Directors cannot be obtained immediately after the adjournment of the annual stockholders' meeting, the annual meeting of the Board of Directors shall be deferred and called like any special meeting of the Board of Directors in the manner provided for in Section 7 hereof.

Section 6. Regular Meeting

Meetings of the Board of Directors shall be held at such place or places, within or outside the Philippines, as the Board may from time to time determine. In the absence of such determination meetings shall be held at the principal office of the Corporation. A Board meeting shall be held at least once in every calendar quarter. The four "calendar quarters" are from 1 January to 31 March, 1 April to 30 June, 1 July to 30 September, and 1 October to 31 December of each year. If the day herein set for the regular meeting of the Board of Directors is declared a holiday, then the Board of Directors shall meet on the next business day which is not a holiday.

Section 7. Special Meeting

Special meetings of the Board may be held at any time and place whenever called by the Chairman, the President, or by any Director upon seven (7) calendar days' prior written notice to the other Directors.

Section 8. Notice of Meeting

(a) Service of Notice

Notice of the time, place, and purpose of such meeting shall be served, at least five (5) days prior to the date set for the meeting, by email, mail or telegram, telephone, radiogram, or cablegram upon each member of the Board or delivered to him personally. In the case of the non-resident director, notice, shall be sent by confirmed cable or telex.

(b) Waiver of Notice

Notice of the time, place, and purpose of any meeting of the Board of Directors may be waived by instrument in writing or by email, telegram, cablegram, or telex. Attendance by a director at a meeting shall constitute a waiver of notice of the meeting, except if the

director objects, at the beginning of the meeting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 9. Quorum and Voting Requirements for Certain Corporate Actions By The Board of Directors

A. Quorum

No business shall be transacted at any Board meeting unless a quorum is present at the time when the meeting proceeds to business and continues to be present until the conclusion of the meeting. The quorum necessary for the transaction of business at any meeting of the Board shall be a majority of the Directors including, at least one (1) nominated by the majority shareholder and at least one (1) nominated by the minority shareholder. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned for seven (7) calendar days at the same time and place and written notice of that adjourned meeting must be given. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall stand adjourned for another seven (7) calendar days at the same time and place and written notice of that adjourned meeting a quorum is not present, a quorum shall require the presence of a majority of the Directors.

B. General Voting Requirements

Subject to Subsection D of this Section 9, all resolutions of the Board shall be carried by a simple majority of the votes cast from the members of the Board present at a duly called and convened meeting. In the case of an equality of votes on a matter before the Board the chairman of the meeting, shall not have a second or casting vote. The chairman of the meeting shall not have the power to veto on any matter before the Board.

C. Minutes

The minutes or proceedings of the Board shall be kept in written form in English and signed as a correct record by the Chairman and the directors present at the meeting, and certified by the Corporate Secretary.

D. Matters Requiring Unanimous Vote of the Board

Unless otherwise required to meet a specific number of votes under the Corporation Code, the unanimous vote of all the Directors present at a duly called and convened meeting of the Directors shall be required to authorize corporate action by the Corporation with respect to any of the following matter;

- (i) Approving the annual business plan proposed by the President for the next calendar year including specifying the discretion allowed to the management team to deviate from the approved plan or any changes thereto as well as requesting and approving the business plan for any subsequent years;

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- (ii) Permitting the Corporation to incur create or increase any indebtedness which would result in the Corporation's net debt to equity ratio exceeding 1:1 based on the Corporation's consolidated balance sheet;
- (iii) Giving any guarantee, indemnity comfort letter or security to secure the liabilities or obligations of any person, excepting any wholly owned subsidiary of the Corporation;
- (iv) Making any loan to any person or giving any credit or making an advance to any person other than in the ordinary course of business;
- (v) Receiving any loan advance or credit from a shareholder or any Affiliate of a shareholder in any amount other than receiving credit in connection with the purchase of concentrates or beverage bases from a shareholder, or in connection with the supply of goods and services from a shareholder or any of its Affiliates;
- (vi) Subject to Subsections (v) and (vi) of Section 7 of Article 1, creating or issuing any fixed or floating charge, debenture, lien (other than a lien arising by operation of law or in the ordinary course of business or other mortgage encumbrance or security over selling, transferring, leasing, assigning, mortgaging, exchanging, pledging or otherwise disposing of or parting with control of or contracting to do any of them, any interest in any material part of the undertaking, business property or assets (tangible or intangible) of the Corporation whether by a single transaction or a series of transactions (for these purposes "material" means that the value of the transaction or series of transactions is five percent (5%) or more of the gross revenue minus discounts of the Corporations based on the previous year's audited financial statement);
- (vii) Acquiring or contracting to acquire any undertaking, business property or assets tangible or intangible or an interest therein which would following such acquisition constitute a material part of the business property or assets of the Corporation (whether by a single transaction or a series of transactions) (for these purposes "material" means that the value of the transaction or series of transactions is five percent (5%) or more of the gross revenue minus discounts of the Corporation based on the previous year's audited financial statements);
- (viii) Creating, acquiring, purchasing, subscribing to, liquidating or disposing, of any company or other business entity or of any shares, loan stock, debentures mortgages or other securities of or equity interests in any company or other business entity (or any option over or interest in any of them or any securities or other instruments convertible or exchangeable therefor);
- (ix) Setting up or closing down any branch, office, plant, warehouse or other facility other than in the ordinary course of business;
- (x) Taking or agreeing to take, or disposing of or agreeing to disclose of an interest in (whether leasehold or otherwise), or license over, any land, except in the ordinary course of business;
- (xi) Entering into any partnership or profit sharing agreement or joint venture with any person;
- (xii) Entering into varying or terminating any contract or transaction under which any person would or might receive remuneration calculated by

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- reference to profits of the Corporation or other than in the ordinary course of business by reference to the revenue of the Corporation;
- (xiii) Authorizing, or permitting or suffering, the Corporation to publicly trade or list, or to apply to allow the Corporation to publicly trade or list any shares, debt, loan stock, debentures, mortgages or securities of or equity interest in the Corporation (or any option over or interest in any of them or any securities or other instruments convertible or exchangeable therefor);
  - (xiv) Prosecuting, taking, seeking, defending, settling, withdrawing or otherwise beginning or ending any civil, administrative or criminal proceeding or action or any mediation, arbitration or other dispute resolution process other than in the ordinary course of business, excepting any proceedings, action, mediation, arbitration or other dispute resolution process between the Corporation on the one hand and a shareholder or any Affiliate of a shareholder on the other hand;
  - (xv) Determining or changing the fiscal year or the accounting policies or practices of the Corporation;
  - (xvi) Granting any power of attorney or otherwise delegating the powers of the Board or any Director(s) that require a unanimous vote of the Board pursuant to this Subsection D of Section 9;
  - (xvii) Approving creditworthiness criteria and exposure limits for banks and other financial institutions with which the Corporation is permitted to deal any changes to those creditworthiness criteria or exposure limits or any dealings by the Corporation which are not consistent with those criteria or limits;
  - (xviii) Entering into any transaction with, or otherwise conferring a benefit upon a shareholder or an Affiliate of a shareholder other than on an arms-length basis in the ordinary course of business;
  - (xix) Entering into a new business or changing the nature of the business of the Corporation or the territory in which the Corporation conducts its business;
  - (xx) Declaring or making any dividend or other distribution on common shares in cash or in kind and whether out of revenue, profits capital profits or capital reserves such that the ratio of the dividend or distribution on common shares for a particular year to the net after tax income of the prior year exceeds 0.30:1;
  - (xxi) Entering into any agreement understanding or undertaking with any Government Entity other than in the ordinary course of business; and
  - (xxii) Otherwise recommending any action that requires the approval of the stockholders in accordance with Section 7 of Article 1.

**E. Ordinary course of business**

For purposes of Subsection D of this Section 9 the term "ordinary course of business" shall mean the transaction of business according to common customs and practices in the international non-alcoholic beverages business. In the absence of special circumstances that are expressly acknowledge in writing by all shareholders, matters involving in excess of Three Million United States Dollars (US\$3,000,000) (either separately or in the aggregate if the matter involves a

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series of transaction) would not be considered to be in the ordinary course of business.

F. Annual Business Plan

For purposes of Subsection D of this Section 9 any matter or action that is specifically approved as part of the annual business plan approved by the Board in accordance with Subsection (ii) of Subsection D of this Section 9 does not require a separate approval by the Board if such action or matter is performed or conducted in accordance with the terms and conditions of the approved annual business plan and the Board approval.

ARTICLE III  
OFFICERS

Section 1. Number

The officers of the Corporation shall be a Chairman of the Board, a President/Chief Executive Officer, a Treasurer/Chief Finance Officer, a Corporate Secretary, and such other officers as from time to time shall be designated and elected by the Board of Directors. The President shall nominate the Treasurer and the Corporate Secretary of the Corporation.

The Corporation, through the Board of Directors, may designate/appoint such other officers as its business needs require.

Section 2. Election

All by-law officers of the Corporation shall be elected at the first meeting of the Board of Directors after the annual election of directors and shall hold office for one (1) year and until their respective successors shall have been duly elected and qualified.

Section 3. Eligibility

The Chairman of the Board and President shall be chosen from among the members of the Board of Directors. No other officer need be a director or stockholder of the Corporation. Any two (2) or more positions may be held concurrently by the same person, except that no one shall act as president and treasurer, or president and secretary, at the same time.

Section 4. Duties

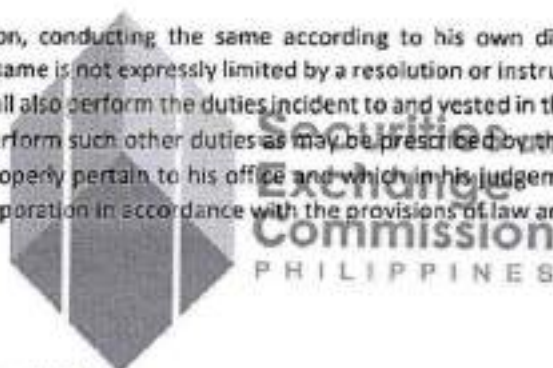
(a) Chairman of the Board

The Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors and he shall have such powers and perform such duties as may be delegated from time to time by the Board of Directors.

(b) President/Chief Executive Officer (CEO)

The President shall be the chief executive officer of the Corporation. He shall have general charge, control, supervision and direct and active management of the day to day business

operations of the Corporation, conducting the same according to his own discretion whenever and wherever the same is not expressly limited by a resolution or instruction of the Board of Directors. He shall also perform the duties incident to and vested in the office of the President, and shall perform such other duties as may be prescribed by the Board of Directors or which may properly pertain to his office and which in his judgement will secure the interest of the Corporation in accordance with the provisions of law and these By-laws.



(c) **Treasurer/Chief Finance Officer (CFO)**

The Treasurer shall be the Chief Finance Officer and have and exercise, under the supervision of the President, all powers and duties commonly incident to the office of the treasurer of the corporation. He shall have the custody of, and be responsible for all the funds, securities, and bonds of the Corporation, and keep a complete and accurate record of receipts and disbursement and other commercial transactions on the corresponding books of the account of the Corporation in such trust company or trust companies or bank or banks or financial institution or financial institutions as the Board shall designate from time to time. He shall endorse for deposit or collection all checks, notes, and drafts on behalf of the Corporation. He shall render an annual statement showing the financial condition of the Corporation on the 31<sup>st</sup> of December of each year such other financial reports as the Board of Directors or the President may require. He shall also have such other duties as the Board or the President may designate from time to time.

(d) **Corporate Secretary**

The Corporate Secretary, who must be a citizen and resident of the Philippines, shall have and exercise, under the supervision of the Board of Directors or the President, all powers and duties commonly incident to the office of corporate secretary of the Corporation. He shall attend all meetings of the stockholders and of the Board of Directors, and shall keep and preserve in the books of the Corporation true minutes of the proceedings of all such meetings. He shall have custody of all valuable papers and documents of the Corporation. He shall keep in his custody the seal of the Corporation and shall have authority to affix it to all instruments where its use is required. He shall give all notice required by statute, by the Articles of Incorporation, or by the By-Laws. He shall also have such other duties as the Board or the President may designate from time to time.

**ARTICLE IV  
STOCK**

**Section 1. Form of Stock Certificate**

Each holder of stock of the Corporation shall be entitled to a stock certificate signed by the President and by the Secretary and sealed with the corporate seal. The certificate of stock shall be in such form as shall be prescribed by the Board of Director.

**Section 2. Loss of Stock Certificate**

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In case of loss, mutilation, or destruction of an issued and outstanding certificate of stock, a duplicate certificate may be issued upon such terms as the Board of Directors may prescribe in accordance with the Corporation Code of the Philippines.



**Securities and  
Exchange  
Commission**

**Section 3. Issuance of New Shares**

The Corporation will issue only fully, paid-up shares. The Board and the Shareholders will allow subscriptions for shares based only on the upfront payment in full by the subscribing shareholder for the entire number of shares subscribed.

**Section 4. Transfer of Shares of Stock**

Shares of stock of the Corporation shall be transferred on the books of the Corporation only by the holder of such shares in person or by his attorney upon surrender and cancellation of a certificate or of certificates for an equivalent number of shares.

**ARTICLE V  
SEAL OF THE CORPORATION**

The Corporate Seal shall be determined by the Board of Directors

**ARTICLE VI  
VOTING UPON STOCK HELD BY THE CORPORATION**

Unless otherwise ordered by the Board of Directors, the President shall have full power and authority on behalf of the Corporation to attend, to act and to vote at any meeting of stockholders of any company in which the Corporation may hold stocks, and at any such meeting shall possess and may exercise all rights and powers incident to the ownership of such stock which any owner thereof might have possessed and exercised if present. The Board, by resolution, from time to time, may confer like powers upon any other person or persons.

**ARTICLE VII FISCAL YEAR**

The fiscal year of the corporation shall begin on the first day of January and end on the last day of December of each year.

IN WITNESS WHEREOF, we, the undersigned directors present at the meeting called for, and voting thereat in favor of, the adoption of said By-Laws, have hereunto subscribed our names, this 30<sup>th</sup> day of September 2019 at Taguig City, Metro Manila, Philippines.

[Redacted Signature]

GARETH MCGEOWN  
Director / Chairman  
TIN No. [Redacted]

[Redacted Signature]

JAWAHAR SOLAI KUPPUSWAMY  
Director  
TIN No. [Redacted]



50999 0000 0000

DIRECTORS' CERTIFICATE OF AMENDMENT OF THE ARTICLES OF INCORPORATION and ADOPTION OF NEW BY-LAWS OF PHILIPPINES COCA-COLA BEVERAGES PHILIPPINES, INC.

RECEIVED OCT 11 2019 Time:

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned majority of the Directors and the Corporate Secretary of Coca-Cola Beverages Philippines, Inc., do hereby certify that the Articles of Incorporation and By-Laws of said corporation was amended by a majority vote of the directors and the vote of stockholders representing at least two-thirds (2/3) of the outstanding capital stock at a meeting held on 02 August 2019 at the principal office of the corporation.

The amended provisions of the attached Amended Articles of Incorporation refer to: Article Sixth of the Articles of Incorporation of the Corporation and the Adoption of New By-Laws be, and the same is hereby amended and adopted, to read as follows:

SIXTH: That the number of directors of the Corporation shall be five (5) and the names, nationalities and residences of the first directors of the Corporation are as follows

VI

- and -

ADOPTION of NEW BY-LAWS

NBL

We further certify that the attached Amended Articles of Incorporation and Adoption of New By-Laws is true and correct copy thereof.

IN WITNESS WHEREOF, we have signed this Certificate this 30th day of September 2019 at Taguig City.

50497.0918.0938

[Redacted Signature]

GARETH MCGEOWN  
Director / Chairman  
TIN No. [Redacted]

[Redacted Signature]

JAWAHAR SOLAI KUPPUSWAMY  
Director  
TIN No. [Redacted]

[Redacted Signature]

MATTHIAS VON OELHAFEN  
Director  
TIN No. [Redacted]

[Redacted Signature]

JUAN PABLO RODRIGUEZ TROVATO  
Director  
TIN No. [Redacted]

[Redacted Signature]

TERENCE FERNANDO  
Director  
TIN No. [Redacted]

Certified and Attested by:

[Redacted Signature]

CHRISTINE BIO  
Asst. Corporate Secretary /  
Secretary of the Meeting  
TIN No. [Redacted]

Confidential  
idesa@abotiz.com  
2023-08-08 10:47:16 +0000

SEP 30 2019

SUBSCRIBED AND SWORN to before me this day of August 2019, affiants exhibiting to me, as competent evidence of their identity, the following:

Security Exchange Commission

Name	Government Issued I.D. #	Date Issued / Place Issued
Gareth McGeown	[REDACTED]	
Jawahar Solai Kuppuswamy	[REDACTED]	
Matthias Von Oelhafen	[REDACTED]	
Juan Pablo Rodriguez Trovato	[REDACTED]	
Terence Fernando	[REDACTED]	
Christine Bio	[REDACTED]	

Doc. No. 4110  
 Page No. 85  
 Book No. 85  
 Series of 2019.

*Lm Amn*  
**ATTY. LETICIA M. AMON**  
 NOTARY PUBLIC FOR TAGUIG CITY  
 APP. NO. 10017, DEC. 31, 2019  
 PRT No. 4942975-1-1703, 2019- PASIG CITY  
 11-PARADISE ST. UPPER BIEUTAN, TAGUIG CITY

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# SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines  
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph



The following document has been received:

**Receiving:** ARIEL FETALVO

**Receipt Date and Time:** August 29, 2023 03:39:00 PM

## Company Information

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**SEC Registration No.:** 0000098792

**Company Name:** COCA-COLA BEVERAGES PHILIPPINES, INC.

**Industry Classification:** D15541

**Company Type:** Stock Corporation

## Document Information

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**Document ID:** OST10829202381588109

**Document Type:** General Information Sheet

**Document Code:** GIS

**Period Covered:** July 03, 2023

**Submission Type:** Amendment, Special Meeting

**Remarks:** None

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

**AMENDED GENERAL INFORMATION SHEET (GIS)**

FOR THE YEAR 2023

**STOCK CORPORATION**

**GENERAL INSTRUCTIONS:**

- FOR USCR CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS MEETING. IF THE MEETING DOES NOT LEAVE ANY TIME TO FILE, WRITE "N/A." IF THE INFORMATION REQUESTED IS NOT APPLICABLE TO THE CORPORATION OR STATE: IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING.
- IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN SIX (6) MONTHS AFTER THE END OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED THEREAFTER.
- THIS GIS SHALL BE ACCOMPANIED IN ENGLISH AND ELECTED AND APPROVED TO BY THE CORPORATE SECRETARY OF THE CORPORATION.
- THE SEC SHOULD BE TIMELY ADVISED OF ANY MAJOR CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT ARISE BETWEEN TWO ANNUAL MEETINGS THE CORPORATION SHALL SUBMIT AMENDMENTS TO THE GIS TOGETHER WITH A COVER LETTER SIGNED THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDMENTS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGES OCCURED OR BECAME EFFECTIVE.
- DESIGN FOUR (4) COPIES OF THE GIS TO THE REGIONAL OFFICE OF THE SEC MAIN OFFICE OR TO SEC SATELLITE OFFICES OR EXTENSIONS BY OFFICIALS. ALL COPIES SHALL UNIFORMLY BE ON A 8 1/2" X 11" LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL BE ONLY ONE SIDE.
- ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.
- THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESIDENTS OR DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS.

CORPORATE NAME: <b>COCA-COLA BEVERAGES PHILIPPINES, INC.</b>		DATE REGISTERED: <b>5/5/1971</b>
BUSINESS/TRADE NAME: <b>COCA-COLA BEVERAGES PHILIPPINES, INC.</b>		FISCAL YEAR END: <b>December 31</b>
SEC REGISTRATION NUMBER: <b>903792</b>		DATE OF ANNUAL MEETING PER BY-LAWS: <b>Fourth Tuesday of April</b>
ACTUAL DATE OF SPECIAL MEETING: <b>1-14-23</b>		CORPORATE TAX IDENTIFICATION NUMBER (TIN): <b>24-12-00000</b>
COMPLETE PRINCIPAL OFFICE ADDRESS: <b>28F SLS/BDO, 3rd Avenue corner SMO Center, Comodo Hotel City, Taguig City</b>		REGISTERED ADDRESS: <b>N/A</b>
COMPLETE BUSINESS ADDRESS: <b>28F SLS/BDO, Bldg. Annex corner 2nd Street, Comodo Hotel City, Taguig City</b>		EMAIL ADDRESS: <b>N/A</b>
OFFICE E-MAIL ADDRESS: <a href="mailto:corporate@coke-cola.com.ph">corporate@coke-cola.com.ph</a>	ALTERNATE E-MAIL ADDRESS: <a href="mailto:corporate@coke-cola.com.ph">corporate@coke-cola.com.ph</a>	OFFICIAL BOOK NUMBER: <b>9719879938</b>
NAME OF EXTERNAL AUDITOR & FIRM (NAME & ADDRESS): <b>SINIF GONZALES DELA CRUZ &amp; COMPANYIA VERONICA APRESA S. MORE 0602-AR03</b>		ISSUANCE NUMBER: <b>000000</b>
PRIMARY PURPOSE/ACTIVITY THROUGH THE YEAR END (DESCRIBE IN: To conduct, produce and sell in the Philippines production and import, export and distribution of beverage and related activities for both local and foreign markets and provide services to all forms of the said products, as well as related activities as hereinafter defined in the articles of incorporation, including but not limited to distribution of the products of the said corporation.		INDUSTRY CLASSIFICATION: <b>Manufacturing</b>
		COUNTRY OF ORIGIN CODE: <b>N/A</b>
<b>***** PARENT COMPANY AFFILIATIONS *****</b>		
PARENT COMPANY:	SEC REGISTRATION NO.:	ADDRESS:
<b>COCA-COLA SOUTHWESTERN BEVERAGE, INC.</b>	<b>113</b>	<b>One Coca-Cola Plaza, Atlanta, Georgia, USA</b>
RESIDUARY AFFILIATE:	SEC REGISTRATION NO.:	ADDRESS:
<b>Malaysian Beverage Inc.</b>	<b>2240216701</b>	<b>106, JALAN PUSAT, 5th Floor, West Star Tower, Kuala Lumpur, Malaysia</b>
<b>COCA-COLA BEVERAGES, INC.</b>	<b>41987-7805</b>	<b>28F SLS/BDO BLDG, SMO CENTER, COMODO HOTEL CITY, TAGUIG CITY</b>
NUT USE IDENTIFICATION NUMBER IF NECESSARY.		

**GENERAL INFORMATION SHEET**

**STOCK CORPORATION**

PLEASE PRINT LEGIBLY

Corporate Name:

COCA-COLA BEVERAGES PHILIPPINES, INC.

**A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365)**  Yes  No

Please check the appropriate box:

<p><b>1.</b></p> <p><input type="checkbox"/> a. Banks</p> <p><input type="checkbox"/> b. Offshore Banking Units</p> <p><input type="checkbox"/> c. Quasi-Banks</p> <p><input type="checkbox"/> d. Trust Entities</p> <p><input type="checkbox"/> e. Non-Stock Savings and Loan Associations</p> <p><input type="checkbox"/> f. Pawnshops</p> <p><input type="checkbox"/> g. Foreign Exchange Dealers</p> <p><input type="checkbox"/> h. Money Changers</p> <p><input type="checkbox"/> i. Remittance Agents</p> <p><input type="checkbox"/> j. Electronic Money Issuers</p> <p><input type="checkbox"/> k. Financial Institutions which under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.</p>	<p><input type="checkbox"/> 4. Jewelry dealers in precious metals, who, as a business, trade in precious metals</p>
<p><b>2.</b></p> <p><input type="checkbox"/> a. Insurance Companies</p> <p><input type="checkbox"/> b. Insurance Agents</p> <p><input type="checkbox"/> c. Insurance Brokers</p> <p><input type="checkbox"/> d. Professional Reinsurers</p> <p><input type="checkbox"/> e. Reinsurance Brokers</p> <p><input type="checkbox"/> f. Holding Companies</p> <p><input type="checkbox"/> g. Holding Company Systems</p> <p><input type="checkbox"/> h. Pre-need Companies</p> <p><input type="checkbox"/> i. Mutual Benefit Association</p> <p><input type="checkbox"/> j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)</p>	<p><input type="checkbox"/> 5. Jewelry dealers in precious stones, who, as a business, trade in precious stone</p>
<p><b>3.</b></p> <p><input type="checkbox"/> a. Securities Dealers</p> <p><input type="checkbox"/> b. Securities Brokers</p> <p><input type="checkbox"/> c. Securities Salesmen</p> <p><input type="checkbox"/> d. Investment Houses</p> <p><input type="checkbox"/> e. Investment Agents and Consultants</p> <p><input type="checkbox"/> f. Trading Advisors</p> <p><input type="checkbox"/> g. Other entities managing Securities or rendering similar services</p> <p><input type="checkbox"/> h. Mutual Funds or Open-end Investment Companies</p> <p><input type="checkbox"/> i. Close end Investment Companies</p> <p><input type="checkbox"/> j. Common Trust Funds or Issuers and other similar entities</p> <p><input type="checkbox"/> k. Transfer Companies and other similar entities</p> <p><input type="checkbox"/> l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on</p> <p><input type="checkbox"/> m. Entities administering or otherwise dealing in valuable objects</p> <p><input type="checkbox"/> n. Entities administering or otherwise dealing in cash substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)</p>	<p><b>6.</b> Company service providers which, as a business, provide any of the following services to third parties:</p> <p><input type="checkbox"/> a. acting as a formation agent of juridical persons</p> <p><input type="checkbox"/> b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons</p> <p><input type="checkbox"/> c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement</p> <p><input type="checkbox"/> d. acting as (or arranging for another person to act as) a nominee shareholder for another person</p>
<p><b>B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS?</b></p>	<p><b>7.</b> Persons who provide any of the following services:</p> <p><input type="checkbox"/> a. managing of client money, securities or other assets</p> <p><input type="checkbox"/> b. management of bank savings or securities accounts</p> <p><input type="checkbox"/> c. organization of contributions for the creation, operation or management of companies</p> <p><input type="checkbox"/> d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities</p> <p><input checked="" type="checkbox"/> None of the above</p> <p>Describe nature of business: <span style="float: right;">Manufacturing</span></p>
<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	

**GENERAL INFORMATION SHEET**  
STOCK CORPORATION

PLEASE PRINT LEGIBLY

**CORPORATE NAME:** COCA-COLA BEVERAGES PHILIPPINES, INC.

**CAPITAL STRUCTURE**

<b>AUTHORIZED CAPITAL STOCK</b>				
	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PHP) (No. of shares X Par/Stated Value)
	Common A	2,417,956,683	2.00	4,835,913,366.00
	Common B	100,000	1.00	100,000.00
<b>TOTAL</b>		<b>2,417,956,683</b>	<b>TOTAL P</b>	<b>4,835,913,366.00</b>

<b>SUBSCRIBED CAPITAL</b>							
FILIPINO	NO. OF STOCK HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PHP)	% OF OWNERSHIP
	3	Common B	3		1.00	3.00	0%
<b>TOTAL</b>			<b>3</b>	<b>TOTAL</b>	<b>TOTAL P</b>	<b>3.00</b>	

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PHP)	% OF OWNERSHIP
American	2	Common A	2,417,956,683		2.00	4,835,913,366.00	100.00%
American	1	Common B	996		1.00	996.00	0%
Irish	1	Common A	1		2.00	2.00	0%
Indian	1	Common B	1		1.00	1.00	0%
<b>Percentage of Foreign Equity:</b>		<b>TOTAL</b>	<b>2,417,957,680</b>	<b>TOTAL</b>	<b>TOTAL P</b>	<b>4,835,914,365.00</b>	<b>100%</b>
				<b>TOTAL SUBSCRIBED P</b>		<b>4,835,914,366.00</b>	

<b>PAID-UP CAPITAL</b>							
FILIPINO	NO. OF STOCK HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PHP)	% OF OWNERSHIP	
	3	Common B	3	1.00	3.00	0%	
<b>TOTAL</b>			<b>3</b>	<b>TOTAL P</b>	<b>3.00</b>		

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PHP)	% OF OWNERSHIP
American	2	Common A	2,417,956,683	2.00	4,835,913,366.00	100.00%
American	1	Common B	996	1.00	996.00	0%
Irish	1	Common A	1	2.00	2.00	0%
Indian	1	Common B	1	1.00	1.00	0%
<b>100.00 %</b>		<b>TOTAL</b>	<b>2,417,957,680</b>	<b>TOTAL P</b>	<b>4,835,914,365.00</b>	<b>100%</b>
				<b>TOTAL PAID-UP P</b>	<b>4,835,914,366.00</b>	

NOTE: USE ADDITIONAL SHEET IF NECESSARY

\* Common, Preferred or other classification  
\*\* Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

## GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

<b>CORPORATE NAME:</b>		<b>COCA-COLA BEVERAGES PHILIPPINES, INC.</b>						
DIRECTORS / OFFICERS								
NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INCORP.	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. GARETH PAUL MCGROWN [REDACTED]	Irish	N	C	M	Y	Chairman/ CEO President	N/A	[REDACTED]
2. JAWAHAR SOLAI KUPPUSWAMY [REDACTED]	Indian	N	M	M	Y	Chief Finance Officer	N/A	[REDACTED]
3. TERENCE FERNANDO [REDACTED]	Filipino	N	M	M	Y	Corporate Secretary	N/A	[REDACTED]
4. ANDREA THERESE CHENG [REDACTED]	Filipino	N	M	F	Y	N/A	N/A	[REDACTED]
5. FRANCIS GARCIA [REDACTED]	Filipino	N	N	M	Y	N/A	N/A	[REDACTED]
6. CHRISIE AMOR GALAN [REDACTED]	Filipino	N		F	M	Asst. Corporate Secretary	N/A	[REDACTED]
7. JAI JAGANNATH TAMAYO [REDACTED]	Filipino	N		M	N	Asst. Corporate Secretary	N/A	[REDACTED]
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								
<b>INSTRUCTION:</b>								
FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.								
FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.								
FOR INCORP. COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.								
FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.								
FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.								
FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE, "A" FOR AUDIT COMMITTEE, "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.								

**GENERAL INFORMATION SHEET  
STOCK CORPORATION**

PLEASE PRINT LEGIBLY

<b>CORPORATE NAME:</b> COCA-COLA BEVERAGES PHILIPPINES, INC.	
<b>TOTAL NUMBER OF STOCKHOLDERS:</b> 7	<b>NO. OF STOCKHOLDERS WITH 10% OR MORE SHARES EACH:</b> 2
<b>TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:</b>	

**STOCKHOLDER'S INFORMATION**

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PHP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PHP)	% OF OWNERSHIP		
1. COCA-COLA SOUTH ASIA HOLDINGS, INC. American One Coca-Cola Plaza Atlanta, Georgia USA	Common A	1,420,882,158	3,819,754,276.00	60.00%	1,279,782,272.00	420-684-271
	Common B	990	936.00			
	<b>TOTAL</b>	<b>1,420,883,148</b>	<b>3,819,755,212.00</b>			
2. COCA-COLA HOLDINGS (OVERSEAS) LIMITED LLC American One Coca-Cola Plaza Atlanta, Georgia USA	Common A	508,074,544	1,016,149,088.00	20.00%	1,016,149,088.00	116-209-611
	<b>TOTAL</b>	<b>508,074,544</b>	<b>1,016,149,088.00</b>			
3. GABRIEL PAUL MCGROWN Irish [REDACTED]	Common A	1	2.00	0.00%	2.00	[REDACTED]
	<b>TOTAL</b>	<b>1</b>	<b>2.00</b>			
4. FRANCIS GARCIA Filipino [REDACTED]	Common B	1	1.00	0.00%	1.00	[REDACTED]
	<b>TOTAL</b>	<b>1</b>	<b>1.00</b>			
5. ANDREA THERESA CHEN Filipino [REDACTED]	Common C	1	1.00	0.00%	1.00	[REDACTED]
	<b>TOTAL</b>	<b>1</b>	<b>1.00</b>			
6. JAWHAR SUDU KOPPUSWAMY Indian [REDACTED]	Common B	1	1.00	0.00%	1.00	[REDACTED]
	<b>TOTAL</b>	<b>1</b>	<b>1.00</b>			
7. TERENCE FERNANDEZ Filipino [REDACTED]	Common C	1	1.00	0.00%	1.00	[REDACTED]
	<b>TOTAL</b>	<b>1</b>	<b>1.00</b>			
<b>TOTAL AMOUNT OF SUBSCRIBED CAPITAL</b>				<b>100.00%</b>	<b>4,895,914,366.00</b>	
<b>TOTAL AMOUNT OF PAID-UP CAPITAL</b>					<b>4,895,914,366.00</b>	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

*Note: For DTRC Nominees included in the list, please indicate further the beneficial owners owning more than 1% of any class of the company's voting securities. Attach separate sheet, if necessary.*

**GENERAL INFORMATION SHEET**  
**STOCK CORPORATION**

PLEASE PRINT LEGIBLY

CORPORATE NAME:	COCA-COLA BEVERAGES PHILIPPINES, INC.		
TOTAL NUMBER OF STOCKHOLDERS:	7		2
TOTAL ASSETS PERIOD ON LATEST AUDITED FS:			

**STOCKHOLDER'S INFORMATION**

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (P/P)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (P/P)	% OF OUTSTANDING		
1.						
	TOTAL					
2.						
	TOTAL					
3.						
	TOTAL					
4.						
	TOTAL					
5.						
	TOTAL					
6.						
	TOTAL					
<b>TOTAL AMOUNT OF SUBSCRIBED CAPITAL</b>				11.00%		
<b>TOTAL AMOUNT OF PAID-UP CAPITAL</b>					0.00	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For P/D/C holders included in the list, please indicate under the last column the number of shares owned and the % of any class of the company's equity securities owned separately, if necessary.



## GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY			
CORPORATE NAME: COCA-COLA BEVERAGES PHILIPPINES, INC.			
<b>1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION</b>		<b>AMOUNT (Php)</b>	<b>DATE OF BOARD RESOLUTION</b>
1.1 STOCKS		None	N/A
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)		None	N/A
1.3 LOANS/CREDITS/ADVANCES		None	N/A
1.4 GOVERNMENT TREASURY BILLS		None	N/A
1.5 OTHERS		None	N/A
<b>2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY)</b>		<b>DATE OF BOARD RESOLUTION</b>	<b>DATE OF STOCKHOLDERS RATIFICATION</b>
None		N/A	N/A
<b>3. TREASURY SHARES</b>		<b>NO. OF SHARES</b>	<b>% AS TO THE TOTAL NO. OF SHARES ISSUED</b>
		None	
<b>4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR</b>			
<b>5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR:</b>			
<b>TYPE OF DIVIDEND</b>		<b>AMOUNT (Php)</b>	<b>DATE DECLARED</b>
5.1 CASH		None	N/A
5.2 STOCK		None	N/A
5.3 PROPERTY		None	N/A
<b>TOTAL</b>		<b>P</b>	
<b>6. ADDITIONAL SHARES ISSUED DURING THE PERIOD:</b>			
<b>DATE</b>	<b>NO. OF SHARES</b>	<b>AMOUNT</b>	
None	None	None	
<b>SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:</b>			
<b>NAME OF AGENCY:</b>	SEC	BSP	TC
<b>TYPE OF LICENSE/REGN.</b>	N/A	N/A	N/A
<b>DATE ISSUED:</b>	N/A	N/A	N/A
<b>DATE STARTED OPERATIONS:</b>	N/A	N/A	N/A
<b>TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (In Php)</b>	<b>TOTAL NO. OF OFFICERS</b>	<b>TOTAL NO. OF RANK &amp; FILE EMPLOYEES</b>	<b>TOTAL MANPOWER COMPLEMENT</b>
None	6	1,134	8,892
<b>NOTE: USE ADDITIONAL SHEET IF NECESSARY</b>			


I, TERENCE FERNANDO, Corporate Secretary of THE ABOVE MENTIONED CORPORATION declare under penalty of perjury that all matters set forth in this GIS have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.


I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (Section 177, RA No. 11232).

Done this 24 day of AUG 24 2023, 2023 in Makati City

  
TERENCE FERNANDO  
(Signature over printed name)

SUBSCRIBED AND SWORN TO before me in Makati City on AUG 24 2023 by affiant who personally appeared before me and exhibited to me his competent evidence of identity consisting of his Philippine Passport with No.  which is valid until March 17, 2032.

NOTARY PUBLIC

Doc. no. 423  
Page no. 86  
Book no. 4T  
Series 2023

**ATTY. RONEL M. ANFORT**  
Notary Public for Makati  
Registration No. 1023  
Appointed on 10/12/2022 (0422-2023)  
PTR No. 9563251 / 10/12/2023 Makati City  
TSP No. 10000 / 2/14/2022 Pasig  
MCLE No. 001-027670 Apr. 14, 2025  
Reg. No. 27922  
128 Amador Street, Legaspi Village  
Makati City

**BENEFICIAL OWNERSHIP DECLARATION**

SEC REGISTRATION NUMBER:  
CORPORATE NAME:

98792  
Coca-Cola Beverages Philippines, Inc

- Instructions:**
1. Identify the Beneficial Owner/s of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
  2. Fill in the required information on the beneficial owner in the fields provided for.
  3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
  4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
  5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

"Beneficial Owner" refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This definition covers the natural person(s) who actually own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

- | <u>Category</u> | <u>Description</u>  |
|-----------------|---|
| A               | Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.   |
| B               | Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or third party.   |
| C               | Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.   |
| D               | Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.  |
| E               | Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.   |
| F               | Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).   |
| G               | Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.  |
| H               | Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.   |
| I               | Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion. |

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III))	SPECIFIC RESIDENTIAL ADDRESS	NATIONALITY	DATE OF BIRTH	TAX IDENTIFICATION NO.	% OF OWNERSHIP <sup>1</sup> / % OF VOTING RIGHTS <sup>2</sup>	TYPE OF BENEFICIAL OWNER <sup>3</sup> Direct (D) or Indirect (I)	CATEGORY OF BENEFICIAL OWNERSHIP
Mc Geown, Gareth Paul		Irish			100%	D CEO	I

Note: This page is not for uploading on the SEC IRAW.

- <sup>1</sup> For Stock Corporations.
- <sup>2</sup> For Non-Stock Corporations.
- <sup>3</sup> For Stock Corporations.

**Coca-Cola Beverages Philippines,  
Inc. and Subsidiaries**

Consolidated Financial Statements  
December 31, 2022 and 2021

and

Independent Auditor's Report

Confidential  
Idesa Roxas  
idesa.roxas@aboitiz.com  
2023-08-23 04:48:38 +0000



**SGV**

Building a better  
working world

## INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors  
Coca-Cola Beverages Philippines, Inc. and Subsidiaries

### Opinion

We have audited the consolidated financial statements of Coca-Cola Beverages Philippines, Inc. and Subsidiaries (“the Group”), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

### Basis for Opinion

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

### 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 PFRSs, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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



## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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.

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza C. Go

Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-103-2022, November 7, 2022, valid until November 6, 2025

PTR No. 9564628, January 3, 2023, Makati City

April 21, 2023



**COCA-COLA BEVERAGES PHILIPPINES, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Amounts in Thousands)

	December 31	
	2022	2021
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 5)	P5,654,331	P13,177,508
Trade and other receivables - net (Note 6)	9,026,082	21,761,566
Inventories at net realizable value (Note 7)	11,620,887	8,324,090
Prepaid expenses and other current assets - net	1,587,435	2,140,046
<b>Total Current Assets</b>	<b>27,888,735</b>	<b>45,403,210</b>
<b>Noncurrent Assets</b>		
Financial assets at fair value through other comprehensive income (FVOCI)	310,726	222,176
Investment in associate (Note 4)	244,598	293,746
Property, plant and equipment - net (Note 8)	26,396,876	26,412,489
Deferred containers and pallets expense - net (Note 9)	7,737,268	7,968,977
Deferred income tax assets - net (Note 21)	1,941,542	2,178,303
Right-of-use (ROU) assets - net (Note 23)	659,838	479,409
Other noncurrent assets - net	2,509,300	2,725,785
<b>Total Noncurrent Assets</b>	<b>39,800,148</b>	<b>40,280,885</b>
<b>TOTAL ASSETS</b>	<b>P67,688,883</b>	<b>P85,684,095</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables (Note 10)	P28,904,562	P23,435,774
Income tax payable	69,214	150,487
Current portion of lease liabilities (Note 23)	266,478	213,306
Current portion of provision for contingencies (Note 12)	587,328	1,008,668
Capital for repatriation (Note 13)	-	16,975,000
<b>Total Current Liabilities</b>	<b>29,827,582</b>	<b>41,783,235</b>
<b>Noncurrent Liabilities</b>		
Lease liabilities - net of current portion (Note 23)	469,522	248,762
Provision for contingencies - net of current portion (Note 12)	3,500,411	2,905,026
Retirement benefit obligations (Note 11)	766,197	1,849,391
Customer deposits	899,784	820,106
Deferred income tax liabilities - net (Note 21)	30,397	30,490
Other noncurrent liabilities	12,378	30,549
<b>Total Noncurrent Liabilities</b>	<b>5,678,689</b>	<b>5,884,324</b>
<b>Total Liabilities</b>	<b>35,506,271</b>	<b>47,667,559</b>
<b>Equity</b>		
Common stock (Note 13)	11,895,914	11,895,914
Additional paid-in capital	11,673,404	11,673,404
Remeasurement gains on defined benefit plans (Note 11)	760,344	23,450
Net unrealized mark-to-market gains on financial assets at FVOCI	237,000	161,733
Retained earnings	7,422,383	14,074,015
Equity attributable to Parent	31,989,045	37,828,516
Noncontrolling interests	193,567	188,020
<b>Total Equity</b>	<b>32,182,612</b>	<b>38,016,536</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P67,688,883</b>	<b>P85,684,095</b>

See accompanying Notes to Consolidated Financial Statements.



**COCA-COLA BEVERAGES PHILIPPINES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Amounts in Thousands)

	<b>Years Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>NET SALES</b> (Note 18)		
Beverages	<b>₱94,606,572</b>	₱85,649,730
Others	<b>78,890</b>	63,587
	<b>94,685,462</b>	85,713,317
<b>COSTS OF SALES</b> (Note 14)	<b>75,904,772</b>	67,376,349
<b>GROSS PROFIT</b>	<b>18,780,690</b>	18,336,968
<b>SELLING AND MARKETING EXPENSES</b> (Note 15)	<b>(10,083,221)</b>	(9,639,433)
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b> (Note 16)	<b>(5,882,942)</b>	(4,807,230)
<b>OTHER INCOME - net</b> (Note 19)	<b>299,537</b>	1,454,717
<b>INCOME BEFORE INCOME TAX</b>	<b>3,114,064</b>	5,345,022
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b> (Note 21)		
Current	<b>876,801</b>	1,218,409
Final	<b>41,681</b>	29,881
Deferred	<b>(22,153)</b>	538,789
	<b>896,329</b>	1,787,079
<b>NET INCOME</b>	<b>2,217,735</b>	3,557,943
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement gains on defined benefit plans, net of tax (Note 11)	<b>736,894</b>	423,900
Net unrealized mark-to-market gains on financial assets at FVOCI after tax	<b>75,267</b>	19,405
	<b>812,161</b>	443,305
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱3,029,896</b>	₱4,001,248
<b>Attributable to:</b>		
Equity holders of parent		
Net income	<b>₱2,212,188</b>	₱3,550,704
Other comprehensive income	<b>812,161</b>	443,305
	<b>3,024,349</b>	3,994,009
Noncontrolling interests		
Net income	<b>5,547</b>	7,239
Other comprehensive income	-	-
	-	7,239
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱3,029,896</b>	₱4,001,248

See accompanying Notes to Consolidated Financial Statements.



**COCA-COLA BEVERAGES PHILIPPINES, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**(Amounts in Thousands)**

	Equity Attributable to Parent					Total	Noncontrolling Interests	Total
	Common Stock (Note 13)	Additional Paid-in Capital	Remeasurement Gain (Loss) on Defined Benefit Plans (Note 11)	Net Unrealized Mark-to-Market Gains on Financial Assets at FVOCI	Retained Earnings (Deficit)			
Balances at January 1, 2021	₱28,870,914	₱11,673,404	(₱400,450)	₱142,328	₱10,523,311	₱50,809,507	₱188,063	₱50,997,570
Capital reduction (Note 13)	(16,975,000)	–	–	–	–	(16,975,000)	–	(16,975,000)
Total comprehensive income	–	–	423,900	19,405	3,550,704	3,994,009	7,239	4,001,248
Cash dividends to noncontrolling interests (Note 13)	–	–	–	–	–	–	(7,282)	(7,282)
Balances at December 31, 2021	11,895,914	11,673,404	23,450	161,733	14,074,015	37,828,516	188,020	38,016,536
Total comprehensive income	–	–	736,894	75,267	2,212,188	3,024,349	5,547	3,029,896
Dividends declared (Note 13)	–	–	–	–	(8,863,820)	(8,863,820)	–	(8,863,820)
Balances at December 31, 2022	₱11,895,914	₱11,673,404	₱760,344	₱237,000	₱7,422,383	₱31,989,045	₱193,567	₱ 32,182,612

See accompanying Notes to Consolidated Financial Statements.



**COCA-COLA BEVERAGES PHILIPPINES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in Thousands)

	<b>Years Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	<b>₱3,114,064</b>	₱5,345,022
Adjustments for:		
Depreciation and amortization (Notes 8, 9, 17 and 23)	<b>5,228,118</b>	5,060,120
Provision for contingencies (Notes 12 and 16)	<b>661,995</b>	614,336
Retirement of property, plant and equipment (Note 8)	<b>381,429</b>	–
Provisions (reversals) of inventory write-downs (Note 7)	<b>120,255</b>	(132,307)
Accretion of interest on lease liabilities (Note 23)	<b>89,693</b>	52,097
Provisions for (reversals of) impairment losses on property, plant and equipment (Note 8)	<b>60,961</b>	(116,659)
Share in net losses of an associate (Note 4)	<b>49,148</b>	527
Provisions for expected credit losses (ECL) on trade and other receivables (Notes 6 and 16)	<b>47,847</b>	1,620
Interest income (Note 19)	<b>(264,846)</b>	(711,798)
Unrealized foreign exchange loss (gain) - net	<b>(45,206)</b>	17,276
Reversal of liabilities (Note 19)	<b>(22,897)</b>	(10,092)
Recoveries of allowance for ECL on trade and other receivables (Notes 6 and 19)	<b>(22,320)</b>	(45,139)
Loss (gain) on disposals and retirements of property, plant and equipment (Notes 8 and 19)	<b>(3,896)</b>	7,150
Operating income before working capital changes	<b>9,394,345</b>	10,082,153
Decrease (increase) in:		
Trade and other receivables	<b>(4,181,798)</b>	(443,773)
Inventories	<b>(3,417,052)</b>	(1,126,037)
Prepaid expenses and other current assets	<b>561,603</b>	(479,507)
Increase (decrease) in:		
Trade and other payables	<b>5,896,197</b>	1,453,831
Customer deposits	<b>79,678</b>	125,307
Retirement benefit obligations	<b>(51,224)</b>	41,312
Other noncurrent liabilities	<b>(18,171)</b>	1,049
Net cash generated from operations	<b>8,263,578</b>	9,654,335
Contingencies settled (Note 12)	<b>(487,950)</b>	(613,022)
Income taxes paid	<b>(958,074)</b>	(1,096,721)
Net cash flows from operating activities	<b>6,817,554</b>	7,944,592

(Forward)



	<b>Years Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	<b>₱181,601</b>	₱153,141
Decrease (increase) in other noncurrent assets	<b>42,013</b>	(526,761)
Proceeds from disposals of property, plant and equipment (Note 8)	<b>30,811</b>	1,082
Acquisitions of:		
Deferred containers and pallets expense (Note 9)	<b>(2,822,801)</b>	(2,955,837)
Property, plant and equipment (Note 8)	<b>(2,579,997)</b>	(1,535,719)
Investment in associate (Note 4)	-	(224,634)
Final taxes paid on interest	<b>(41,681)</b>	(29,881)
Net cash flows used in investing activities	<b>(5,190,054)</b>	(5,118,609)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid (Note 13)	<b>(8,863,820)</b>	-
Payments for lease liabilities:		
Principal (Note 23)	<b>(241,535)</b>	(320,993)
Interest (Note 23)	<b>(89,693)</b>	(52,097)
Cash flows used in financing activities	<b>(9,195,048)</b>	(373,090)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>44,371</b>	(16,656)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(7,523,177)</b>	2,436,237
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>13,177,508</b>	10,741,271
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b> (Note 5)	<b>₱5,654,331</b>	₱13,177,508

See accompanying Notes to Consolidated Financial Statements.



# COCA-COLA BEVERAGES PHILIPPINES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except Par Value per Share and Number of Shares)

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### 1. Corporate Information

Coca-Cola Beverages Philippines, Inc. (the Company) was incorporated in the Philippines on May 3, 1981 and registered with the Philippine Securities and Exchange Commission (SEC) on May 5, 1981. The Company and its subsidiaries (collectively referred herein as the Group) are primarily engaged in the manufacture, distribution and sale of nonalcoholic beverages, including juices and water. On September 23, 2020, the Philippine SEC approved the amendment to the Articles of Incorporation which expanded the primary purpose to both non-alcoholic beverages and alcoholic beverages.

On December 13, 2018, Controladora de Inversiones en Bebidas Refrescantes, S.L. (CIBR) sold back to Coca-Cola South Asia Holdings, Inc. (CCSAH) and Coca-Cola Holdings (Overseas) Ltd. (CCHOL) its 51% stake at CCBPI pursuant to a right of put option to sell back its ownership under the 2012 definitive agreement. CIBR is a wholly-owned subsidiary of Coca-Cola FEMSA, S.A.B. de C.V. (Coca-Cola FEMSA). CCSAH and CCHOL are wholly-owned subsidiaries of The Coca-Cola Company (TCCC). After the completion of the sell back transaction, the ultimate parent of the Company becomes TCCC.

The registered principal office address of the Company is 28F Six/NEO Building, 5<sup>th</sup> Avenue corner 26<sup>th</sup> Street, Bonifacio Global City, Taguig City.

The consolidated financial statements of the Group as at and for the years ended December 31, 2022 and 2021 were authorized for issue by the BOD on April 21, 2023.

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### 2. Summary of Significant Accounting Policies

#### Basis of Preparation

The consolidated financial statements have been prepared under the historical cost basis, except for certain equity instruments being carried at fair value through other comprehensive income (OCI; FVOCI). The consolidated financial statements are presented in Philippine peso (₱), which is the Group's functional currency, and rounded to the nearest thousand (₱000), unless otherwise indicated.

#### Statement of Compliance

The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

#### Basis of Consolidation

The consolidated financial statements include the financial results of the Company and the subsidiaries that it controls.

Specifically, the Company controls an investee if and only if the Company has all the following:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.



When the Company has less than a majority of the voting rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement between the Company and other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The subsidiaries are consolidated from the date on which control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company.

The financial statements of the subsidiaries are prepared for the same reporting year as the Company. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All intercompany balances and transactions, including intercompany profits and losses, are eliminated in full.

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

The consolidated financial statements include the accounts of the Company and the following subsidiaries:

Name of Company	Place of Incorporation	Principal Activity	Percentage of Effective Ownership
Philippine Bottlers, Inc. (PBI)	Philippines	Investment holding	100.0
Cosmos Bottling Corporation (CBC)	Philippines	Production and distribution of nonalcoholic beverages	99.5
Coca-Cola Bottlers Business Services, Inc. (CCBBSI)	Philippines	Shared services	100.0
Luzviminda Land Holdings, Inc. (LLHI)*	Philippines	Lease of real estate properties	40.0

\*60% of effective ownership is held by Coca-Cola Bottlers, Inc. Retirement Plan (CCBPI-RP).

Noncontrolling interest represents the portion of profit or loss and the net assets of the subsidiaries that are not held by the owners of the Company and are presented separately in profit or loss and within equity in the consolidated statement of financial position, separately from the total equity attributable to owners of the Company. Noncontrolling interest consist of the amount of those interests at the date of original business combination and the noncontrolling interests' share on changes in equity since the date of the business combination. Losses within a subsidiary are attributed to the noncontrolling interest even if it results in a deficit balance.

#### Significant Accounting and Financial Reporting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments to existing standards effective in 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The adoption of these new standards did not have an impact consolidated financial statements.



- Amendments to PFRS 3, *Reference to the Conceptual Framework*

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- Amendments to PAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to PFRSs 2018-2020 Cycle*

- Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a First-time Adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to PFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

- Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the



borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

- Amendments to PAS 41, *Agriculture, Taxation in Fair Value Measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

#### Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current or noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

#### Cash and Cash Equivalents

Cash represents cash on hand and with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from date of acquisition (or placement) and that are subject to an insignificant risk of change in value.

#### Financial Instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### *Financial Assets*

##### *Initial Recognition and Measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has



applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are “solely payments of principal and interest (SPPI)” on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### *Subsequent Measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Group’s financial assets are categorized as financial assets at amortized cost (debt instrument) which mainly includes the Group’s “Cash and cash equivalents”, “Trade and other receivables” and financial assets at FVOCI comprising of equity instruments.

#### *Financial Assets at Amortized Cost*

The Group measures financial assets at amortized cost if both of the following conditions are met:

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

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

#### *Financial Assets Designated at FVOCI*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in



which case, such gains are recorded in OCI. Equity instruments designated as financial assets at FVOCI are not subject to impairment assessment. The Group elected to classify irrevocably its equity investments recognized under “Financial assets at FVOCI” under this category.

#### *Impairment of Financial Assets*

The Group applied the ECL model on the impairment of the following debt instruments financial assets not measured at FVTPL:

- those that are measured at amortized cost and FVOCI;
- loan commitments; and
- financial guarantee contracts.

ECL calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions.

Amount of ECL to be recognized is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The following stages are applicable to those financial assets being assessed for ECL depending on its credit quality:

#### *Stage 1: 12-month*

For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the reporting date are recognized.

#### *Stage 2: Lifetime ECL*

For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

#### *Stage 3: Credit-impaired*

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted EIR to the amortized cost of the financial asset.

#### *Determining the Stage for Impairment*

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as credit quality deteriorates. If, in a subsequent period, credit quality improves and also reverses any previously assessed significant increase in credit



risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

For trade receivables, the Group applied a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group performs an assessment whether its financial asset is in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the consolidated statement of financial position) 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 the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group 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 of 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 its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the 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 could be required to repay.

#### *Financial Liabilities*

##### *Initial Recognition and Measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.



The Group's financial liabilities are categorized as financial liabilities at amortized cost which comprise of "Trade and other payables", "Customer deposits", "Lease liabilities" and "Capital for repatriation".

After initial recognition, financial liabilities at amortized cost are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss.

#### *Derecognition*

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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

#### *Offsetting of Financial Instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### Determination of Fair Value

Certain assets and liabilities are required to be measured or disclosed 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:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The 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 financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

As at December 31, 2022 and 2021, the Group measures its investments at equity instruments designated as financial assets at FVOCI at fair value at each reporting date. 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.

#### Inventories

Inventories consist of raw materials, supplies and finished goods. These are valued at the lower of cost or net realizable value (NRV). Inventories are expected to be sold or consumed in the normal operating cycle. Costs are composed of the following for each type of inventories:

Raw materials and supplies	- raw materials at standard cost method adjusted to actual cost and supplies at purchase price on a moving average method
Finished goods	- determined using standard cost method; includes direct materials and labor and a proportion of manufacturing overhead costs based on normal operating capacity

The NRV of each type of inventories is determined as follows:

Raw materials and supplies	- raw materials and supplies at current replacement cost
Finished goods	- determined using the selling price in the ordinary course of business less estimated costs necessary to make the sale

#### Noncurrent Assets Held for Sale

An entity shall classify a noncurrent asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Noncurrent assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Cost to sell are the incremental cost directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when:

- The sale is highly probable;
- The asset is available for immediate sale in its present condition;
- Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn;
- Management must be committed to the plan to sell the asset; and
- The sale is expected to be completed within one year from the date of the classification.

Assets classified as held for sale are presented separately as current items in the statement of financial position.



The Group reclassified assets investment properties to noncurrent assets held for sale since the carrying amount of the assets will be principally recovered through a sale transaction rather than through continuing use and the criteria above had been satisfied.

#### Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

#### Investment in Associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Investment in associate are accounted for using the equity method in the consolidated financial statements. Under the equity method, investment in associate are carried at cost plus post-acquisition changes in the Company's share of net assets of the associate. Dividends received reduce the carrying amount of the "Investment in associate" account.

#### Property, Plant and Equipment

Property, plant and equipment, except land, are stated at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost less any impairment in value.

The initial cost of property, plant and equipment consists of its purchase price, including import duties, nonrefundable purchase taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Cost also includes interest incurred during the construction period on funds borrowed to finance the construction of the projects. Expenditures incurred after the item has been put into operation, such as repairs and maintenance, are charged to operations. In situations where it can be clearly demonstrated that the expenditures have improved the condition of the asset beyond the originally assessed standard of performance, significantly add service potential and extend the economic useful life of the existing asset, the expenditures are capitalized as an additional cost of property, plant and equipment.

Depreciation and amortization commence once the property, plant and equipment are available for use and are computed using the straight-line method, net of any estimated residual value, over the estimated useful lives of the assets, as follows:

<u>Category</u>	<u>Number of Years</u>
Machinery and equipment	5-20 years
Buildings	30-40 years
Marketing and fountain equipment	5-9 years
Leasehold improvements	20 years or term of the lease, whichever is shorter
Office furniture, fixtures and equipment	10 years
Transportation equipment	5-6 years



The useful lives, residual values and depreciation and amortization method are reviewed periodically and adjusted if appropriate, at each reporting period, to ensure that the periods, residual values and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

When each major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss.

Fully depreciated and amortized property, plant and equipment are retained as such until these are no longer in use.

Construction in-progress represents assets under construction and is stated at cost. Construction in-progress is not depreciated until such time that the relevant assets become available for use.

#### Deferred Containers and Pallets Expense

Deferred containers and pallets expense is stated at cost, net of accumulated amortization and any impairment in value. Such cost includes purchase price, including import duties and nonrefundable taxes and directly attributable cost of bringing the asset to its location for its intended use. This is amortized, based on straight-line method, over the following economic lives:

<u>Category</u>	<u>Number of years</u>
Crates	7 years
Pallets	5 years
Returnable bottles	4 years

#### Containers Deposit Liability

Containers deposit liability pertains to the amount received by the Group as deposits for its returnable bottles, crates and pallets.

#### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *As a Lessee*

##### *ROU Assets*

The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated amortization and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are amortized on a straight-line basis over the shorter of its estimated useful life and the lease term.

##### *Lease Liabilities*

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments



(including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the IBR at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

#### *Short-term Leases and Leases of Low Value Assets*

The Group applies the short-term lease recognition exemption to its short-term leases of buildings and improvements (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

#### *As a Lessor*

##### *Operating Leases*

Operating leases represent those leases under which substantially all risks and rewards of ownership of the leased assets remain with the lessors. Non-cancellable operating lease payments or receipts are recognized in profit or loss on a straight-line basis over the term of the lease.

##### *Finance Leases*

Finance leases represent those leases wherein substantially all the risk and rewards incidental to the use of the leased items are transferred to the lessee.

A receivable is recognized at an amount equal to the net investment in the lease. Lease receipts are apportioned between interest income and reduction of the lease receivable so as to achieve a constant rate of interest on the remaining balance of the receivable. Interest income is recognized directly in profit or loss.

#### Intangible Asset

Intangible asset represents leasehold right which is the cost of right and title to a log home unit. This is carried at cost less accumulated amortization and any impairment in value, and is being amortized on a straight-line method over the estimated useful life of 20 years. Intangible assets are presented as part of the "Other noncurrent assets - net" in the consolidated statement of financial position

#### Impairment of Nonfinancial Assets

The Group assesses at each reporting period whether there is an indication that investment in associate, property, plant and equipment, deferred containers and pallets expense, ROU assets and intangible assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an



asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Impairment losses from continuing operations are recognized in profit or loss.

An assessment is made at each reporting period 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 Group makes an estimate of recoverable amount. 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 profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

#### *Retirement and Other Post-employment Benefits*

The net defined benefit liability is the aggregate of the present value of the defined benefit obligations at the end of the reporting period reduced by the fair value of plan assets adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plan is actuarially determined by an independent qualified actuary using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability
- Remeasurements of net defined benefit liability

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expenses in profit or loss. Past service costs are recognized when plan amendment occurs.

Net interest on the net defined benefit liability is the change during the period in the net defined benefit liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability. Net interest on the net defined benefit liability is recognized as expense in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan



assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

#### Common Stock and Additional Paid-in Capital (APIC)

The Company has issued common stock that is classified as equity. Incremental costs directly attributable to the issue of new common stock are shown in equity as a deduction, net of tax, from the proceeds. The amount of contribution in excess of par value is accounted for as an APIC. APIC also arises from additional capital contribution from the shareholders.

#### Retained Earnings

Retained earnings includes accumulated profits or losses attributable to the Company's stockholders and reduced by dividends. Dividends are recognized as a liability and deducted from equity when they are declared. Dividends for the year that are approved after the reporting period are dealt with as an event after the reporting period. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

#### Revenue Recognition

##### *Sale of Beverages*

Revenue is recognized when performance obligation is satisfied which occurs upon the delivery of the beverages to the customers under normal credit terms. The amount of sales to be recognized is the selling price less any discounts, rebates, returns, price adjustments and sales taxes, including estimations of these considerations which may be granted to customers in accordance with their agreements and historical experience.

The amount of sales recognized by the Group is also adjusted for any consideration payable to the customers when the Group is not receiving any distinct goods or services in exchange. These are considered as an adjustment to the transaction price and are recognized as a reduction in "Sale of beverages - net" account.

As summarized in Note 18, the Group disaggregates revenues by geographical markets as management believes this best depicts how the nature, amount, timing and uncertainty of the Group's revenues and cash flows are affected by different economic factors.

#### Cost and Expenses

Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are generally recognized when the services are incurred or the expenses arise.

##### *Costs of Sales*

Costs of sales includes direct material costs, manufacturing expenses and monetary value of inventory adjustments.

##### *Selling and Marketing Expenses*

Selling and marketing expenses consist of costs associated with the development and execution of marketing promotion activities and all expenses connected with selling, servicing and distributing Group products and items purchased for resale.



### *General and Administrative Expenses*

General and administrative expenses pertain to expenses incurred in the direction and general administration of day-to-day operation of the Group.

### Foreign Currency Transactions

Transactions in foreign currencies are recorded in ₱ using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the closing rate of exchange prevailing as at the reporting period. All differences are taken to profit or loss. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates prevailing as at the dates of the initial transactions. Exchange gains or losses arising from foreign currency-denominated transactions are credited to or charged against current operations.

### Income Taxes

#### *Current Income Tax*

Current income tax liabilities for the current and prior periods are measured at the amount expected to be paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting period.

#### *Optional Standard Deduction (OSD)*

On December 18, 2008, the BIR issued Revenue Regulations No. 16-2008 which implemented the provisions of Republic Act 9504 on OSD. This regulation allowed both individual and corporate taxpayers to use OSD in computing their taxable income.

On a yearly basis, corporations may elect a standard deduction in an amount equal to 40% of gross income, as provided by law, in lieu of the allowed itemized deductions. The resulting effective income tax rate would be at 15% using OSD.

#### *Deferred Income Tax*

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income 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
- in respect of taxable temporary differences associated with investments in 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 income tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward benefits of unused tax credits from excess MCIT over RCIT and unused NOLCO can be utilized in the future except:

- where the deferred income tax assets 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

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income 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 income tax assets is reviewed at each reporting period 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 income tax assets to be utilized in the future. Unrecognized deferred income tax assets are reassessed at each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting period.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same tax authority.

#### Provisions

Provisions are generally recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain. The expense relating to any provision is recognized in profit or loss.

#### Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

#### Events after the Reporting Period

Post year-end events that provide additional information about the Group's financial position at the reporting period (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.



New Accounting Standards, Interpretation and Amendments to Existing Standards Effective

Subsequent to December 31, 2022

Pronouncements issued but not yet effective are listed below. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on the consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

*Effective beginning on or after January 1, 2023*

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.



*Effective beginning on or after January 1, 2024*

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

*Effective beginning on or after January 1, 2025*

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the Financial Reporting Standards Council (FRSC) amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the International Accounting Standards Board (IASB).



PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

#### *Deferred Effectivity*

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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### 3. Significant Accounting Judgments and Estimates

The consolidated financial statements prepared in accordance with PFRSs require management to make judgments and estimates that affect amounts reported in the consolidated financial statements and related notes. The judgments and estimates used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

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. The following items are those matters which the Group assess to have significant risks arising from judgments and estimations uncertainties:

#### Judgment

##### *Determining Control of an Investee*

LLHI is a structured entity established solely to own land, land improvements and other real estate properties. The Group has 40% interest in LLHI. In addition to the Group's ability to direct the financial and operating policies of LLHI, the relevant activities are being conducted on behalf of the Group according to its specific needs in such a way that the Group has exposure to variable returns from its involvement in LLHI's operation.

Moreover, the Group has the rights over LLHI to affect the Group's returns. Accordingly, LLHI is considered to be controlled by the Group in accordance with PFRS 10. Thus, LLHI is included in the consolidated financial statements of the Group (see Note 2).

#### Estimates

##### *Impairment of Financial Assets at Amortized Cost*

The Group uses ECL model in calculating the impairment of its financial assets. In the case of trade receivables, the Group uses a provision matrix.



The calculation is initially based on the Group's historical observed default rates. The Group will calibrate the calculation to adjust historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast economic conditions may also not be representative of customer's actual default in the future.

- *Stage 3 - Credit Impaired Financial Assets*  
The Group determines impairment for each significant financial asset on an individual basis. Among the items that the Group considers in assessing impairment is the inability to collect from the counterparty based on the contractual terms of the financial assets. Financial assets included in the specific assessment are the accounts that have been endorsed to the legal department, nonmoving financial assets, accounts of defaulted agents and accounts from closed stations.
- *Inputs, Assumptions and Estimation Techniques in ECL Calculation*  
ECL calculation is performed for those financial assets that are not credit impaired. The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECLs are the discounted product of the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), defined as follows:
  - *Probability of Default*  
The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months, or over the remaining life of the obligation. PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures. The 12-months and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instrument, respectively, based on conditions existing at the reporting date and future economic conditions that affect credit risk.
  - *Loss Given Default*  
LGD represents the Group's expectation of the extent of loss on a defaulted exposure, taking into account the mitigating effect of collateral, its expected value when realized and the time value of money. LGD varies by type of counterparty, type of seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD.
  - *Exposure At Default*  
EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.



The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original EIR or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the financial assets. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by counterparty or by customer segments.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different counterparties or customers. These LGD's are influenced by collection strategies including contracted debt sales and price.

The assumptions underlying the ECL calculation such as how the maturity profiles of the PDs change are monitored and reviewed quarterly.

For the years ended December 31, 2022 and 2021, the Group recognized expected credit losses amounting to ₱47.8 million and ₱1.6 million, respectively. Also, in 2022 and 2021, reversal of expected credit losses on the recovered accounts have been made amounting to ₱22.3 million and ₱45.1 million, respectively. As at December 31, 2022 and 2021, the Group has an outstanding allowance for impairment for expected credit losses of ₱1.3 billion and ₱1.6 billion, respectively (see Note 6). The carrying amount of financial assets at amortized cost amounted to ₱14.5 billion and ₱34.7 billion as at December 31, 2022 and 2021, respectively (see Note 22).

#### *NRV of Inventories*

The Group estimates write-down on inventories whenever utility of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. Provision for inventory write-downs amounted to ₱120.3 million in 2022. Reversal of inventory write-downs amounted to ₱132.3 million in 2021. The carrying amount of inventories amounted to ₱11.6 billion and ₱8.3 billion as at December 31, 2022 and 2021, respectively (see Note 7).

#### *Impairment of Nonfinancial Assets*

The Group assesses impairment on investment in associate, property, plant and equipment, deferred containers and pallets expense, ROU assets and intangible assets whenever events or changes in circumstances indicate that the carrying values of these nonfinancial assets may not be recoverable.

The factors that the Group considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.



An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The estimated recoverable amount is the higher of an asset's 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 less the costs of disposal while 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. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash generating unit to which the asset belongs. An impairment loss is also recognized when items of property, plant and equipment and deferred containers and pallets expense are no longer physically existing.

Details of the Group's impairment evaluation process are presented in Note 8. The aggregate carrying amount of the Group's investment in associate, property, plant and equipment, deferred containers and pallet expense, ROU assets and intangible assets are ₱35.0 billion and ₱35.2 billion as at December 31, 2022 and 2021, respectively (see Notes 4, 8, 9 and 23).

*Useful Lives of Property, Plant and Equipment (excluding Construction in Progress)*

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives 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 is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations 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 asset would increase recorded depreciation and amortization expense and decrease noncurrent assets.

The carrying amount of property, plant and equipment, excluding construction in progress, totaled to ₱25.4 billion and ₱25.5 billion as at December 31, 2022 and 2021, respectively (see Note 8).

*Economic Life of Deferred Containers and Pallets Expense*

Deferred containers and pallets expense is amortized over the estimated economic lives of the containers and pallets. The estimated economic lives of the containers and pallets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, obsolescence or other limits on the use of the assets.

The carrying amount of deferred containers and pallets expense amounted to ₱7.7 billion and ₱8.0 billion as at December 31, 2022 and 2021, respectively (see Note 9).

*Estimating the IBR*

The Group uses its IBR to measure lease liabilities. The IBR 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 IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the Group's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Group's stand-alone credit rating).

The Group's lease liabilities amounted to ₱736.0 million and ₱462.1 million as at December 31, 2022 and 2021, respectively (see Note 23).



#### *Retirement and Other Post-employment Benefits*

The cost of retirement benefit plans and present value of the defined benefit obligations are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future retirement benefit increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

Retirement benefit obligations amounted to ₱0.8 billion and ₱1.8 billion as at December 31, 2022 and 2021, respectively. Net retirement benefit expense recognized in profit or loss amounted to ₱433.0 million and ₱503.3 million in 2022 and 2021, respectively. Remeasurement loss recognized in other comprehensive income, net of tax, amounted to ₱736.9 million and ₱423.9 million as at December 31, 2022 and 2021 respectively (see Note 11).

#### *Recognition of Deferred Income Tax Assets*

The Group reviews its deferred income tax assets at each reporting period 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 income tax assets to be utilized. Significant management judgment is required to determine the amount of deferred income tax asset that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has cumulative deductible temporary differences and carryforward benefits of unused NOLCO for which no deferred income tax assets were recognized as detailed in Note 21.

As at December 31, 2022 and 2021, the Group has recognized deferred income tax assets amounting to ₱3.2 billion (see Note 21).

#### *Provision for Contingencies*

The Group's estimate of provision for contingencies has been developed by management. The Group's provision for contingencies amounted to ₱4.1 billion and ₱3.9 billion as at December 31, 2022 and 2021, for claims arising from lawsuits or claims filed by third parties which are either pending decision by the courts or are subject to settlement obligations. It is possible, however, that future results of operations could be materially affected by changes in the estimates of provisions. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, are not disclosed on the ground that disclosures may prejudice the outcome of the litigations and assessments (see Note 12).

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#### **4. Investment in Associate**

In March 2020, the Group entered into an agreement with Indorama Ventures Packaging (Philippines) Corporation for the incorporation of PETValue Philippines (PETValue ) for the purpose of operating a recycling facility, mainly catering to the requirements of the Group. The Group owns 30% of PETValue.



The Group recognized its share in associate's net losses amounting to ₱49.1 million and ₱0.5 million in 2022 and 2021 respectively (see Note 19). As at December 31, 2022 and 2021, the carrying amount of the investment in PETValue amounted to ₱244.6 million and ₱293.7 million, respectively.

## 5. Cash and Cash Equivalents

	2022	2021
Cash on hand and with banks	<b>₱872,872</b>	₱9,432,508
Short-term placements	<b>4,781,459</b>	3,745,000
	<b>₱5,654,331</b>	₱13,177,508

Cash with banks earn interest at the applicable bank deposit rates. Short-term placements are made for varying periods usually up to 3 months depending on the immediate cash requirements of the Group and earn interest at the applicable short-term placement rates.

Interest income earned included under "Other income - net" account in the consolidated statements of comprehensive income amounted to ₱181.6 million and ₱153.1 million in 2022 and 2021 respectively (see Note 19).

## 6. Trade and Other Receivables

	2022	2021
Trade	<b>₱5,137,825</b>	₱4,088,246
Related parties (see Note 20)	<b>3,498,607</b>	17,891,038
Advances to officers and employees	<b>119,599</b>	211,186
Others	<b>1,537,071</b>	1,181,273
	<b>10,293,102</b>	23,371,743
Less allowance for ECL	<b>1,267,020</b>	1,610,177
	<b>₱9,026,082</b>	₱21,761,566

Trade receivables are noninterest-bearing and are generally on a 7 to 60-day term.

Others include various claims from third-party service providers and suppliers, among others.

The following tables set out the rollforward of allowance for ECL on trade and other receivables:

### 2022

	Trade	Related Parties	Advances to Officers and Employees	Others	Total
Balances at beginning of year	<b>₱575,760</b>	<b>₱49,160</b>	<b>₱105,321</b>	<b>₱879,936</b>	<b>₱1,610,177</b>
Provisions (see Note 16)	<b>46,106</b>	-	-	<b>1,741</b>	<b>47,847</b>
Write-offs	<b>(23,708)</b>	-	<b>(55,802)</b>	<b>(289,174)</b>	<b>(368,684)</b>
Recoveries (see Note 19)	<b>(17,352)</b>	-	<b>(4,968)</b>	-	<b>(22,320)</b>
Balances at end of year	<b>₱580,806</b>	<b>₱49,160</b>	<b>₱44,551</b>	<b>₱592,503</b>	<b>₱1,267,020</b>



2021

	Trade	Related Parties	Advances to Officers and Employees	Others	Total
Balances at beginning of year	₱705,043	₱49,160	₱101,207	₱890,560	₱1,745,970
Provisions (see Note 16)	–	–	521	1,099	1,620
Write-offs	(95,867)	–	(2,746)	–	(98,613)
Recoveries (see Note 19)	(33,416)	–	–	(11,723)	(45,139)
Others	–	–	6,339	–	6,339
<b>Balances at end of year</b>	<b>₱575,760</b>	<b>₱49,160</b>	<b>₱105,321</b>	<b>₱879,936</b>	<b>₱1,610,177</b>

These allowances are based on individually identified impaired accounts and losses calculated on a collective assessment applying the ECL model of the Group.

**7. Inventories at NRV**

	2022	2021
At NRV:		
Raw materials and supplies	<b>₱9,960,138</b>	₱6,874,222
Finished goods	<b>1,660,749</b>	1,449,868
	<b>₱11,620,887</b>	₱8,324,090
	2022	2021
At cost:		
Raw materials and supplies	<b>₱10,722,380</b>	₱7,552,595
Finished goods	<b>1,742,235</b>	1,494,968
	<b>₱12,464,615</b>	₱9,047,563

Provision for inventory write-downs amounted to ₱120.3 million in 2022. Reversal of inventory write-downs amounted to ₱132.3 million in 2021. The aggregate amount of inventories recognized in the consolidated statements of comprehensive income amounted to ₱60.9 billion and ₱53.7 billion in 2022 and 2021, respectively (see Notes 14, 15 and 16).



## 8. Property, Plant and Equipment

**2022**

	Land	Machinery and equipment	Buildings	Marketing and fountain equipment	Office furniture, fixtures and equipment	Transportation equipment	Leasehold Improvements	Construction in-progress	Total
<b>Cost:</b>									
Balances at beginning of year	₱3,178,963	₱26,894,215	₱7,767,459	₱5,612,104	₱3,830,242	₱3,645,798	₱1,781,485	₱889,990	₱53,600,256
Additions	2,726	-	-	35,973	10,464	-	-	2,530,834	2,579,997
Disposals and retirements (see Note 19)	(266)	(111,536)	(1,719)	(226,734)	(178,602)	(63,087)	(48,629)	(381,429)	(1,012,002)
Reclassifications and other adjustments	(10,622)	1,486,956	383,120	(6,866)	140,436	12,374	36,877	(1,994,721)	47,554
Balances at end of year	3,170,801	28,269,635	8,148,860	5,414,477	3,802,540	3,595,085	1,769,733	1,044,674	55,215,805
<b>Accumulated depreciation and amortization</b>									
Balances at beginning of year	-	11,233,648	2,626,508	4,943,574	3,518,406	3,110,297	906,306	-	26,338,739
Depreciation and amortization (see Notes 14, 15, 16 and 17)	-	1,308,849	288,971	221,296	143,187	218,561	95,866	-	2,276,730
Disposals and retirements (see Note 19)	-	(72,107)	(271)	(225,814)	(178,434)	(50,710)	(44,895)	-	(572,231)
Reclassifications and other adjustments	-	(30,103)	(6,524)	-	(737)	-	(2,672)	-	(40,036)
Balances at end of year	-	12,440,287	2,908,684	4,939,056	3,482,422	3,278,148	954,605	-	28,003,202
<b>Accumulated impairment losses:</b>									
Balances at beginning of year	151,041	600,521	69,615	2,969	13,836	1,182	9,864	-	849,028
Impairment losses (see Note 19)	-	50,457	7,023	2,451	914	-	234	-	61,079
Disposals and retirements (see Note 19)	-	(25,646)	(389)	-	(1,596)	-	(3,796)	-	(31,427)
Reversals (see Note 19)	-	-	-	(118)	-	-	-	-	(118)
Reclassifications and other adjustments	(1,631)	(49,975)	(89)	-	(9,337)	(302)	(1,501)	-	(62,835)
Balances at end of year	149,410	575,357	76,160	5,302	3,817	880	4,801	-	815,727
<b>Net book values</b>	<b>₱3,021,391</b>	<b>₱15,253,991</b>	<b>₱5,164,016</b>	<b>₱470,119</b>	<b>₱316,301</b>	<b>₱316,057</b>	<b>₱810,327</b>	<b>₱1,044,674</b>	<b>₱26,396,876</b>



2021

	Land	Machinery and equipment	Buildings	Marketing and fountain equipment	Office furniture, fixtures and equipment	Transportation equipment	Leasehold improvements	Construction in-progress	Total
<b>Cost:</b>									
Balances at beginning of year	₱3,178,963	₱23,593,389	₱7,129,792	₱5,832,549	₱4,022,625	₱3,659,824	₱1,719,361	₱4,247,244	₱53,383,747
Additions	-	3,635	-	34,482	1,466	14	790	1,495,332	1,535,719
Disposals and retirements (see Note 19)	-	(747,237)	(38,095)	(254,927)	(263,891)	(14,085)	(975)	-	(1,319,210)
Reclassifications	-	4,044,428	675,762	-	70,042	45	62,309	(4,852,586)	-
Balances at end of year	3,178,963	26,894,215	7,767,459	5,612,104	3,830,242	3,645,798	1,781,485	889,990	53,600,256
<b>Accumulated depreciation and amortization:</b>									
Balances at beginning of year	-	10,547,927	2,362,340	4,952,520	3,555,124	2,867,430	794,878	-	25,080,219
Depreciation and amortization (see Notes 14, 15, 16 and 17)	-	1,224,355	277,693	245,850	224,436	256,731	111,907	-	2,340,972
Disposals and retirements (see Note 19)	-	(520,416)	(13,525)	(254,720)	(261,154)	(13,864)	(479)	-	(1,064,158)
Reclassifications and other adjustments	-	(18,218)	-	(76)	-	-	-	-	(18,294)
Balances at end of year	-	11,233,648	2,626,508	4,943,574	3,518,406	3,110,297	906,306	-	26,338,739
<b>Accumulated impairment losses:</b>									
Balances at beginning of year	151,041	872,163	106,103	4,222	41,674	624	18,744	-	1,194,571
Impairment losses (see Note 19)	-	36,001	4,072	1,635	1,104	799	-	-	43,611
Disposals and retirements (see Note 19)	-	(219,252)	(24,571)	-	(2,501)	-	(496)	-	(246,820)
Reversals (see Note 19)	-	(106,609)	(15,989)	(2,606)	(26,441)	(241)	(8,384)	-	(160,270)
Reclassifications and other adjustments	-	18,218	-	(282)	-	-	-	-	17,936
Balances at end of year	151,041	600,521	69,615	2,969	13,836	1,182	9,864	-	849,028
<b>Net book values</b>	<b>₱3,027,922</b>	<b>₱15,060,046</b>	<b>₱5,071,336</b>	<b>₱665,561</b>	<b>₱298,000</b>	<b>₱534,319</b>	<b>₱865,315</b>	<b>₱889,990</b>	<b>₱26,412,489</b>



The Group performs an annual validation exercise on its property, plant and equipment. This includes assessment of the physical condition and determination of the existence of its property, plant and equipment.

In 2022 and 2021, the annual validation exercise resulted to the recognition of impairment losses amounting to ₱61.1 million and ₱43.6 million, respectively, which corresponds to the carrying value of those items of property, plant and equipment which are evaluated to be no longer useable or physically existing (see Note 19).

The reversals on the provision for impairment losses in 2022 and 2021 are attributable to reconditioned items of property, plant and equipment utilized in the Group's operations.

#### 9. Deferred Containers and Pallets Expense

##### 2022

	Returnable bottles and crates	Pallets	Total
<b>Cost:</b>			
Balances at beginning of year	₱31,844,202	₱1,667,246	₱33,511,448
Additions	2,617,065	205,736	2,822,801
Balances at end of year	34,461,267	1,872,982	36,334,249
<b>Less accumulated amortization:</b>			
Balances at beginning of year	23,766,963	1,302,658	25,069,621
Amortization (see Notes 14, 15 and 17)	2,509,492	102,624	2,612,116
Other adjustments	442,394	–	442,394
Balances at end of year	26,718,849	1,405,282	28,124,131
Less accumulated impairment losses	472,850	–	472,850
<b>Net book values</b>	<b>₱7,269,568</b>	<b>₱467,700</b>	<b>₱7,737,268</b>

##### 2021

	Returnable bottles and crates	Pallets	Total
<b>Cost:</b>			
Balances at beginning of year	₱28,991,665	₱1,563,946	₱30,555,611
Additions	2,852,537	103,300	2,955,837
Balances at end of year	31,844,202	1,667,246	33,511,448
<b>Less accumulated amortization:</b>			
Balances at beginning of year	21,501,672	1,218,088	22,719,760
Amortization (see Notes 14, 15 and 17)	2,265,291	84,570	2,349,861
Balances at end of year	23,766,963	1,302,658	25,069,621
Less accumulated impairment losses	472,850	–	472,850
<b>Net book values</b>	<b>₱7,604,389</b>	<b>₱364,588</b>	<b>₱7,968,977</b>



## 10. Trade and Other Payables

	2022	2021
Trade	<b>₱14,861,057</b>	₱9,164,037
Related parties (see Note 20)	<b>5,615,016</b>	4,336,312
Containers deposit liability	<b>2,167,421</b>	2,335,292
Accrued expenses:		
Employee benefits	<b>1,917,390</b>	1,938,494
Advertising, promotions and incentives to customers	<b>1,821,769</b>	2,146,805
Contracted services and professional fees	<b>562,691</b>	999,520
Utilities and facilities	<b>511,845</b>	513,340
Others	<b>897,876</b>	1,214,972
Statutory liabilities	<b>549,497</b>	787,002
	<b>₱28,904,562</b>	₱23,435,774

Trade payables are noninterest-bearing and are normally settled depending on the suppliers' or vendors' credit terms, generally on a 7 to 120-day term.

Trade payables include due to suppliers that have signed up to a supply chain financing program, under which the suppliers can elect to receive a discounted early payment from the relationship bank rather than being paid in line with the agreed payment terms. If the option is taken, the Group's liability is assigned by the supplier to be due to the relationship bank rather than the supplier. The value of the Group's payable remains unchanged. The Group assesses the arrangement against indicators to assess if debts, which vendors have sold to the funder under the supplier financing scheme, continue to meet the definition of trade payables or should be classified as borrowings. As at December 31, 2022 and 2021, the Group's payable to the relationship bank amounted to ₱1.7 billion and ₱436.8 million, respectively.

Other accrued expenses consist primarily of unbilled purchases of materials, supplies and services, among others.

Statutory liabilities consist primarily of VAT payable and withholding taxes

## 11. Retirement and Other Post-employment Benefit Plans

### Retirement and Other Post-employment Benefits

CCBPI and CCBBSI have funded, noncontributory, defined benefit retirement plans registered with the BIR on June 29, 1994 and July 1, 2012, respectively, as tax-qualified plans under Republic Act No. 4917, as amended. The retirement plans provide for death, retirement, disability and sick leave benefits to all eligible members. All benefit payments are exempt from all taxes provided that the retiring officers or employees are at least 50 years old at the time of the retirement and have been in the service for at least 10 years.

The control and administration of the retirement plans is vested in the Board of Trustees (BOT). The BOT, in turn, has entered into investment management agreements with banks to serve as fund managers of the retirement plans.

The Group has also agreed to provide additional unfunded post-employment healthcare benefits to its certain former senior employees.



Movements in the retirement benefit obligations of funded plan recognized in the consolidated statements of financial position are as follows:

**2022**

	Net benefit cost in profit or loss (see Note 17)					Remeasurement losses (gains) in other comprehensive income					Subtotal	Contributions	Settlements	Transfer of Employees	December 31, 2022	
	January 1, 2022	Current service Cost	Past service cost	Net interest cost	Subtotal	Benefits paid	Return on plan assets (excluding amount included in net interest cost)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in experience adjustments						
<b>CCBPI</b>																
Present value of defined benefit obligation	₱4,392,649	₱343,985	₱-	₱211,190	₱555,175	(₱276,576)	₱-	₱-	(₱1,048,764)	(₱29,263)	(₱1,078,027)	₱-	₱-	(₱14,189)	₱3,579,032	
Fair value of plan asset	(2,621,220)	-	-	(133,904)	(133,904)	276,576	124,444	-	-	-	124,444	(511,193)	-	-	(2,865,297)	
<b>CCBBSI</b>																
Present value of defined benefit obligation	80,534	9,386	-	4,080	13,466	-	-	-	(24,879)	(1,747)	(26,626)	-	2,864	-	70,238	
Fair value of plan asset	(54,222)	-	-	(3,017)	(3,017)	-	4,678	-	-	-	4,678	(10,943)	-	-	(63,504)	
<b>Retirement benefit obligations</b>	<b>₱1,797,741</b>	<b>₱353,371</b>	<b>₱-</b>	<b>₱78,349</b>	<b>₱431,720</b>	<b>₱-</b>	<b>₱129,122</b>	<b>₱-</b>	<b>(₱1,073,643)</b>	<b>₱31,010</b>	<b>(₱975,531)</b>	<b>(₱522,136)</b>	<b>₱2,864</b>	<b>(₱14,189)</b>	<b>₱720,469</b>	

**2021**

	Net benefit cost in profit or loss (see Note 17)					Remeasurement losses (gains) in other comprehensive income					Subtotal	Contributions	Settlements	Transfer of Employees	December 31, 2021	
	January 1, 2021	Current service Cost	Past service cost	Net interest cost	Subtotal	Benefits paid	Return on plan assets (excluding amount included in net interest cost)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in experience adjustments						
<b>CCBPI</b>																
Present value of defined benefit obligation	₱4,508,074	₱408,666	₱-	₱174,328	₱582,994	(₱47,014)	₱-	₱-	(₱687,814)	₱40,913	(₱646,901)	₱-	₱-	(₱4,504)	₱4,392,649	
Fair value of plan asset	(2,150,956)	-	-	(90,573)	(90,573)	47,014	41,830	-	-	-	41,830	(468,535)	-	-	(2,621,220)	
<b>CCBBSI</b>																
Present value of defined benefit obligation	81,870	9,180	-	3,175	12,355	-	-	-	(17,902)	1,894	(16,008)	-	2,317	-	80,534	
Fair value of plan asset	(46,645)	-	-	(1,950)	(1,950)	-	2,003	-	-	-	2,003	(7,630)	-	-	(54,222)	
<b>Retirement benefit obligation</b>	<b>₱2,392,343</b>	<b>₱417,846</b>	<b>₱-</b>	<b>₱84,980</b>	<b>₱502,826</b>	<b>₱-</b>	<b>₱43,833</b>	<b>₱-</b>	<b>(₱705,716)</b>	<b>₱42,807</b>	<b>(₱619,076)</b>	<b>(₱476,165)</b>	<b>₱2,317</b>	<b>(₱4,504)</b>	<b>₱1,797,741</b>	



Movements in retirement benefit obligations of the unfunded plans recognized in the consolidated statements of financial position are as follows:

**2022**

	Net benefit cost in profit or loss (see Note 17)				Subtotal	Benefits paid	Remeasurement losses (gains) in other comprehensive income			Subtotal	Settlements	Transfer to benefits payable	December 31, 2022
	January 1, 2022	Current service cost	Past service cost	Net Interest cost			Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in experience adjustments				
Present value of defined benefit obligation:													
CCBPI													
Post-retirement medical	P51,650	P-	P-	P1,239	P1,239	(P166)	P-	P10,298	(P17,293)	(P6,995)	P-	P-	P45,728

**2021**

	Net benefit cost in profit or loss (see Note 17)				Subtotal	Benefits paid	Remeasurement losses (gains) in other comprehensive income			Subtotal	Settlements	Transfer to benefits payable	December 31, 2021
	January 1, 2021	Current service cost	Past service cost	Net Interest cost			Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in experience adjustments				
Present value of defined benefit obligation:													
CCBPI													
Post-retirement medical	P29,893	P-	P-	P433	P433	(P395)	P-	P1,472	P20,247	P21,719	P-	P-	P51,650



The major categories of the plan assets of CCBPI's and CCBBSI's retirement plan as a percentage of the fair value of the total plan assets are as follows:

	2022	2021
Investments in debt securities:		
Government securities	46%	59%
Corporate bonds	3%	4%
	<b>49%</b>	<b>63%</b>
Investments in equity securities:		
Holding firms	7%	4%
Property, mining and oil	7%	4%
Banks	4%	3%
Power, utilities and telecommunications	3%	2%
Services	4%	1%
UITF	3%	1%
	<b>28%</b>	<b>15%</b>
Investments in real properties	9%	8%
Investment in LLHI	5%	5%
Investment in time deposit	8%	3%
Other assets	1%	6%
	<b>100%</b>	<b>100%</b>

- Investment in bonds include fixed rate treasury notes, retail treasury bonds and short-term and long-term corporate notes that bear interest ranging from 2.38% to 8.63% in 2022 and 2.38% to 7.18% in 2021;
- Investments in equity securities, which include listed and actively traded securities of companies in various industries;
- Investment in time deposits bear interest ranging from 0.25% to 5.75% in 2022 and 0.06% to 7.50% in 2021;
- Investments in real properties, which include real estate properties located in Taguig and Antipolo;
- Investment in LLHI, which consists of preferred shares of stock representing 60% interest in LLHI; and
- Other assets, which include cash in banks and dividends and other receivables.

While the plan assets are diverse, investments in government securities comprise 46% and 59% of the total plan assets as at December 31, 2022 and 2021, respectively.

The principal assumptions used in determining the defined benefit obligations are shown below:

	2022	2021
Retirement plans:		
Discount rate	7.00% - 7.10%	5.00% - 5.10%
Salary increase rate	5.00%	5.00%
Post-retirement medical:		
Discount rate	6.00%	2.90%
Healthcare cost increase rate	8.80%	8.80%



The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligations, assuming all other assumptions were held constant:

**2022**

	Increase (Decrease)	Retirement plans		Post retirement
		CCBPI	CCBBSI	Medical
Discount rate	+0.50%	(P198,107)	(P4,606)	(P317)
	-0.50%	215,704	5,595	322
Salary increase rate	+0.50%	P219,395	P5,663	P-
	-0.50%	(202,931)	(4,732)	-
Healthcare cost increase rate	+0.50%	P-	P-	P3,865
	-0.50%	-	-	(3,538)

**2021**

	Increase (Decrease)	Retirement plans		Post retirement
		CCBPI	CCBBSI	Medical
Discount rate	+0.50%	(P267,886)	(P6,209)	(P402)
	-0.50%	294,546	6,902	411
Salary increase rate	+0.50%	P293,281	P6,878	P-
	-0.50%	(269,269)	(6,249)	-
Healthcare cost increase rate	+0.50%	P-	P-	P4,185
	-0.50%	-	-	(3,840)

The retirement plans and their fund managers review the performance of the plan assets on a regular basis and assess whether the plan assets will achieve an investment return which, together with contributions, will be sufficient to pay retirement benefits as they fall due. CCBPI and CCBBSI also review their solvency position on an annual basis and estimates, through the actuary, the expected contribution to the plan assets in the subsequent year.

CCBPI and CCBBSI expects to contribute P895.5 million in 2023 as agreed between the BOT of the retirement plans, in consideration of the contribution advice from the actuary.

The average durations of the defined benefit obligations are as follows:

Category	2022	2021
Retirement plans	12.0 to 15.0 years	13.8 to 16.6 years
Post-retirement medical	1.42 years	0.7 years

The maturity analysis of the undiscounted benefit payments are as follows:

**2022**

	Retirement plans	Post-retirement Medical
Less than 1 year	P75,588	P11,668
More than 1 year but less than 5 years	475,281	18,676
More than 5 years but less than 10 years	1,074,088	44
More than 10 years but less than 15 years	1,619,815	-
More than 15 years but less than 20 years	1,864,999	-
More than 20 years	3,703,038	-
	<b>P8,812,809</b>	<b>P30,388</b>



2021

	Retirement plans	Post-retirement medical
Less than 1 year	₱91,800	₱17,854
More than 1 year but less than 5 years	760,574	36,299
More than 5 years but less than 10 years	1,335,773	–
More than 10 years but less than 15 years	1,802,954	–
More than 15 years but less than 20 years	1,914,928	–
More than 20 years	3,323,485	–
	<b>₱9,229,514</b>	<b>₱54,153</b>

## 12. Provision for Contingencies

	2022	2021
Provision for contingencies	<b>₱4,316,677</b>	₱4,033,774
Discount	<b>(228,938)</b>	(120,080)
	<b>4,087,739</b>	3,913,694
Less current portion	<b>587,328</b>	1,008,668
Noncurrent portion	<b>₱3,500,411</b>	₱2,905,026

The effective interest rate of the estimated liability ranged from 5.21% to 7.22% in 2022 and from 1.66% to 4.63% in 2021.

Movements in the provision for contingencies are as follows:

	2022	2021
Balances at beginning of year	<b>₱3,913,694</b>	₱3,912,380
Provisions (see Note 16)	<b>661,995</b>	614,336
Settlements	<b>(487,950)</b>	(613,022)
Balances at end of year	<b>₱4,087,739</b>	₱3,913,694

## 13. Equity

CCBPI's authorized, issued and outstanding common shares are summarized as follows:

Class of Shares	Par Value per Share	Authorized		Issued and Outstanding	
		Number of Shares	Amount	Number of Shares	Amount
Common Shares					
Class A	₱2	5,947,956,683	₱11,895,913	5,947,956,683	₱11,895,913
Class B	1	100,000	100	1,000	1
		5,948,056,683	₱11,896,013	5,947,957,683	₱11,895,914

Class A Common Shares are granted priority over Class B Common Shares for liquidating dividends. In the event of any liquidation, dissolution or winding up of CCBPI, whether voluntary or involuntary, Class A Common Shares rank in priority over Class B Common Shares for any payment or distribution of the assets of CCBPI (whether capital or surplus).



*Dividend Declaration*

The following dividends are declared for shareholders in 2022:

Date of Declaration	Date of Record	Date of Payment	Type of Shares	Dividend per Share	Total Dividends Declared
June 30, 2022	December 31, 2021	June 16, 2022	Common A	₱1.2277	₱7.3 billion
August 11, 2022	June 30, 2022	November 25, 2022	Common A	0.2670	1.6 billion
					₱8.9 billion

*Return of Capital*

On December 28, 2020, for the purpose of distributing cash to the stockholders (CCSAH and CCHOL) as a return of capital for a total amount of ₱17.0 billion, the BOD and the stockholders of CCBPI approved the amendment of its Articles of Incorporation to decrease its authorized capital stock from ₱28.9 billion divided into 14,435,456,683 Class A Common Shares with a par value of ₱2.00 per share and 100,000 Class B Common Shares with a par value of ₱1.00 per share to ₱11.9 billion divided into 5,947,956,683 Class A Common Shares with a par value of ₱2.00 per share and 100,000 Class B Common Shares with a par value of ₱1.00 per share. The application has been approved by the Philippine SEC on July 9, 2021. As such, the reduction was reflected against the capital stock as at December 31, 2021 and is shown as part of current liability in the 2021 consolidated statement of financial position.

On February 7, 2022, CCBPI, CCSAH and CCHOL (CCSAH and CCHOL collectively referred to as the “Assignees”), with the conformity of Atlantic Industries (AI), entered into an assignment agreement wherein the Assignees agreed, that in lieu of receiving ₱17.0 billion from the Group in relation to the Group’s return of capital, the Group instead assigned its receivable from AI to the Assignees by the same amount.

On October 10, 2022, for the purpose of distributing excess cash to the stockholders (CCSAH and CCHOL) as a return of capital for a total amount of ₱7.0 billion, the BOD and the stockholders of CCBPI approved the amendment of its Articles of Incorporation to decrease its authorized capital stock from ₱11.9 billion, divided into 5,947,956,683 Class A Common Shares with a par value of ₱2.00 per share and 100,000 Class B Common Shares with a par value of ₱1.00 per share to ₱4.9 billion, divided into 2,447,956,683 Class A Common Shares with a par value of ₱2.00 per share and 100,000 Class B Common Shares with a par value of ₱1.00 per share. As of date, the application is still pending approval by the Philippine SEC.

Dividends to Noncontrolling Interest

The amounts of dividends accruing to LLHI’s preferred shareholder entitled to cumulative dividends are as follows:

Date of Declaration and Record	Date of Payment	Type of Shareholders	Dividend per Share	Total Dividends Declared
July 9, 2021	March 16, 2022	Preferred	₱0.05	₱7.3 million

*Subsequent Events*

On March 27, 2023, the Group through LLHI declared dividends for preferred shareholders amounting to ₱0.05 per share or in aggregate amount of ₱7.3 million to stockholders of record as at December 31, 2022 and payable on April 30, 2023. This relates to the dividends in arrears for preferred shareholder as at December 31, 2022.



#### 14. Costs of Sales

	2022	2021
Inventories (see Note 7)	<b>₱60,742,157</b>	₱53,499,084
Utilities and facilities	<b>4,496,064</b>	4,008,215
Depreciation and amortization (see Notes 8, 9, 17 and 23)	<b>4,322,853</b>	3,958,372
Personnel (see Notes 11 and 17)	<b>2,616,024</b>	2,672,689
Transportation	<b>1,645,037</b>	1,321,036
Supplies	<b>991,950</b>	967,989
Contracted services and professional fees	<b>574,002</b>	611,725
Taxes, duties and license fees	<b>286,926</b>	258,787
Travel, meetings and entertainment	<b>73,375</b>	34,657
Telecommunications and others	<b>41,192</b>	39,637
Others	<b>115,192</b>	4,158
	<b>₱75,904,772</b>	₱67,376,349

Inventories include excise taxes amounting to ₱19.1 billion and ₱18.9 billion in 2022 and 2021, respectively

#### 15. Selling and Marketing Expenses

	2022	2021
Personnel (see Notes 11 and 17)	<b>₱3,532,895</b>	₱3,624,735
Transportation	<b>2,951,761</b>	2,286,857
Contracted services and professional fees	<b>1,196,925</b>	1,271,199
Utilities and facilities	<b>808,571</b>	756,352
Depreciation and amortization (see Notes 8, 9, 17 and 23)	<b>694,764</b>	777,327
Taxes, duties and license fees	<b>421,876</b>	408,551
Inventories (see Note 7)	<b>143,558</b>	160,684
Supplies	<b>120,605</b>	132,061
Telecommunications	<b>61,777</b>	70,348
Travel, meetings and entertainment	<b>59,854</b>	37,852
Advertising and promotions	<b>49,504</b>	69,639
Others	<b>41,131</b>	43,828
	<b>₱10,083,221</b>	₱9,639,433

#### 16. General and Administrative Expenses

	2022	2021
Personnel (see Notes 11 and 17)	<b>₱1,911,092</b>	₱1,756,287
Contracted services and professional fees	<b>1,787,206</b>	1,258,133
Provision for contingencies (see Note 12)	<b>661,995</b>	614,336
Depreciation and amortization (see Notes 8, 17 and 23)	<b>210,501</b>	324,421
Taxes, duties and license fees	<b>203,029</b>	120,942

(Forward)



	2022	2021
Travel, meetings and entertainment	<b>₱67,949</b>	₱196,900
Supplies	<b>49,389</b>	57,238
Provision for ECL on trade and other receivables (see Note 6)	<b>47,847</b>	1,620
Utilities and facilities	<b>37,286</b>	13,048
Telecommunications	<b>34,588</b>	14,458
Inventories (see Note 7)	<b>5,011</b>	16,251
Others	<b>867,049</b>	433,596
	<b>₱5,882,942</b>	₱4,807,230

## 17. Nature of Expenses

Depreciation and amortization included in the consolidated statements of comprehensive income are as follows:

	2022	2021
Costs of sales (see Note 14)	<b>₱4,322,853</b>	₱3,958,372
Selling and marketing expenses (see Note 15)	<b>694,764</b>	777,327
General and administrative expenses (see Note 16)	<b>210,501</b>	324,421
	<b>₱5,228,118</b>	₱5,060,120

Personnel expenses included in the consolidated statements of comprehensive income are as follows:

	2022	2021
Costs of sales (see Note 14)		
Salaries and wages	<b>₱2,024,653</b>	₱2,014,893
Employee benefits	<b>443,825</b>	486,880
Net retirement benefit expense (see Note 11)	<b>147,546</b>	170,916
	<b>2,616,024</b>	2,672,689
Selling and marketing expenses (see Note 15)		
Salaries and wages	<b>2,672,335</b>	2,655,076
Employee benefits	<b>657,532</b>	734,233
Net retirement benefit expense (see Note 11)	<b>203,028</b>	235,426
	<b>3,532,895</b>	3,624,735
General and administrative expenses (see Note 16)		
Salaries and wages	<b>1,283,095</b>	1,256,210
Employee benefits	<b>545,612</b>	403,160
Net retirement benefit expense (see Note 11)	<b>82,385</b>	96,917
	<b>1,911,092</b>	1,756,287
	<b>₱8,060,011</b>	₱8,053,711



## 18. Disaggregation of Revenue

	2022	2021
Luzon	<b>₱56,113,146</b>	₱48,976,590
Visayas	<b>20,698,460</b>	16,786,532
Mindanao	<b>17,873,856</b>	19,950,195
	<b>₱94,685,462</b>	₱85,713,317

## 19. Other Income - net

	2022	2021
Interest income (see Notes 5 and 20)	<b>₱264,846</b>	₱711,798
Gain on sale of scrap	<b>243,848</b>	301,325
Recovery from casualty loss	<b>106,169</b>	392,582
Service income (see Note 20)	<b>48,990</b>	21,571
Reversals of liabilities	<b>22,897</b>	10,092
Recoveries of allowance for ECL on trade and other receivables (see Note 6)	<b>22,320</b>	45,139
Gain (loss) on disposals and retirements of property, plant and equipment - net (see Note 8)	<b>3,896</b>	(7,150)
Foreign exchange losses - net	<b>(110,009)</b>	(17,946)
Reversal of (provision for) impairment losses on property, plant and equipment (Note 8)	<b>(82,399)</b>	116,659
Others	<b>(221,021)</b>	(119,353)
	<b>₱299,537</b>	₱1,454,717

## 20. Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. Parties are considered to be related if one party has the ability to control, directly or indirectly, 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 or common significant influence. Related parties may be individuals or corporate entities.

The following transactions have been entered into with related parties:

Related Parties	Year	Sales and Services to Related Parties	Amounts Owed by Related Parties (see Note 6)	Purchases from Related Parties	Amounts Owed to Related Parties (see Note 10)	Terms	Conditions
<i>Associate:</i>							
PETValue - share in expenses	2022 2021	₱900 ₱1,725	₱900 ₱1,725	₱- ₱-	₱- ₱-	Noninterest-bearing; due and demandable; to be received in cash	Unsecured; no impairment
PETValue - purchase assistance fund	2022 2021	- -	- -	135,405 -	40,812 -	Noninterest-bearing; due and demandable; to be settled in cash	Unsecured; no impairment

(Forward)



Related Parties	Year	Sales and Services to Related Parties	Amounts Owed by Related Parties (see Note 6)	Purchases from Related Parties	Amounts Owed to Related Parties (see Note 10)	Terms	Conditions
PET Value - loan receivable including interest income	2022 2021	<b>₱90,345</b> ₱-	<b>₱90,345</b> ₱-	₱- ₱-	₱- ₱-	Interest-bearing; due and demandable; to be received in cash	Unsecured; no impairment
PET Value - lease	2022 2021	<b>10,831</b> 10,614	<b>6,065</b> 8,105	- -	- -	Interest-bearing; due and demandable; to be received in cash	Unsecured; no impairment
<b>Retirement Plans:</b>							
Coca-Cola Bottlers Philippines, Inc. (CCBPI) Retirement Plan	2022 2021	- -	<b>506</b> 506	- -	- -	Noninterest-bearing; generally 30 days; to be received in cash	Unsecured; fully impaired
Philippine Beverage Partners, Inc. (PBPI) Retirement Plan	2022 2021	- -	<b>47,150</b> 47,150	- -	- -	Noninterest-bearing; due and demandable; to be received in cash	Unsecured; fully impaired
CBC Multiemployer Retirement Plan	2022 2021	- -	- -	- -	<b>46,057</b> 46,057	Noninterest-bearing; due and demandable; to be settled in cash	Unsecured
<b>Other Affiliates:</b>							
Atlantic Industries (including interest income)	2022 2021	<b>3,083,245</b> 558,657	<b>3,032,900</b> 17,569,439	- -	- -	Interest-bearing; payable in 2023; to be received in cash	Unsecured; no impairment
Pacific Refreshments Pte. Ltd (PRPL)	2022 2021	- -	- -	<b>12,767,798</b> 9,678,929	<b>4,376,765</b> 3,246,968	Noninterest-bearing; generally 60 days; to be settled in cash	Unsecured
Coca-Cola Far East Limited - ROHQ (CCFEL) - marketing services	2022 2021	- -	- -	<b>3,848,000</b> 3,848,000	<b>705,315</b> 843,299	Noninterest-bearing; generally 30 days; to be settled in cash	Unsecured
CCFEL - intercompany charges	2022 2021	<b>344,520</b> 443,239	<b>265,630</b> 232,554	- -	- -	Noninterest-bearing; generally 30 days; to be received in cash	Unsecured; no impairment
The Coca-Cola Export Corporation (TCCEC) - Headquarters	2022 2021	- -	- -	<b>245,887</b> 230,795	<b>128,265</b> 42,759	Noninterest-bearing; generally 7 days; to be settled in cash	Unsecured
Soft Drinks International (SDI) - US	2022 2021	- -	- -	<b>72,053</b> 84,474	<b>41,752</b> 39,302	Noninterest-bearing; generally 30 days; to be settled in cash	Unsecured
Coca-Cola Asia Pacific Pte. Ltd. (CCAPPL)	2022 2021	<b>48,990</b> 21,571	<b>21,362</b> 21,791	<b>656,235</b> 393,264	<b>256,852</b> 103,844	Noninterest-bearing; generally 30 days; to be received and settled in cash	Unsecured
Others	2022 2021	<b>28,582</b> 33,910	<b>33,749</b> 9,768	<b>79,223</b> 70,252	<b>19,198</b> 14,083	Noninterest-bearing; due and demandable; to be received and settled in cash	Unsecured; impaired with allowance of ₱0.2 million in 2022 and 2021
<b>Total</b>	<b>2022</b> <b>2021</b>		<b>₱3,498,607</b> <b>₱17,891,038</b>		<b>₱5,615,016</b> <b>₱4,336,312</b>		



#### PETValue

The Group engaged the services of PETValue to collect PET flakes and bales from suppliers and third-party recyclers throughout the Philippines to be used as raw materials to be converted into resin. The Group incurred ₱135.4 million related to the PAF in 2022.

Reimbursements of expenses shared by PETValue pursuant to their shared service agreement recognized as “Personnel” under “General and administrative expenses” account in the consolidated statements of comprehensive income amounted to ₱0.9 million and ₱1.7 million in 2022 and 2021, respectively (see Note 16).

In various dates in 2022, the Group extended an interest-bearing short-term loan amounting to ₱90.0 million in three tranches. The loans, with an interest of 5% per annum, was set to mature on June 30, 2023. Interest income on these loans receivable amounted to ₱0.3 million in 2022 (see Note 19)

On July 1, 2020, the Group entered a contract of lease with PETValue. The lease was for a period of twenty-five (25) years, renewable for another 25 years, unless otherwise terminated by the lessee. The lessee is also allowed a rent-free period of six (6) months starting November 2020. The lease is subject to annual escalation based on the average monthly headline inflation rate published by Bangko Sentral ng Pilipinas starting on the first anniversary of commercial production and every year thereafter during the term of the lease.

The advance payment for rentals equivalent to three (3) months’ rent of the last year of the lease term in the amount of ₱3.0 million was paid by PetValue and was presented as “Other noncurrent liability” in the consolidated statements of financial position. Rental income earned from PetValue amounted to ₱10.8 million and ₱10.6 million in 2022 and 2021, respectively.

#### Retirement Plans

Amounts owed by retirement plans pertain to involuntary retirement and separation benefits to eligible members of the retirement plans.

The Group made contributions to CCBPI Retirement Plan amounting to ₱511.2 million and ₱468.5 million in 2022 and 2021, respectively (see Note 11).

#### Atlantic Industries

In 2020, the Group extended an interest-bearing short-term loan amounting to ₱17.0 billion to Atlantic Industries, whose ultimate holding company is also TCCC. The loan, with an interest of 3.2% per annum, was originally set to mature on December 28, 2021. On December 24, 2021, the maturity date for the principal and accrued interest was extended to March 31, 2022. Interest is computed at 2.75% per annum on the loan principal and accrued interest. In February 2022, the Group assigned the principal amount of the short-term loan as payment for return of capital to the stockholders of the Company (see Note 13).

On September 28, 2022, the Group extended a new interest-bearing short-term loan amounting to ₱3.0 billion to Atlantic Industries. The loan has an interest rate of 4.2% and will mature on February 28, 2023.

Interest income on these loans amounted to ₱83.2 million and ₱558.7 million in 2022 and 2021, respectively (see Note 19).



PRPL

PRPL, whose ultimate holding Group is TCCC, is the sole supplier of imported concentrates for the Group.

CCFEL

The Group has a Marketing Services Agreement with CCFEL, whose ultimate holding group is also TCCC.

CCFEL also supports the Group in its marketing campaigns by promoting Coca-Cola brands in the Philippines. In relation to this, the Group bills CCFEL for its share in marketing expenses paid by the Group.

TCCEC

TCCEC is wholly owned by TCCC. The Group has a bottling agreement with TCCEC. In accordance with the agreement, the Group manufactures and packages in authorized containers, distributes and sells the beverages under the trademarks owned by TCCEC.

Transactions with TCCEC include routine charges for information technology and other support services.

SDI

Transactions with SDI includes payroll charges paid by SDI which will be reimbursed by the Group.

CCAPPL

The Group has a Marketing Services Agreement with CCAPPL, whose ultimate holding company is also TCCC. The Group also has service income arising from hosting services of CCAPPL's employees.

Others

Others are companies under the common control of TCCC and Coca-Cola FEMSA. Amounts owed to and by these companies pertain to reimbursements of expenses and other allied services.

Key Management Personnel Compensation of the Group:

	<b>2022</b>	2021
Short-term employee benefits	<b>₱198,772</b>	₱132,053
Retirement and other benefits	<b>12,540</b>	41,300
	<b>₱211,312</b>	₱173,353

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**21. Income Tax**

Provision for current income tax for the years ended December 31, 2022 and 2021 represents regular corporate income tax (RCIT).



The components of the Group's recognized deferred income tax assets and liabilities are as follows:

	2022	2021
<i>Recognized in profit or loss:</i>		
Deferred income tax assets on:		
Lease liabilities	<b>₱1,042,711</b>	₱976,761
Provision for contingencies	<b>841,750</b>	840,476
Retirement benefit obligations	<b>463,020</b>	488,215
Inventory losses	<b>210,932</b>	180,868
Unamortized past service costs	<b>140,549</b>	117,545
Accrued expenses	<b>108,471</b>	107,611
Deferred income	<b>26,330</b>	-
Unrealized foreign exchange loss	<b>6</b>	-
Allowance for impairment losses on:		
Trade and other receivables	<b>200,233</b>	257,063
Property, plant and equipment	<b>183,412</b>	192,014
Prepaid expenses and other current assets	<b>2,563</b>	3,959
	<b>3,219,977</b>	3,164,512
Deferred income tax liabilities on:		
ROU assets	<b>(₱931,900)</b>	(₱908,705)
Unrealized foreign exchange gains	<b>(31,955)</b>	(20,647)
Capitalized customs duties on imported machinery and equipment	<b>(1,744)</b>	(2,583)
	<b>(965,599)</b>	(931,935)
	<b>2,254,378</b>	2,232,577
<i>Recognized in other comprehensive income:</i>		
Deferred income tax liabilities on:		
Remeasurement losses on defined benefit plans	<b>(271,498)</b>	(25,866)
Net unrealized mark-to-market gains on financial assets at FVOCI	<b>(41,338)</b>	(28,408)
	<b>(312,836)</b>	(54,274)
	<b>₱1,941,542</b>	₱2,178,303

Net deferred income tax liability recognized in the consolidated statements of financial position is composed of the following:

	2022	2021
<i>Recognized in profit or loss:</i>		
Deferred income tax liabilities on:		
Excess accounting base over tax base of investment properties	<b>₱51,766</b>	₱52,180
Effect of rent levelization	<b>742</b>	774
	<b>52,508</b>	52,954
Deferred income tax asset on allowance for impairment losses on investment properties	<b>(22,656)</b>	(22,656)
	<b>29,852</b>	30,298
<i>Recognized in other comprehensive income:</i>		
Deferred income tax liability on net unrealized mark-to-market gains on financial assets at FVOCI	<b>545</b>	192
	<b>₱30,397</b>	₱30,490



The Group has the following deductible temporary differences and carryforward benefit on unused NOLCO for which no deferred income tax assets were recognized because it is not probable that the Group will be able to benefit from these deductible temporary differences and unused NOLCO either because there is no certainty that taxable profit will be available in the future that will allow utilization of these temporary differences and unused NOLCO or because tax deductibility is still uncertain because of various documentary requirements that are mandated by the tax authority:

	2022	2021
Allowance for impairment losses on:		
Inventories	P-	P5,247,591
Other noncurrent assets	702,894	702,894
Trade and other receivables	444,433	571,076
Deferred containers and pallets expense	472,850	472,850
NOLCO	42,389	117,695
Provision for contingencies	32,163	32,163
	<b>P1,694,729</b>	<b>P7,144,269</b>

*Bayanihan to Recover as One Act (Bayanihan 2)*

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 of Bayanihan 2 which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As at December 31, 2022, the Group has the following NOLCO which can be claimed as deduction from the regular taxable income.

Period of Recognition	Availment Period	Amount	Expired	Unapplied
2019	2020-2022	P75,415,247	P75,415,247	P-
2022	2023-2025	5,564,356	-	5,564,356
		<b>P80,979,603</b>	<b>P75,415,247</b>	<b>P5,564,356</b>

The reconciliation between the statutory income tax rate and the Group's effective income tax rate is as follows:

	2022	2021
Statutory income tax rates	25.00%	25.00%
Tax effects of:		
Nondeductible expenses	6.42%	3.33%
Changes in unrecognized deferred income tax assets	(1.30%)	16.77%
Difference between OSD and itemized deductions and others	(1.02%)	(0.65%)
Nontaxable income	(0.32%)	(0.10%)
Impact of CREATE	-	(10.92%)
Effective income tax rates	<b>28.78%</b>	<b>33.43%</b>



In 2022, the Group received the Bureau of Internal Revenue (BIR) ruling regarding its application for the change in accounting policy for deferred containers and pallets expense in 2017. As a result, the Group recognized the impact of the BIR ruling in its 2022 financial statements wherein costs of deferred containers and pallets are now being depreciated over its estimated useful life for tax purposes which now aligns accounting and tax treatments.

## 22. Financial Instruments

### Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents and trade and other receivables. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as financial assets at FVOCI, trade and other payables, lease liabilities and customer deposits which arise directly from operations and other financing and investing activities.

The BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and manage the Group's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group has exposure to foreign currency risk, liquidity risk and credit risk from the use of its financial instruments. The BOD reviews and approves the policies for managing each of these risks and they are summarized below.

### Foreign Currency Risk

The Group's exposure to foreign exchange risks mainly arise from purchases of equipment, spare parts, raw materials and packaging materials and leases of equipment denominated in foreign currencies. It is the Group's policy to ensure that capabilities exist for active but conservative management of its foreign exchange risk.

The balance of the Group's foreign currency-denominated financial assets and liability are as follows:

	2022		2021	
	Original Currencies	Peso Equivalent	Original Currencies	Peso Equivalent
<i>Financial Assets:</i>				
Cash and cash equivalents	\$2,035	₱98,148	\$1,788	₱86,235
Trade and other receivables	4,909	236,761	645	31,108
	<b>6,944</b>	<b>334,909</b>	2,433	117,343
<i>Financial Liabilities:</i>				
Trade and other payables	(32,814)	(1,582,619)	(108,391)	(5,227,698)
Lease liabilities	(581)	(28,022)	(90)	(4,341)
	<b>(33,395)</b>	<b>(1,610,641)</b>	(108,481)	(5,232,039)
Net Exposure	<b>(\$26,451)</b>	<b>(₱1,275,732)</b>	(\$106,048)	(₱5,114,696)

The exchange rates used were ₱56.69 to \$1 and ₱50.47 to \$1 as at December 31, 2022 and 2021, respectively.



The following table demonstrates the sensitivity to a reasonable possible change in exchange rates, with all other variables held constant, of the Group's income before income tax (due to changes in fair value of monetary assets and liabilities):

	Change in ₱/\$ exchange rate					
	+₱1.00	+₱3.00	+₱5.00	-₱1.00	-₱3.00	-₱5.00
Effect in income before income tax:						
<b>2022</b>	<b>(₱55,918)</b>	<b>(₱167,754)</b>	<b>(₱279,589)</b>	<b>₱55,918</b>	<b>₱167,754</b>	<b>₱279,589</b>
2021	(₱106,048)	(₱318,144)	(₱530,240)	₱106,048	₱318,144	₱530,240

There is no impact on the Group's equity other than those already affecting income before income tax.

### Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objective is to maintain a balance between continuity of funding through active management of the maturity of its money market placements. The Group manages its liquidity profile are: (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 table below shows the maturity profile of the Group's financial assets used for liquidity purposes based on contractual undiscounted cash flows and the Group's financial liabilities based on contractual undiscounted payments.

### 2022

	On demand	Within 1 year	1 to 2 years	Total
<i>Financial Assets</i>				
<b>Financial assets at amortized cost:</b>				
Cash and cash equivalents	₱872,872	₱4,781,459	₱-	₱5,654,331
Trade and other receivables:				
Trade	111,508	4,445,511	-	4,557,019
Related parties	120,348	3,329,099	-	3,449,447
Others	890,187	-	-	890,187
	<b>1,994,915</b>	<b>12,556,069</b>	<b>-</b>	<b>14,550,984</b>
<i>Financial Liabilities</i>				
<b>Financial liabilities at amortized cost:</b>				
Trade and other payables:				
Trade	951,644	13,909,413	-	14,861,057
Related parties	-	5,615,016	-	5,615,016
Accrued expenses	-	5,711,571	-	5,711,571
Customer deposits	-	-	899,784	899,784
Lease liabilities	-	735,173	229,553	964,726
	<b>951,644</b>	<b>25,971,173</b>	<b>1,129,337</b>	<b>28,052,154</b>
<b>Net exposure</b>	<b>₱1,043,271</b>	<b>(₱13,415,104)</b>	<b>(₱1,129,337)</b>	<b>(₱13,501,170)</b>



2021

	On demand	Within 1 year	1 to 2 years	Total
<i>Financial Assets</i>				
Financial assets at amortized cost:				
Cash and cash equivalents	₱9,432,508	₱3,745,000	₱–	₱13,177,508
Trade and other receivables:				
Trade	69,858	3,442,628	–	3,512,486
Related parties	–	17,841,878	–	17,841,878
Others	193,714	–	–	193,714
	9,696,080	25,029,506	–	34,725,586
<i>Financial Liabilities</i>				
Financial liabilities at amortized cost:				
Trade and other payables:				
Trade	9,164,037	–	–	9,164,037
Related parties	4,336,500	–	–	4,336,500
Accrued expenses	–	6,813,131	–	6,813,131
Customer deposits	–	–	820,106	820,106
Lease liabilities	–	232,807	290,051	522,858
	13,500,537	7,045,938	1,110,157	21,656,632
Net exposure	(₱3,804,457)	₱17,983,568	(₱1,110,157)	₱13,068,954

### Credit Risk

#### Trade receivables

The Group's exposure to credit risk arises from the possible default of a counterparty. Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. It is the Group's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. The Group ensures that sales of products are made to customers with appropriate credit history and has an internal mechanism to monitor the extension of credit and management of credit exposures. Where appropriate, the Group obtains collateral in the form of stand-by letter of credit or cash bonds from its customers.

An impairment analysis is performed at each reporting period using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of customers with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting period about past events, current conditions and forecasts of future economic conditions.

The maximum exposure to credit risk at the reporting period is the carrying value of each class of its financial assets as at reporting period. The stand-by letter of credit or cash bonds are considered integral part of trade receivables and considered in the calculation of impairment. There is no significant concentration of credit risk within the Group. The Group considers the concentration of risk with respect to trade receivables to be low, as its customers are located in several jurisdictions and operate in largely independent markets.

The credit risk exposure on the Group's trade receivables using provision matrix is as follows:

### December 31, 2022

	Current	Days past due				Credit-Impaired	Total
		Less than 30 days	31 to 60 days	61 to 90 days	More than 91 days		
Expected credit loss rate	0.1%	1%	9%	11%	99%	100%	
Estimated total gross carrying amount at default	₱4,449,537	₱82,239	₱20,899	₱11,714	₱118,838	₱454,598	₱5,137,825
Expected credit loss	4,026	921	1,820	1,273	118,168	454,598	580,806



December 31, 2021

	Current	Days past due				Credit-Impaired	Total
		Less than 30 days	31 to 60 days	61 to 90 days	More than 91 days		
Expected credit loss rate	0.2%	13%	38%	58%	90%	100%	
Estimated total gross carrying amount at default	₱3,450,294	₱58,837	₱7,403	₱6,538	₱99,444	₱465,730	₱4,088,246
Expected credit loss	6,266	7,445	2,806	3,804	89,709	465,730	575,760

*Other Financial Assets*

With respect to credit risk arising from other financial assets, which consists of cash and cash equivalents, other receivables, including those due from related parties, and financial assets at FVOCI, the Group's exposure to credit risk arise from default of counterparty. Credit risk from cash and cash equivalents is mitigated by transacting only with reputable banks duly approved by management. Credit risk from financial assets at FVOCI is mitigated by investing on entities with good financial condition. The Group's maximum exposure to credit risk at the reporting period is the carrying value of each class of its financial assets as at reporting period.

The credit quality per class of financial assets is as follows:

2022

	Neither past due nor impaired			Past due or individually impaired	Total
	High	Medium	Low		
<b>Financial assets at amortized cost</b>					
Cash and cash equivalents*	₱5,521,395	₱-	₱-	₱-	₱5,521,395
Trade and other receivables:					
Trade	4,444,112	112,907	-	580,806	5,137,825
Related parties	3,449,447	-	-	49,160	3,498,607
Others	17,368	872,819	-	592,502	1,482,689
<b>Financial assets at FVOCI</b>	310,726	-	-	-	310,726
<b>Total</b>	<b>₱13,743,048</b>	<b>₱985,726</b>	<b>₱-</b>	<b>₱1,278,090</b>	<b>₱15,951,242</b>

\* excluding cash on hand

2021

	Neither past due nor impaired			Past due or individually impaired	Total
	High	Medium	Low		
<b>Financial assets at amortized cost</b>					
Cash and cash equivalents*	₱13,068,448	₱-	₱-	₱-	₱13,068,448
Trade and other receivables:					
Trade	3,442,628	69,858	-	575,760	4,088,246
Related parties	17,841,878	-	-	49,160	17,891,038
Others	53	193,661	-	779,749	973,463
<b>Financial assets at FVOCI</b>	222,176	-	-	-	222,176
<b>Total</b>	<b>₱34,575,183</b>	<b>₱263,519</b>	<b>₱-</b>	<b>₱1,404,669</b>	<b>₱36,243,371</b>

\* excluding cash on hand

High quality financial assets include cash and cash equivalents deposited in reputable banks, financial assets at FVOCI representing equity shares of certain golf and country clubs and receivables from suppliers, affiliates and customers with good favorable credit standing based on historical experience. Receivables from customers that slide beyond the credit terms but pay a week after being past due are classified under medium quality. Medium quality receivables represent accounts from major food outlets, supermarkets and national key accounts. Low quality receivables are accounts related to



claims from third party service providers, suppliers, new customers and customers with unfavorable credit standing based on historical experience.

The aging analysis per class of financial assets is as follows:

## 2022

	Neither Past Due nor Impaired	Past due but not impaired				Impaired Financial Assets	Total
		Less than 30 days	31 to 60 days	61 to 90 days	More than 91 days		
<b>Financial assets at amortized cost:</b>							
Cash and cash equivalents*	₱5,521,395	₱-	₱-	₱-	₱-	₱-	₱5,521,395
Trade and other receivables:							
Trade	4,444,112	81,318	19,079	12,510	-	580,806	5,137,825
Related parties	3,449,447	-	-	-	-	49,160	3,498,607
Others	17,368	29,008	116,121	727,690	-	592,502	1,482,689
<b>Financial assets at FVOCI</b>	<b>310,726</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>310,726</b>
<b>Total</b>	<b>₱13,743,048</b>	<b>₱110,326</b>	<b>₱135,200</b>	<b>₱740,200</b>	<b>₱-</b>	<b>₱1,222,468</b>	<b>₱15,951,242</b>

\* excluding cash on hand

## 2021

	Neither Past Due nor Impaired	Past due but not impaired				Impaired Financial Assets	Total
		Less than 30 days	31 to 60 days	61 to 90 days	More than 91 days		
<b>Financial assets at amortized cost:</b>							
Cash and cash equivalents*	₱13,068,448	₱-	₱-	₱-	₱-	₱-	₱13,068,448
Trade and other receivables:							
Trade	3,442,628	51,392	4,597	13,869	-	575,760	4,088,246
Related parties	17,841,878	-	-	-	-	49,160	17,891,038
Others	53	110,802	53,994	28,865	-	779,749	973,463
<b>Financial assets at FVOCI</b>	<b>222,176</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222,176</b>
<b>Total</b>	<b>₱34,575,183</b>	<b>₱162,194</b>	<b>₱58,591</b>	<b>₱42,734</b>	<b>₱-</b>	<b>₱1,404,669</b>	<b>₱36,243,371</b>

\* excluding cash on hand

## Fair Value of Financial Instruments

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 and Trade and Other Payables*

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate their fair values due to the relatively short-term maturity of these financial instruments.

### *Financial Assets at FVOCI*

The fair values of publicly traded instruments are based on their weekly quoted market prices (Level 2 of the fair value hierarchy).

There were no transfers between Levels 1 and 2 fair value measurements and transfers into and out of Level 3 fair value measurement.

### *Customer Deposits*

Customer deposits are presented at cost since management has no reliable basis to estimate the timing of cash flows due to the renewal option in their service contracts.

### *Lease Liabilities*

The carrying value and the corresponding fair value of the lease liabilities amounted to ₱736.0 million and ₱825.5 million, respectively, as at December 31, 2022 and ₱462.1 million and



₱492.7 million, respectively, as at December 31, 2021. The fair values are computed using Level 3 of the fair value hierarchy and are based on the discounted value of expected future cash flows using the applicable credit-adjusted risk-free rates ranging from 3.92% to 6.94% in 2022 and 0.86% to 3.60% in 2021.

#### Capital Management

The Group considers its equity as its core capital. The primary objective of the Group's capital management is to ensure that it maintains a strong credit standing and stable capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes in 2022 and 2021. The Group is not subject to externally imposed capital requirements.

### 23. Lease Commitments as Lessee

The Group leases parcels of land, buildings and improvements and machinery and transportation equipment owned by related parties and third parties where a number of the Group's plants, facilities and offices are located, for periods ranging from one to ten years. The lease agreements can be extended under such terms and conditions at the option of the Group. Certain agreements contain escalation clauses.

Rollforward of the Group's ROU assets are as follows:

#### 2022

	Buildings and equipment	Machinery and transportation equipment	Total
<b>Cost:</b>			
Balances at beginning of year	₱813,390	₱581,872	₱1,395,262
Additions	358,353	223,602	581,955
Derecognition	(366,709)	(16,281)	(382,990)
<b>Balances at end of year</b>	<b>805,034</b>	<b>789,193</b>	<b>1,594,227</b>
<b>Accumulated amortization:</b>			
Balances at beginning of year	541,891	373,962	915,853
Amortization (see Notes 14, 15 and 16)	148,105	191,001	339,106
Derecognition	(304,290)	(16,280)	(320,570)
<b>Balances at end of year</b>	<b>385,706</b>	<b>548,683</b>	<b>934,389</b>
<b>Net book values</b>	<b>₱419,328</b>	<b>₱240,510</b>	<b>₱659,838</b>



2021

	Buildings and equipment	Machinery and transportation equipment	Total
<b>Cost:</b>			
Balances at beginning of year	₱826,145	₱297,186	₱1,123,331
Additions	38,802	284,686	323,488
Derecognition	(51,557)	–	(51,557)
Balances at end of year	813,390	581,872	1,395,262
<b>Accumulated amortization:</b>			
Balances at beginning of year	390,353	191,788	582,141
Amortization (see Notes 14, 15 and 16)	185,113	182,174	367,287
Derecognition	(33,575)	–	(33,575)
Balances at end of year	541,891	373,962	915,853
Net book values	₱271,499	₱207,910	₱479,409

Rollforward of the Group's lease liabilities are as follows (the Group's changes in liabilities arising from financing activity):

	2022	2021
Balance at beginning of year	₱462,068	₱458,647
Accretion of interest on lease liabilities	89,693	52,097
Additions	581,955	323,488
Derecognition	(65,653)	–
Payments for:		
Principal	(241,535)	(320,993)
Interest	(89,693)	(52,097)
Foreign exchange impact	(835)	926
	736,000	462,068
Less: Current portion of lease liabilities	266,478	213,306
Lease liabilities - net of current portion	₱469,522	₱248,762

Maturity analysis of the Group's lease liabilities as at December 31 are as follows:

	2022	2021
Less than 1 year	₱330,441	₱232,807
More than 1 year but less than 5 years	512,514	262,245
More than 5 years but less than 10 years	121,771	27,806
	₱964,726	₱522,858

Amounts recognized in the consolidated statements of comprehensive income with respect to the leasing arrangements where the Group is a lessee are as follows:

	2022	2021
Amortization of ROU assets	₱339,106	₱367,287
Accretion of interest on lease liabilities	89,693	52,097
Rent expense on:		
Short-term leases	20,343	85,771
Variable lease payments	30,438	30,438
Low value assets	38,724	1,421
	₱518,304	₱537,014



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## 24. Other Matters

- Capital Expenditure Commitments

Outstanding Philippine peso-denominated capital expenditure commitments amounted to ₱1.7 billion and ₱0.6 billion as at December 31, 2022 and 2021, respectively. Outstanding foreign currency-denominated capital expenditure commitments amounted to US\$8.7 million and EUR27.9 million as at December 31, 2022 and US\$2.2 million and EUR11.6 million as at December 31, 2021.

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