SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2 (c)THEREUNDER

1.	Date of Report:	April 11, 2024		
2.	SEC Identification Number:	24015		
3.	BIR Tax Identification No.:	000-282-553		
4.	Exact name of issuer as specified in its charter:	The Keepers Holdings, Inc.		
5.	Province, country or other jurisdiction of incorporation	Manila, Philippines		
6.	Industry Classification Code: (SEC Use Only)			
7.	Address of principal office: No. 900 Romualdez St., Paco, Manila	Postal Code 1007		
8.	Issuer's telephone number, including area code:	(632) 9178612459		
9.	. Former name or former address, if changed since last report: N/A			
10.	Securities registered pursuant to Sections 8 and 12 of the SI	RC or Sections 4 and 8 of the RSA		

Common Shares 14,508,750,313

Number of Shares of Common Stock Outstanding

11. Indicate the item numbers reported herein: Other Matters

Title of Each Class

The Board of Directors of The Keepers Holdings, Inc. (the "Company"), in its special meeting held on April 11, 2024, approved the Company's 2023 Audited Financial Statements and the plan to incorporate a new company, further details about this new company will be disclosed in due course.

For the 2023 Audited Financial Statements, please refer to the attached Company's Financial Highlights and Press Release.

SIGNATURE

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

PUREGOLD PRICE CLUB, INC.

11 April 2024

Candy H. Dacanay-Datuon
Assistant Corporate Secretary &
Compliance Officer

Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following should be read in conjunction with the accompanying audited consolidated financial statements for the years ended December 31, 2023 and 2022 and the accompanying notes thereto.

Top Key Performance Indicators

The following are the financial soundness indicators used by the Group as at December 31, 2023 and 2022:

	December 2023	December 2022
Current Ratio (1)	3.71:1	2.37:1
Asset to Equity Ratio (2)	1.24:1	1.46:1
Debt to Equity Ratio (3)	0.24:1	0.46:1
Debt to Total Assets Ratio (4)	0.20:1	0.31:1
Book Value per Share (5)	P1.05	P0.93

	December 31	December 31
	2023	2022
Earnings per Share (6)	P0.20	P0.15
Return on Assets (7)	15.09%	13.23%
Return on Equity (8)	20.26%	17.51%

- (1) Current Assets over Current Liabilities
- (2) Total Assets over Total Equity
- (3) Total Liabilities over Total Equity
- (4) Total Liabilities over Total Assets
- (5) Total Equity over Total Common Shares Outstanding
- (6) Net income after tax over Weighted Average Common Shares Outstanding
- (7) Net income after tax over Average Total Assets
- (8) Net income after tax over Average Total Equity

I. Financial Performance

The following table shows the audited consolidated statements of comprehensive income for the year ended December 31, 2023 and 2022:

(In thousands)	2023	% to Sales	2022	% to Sales	% Change
Net Sales	P16,312,942	100.0%	P13,957,192	100.0%	16.9%
Cost of Sales	11,863,009	72.7%	10,307,540	73.9%	15.1%
Gross Profit	4,449,933	27.3%	3,649,652	26.1%	21.9%
Operating Expenses	1,130,554	6.9%	901,240	6.5%	25.4%
Income from Operations	3,319,379	20.3%	2,748,412	19.7%	20.8%
Other income – net	250,678	1.5%	36,361	0.3%	589%
Net Income before tax	3,570,057	21.9%	2,784,773	20.0%	28.2%
Provision for income tax	653,807	4.0%	549,760	3.9%	18.9%
Net Income after tax	P2,916,250	17.9%	P2,235,013	16.0%	30.5%

Net Sales

The Group's consolidated net sales for the year ended December 31, 2023, amounting to P16.3 billion grew by 16.9% from the ₱13.9 billion consolidated net sales of 2022. The growth is attributable to the 9% increase in sales volume and price increases on various brands ranging from 4% to 10%. Brandy category still dominates the group's sales at 72% contribution in value and 78% in volume.

Cost of Sales

The Group's cost of sales increased by 15.1% for the year ended December 31, 2023, and is relative to the increase in sales of 16.9%. The effect of sales mix, rebates, and promotional supports extended by suppliers resulted to the increase in gross profit rates from 26.1% to 27.3%.

Operating Expenses

Operating expenses amounting to P1.1 billion for the year ended December 31, 2023, increased by 25.4% as compared to the operating expenses in 2022 which amounted to P901.2 million. Increase in the distribution, advertising and promo expense is aligned with the increase in sales. Other operating expenses increased due mainly to additional local taxes, increased employee headcounts, and other inventory handling related charges such as rentals and insurance.

Other Income-Net

Other income, net of other charges amounted to P250.7 million for the year ended December 31, 2023. It increased almost 6x as compared to the P36.4 million in 2022. This is mainly attributable to the increase in the share in net income of investees.

Net Income

The Group ended 2023 with a net income of P2.9 billion, 30.5% higher than the net income of P2.2 billion for the year ended December 31, 2022.

II. Consolidated Financial Position

The Group's audited consolidated financial position as at December 31, 2023 and 2022 are shown below:

Cash and cash equivalents P2,897,269 15.2% P4,784,441 24.4% (33,4%) Trade and other receivables – net 2,461,436 12.9% 2,227,178 11.3% 10.5% Inventories 7,658,757 40.3% 6,276,811 32.0% 22.0% Prepaid expenses and other current assets 616,872 3.3% 1,071,480 5.5% (42.4%) Total Current Assets 13,634,334 71.7% 14,359,910 73.2% (5.1%) Right-of-use assets – net 65,787 0.3% 118,625 0.6% (44.5%) Property and equipment – net 28,961 0.2% 28,788 0.1% 0.6% Deferred income tax assets – net 5,241,533 27.5% 5,070,884 25.8% 2.8% Other noncurrent assets 65,561 0.3% 49,505 0.3% 32.4% Total Noncurrent Assets 5,380,083 28.3% 5,273,925 26.8% (2.0%) Total Assets P19,014,417 100.0% P19,633,835 100.0% (3.2%)	(in thousands)	December 31, 2023	% to Total Assets	December 31, 2022	% to Total Assets	% Change
Trade and other receivables – net Inventories 2,461,436 12.9% 2,227,178 11.3% 10.5% Inventories Inventories 7,658,757 40.3% 6,276,811 32.0% 22.0% Prepaid expenses and other current assets 616,872 3.3% 10,71,480 5.5% (42.4%) Total Current Assets 13,634,334 71.7% 14,359,910 73.2% (5.1%) Right-of-use assets – net 65,787 0.3% 118,625 0.6% (44.5%) Property and equipment – net 28,961 0.2% 28,788 0.1% 0.6% Deferred income tax assets – net 5,241 0.0% 6,123 0.0% (14.4%) Investments in associate and joint venture 5,214,533 27.5% 5,070,884 2.5% 2.8% Other noncurrent assets 5,380,083 28.3% 5,273,925 26.8% (2.9%) Total Assets 719,014,417 100.0% P19,633,835 100.0% 3.2% Trade and other payable 2.16,725 11.6% P4,020,687 20.5% (45.4%)<	Cash and cash equivalents	P2.897.269	15.2%			
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Total Noncurrent Liabilities 44,893 0.2% 87,971 0.4% (49.0%) Total Liabilities 3,723,769 19.6% 6,140,725 31.3% (39.4%) Capital stock 1,450,875 7.6% 1,450,875 7.4% 0.0% Additional paid in capital 25,447,900 133.8% 25,447,900 129.6% 0.0% Retained earnings 9,239,428 48.6% 7,440,353 37.9% 24.2% Equity adjustments from common control Transactions (20,848,500) (109.6%) (20,848,500) (106.2%) 0.0% Accumulated remeasurements on retirement benefits 428 0.0% 3,071 0.0% (86.1%) Cumulative translation adjustment 2,323 0.0% 1,683 0.0% 38.0% Other reserves (1,806) 0.0% (2,272) 0.0% (20.5%) Total Equity 15,290,648 80.4% 13,493,110 68.7% 13.3%	Lease liabilities - net of current portion	19,646	0.1%	67,519	0.3%	(70.9%)
Total Liabilities 3,723,769 19.6% 6,140,725 31.3% (39.4%) Capital stock 1,450,875 7.6% 1,450,875 7.4% 0.0% Additional paid in capital 25,447,900 133.8% 25,447,900 129.6% 0.0% Retained earnings 9,239,428 48.6% 7,440,353 37.9% 24.2% Equity adjustments from common control Transactions (20,848,500) (109.6%) (20,848,500) (106.2%) 0.0% Accumulated remeasurements on retirement benefits 428 0.0% 3,071 0.0% (86.1%) Cumulative translation adjustment 2,323 0.0% 1,683 0.0% 38.0% Other reserves (1,806) 0.0% (2,272) 0.0% (20.5%) Total Equity 15,290,648 80.4% 13,493,110 68.7% 13.3%	Retirement benefits liability	25,247	0.1%	20,452	0.1%	23.4%
Capital stock 1,450,875 7.6% 1,450,875 7.4% 0.0% Additional paid in capital 25,447,900 133.8% 25,447,900 129.6% 0.0% Retained earnings 9,239,428 48.6% 7,440,353 37.9% 24.2% Equity adjustments from common control (20,848,500) (109.6%) (20,848,500) (106.2%) 0.0% Accumulated remeasurements on retirement benefits 428 0.0% 3,071 0.0% (86.1%) Cumulative translation adjustment 2,323 0.0% 1,683 0.0% 38.0% Other reserves (1,806) 0.0% (2,272) 0.0% (20.5%) Total Equity 15,290,648 80.4% 13,493,110 68.7% 13.3%	Total Noncurrent Liabilities	44,893	0.2%	87,971	0.4%	(49.0%)
Additional paid in capital 25,447,900 133.8% 25,447,900 129.6% 0.0% Retained earnings 9,239,428 48.6% 7,440,353 37.9% 24.2% Equity adjustments from common control Transactions (20,848,500) (109.6%) (20,848,500) (106.2%) 0.0% Accumulated remeasurements on retirement benefits 428 0.0% 3,071 0.0% (86.1%) Cumulative translation adjustment 2,323 0.0% 1,683 0.0% 38.0% Other reserves (1,806) 0.0% (2,272) 0.0% (20.5%) Total Equity 15,290,648 80.4% 13,493,110 68.7% 13.3%	Total Liabilities	3,723,769	19.6%	6,140,725	31.3%	(39.4%)
Additional paid in capital 25,447,900 133.8% 25,447,900 129.6% 0.0% Retained earnings 9,239,428 48.6% 7,440,353 37.9% 24.2% Equity adjustments from common control Transactions (20,848,500) (109.6%) (20,848,500) (106.2%) 0.0% Accumulated remeasurements on retirement benefits 428 0.0% 3,071 0.0% (86.1%) Cumulative translation adjustment 2,323 0.0% 1,683 0.0% 38.0% Other reserves (1,806) 0.0% (2,272) 0.0% (20.5%) Total Equity 15,290,648 80.4% 13,493,110 68.7% 13.3%	Canital stock	1 450 875	7.6%	1 450 875	7 4%	0.0%
Equity adjustments from common control Transactions (20,848,500) (109.6%) (20,848,500) (106.2%) 0.0% Accumulated remeasurements on retirement benefits 428 0.0% 3,071 0.0% (86.1%) Cumulative translation adjustment 2,323 0.0% 1,683 0.0% 38.0% Other reserves (1,806) 0.0% (2,272) 0.0% (20.5%) Total Equity 15,290,648 80.4% 13,493,110 68.7% 13.3%	•					
Equity adjustments from common control Transactions (20,848,500) (109.6%) (20,848,500) (106.2%) 0.0% Accumulated remeasurements on retirement benefits 428 0.0% 3,071 0.0% (86.1%) Cumulative translation adjustment 2,323 0.0% 1,683 0.0% 38.0% Other reserves (1,806) 0.0% (2,272) 0.0% (20.5%) Total Equity 15,290,648 80.4% 13,493,110 68.7% 13.3%	Potained carnings	0.220.429	40 60/	7 440 252	27.00/	24 20/
Transactions (20,848,500) (109.6%) (20,848,500) (106.2%) 0.0% Accumulated remeasurements on retirement benefits 428 0.0% 3,071 0.0% (86.1%) Cumulative translation adjustment 2,323 0.0% 1,683 0.0% 38.0% Other reserves (1,806) 0.0% (2,272) 0.0% (20.5%) Total Equity 15,290,648 80.4% 13,493,110 68.7% 13.3%	S .	9,239,420	40.0%	7,440,333	31.370	24.270
Accumulated remeasurements on retirement benefits 428 0.0% 3,071 0.0% (86.1%) Cumulative translation adjustment 2,323 0.0% 1,683 0.0% 38.0% Other reserves (1,806) 0.0% (2,272) 0.0% (20.5%) Total Equity 15,290,648 80.4% 13,493,110 68.7% 13.3%		(20 848 500)	(109.6%)	(20.848.500)	(106.2%)	0.0%
retirement benefits 428 0.0% 3,071 0.0% (86.1%) Cumulative translation adjustment 2,323 0.0% 1,683 0.0% 38.0% Other reserves (1,806) 0.0% (2,272) 0.0% (20.5%) Total Equity 15,290,648 80.4% 13,493,110 68.7% 13.3%		(20,040,300)	(103.070)	(20,040,000)	(100.270)	0.0 70
Cumulative translation adjustment 2,323 0.0% 1,683 0.0% 38.0% Other reserves (1,806) 0.0% (2,272) 0.0% (20.5%) Total Equity 15,290,648 80.4% 13,493,110 68.7% 13.3%		428	n n%	3 071	ი ი%	(86 1%)
Other reserves (1,806) 0.0% (2,272) 0.0% (20.5%) Total Equity 15,290,648 80.4% 13,493,110 68.7% 13.3%				•		,
Total Equity 15,290,648 80.4% 13,493,110 68.7% 13.3%	•	,		•		
	Total Equity					

Working Capital

As at December 31, 2023 the Group's working capital amounted to P9.9 billion, higher than the P8.3 billion as at December 31, 2022. Current ratios are at 3x and 2x as of December 31, 2023 and 2022, respectively.

Current Assets

As at December 31, 2023, total current assets amounted to P13.6 billion or 71.7% of total assets.

Cash and cash equivalents amounted to about P2.9 billion as of December 31, 2023 or 15.2% of total assets. The balance decreased by 39.4% due mainly to payments to suppliers, settlement of short-term bank loan, full payment of investment, and pay-out of dividends.

Trade and other receivables amounted to P2.5 billion as of December 31, 2023 or 12.9% of total assets. It mainly consists of trade receivables from various customers. Average collection period in 2023 further improved to 47 days compared to 50 days in 2022. Average credit terms offered to customers is from 30-60 days.

Inventories amounted to P7.6 billion or 40.3% of total assets as of December 31, 2023. It increased by 22.0% as compared to the balance of P6.3 billion as at December 31, 2022. The Group intends to keep a safe and optimal level of inventory considering all factors that affects importation process.

Prepaid expenses and other current assets amounted to P616.9 million as at December 31, 2023. The decrease of 42.4% is due to the application of prepayments to shipments received during the year.

Noncurrent Assets

As at December 31, 2023, total noncurrent assets amounted to P5.4 billion or 28.3% of total assets.

Right-of-use assets (ROU) represents the values recognized from long-term lease contracts covering office and warehouse facilities. As of December 31, 2023, net book value amounted to P65.8 million. The decrease of 44.5% was due the net effect of new lease agreement for the new warehouse facility and the amortizations recognized during the year.

Property and equipment-net book values amounted to P29.0 million as of December 31, 2023. This account mainly consists of the leasehold improvements on leased office premises and warehouses.

Investments in associate and joint venture amounted to P5.2 billion as of December 31, 2023 or 27.5% of the total assets. This includes the group's 30% acquired equity interest in Pernod Ricard Philippines in February 2019, net of accumulated share in net income. Investment in joint venture as of December 31, 2023 pertains to acquisition of 50% equity interest in Bodegas Williams & Humbert SA.

Current Liabilities

As at December 31, 2023 total current liabilities amounted to P3.7 billion equivalent to 30.8% of total assets.

Trade and other payables amounted to P2.2 billion or 11.6% of total assets. This amount pertains to amounts due to trade and non-trade suppliers, both local and foreign. This account decreased by 45.4% as compared to the balance of P4.0 billion as at December 31, 2022 due to payments to trade suppliers.

Due to related parties amounting to P846.7 million as at December 31, 2022 which includes the amount payable to related parties relative to the equity investment in Bodegas Williams & Humbert SA were fully settled as at December 31, 2023.

Loans payable amounting to P130.0 million as at December 31, 2022 was fully settled in January 2023.

Dividends payable as at December 31, 2023 amounting to P1.1 billion pertains to the cash dividend declared in December 2023 at P0.077 per share or about 50% of the consolidated net income for the year ended December 31, 2022. Dividends payable as at December 31, 2022 amounting to P783.5 million were paid on January 20, 2023.

Income tax payable amounted to P309.3 million as of December 31, 2023. Income tax payable as of December 31, 2022 amounting to P208.2 million were paid in April 2023.

Lease liabilities due within the year amounted to P55.6 million representing lease payable for the use of warehouses and offices.

Noncurrent Liabilities

As at December 31, 2023, total non-current liabilities amounted to P44.9 million.

Lease liabilities net of current portion payable for the succeeding year until the end of the lease agreements on the use of warehouses and offices amounted to P19.6 million.

Retirement benefit liability represents the present value of the defined benefits retirement obligations amounted to P25.2 million as of December 31, 2023 covering total of 209 regular employees.

Equity

As at December 31, 2023 total equity amounted to P15.3 billion or 80.4% of total assets.

Capital stock amounted to P1.45 billion as of December 31, 2023 and December 31, 2022.

Additional paid in capital amounted to P25.4 billion of which, P21.3 billion resulted from the recognition of the difference between the fair market values of the three liquor distribution companies based on an independent valuation and the par value of the 11.250 billion new shares issued by the Company in favor of Cosco Capital pursuant to the share swap transaction between the Company and Cosco net of P46.8 million pertaining to shares issuance costs.

The balance also includes additional paid in capital from the follow on offering of 3,000,000,000 primary shares amounting to P4.1 billion, net of the share issuance cost of P126.3 million.

Retained earnings amounted to P9.2 billion representing the aggregated retained earnings of the Company and the subsidiaries as of December 31, 2023 net of cash dividends declarations.

Equity adjustments from common control transactions amounting to P20.8 billion represents the difference between the fair market values and the carrying values of the net assets of the three liquor distribution companies recognized in accordance with existing international accounting standards and guidance on consolidation of companies under common control.

III. Sources and Uses of Cash

The Group's primary sources of liquidity are basically its net operating cash inflows augmented by availment from bank loan facilities as and when required.

A brief summary of the consolidated cash flows during the comparative periods are shown below:

	For the years ended December 31		
(In thousands)	2023	2022	
Net cash from (used in) operating activities	(P92,715)	P1,695,967	
Net cash used in investing activities	(32,224)	(4,352,966)	
Net cash used in financing activities	(1,766,121)	(275,519)	
Effect of exchange rate changes	3,888	16,030	
Net decrease in cash and cash equivalents	(P1,887,172)	(P2,916,488)	

Net cash used in operating activities during the current period is basically attributable to net effect of increase in sales, collection of trade receivables, settlement of trade payable accounts, purchase of additional inventory requirements and other related current operating requirements.

Net cash used in investing activities mainly pertains to the funds used for additional office equipment, transportation equipment and computer licenses.

Net cash used in financing activities in the current period is primarily due to payment of dividends, payments for lease and full settlement of investment in a joint venture.

IV. Material Events and Uncertainties

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation;

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the year.

There are no material commitments for capital expenditures other than those performed in the ordinary course of trade of business in line with the Group's expansion program.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the revenues or income from continuing operations.

There are no significant elements of income not arising from continuing operations.

The Group experiences the fourth quarter of the year as the peak season relating to increased sales resulting from Christmas and New Year holidays.



Keepers net income grew 30% to PHP 2.9 billion in 2023

Manila, Philippines – Lucio Co-led The Keepers Holdings Inc. (Keepers), the largest imported liquor distribution in the Philippines, delivered another record breaking performance in 2023 with net income of Php 2.9 billion growing 30% versus the previous year due to the strong sales volume performance from imported brandy, spirits, wines and specialty beverages.

Keepers has recorded consolidated revenue amounting to Php 16.3 billion, a 17% growth versus previous year on the back of a 9% growth in volume of cases sold for the period. This was driven principally by Alfonso, the leading imported brandy in the market, which has already surpassed its pre pandemic levels, premiumizing market and on-premise channel rebound.

For the year 2023, Keepers has declared annual cash dividends amounting to Php 0.077 per common share, equivalent to 50% dividend payout of Keepers 2022 net income.

For over twenty years, The Keepers Holdings Group has brought and served Filipino consumers the leading international brands of spirits, wines and specialty beverages into the Philippines. These iconic global brands include Johnnie Walker, Chivas Regal, Glenfiddich, Suntory, Jinro, Jose Cuervo, Jim Beam, Penfolds, Red Bull and many others.