IMPORTANT NOTICE

THIS PRELIMINARY PROSPECTUS ("PROSPECTUS") IS BEING DISPLAYED ON THIS WEBSITE TO MAKE THIS PROSPECTUS ACCESSIBLE TO INVESTORS IN THE PHILIPPINES AND IS TO BE VIEWED EXCLUSIVELY WITHIN THE PHILIPPINES.

THE PHILIPPINE STOCK EXCHANGE, INC. (THE "PSE") ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF STATEMENTS MADE, OR THE OPINIONS OR REPORTS EXPRESSED IN THIS PROSPECTUS. THE PSE MAKES NO REPRESENTATION AS TO THE COMPLETENESS OF THIS PROSPECTUS AND DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS ARISING FROM OR IN RELIANCE, IN FULL OR IN PART, OF THE CONTENTS OF THIS PROSPECTUS.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

The offering information on this website is intended to be available only to Philippine and non-Philippine citizens residing in the Philippines or corporations or juridical entities organized and existing under Philippine law and is not intended for distribution outside the Philippines.

If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

This Prospectus is being made available in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently neither the Company nor any of the Company's affiliates and advisors accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version.

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

This Prospectus and the information contained herein are subject to completion or amendment without notice. The Offer Shares may not be sold nor may an offer to buy be accepted prior to the time that the Prospectus is issued in final form. Under no circumstances shall this Prospectus constitute an offer to sell or a solicitation of an offer to buy any Offer Shares nor shall there be any offer, solicitation or sale of the Offer Shares in any jurisdiction where such offer or sale is not permitted.

THIS PRELIMINARY PROSPECTUS AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO COMPLETION OR AMENDMENT WITHOUT NOTICE. THE OFFER SHARES MAY NOT BE SOLD NOR MAY AN OFFER TO BUY BE ACCEPTED PRIOR TO THE TIME THAT THE PRELIMINARY PROSPECTUS IS ISSUED IN FINAL FORM. UNDER NO CIRCUMSTANCES SHALL THIS PRELIMINARY PROSPECTUS CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OFFER SHARES NOR SHALL THERE BE ANY OFFER, SOLICITATION OR SALE OF THE OFFER SHARES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF SUCH JURISDICTION.

TOP LINE BUSINESS DEVELOPMENT CORP.
(incorporated in the Republic of the Philippines)

Initial Public Offer of up to 3,683,100,000 Primary Common Shares
With an Overallotment Option of up to 368,310,000 Secondary Common Shares

Offer Price of up to Php0.78 per Common Share

To be listed and traded on the Main Board of The Philippine Stock Exchange, Inc.

Issue Manager, Joint Lead Underwriter and Bookrunner

INVESTMENT & CAPITAL CORPORATION OF THE PHILIPPINES

Joint Lead Underwriters

[●]

[●]

[●]

[●]

Selling Agents

Trading Participants of The Philippine Stock Exchange, Inc.

The date of this PreliminaryProspectus is August 2, 2024.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

<u>TOP LINE BUSINESS DEVELOPMENT CORP.</u>
19F Latitude Corporate Center, Mindanao Avenue
Cebu Business Park, Cebu City, Philippines
Website: www.topline.ph
Email: info@topline.ph

This Preliminary Prospectus ("**Prospectus**") relates to the offer and sale of up to 3,683,100,000 primary common shares (the "**Firm Offer**", and such shares, the "**Firm Shares**"), with an Overallotment Option (as defined below) of up to 368,310,000 secondary common shares (the "**Option Shares**") (collectively, the Firm Shares and the Option Shares are referred to as the "**Offer Shares**"), each with a par value of Php 0.78 per share (the "**Shares**", or the "**Common Shares**"), of Top Line Business Development Corp. (the "**Company**", the "**Issuer**", "**Top Line**", or "**TOP**"), a corporation organized under Philippine law. The Firm Shares shall comprise of 3,683,100,000 new Common Shares to be issued and offered by the Company out of its authorized capital stock by way of a primary offer ("**Primary Offer Shares**"). On the other hand, the Option Shares shall comprise of up to 368,310,00 issued shares owned by Topline Equity Corporation (the "**Selling Shareholder**"). The offer of the Offer Shares is referred to herein as the "**Offer**".

Top Line was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission ("**SEC**") on July 12, 2013, primarily to carry on businesses related to any and all kinds of petroleum and petroleum products, mineral oils, and other sources of energy, including (i) purchase from within and outside of the country, storage, marketing, distribution, transport, use, wholesale exportation, refinement, treatment, manufacture of, and generally deal in fuel oils, gas oils, gasolines, lubricants, all kinds of petroleum and petroleum products, including but not limited to kerosene, diesel, gasoline, aviation gas, Liquefied Petroleum Gas ("**LPG**") and Liquefied Natural Gas ("**LNG**"), (ii) wholesale and retail distribution and, for this purpose, operate, manage and maintain gasoline stations, depots and storage facilities for such petroleum-based products, together with relevant machinery, fuel tankers, equipment and paraphernalia and facilities necessary or required for the transportation, handling, delivery, loading, sale and distribution and other related logistics services of such products, and (iii) development and management of ports, terminals, service stations and the like.

As of the date of this Preliminary Prospectus, the Company has an authorized capital stock of Php1,600,000,000.00 divided into 16,000,000,000 common shares with a par value of Php0.10 per share, of which 8,593,753,000 Common Shares are issued and outstanding. A total of 12,276,853,000 common shares will be outstanding after the Offer (as defined below). The Offer Shares (as defined below) shall represent approximately 30.0% of the issued and outstanding capital stock of the Company after completion of the Offer.

The Offer Shares will be offered at a price of up to Php0.78 per Offer Share (the "**Offer Price**"). The determination of the Offer Price is further discussed in the section entitled "*Determination of the Offer Price*" of this Prospectus and is based on a book-building process and discussions among the Company, the Selling Shareholder, and the Joint Lead Underwriters of the Offer, Investment & Capital Corporation of the Philippines ("**ICCP**", or the "**Issue Manager, Joint Lead Underwriter and Bookrunner**") and Joint Lead Underwriters, [●], [●], [●], [●] (collectively with **ICCP** shall be referred to as the "**Joint Lead Underwriters**" or "**JLUs**").

The Common Shares will be listed and traded on the Main Board of The Philippine Stock Exchange, Inc. (the "**PSE**") under the trading symbol "**TOP**".

Up to 1,104,946,000 Firm Shares (or 30% of the Firm Shares) are being offered to all Trading Participants of the PSE (the "**PSE Trading Participants**") and Local Small Investors ("**LSIs**") under the Local Small Investors Program being implemented by the PSE (the "**Trading Participants and Retail Offer**"; and the shares subject of the Trading Participants and retail offer, the "**Trading Participants and Retail Offer Shares**").

Out of the Trading Participants and Retail Offer Shares, up to 736,636,000 Firm Shares (or 20% of the Firm Shares) are being allocated to all PSE Trading Participants (the "**Trading Participants Offer**" and the Offer Shares subject of the Trading Participants Offer, the "**Trading Participants Offer Shares**"), and up to 368,310,000 Offer Shares (or 10% of the Firm Shares) (the "**Retail Offer**" and the Offer Shares subject of the Retail Offer, the "**Retail Offer Shares**") are being offered to LSIs, subject to re-allocation as described below.

At least 2,578,154,000 Offer Shares (or 70% of the Firm Shares) are (subject to re-allocation as described below) being offered for sale to certain qualified buyers and other investors in the Philippines by the Joint Lead Underwriters (the "**Institutional Offer**"; and the shares subject of the Institutional Offer, the "**Institutional Offer Shares**").

The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as agreed between the Company and the Joint Lead Underwriters. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Firm Shares in the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under-application in the Trading Participants and Retail Offer and a corresponding over-application in the Institutional Offer, Firm Shares in the Trading Participants and Retail Offer may be reallocated to the Institutional Offer. The reallocation shall not apply in the event of over-application or under-application in both the Trading Participants and Retail Offer, on the one hand, and the Institutional Offer, on the other hand.

The Selling Shareholder has granted the Joint Lead Underwriters an option, exercisable not later than the listing of the Offer Shares on the PSE (the "**Listing Date**"), to sell the Option Shares to eligible investors at the Offer Price (the "**Overallotment Option**"). The Option Shares are not fully underwritten unlike the Firm Shares; consequently, the Option Shares may not be fully sold and taken up. Subject to the approval of the Securities and Exchange Commission (the "**Philippine SEC**"), the Selling Shareholder has appointed [●] ("[●]") to act as stabilizing agent (the "**Stabilizing Agent**") in relation to the Offer. In the event of full or partial exercise of the Overallotment Option, the Selling Shareholder shall cause the delivery to the Stabilizing Agent of the proceeds of the Option Shares that were sold not later than the Listing Date (the "**Option Proceeds**"). The Stabilizing Agent may use the Option Proceeds to effect price stabilization transactions. The Stabilizing Agent has an option exercisable in whole or in part for a period beginning on or after the initial listing of the Offer Shares on the PSE and, if exercised, ending on a date no later than 30 calendar days from and including the Listing Date, to purchase common shares in the open market with a view to supporting the market price of the Offer Shares at a level higher than that which might otherwise prevail during such period (the "**Price Stabilization**"). Any stabilization activities may begin on or after the date on which adequate public disclosure of the final price of the Offer Shares is made and, if begun, may be ended at any time, but must not end no later than 30 calendar days from and including the Listing Date. Any stabilization activities shall be done in compliance with all applicable laws, rules and regulations. The total number of Shares which the Stabilizing Agent or any person acting in its behalf may purchase to undertake stabilization shall not exceed 10% of the aggregate number of the Firm Shares. The Stabilizing Agent or any person acting on behalf of the Stabilizing Agent has the sole discretion whether to undertake stabilization activities, and there is no assurance that the same will be undertaken. There is also no assurance that the price of the Shares will not decline significantly after any such stabilizing activities end. In the event that the Stabilizing Agent does not conduct Stabilization Activities, the Stabilizing Agent shall deliver to the Selling Shareholder the Option Proceeds.

Once the total number of Shares purchased from the open market pursuant to Price Stabilization is equal to the Option Shares (or when no further Price Stabilization can be made without exceeding the number of Option Shares), the Stabilization Agent will no longer be allowed to conduct Price Stabilization. To the extent the Price Stabilization Fund is not fully exercised by the Stabilizing Agent, the balance thereof shall be redelivered to the Selling Shareholder.

Upon completion of the Offer and full take-up thereof by public shareholders, the Shares owned by the public will represent approximately 33.0% and 30.0% of the issued and outstanding Common Shares of the Company, assuming the full exercise and non-exercise of the Overallotment Option respectively.

The estimated gross proceeds to be raised by the Company from the sale of the Primary Offer Shares, assuming an Offer Price of up to Php0.78, will be approximately Php2,872.8 million, and the estimated net proceeds to be raised by the Company from the sale of the Primary Offer Shares, after deducting from the gross proceeds the estimated fees and expenses of the Offer of approximately Php118.5 million, is expected to be approximately Php2,754.3 million. The Company intends to use the net proceeds from the sale of the Primary Offer Shares for its vertical integration efforts, working capital, and general corporate purposes. For a more detailed discussion on the use of proceeds from the Offer, see "*Use of Proceeds*". The Selling Shareholder's total proceeds and estimated net proceeds (after deducting fees and expenses payable by the Selling Shareholder) to be raised from the sale of Option Shares will be approximately Php275.8 million, assuming full exercise of the Overallotment Option. The Company will not receive any proceeds from the sale of Shares by the Selling Shareholder.

Any Firm Shares left unsubscribed after the Trading Participants and Retail Offer (as defined below) and the Institutional Offer (excluding Option Shares) will be firmly underwritten by the Joint Lead Underwriters. For a more detailed discussion, please see "*Plan of Distribution*" of this Prospectus.

All of the Offer Shares have, or upon issue will have, rights and privileges identical to those of the issued and outstanding Common Shares of the Company. For a detailed discussion of the rights and features of the Common Shares, including the Offer Shares, please refer to the section on "*Description of the Offer Shares*" of this Prospectus.

The Company is authorized to declare dividends to holders of its Common Shares as of a record date set by the Company's Board of Directors ("**Board**"). Dividends may be payable, at the discretion of the Board, in cash, property, or stock. A cash or property dividend declaration requires the approval of the Board and no shareholder approval is necessary. A stock dividend declaration requires the approval of the Board, and shareholders representing at least two-thirds of the Company's total outstanding capital stock. The Revised Corporation Code has defined "outstanding capital stock" as the total shares of stock issued, whether or not paid in full, except treasury shares. The Company's current dividend policy provides for an annual dividend payment of up to 30% of net income after tax of the preceding fiscal year, payable in cash, property or shares, subject to the requirements of applicable laws and regulations, and circumstances which restrict the payment of dividends. See "*Dividends and Dividend Policy*" section of this Prospectus. There can be no guarantee that the Company will pay any dividends in the future. The ability to declare dividends is subject to the requirements of applicable laws, rules and regulations, the availability of unrestricted retained earnings, and circumstances which restrict the payment of dividends.

On [●], the Company filed a Registration Statement with the SEC, in accordance with the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799, the "**SRC**") for the registration of all the issued and outstanding Shares of the Company and the Offer Shares. On [●], the SEC approved the Registration Statement and issued a Pre-Effective Letter. Upon compliance with the requirements of the Pre-Effective Letter, the Company expects the SEC to issue the Order of Registration of Securities and Certificate of Permit to Offer Securities for Sale.

The issuance of the Permit to Offer Securities for Sale is merely permissive and does not constitute a recommendation or endorsement by the SEC of the Offer Shares. The listing of the Common Shares including the Offer Shares is subject to the receipt of the Notice of Approval issued by the PSE (the "**PSE Notice of Approval**"). On [●], the Company filed its application for the listing and trading of its issued and outstanding common shares and the Offer Shares. On [●], the PSE issued its Notice of Approval, subject to compliance with certain conditions. The PSE's approval of the listing is merely permissive and does not constitute a recommendation or endorsement of the Offer by the PSE. The PSE assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Furthermore, the PSE makes no representation as to the completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon the whole or any part of the contents of this Prospectus.

Unless specifically stated otherwise, all information provided in this Preliminary Prospectus is current as of the date of its publication. It is important to note that the distribution of this Prospectus and the subsequent issuance or sale of any Offer Shares herein should not, under any circumstances, be construed as an assurance that the information contained herein remains accurate beyond the date of this document. Furthermore, it does not imply that there have been no developments in the Company's affairs since that date.

The Company has exercised due diligence to the effect that, and confirms that, after having taken reasonable care to ensure that such is the case, and as of the date of this Prospectus, all information contained in this Prospectus is true and there is no material misstatement or omission of fact which would make any statement in this Prospectus misleading in any material respect, and the Company hereby accepts responsibility under and in accordance with the SRC for the accuracy of the material information contained in this Prospectus relating to the Issuer, the Company and its operations.

The purchase of the Offer Shares in certain jurisdictions may be restricted by law. Foreign investors interested in purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase, and hold the Offer Shares.

RISK OF INVESTING

In making an investment decision, prospective investors are advised to carefully consider all the information in this Prospectus, including, but not limited to, the risks associated with an investment in the Offer Shares. These risks include:

- Risks relating to the Company's Business;
- Risks relating to the Philippines;
- Risks relating to the Offer and the Offer Shares; and
- Risks relating to the Presentation of Information in this Prospectus.

An investment in the Offer Shares described in this Prospectus involves a certain degree of risk. A prospective purchaser of the Offer Shares should carefully consider several risk factors relating to the Company's business and operations, risks relating to the Philippines and risks relating to the Offer Shares. Please see the section entitled "*Risk Factors*" of this Prospectus, which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with an investment in the Offer Shares.

The Offer Shares are offered subject to receipt and acceptance of any order by the Company and subject to the Company's right to reject any order in whole or in part and in consultation with the Joint Lead Underwriters. It is expected that the Offer Shares will be delivered in book-entry form against payment thereof to the Philippine Depository & Trust Corp. ("**PDTC**") on or about the Listing Date.

NOTICE TO INVESTORS

The Company confirms that this Prospectus contains all material information relating to the Company and its Subsidiaries, as well as all material information on the issue and offer of the Offer Shares as may be required by the applicable laws of the Republic of the Philippines. To the best of the Company's knowledge, no facts have been omitted that would make any statement in this Prospectus misleading in any material respect. Unless otherwise indicated, all information in this Prospectus is as of the date hereof. Neither the delivery of this Prospectus nor any sale made pursuant to the Offer shall, under any circumstance, create any implication that the information contained or referred to in this Prospectus is accurate as of any time subsequent to the date hereof.

No representation or warranty, express or implied, is made by the Company, the Selling Shareholder or the Joint Lead Underwriters regarding the legality of an investment in the Offer Shares under any laws, rules or regulations. The Joint Lead Underwriters are expected to conduct due diligence on the Company, its documents, and the information presented on the Registration Statement. The contents of this Prospectus are not investment, financial, legal or tax advice. Prospective investors should consult their own counsel, accountant, and other advisors as to legal, tax, business, financial and related aspects of an investment in the Offer Shares. In making any investment decision regarding the Offer Shares, prospective investors must rely on their own careful examination of the Company and the terms of the Offer, including the merits and risks involved. Furthermore, prospective investors should inform themselves of any taxation or exchange control law, rule, or regulation affecting them personally. Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Offer Shares is prohibited. Each prospective investor of the Offer Shares, by accepting delivery of this Prospectus, agrees to the foregoing.

THE OFFER SHARES ARE BEING OFFERED IN THE PHILIPPINES ONLY, ON THE BASIS OF THIS PROSPECTUS. ANY DECISION TO SUBSCRIBE OR PURCHASE THE OFFER SHARES MUST BE BASED ONLY ON THE INFORMATION CONTAINED HEREIN.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Company, the Selling Shareholder, and the Joint Lead Underwriters. This Prospectus does not constitute an offer to sell or the solicitation of an offer to purchase any securities other than the Offer Shares or an offer to sell or the solicitation of an offer to purchase such securities by any person in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus nor any sale of the Offer Shares offered hereby shall, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof.

The information contained in this Prospectus relating to the Company and its operations has been supplied by the Company, unless otherwise stated herein. The Company has exercised due diligence to the effect that, and confirms that, after having taken reasonable care to ensure that such is the case, as of the date of this Prospectus, all information contained in this Prospectus relating to the Company and its operations is true and there is no material misstatement or omission of fact which would make any statement in this Prospectus misleading in any material respect and the Company hereby accepts responsibility for the accuracy of all material information in this Prospectus and in all documents submitted to the relevant regulators in connection with the Offer.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. The Company, the Selling Shareholder, and the Joint Lead Underwriters require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer of, or a solicitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. Each prospective purchaser of the Offer Shares must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or resells the Offer Shares or possesses and distributes this Prospectus and must obtain any consents, approvals or permissions required for the purchase, offer, sale or resale by it of the Offer Shares under the laws, rules and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or resales, and none of the Joint Lead Underwriters, and the Selling Shareholder and the Company shall have any responsibility therefor.

The Joint Lead Underwriters have exercised due diligence required by Philippine law in ascertaining that all material representations contained in this Prospectus, and any amendment or supplement thereto, are true and correct and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading in any material respect. No representation, warranty, or undertaking, express or implied, is made by the Joint Lead Underwriters, as to the accuracy, adequacy, reasonableness, or completeness of the information and materials contained herein (excluding any and all information pertaining specifically to the Joint Lead Underwriters) or any other information provided by the Company in connection with the Offer.

Each person contemplating an investment in the Offer Shares should exercise appropriate due diligence, conduct an independent investigation and evaluation of the financial conditions, business affairs, status, prospects and other relevant circumstances of the Company, and arrive at his or her own determination of the creditworthiness of the Company as well as the suitability and merit of investing in the Offer Shares. A person contemplating an investment in the Offer Shares should seek professional advice if he or she is uncertain of, or has not understood, any aspect of the Offer or the nature of the risks involved in the trading of the Common Shares. Investing in the Offer Shares involves a higher degree of risk compared to an investment in debt instruments. For a discussion of certain factors to be considered in respect of an investment in the Offer Shares, please see the section "*Risk Factors*" of this Prospectus.

The purchase of the Offer Shares in certain jurisdictions may be restricted by law. Foreign investors interested in purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase, and hold the Offer Shares.

Neither the delivery of this Prospectus nor any sale made pursuant to this Prospectus shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Company and its Subsidiaries since such date. The contents of this Prospectus are not to be considered as definitive legal, business or tax advice.

The Offer Shares may be purchased and owned by any person or entity regardless of citizenship or nationality, subject to nationality requirements under Philippine law. The Philippine Constitution and related statutes set forth restrictions on foreign ownership for companies engaged in certain activities. In particular, the Philippine Constitution and other Philippine laws and regulations require that ownership of companies that own land be limited to citizens of the Philippines, or Philippine Nationals.

Philippine Nationals include corporations or associations organized under the laws of the Philippines of which at least 60% of the capital stock outstanding is owned or held by citizens of the Philippines If and to the extent that the Company acquires land, foreign ownership in its capital stock will be limited to a maximum of 40% of its issued and outstanding capital stock. TOP does not own; thus, it is currently not subject to any foreign ownership limits[1].

Please refer to the discussion under the section on "*Philippine Foreign Investment, Exchange Controls, and Foreign Ownership*" of this Prospectus.

The Company, together with the Selling Shareholder, reserve the right to withdraw the offer and sale of Offer Shares at any time before the commencement of the Offer Period. Before the commencement of the Offer Period, in consultation with the Joint Lead Underwriters, the Company by itself or through the Receiving Agent, reserves the right to reject any Application or any commitment to subscribe for the Offer Shares in whole or in part and to allow any prospective purchaser less than the full amount of the Offer Shares sought by such purchaser. In case of oversubscription, the Issuer, by itself or through the Receiving Agent, in conformity with the Joint Lead Underwriters, reserves the right to allocate the Offer Shares available to Applicants in the manner it deems appropriate. The Joint Lead Underwriters and certain related entities may acquire for their own account a portion of the Offer Shares.

Before the execution of the underwriting agreement, the Offer may be withdrawn at any time. The Offer may also be withdrawn at any time (i) after the execution of the underwriting agreement and before the commencement of the Offer Period, and (ii) on or after the commencement of the Offer Period and prior to the Listing Date, due to the occurrence of any of the events referred to in the section "*Summary of the Offer – Withdrawal of the Offer*" of this Prospectus. In consultation with the Joint Lead Underwriters, the Company reserves the right to reject any commitment to subscribe for the Offer Shares in whole or in part and to allot to any prospective purchaser less than the full amount of the Offer Shares sought by such purchaser. If the Offer is withdrawn or discontinued, the Company shall notify the SEC and the PSE.

Each prospective investor of the Offer Shares, by accepting delivery of this Prospectus, agrees to the foregoing.

BASIS FOR CERTAIN MARKET DATA

Market data and certain industry data used throughout this Prospectus were obtained from market research, publicly available information, industry publications and on the Company's own analysis and knowledge of the markets for its products. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. Similarly, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Company and the Joint Lead Underwriters makes any representation or warranty, express or implied, as to the accuracy or completeness of such information. The Company does not make any representation, undertaking or other assurance as to the accuracy or completeness of such information or that any projections will be achieved. Any reliance placed on any projections or forecasts is a matter of commercial judgment.

Please see the section entitled "*Industry Overview*" on of this Prospectus for information relating to the industry in which the Company operates.

[1] On June 30, 2024, the Company executed a Deed of Sale of Land, Building and Improvements transferring three parcels of land that it owned ((i) 271 sqm parcel of land located in Cebu City; (ii) 120 sqm lot located in Brgy. Tamiao, Municipality of Compostela and (iii) 150 sqm parcel of land located in Brgy. Tayud, Municipality of Consolacion) to Topline Equity Corporation. The parties are processing the transfer of title in the name of TEC with the relevant Registry of Deeds.

CONVENTIONS USED IN THIS PROSPECTUS

In this Prospectus, unless otherwise specified or the context otherwise requires, all references to the "**Company**," the "**Issuer**," "**TOP**", and "**Top Line**" are to Top Line Business Development Corp. and, as the context may require, its Subsidiaries. All references to the "**BSP**" are references to Bangko Sentral ng Pilipinas, the central bank of the Philippines. All references to the "**Government**" are references to the government of the Republic of the Philippines. All references to "**Philippine Pesos**" and "**Php**" are to the lawful currency of the Philippines. Any specific time of day refers to Philippine Standard Time. Certain terms used herein are defined in the "*Glossary of Terms*" of this Prospectus. Items in the Glossary of Terms may be defined otherwise by appropriate government agencies or laws, rules, or regulations from time to time, or by conventional or industry usage.

PRESENTATION OF FINANCIAL INFORMATION

The Company's financial statements are reported in Philippine Pesos and are prepared based on the Company's accounting policies, which are in accordance with the Philippine Financial Reporting Standards ("**PFRS**") issued by the Philippine Financial and Sustainability Reporting Standards Council of the Philippines. PFRS includes statements named PFRS and Philippine Accounting Standards, and Philippines Interpretations from International Financial Reporting Interpretations Committee.

The financial information included in this Prospectus has been derived from the Company's financial statements. Unless otherwise indicated, financial information relating to the Company in this Prospectus is stated in accordance with PFRS.

Figures in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same item of information may vary, and figures which are totals may not be an arithmetic aggregate of their components.

The Company's financial year begins on January 1 and ends on December 31 of each year. MOORE Roxas Tabamo and Co. ("**MOORE RT&CO**") has audited the Company's financial statements for the years ended December 31, 2021, 2022, and 2023 and for the period ending June 30, 2024, in accordance with Philippine Standards on Auditing ("**PSA**").

The Company appointed MOORE RT&CO as its independent auditors on December 23, 2021. MOORE RT&CO issued a report dated July 26, 2024, with an unqualified opinion on the Company's financial statements for the years ended December 31, 2021, 2022, and 2023 and for the period ending June 30, 2024. For more information, please refer to the Company's audited financial statements as of and for the years ended December 31, 2021, 2022, 2023, and for the period ending June 30, 2024 found in Appendix A-1 and B-1 of this Prospectus.

PRESENTATION OF NON-PFRS FINANCIAL INFORMATION

This Prospectus includes certain non-PFRS financial measures, including EBITDA and EBITDA margin. References to "**EBITDA**" are to net profit before finance costs, taxes, depreciation and amortization. EBITDA is a supplemental measure of the Company's performance and liquidity that is not required by, or presented in accordance with PFRS. Further, EBITDA is not a measurement of the Company's financial performance or liquidity under PFRS and should not be considered as an alternative to net income, revenues or any other performance measure derived in accordance with PFRS or as an alternative to cash flow from operations or as a measure of the Company's liquidity.

The Company believes that EBITDA may facilitate operating performance comparisons from period to period and from company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses) and the age and book depreciation and amortization of tangible assets. However, as there are various EBITDA calculation methods, the Company's presentation of EBITDA may not be comparable to similarly titled measures used by other companies. "**EBITDA Margin**" is calculated as EBITDA divided by sales.

Non-PFRS financial measures have limitations as analytical tools, and investors should not consider them in isolation from, or as a substitute for, an investors' own analysis of the Company's financial condition or results of operations, as reported under PFRS. These non-PFRS financial measures are not standardized terms and other companies may calculate measures bearing the same titles differently, hence a direct comparison between companies using such terms may not be possible, which limits the usefulness of these non-PFRS financial measures.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

TOP LINE BUSINESS DEVELOPMENT CORP.

By:

Eugene Erik C. Lapasaran Lim
President and Chairman

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

Before me, a notary public for and in the City of Cebu, personally appeared with Passport No. P4805828B valid until February 12, 2030, who was identified by me through competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this AUG 0 2 2024 Cebu City.

Doc No. 330;
Page No. 67;
Book No. 15;
Series of 2024.

ATTY. NOELNO O. BACALLA
NOTARY PUBLIC-Cebu City; Comm. No. 146-23
Until Dec. 31, 2025; Roll of Attorney No. 65125
Renewed on December 28, 2023
IBP No. 364750; Oct. 24, 2023-for 2024, Cebu City
PTR No. 2478096; Nov. 14, 2023-for 2024, Cebu City
MCLE No. VII-0022548, April 14, 2025
Rm. 302, 8990 Bldg., Negros St., CBP, Cebu City

FORWARD LOOKING STATEMENTS

This Prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- known and unknown risks;
- uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from expected future results; and
- performance or achievements expressed or implied by forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies, the environment in which the Company will operate in the future and current expectations and projections about future events and financial trends affecting its business. Words or phrases such as "believes," "expects," "anticipates," "intends," "plans," "foresees" or other words or phrases of similar import are intended to identify forward looking statements. Similarly, statements that describe the Company's objectives, plans or goals are also forward-looking statements, and the Company gives no assurance that such forward-looking statements will prove to be correct. In light of these risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances discussed in this Prospectus might not occur. Actual results could differ materially from those contemplated in the relevant forward-looking statements. Important factors that could cause some or all of the assumptions not to occur or cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things:

- the Company's ability to successfully implement its current and future strategies;
- the Company's ability to successfully manage aggressive growth;
- changes in technology;
- any political and social instability in the Philippines;
- the condition of and changes in the Philippine, Asian or global economies;
- changes in interest rates, inflation rates and the value of the Peso against the U.S. dollar and other currencies;
- changes to the laws, including tax laws, regulations, policies and licenses applicable to or affecting the Company;
- competition in the Philippine energy industry; and
- natural calamities.

Additional factors that could cause the Company's actual results, performance or achievements to differ materially from forward-looking statements include, but are not limited to, those disclosed under "Risk Factors" and elsewhere in this Prospectus. These forward-looking statements speak only as of the date of this Prospectus. In light of geopolitical developments, and associated uncertainties in the global financial markets and their effect on the real economy, any forward-looking statements and forward-looking financial information contained in this Prospectus must be considered with caution and reservation. The Company and the Joint Lead Underwriters expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based. The Company does not intend to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise, unless material within the purview of the SRC and other applicable laws, the mandate of which is to enforce investor protection. Because of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company expects, or at all. Investors should not place undue reliance on any forward-looking information.

All subsequent written and oral forward-looking statements attributable to either the Issuer or persons acting on behalf of the Issuer are expressly qualified in their entirety by cautionary statements.

Should one or more of the aforementioned uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated, or projected as well as from historical results. Specifically, but without limitation, revenues could decline, costs could increase, and anticipated improvements in performance might not be realized fully or at all. Although the Company believes that the expectations of its management as reflected by forward-looking statements are reasonable based on information currently available to it, no assurances can be given that such expectations will prove to be correct. Accordingly, prospective investors are cautioned not to place undue reliance on the forward-looking statements herein.

The Joint Lead Underwriters does not take any responsibility representation, warranty or undertaking in relation to, any such forward-looking statement.

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GLOSSARY OF TERMS

Affiliate	A corporation that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under the common Control of, another corporation
AFP	Armed Forces of the Philippines
AmCham	American Chamber of Commerce of the Philippines
APCU	Association for Philippines-China Understanding
Applicant	A person, whether natural or juridical, who seeks to subscribe to the Offer Shares by submitting an Application under the terms and conditions prescribed in this Prospectus
Application	An application to subscribe for Offer Shares pursuant to the Offer
B2B Model	A business model to be utilized by the Company. The B2B Model which will cater to industrial clients with bulk requirements of 4,000 liters or less delivered through tanker trucks supported by the Group's distribution network.
Business Day	A day (except Saturdays, Sundays and holidays) on which banks in the Philippines are open for business in Metro Manila, Philippines
BIR	Bureau of Internal Revenue
Board or Board of Directors	The Board of Directors of the Company
BPI	Bank of the Philippine Islands
BSP	Bangko Sentral ng Pilipinas, the central bank of the Philippines
CAGR	Compounded Annual Growth Rate
CCCI	Cebu Chamber of Commerce and Industry
Company, Issuer, Top Line, or TOP	Top Line Business Development Corp.
COVID-19	A disease caused by a new strain of coronavirus. Formerly referred to as "2019 novel coronavirus" or "2019-nCoV".
CRC	Center for Research and Communication Foundation, Inc.
CREATE Act	Corporate Recovery and Tax Incentives for Enterprises Act
CTRP	Comprehensive Tax Reform Program
D:E Ratio	Debt-to-Equity Ratio

DBP	Development Bank of the Philippines
Depository Agent	Philippine Depository and Trust Group
DSCR	Debt Service Coverage Ratio
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
ECL	Expected Credit Losses
ECQ	Enhanced Community Quarantine
Eligible Investors	Applicants who are qualified to subscribe to the Offer Shares
Escrow Agent	[●]
FIA	Foreign Investments Act of 1991, as amended
Firm Offer, or Firm Shares	Up to 3,683,100,000 primary common shares to be issued and offered by the Company out of its authorized capital stock.
Fitch	Fitch Ratings
GCQ	General Community Quarantine
GDP	Gross domestic product
Government	The Government of the Republic of the Philippines
GRDP	Gross Regional Domestic Product
Group, or the Topline Group of Companies	The Topline Group of Companies, a diversified group with interests in energy, real estate, technology development, port and ferry terminal operations, passenger ferry operations, restaurant operations, and including the Company.
Institutional Offer, or Institutional Offer Shares	Up to 2,578,154,000 of the Offer Shares to be offered for sale to certain qualified buyers and other investors in the Philippines by the Joint Lead Underwriters
Joint Lead Underwriters or JLUs	ICCP and [●]
IRO	Investor Relations Officer
Land Bank	Land Bank of the Philippines
LFC, or Light Fuels	Light Fuels Corporation, a subsidiary of Top Line engaged in retail fuel distribution through proprietary fuel stations.
Listing Date	The date on which the listing and trading of the Offer Shares on the PSE begin, expected to be on November 15, 2024.

LNG	Liquified Natural Gas
LPG	Liquified Petroleum Gas
LSI	Local Small Investor, a share subscriber who is willing to subscribe to a minimum board lot and whose subscription does not exceed Php 100,000.00
MCIT	Minimum Corporate Income Tax
MECQ	Modified Enhanced Community Quarantine
MNLF	Moro National Liberation Front
Moody's	Moody's Investors Service
MOORE RT&CO	MOORE Roxas Tabamo and Co.
MSMEs	Micro, Small, and Medium Enterprises
NIRC	Philippine National Internal Revenue Code
NUS	National University of Singapore
Offer	The offer for subscription of primary common shares to Eligible Investors subject to the terms and conditions in this Prospectus and in the Application, consisting of up to 3,683,100,000 primary common shares to be issued and offered by the Company out of its authorized capital stock by way of a primary offer at an Offer Price of up to Php0.78.
Offer Period	The period commencing 9:00 a.m. on October 28, 2024 and ending at 12:00 p.m. on November 5, 2024 within which the Eligible Investors may subscribe to the Offer Shares
Offer Price	Up to Php0.78
Offer Shares or Shares	Up to 3,683,100,000 Offer Shares each with a par value of Php0.10
Option Shares	Up to 368,310,00 issued shares owned by Topline Equity Corporation
Overallotment Option	An option, exercisable in whole or in part prior to the date of initial listing of the Offer Shares on the PSE to purchase or procure purchases for the Option Shares at the Offer Price from the Selling Shareholder, representing up to 3.00% of the issued and outstanding Common Shares of the Company, on the same terms and conditions as the Firm Shares as set forth in this Prospectus, solely to cover over-allotments, if any
Php, P, or Philippine Peso	Philippine Pesos, the lawful currency of the Republic of the Philippines
P88VI	Pier Eighty-Eight Ventures, Inc.
PCD	The Philippine Central Depository

PCD Nominee	The PCD Nominee Corporation, a corporation wholly owned by the PDTC
PDS	The Philippine Dealing System
PDTC	The Philippine Depository and Trust Corporation, the central securities depositary of, among others, securities listed and traded on the PSE
PFRS	Philippine Financial Reporting Standards
Philippine Nationals	Pursuant to the FIA, any of the following: • a citizen of the Philippines; or • a domestic partnership or association wholly owned by citizens of the Philippines; or • a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines; or • a corporation organized abroad and registered as doing business in the Philippines under the Corporation Code of which 100% of the capital stock outstanding and entitled to vote is wholly owned by Filipinos; or • a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of the Philippine nationals. Where a corporation and its non-Filipino stockholders own stocks in an SEC-registered enterprise, at least 60% of the capital stock outstanding and entitled to vote of both corporations must be owned and held by citizens of the Philippines and at least 60% of the members of the Board of Directors of both corporations must be citizens of the Philippines, in order that the corporations shall be considered a Philippine national • Pursuant to SEC Memorandum Circular No. 8, Series of 2013, which generally applies to all corporations engaged in identified areas of activities or enterprises specifically reserved, wholly or partly, to Philippine nationals by the Philippine Constitution, the FIA and other existing laws, amendments thereto, and implementing rules and regulations of said laws, for purposes of determining compliance with the constitutional or statutory ownership requirement, the required percentage of Filipino ownership shall be applied to both: • the total number of outstanding shares of stock entitled to vote in the election of directors; and • the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors.
PHILVOCS	Philippine Institute of Volcanology and Seismology
Pier 88, or the Port	Pier88, a “smart” port owned by the Company located in Liloan, Cebu
PIFITA	House Bill No. 4339 and Senate Bill No. 900 or the Passive Income and Financial Intermediary Taxation Act

PNB	Philippine National Bank
Primary Offer Shares	Up to 3,683,100,000 primary common shares
Prospectus	This Prospectus together with all its annexes, appendices and amendments
PSA	Philippine Standards on Auditing
PSE	The Philippine Stock Exchange, Inc.
PSE Listing Rules	Article III, part F, Section 4 of the PSE Consolidated Listing and Disclosure Rules
Qualified Institutional Buyers, or QIBs	Any of the qualified buyers provided under Rule 10 of the Securities and Regulations Code as amended by SEC Memorandum Circular No. 6, Series of 2021, and any other juridical persons that possesses at the time of registration with an authorized registrar: • have gross assets of at least One Hundred Million Pesos (Php 100,000,000.00) or • a total portfolio investment in securities registered with the SEC or financial instruments issued by the government of at least Sixty Million Pesos (Php 60,000,000.00).
RCC	Rotary Club of Cebu
Registrar	Stock Transfer Service Inc.
Receiving Agent	Stock Transfer Service, Inc.
Retail Offer Shares	up to 368,310,000 primary common shares being offered to the LSI
Revised Corporation Code	Republic Act 11232 or the Revised Corporation Code of the Philippines
RFID	Radio Frequency Identification
Robinsons Bank	Robinsons Bank Corporation
S&P	S&P Global
SEC, or Philippine SEC	The Philippine Securities and Exchange Commission
Security Bank	Security Bank Corporation
Selling Shareholder	Topline Equity Corporation
Issue Manager, Joint Lead Underwriter and Bookrunner	Investment & Capital Corporation of the Philippines
SRC	Republic Act No. 8799, otherwise known as “The Securities Regulation Code”

Stabilizing Agent	[●]
Stock Transfer Agent	Stock Transfer Service, Inc.
Subsidiary, or Subsidiaries	An entity of which a Person has direct or indirect Control or owns directly or indirectly more than 50% of the voting capital or similar right of ownership. As applied to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. The terms "Controlling", "Controlled by" and "under common Control with" shall have correlative meanings. "Person" means any individual, firm, corporation, partnership, association, joint venture, tribunal, limited liability company, trust, government or political subdivision or agency or instrumentality thereof, or any other entity or organization. Collectively, Top Line's Subsidiaries are Light Fuels Corporation and Topline Logistics and Development Corporation.
Tier 1 Station	An internal categorization pertaining to the full-scale service stations under the "Light Fuels" brand. These stations have a fuel forecourt and dedicated commercial spaces for food stations, retail shops, as well as convenience stores. Tier 1 Stations are located along major thoroughfares in the Central Visayas region.
Tier 2 Station	An internal categorization pertaining to the planned smaller-scale service stations also operating under the "Light Fuels" brand. These stations are limited to a fuel forecourt located along major thoroughfares in the Central Visayas region. These stations have no commercial spaces but can be upgraded to a Tier 1 station in the future.
Light Fuels Express	An internal categorization pertaining to the planned small-footprint fuel station operating under the "Light Fuels Express" brand. These stations are designed to accommodate two-wheeled and light vehicles, which is a fast-growing niche in the region. These stations are located in major thoroughfares and in secondary and interior roads in the Central Visayas region.
TEPDC	Topline Energy and Power Development Corporation
TLDC	Topline Logistics and Development Corp, a company whose total issued and outstanding capital stock is 75% owned by Top Line
TMWDC	Topline Marina Wharf Development Corporation
Topline Hi Tech	Topline Hi Tech and Synergy Corporation, an affiliate of the Company engaged in technology development.
TPDC	Topline Properties and Development Corporation
Trading Day	Any day on which trading is allowed in the PSE
Trading Participants, or TPs	PSE Trading Participants

TRAIN Law	Tax Reform for Acceleration and Inclusion Law
TSDC	Topline Services and Development Corporation
UC	University of Cebu
UNCLOS	United Nations Convention on the Law of the Sea
Underwriting Agreement	The agreement entered into by and between the Company, the Selling Shareholder and the Joint Lead Underwriters, indicating the terms and conditions of the Offer and providing that the Offer shall be fully underwritten by the Joint Lead Underwriters.
UP	University of the Philippines
USC	University of San Carlos
VAT	Value Added Tax
Veterans Bank	Philippine Veterans Bank
WHO	World Health Organization

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EXECUTIVE SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information presented in this Preliminary Prospectus, including the Company's audited consolidated financial statements and the related notes included elsewhere in this Preliminary Prospectus. Prospective investors should read this entire Preliminary Prospectus fully and carefully, including the section on "*Risk Factors*". In case of any inconsistency between this summary and the more detailed information in this Prospectus, then the more detailed portions, as the case may be, shall at all times prevail. Capitalized terms not defined in this summary are defined in the "*Glossary of Terms,*" "*Risk Factors,*" "*Business*" or elsewhere in this Preliminary Prospectus.

COMPANY OVERVIEW

Top Line was registered with the Securities and Exchange Commission on July 12, 2013. The Company mainly engages in commercial fuel trading, serving industrial accounts across various sectors including transportation (both marine and land), construction, mining, and agriculture across the high growth[2] of Cebu province. Top Line has developed a strong suite of internal capabilities in liquid fuel distribution, ranging from bulk procurement and storage, commercial sales, transportation and logistics, as well as customer support. TOP believes that its ability to provide quality fuels at a competitive price, alongside its 24-hour turnaround time and dedication to customer service provides the Company a strong competitive advantage over other fuel providers. Top Line also remains fully compliant with all pertinent regulations, particularly with its excise taxes for its fuel supply. As of the date of this Prospectus, TOP's management team has a collective 45 years of experience in operations.

Top Line started its commercial fuel trading operations in 2017. This segment continues to be its core revenue driver for the Company, with this segment accounting for 99.3%, 99.3%, 97.1%, and 97.8% of total revenues in the financial year ended December 31, 2021, 2022, 2023, and six (6) months ending June 30, 2024 respectively. This segment caters to customers with requirements of at least 4,000 liters per order in transportation, construction, shipping, and mining, among others. Its commercial fuel trading operations are backed by a fleet of 18 tanker trucks.

In 2020, the Company expanded vertically into the higher-margin retail market through its wholly-owned subsidiary, Light Fuels Corporation ("**Light Fuels**" or "**LFC**"). LFC intends to cater to underserved geographies and markets, which have relatively less competition. Light Fuels will also serve a broad base of customers through network of Light Fuels stations located throughout the Metro Cebu area. The first retail station of the Company, a Tier 1 Station, was inaugurated on February18, 2023 in Mandaue City.

The Company intends to expand its retail footprint throughout the Central Visayas region through the retail formats below:

- **Tier 1 Stations** – full service fuel stations operating under the "Light Fuels" brand. These stations have a fuel forecourt and dedicated commercial spaces for food stations, retail shops, as well as convenience stores. Tier 1 Stations are located along major thoroughfares in the Central Visayas region.
- **Tier 2 Stations** – the planned smaller-scale service stations also operating under the "Light Fuels" brand. These stations are limited to a fuel forecourt located along major thoroughfares in the Central Visayas region. These stations have no commercial spaces but can be upgraded to a Tier 1 station in the future.

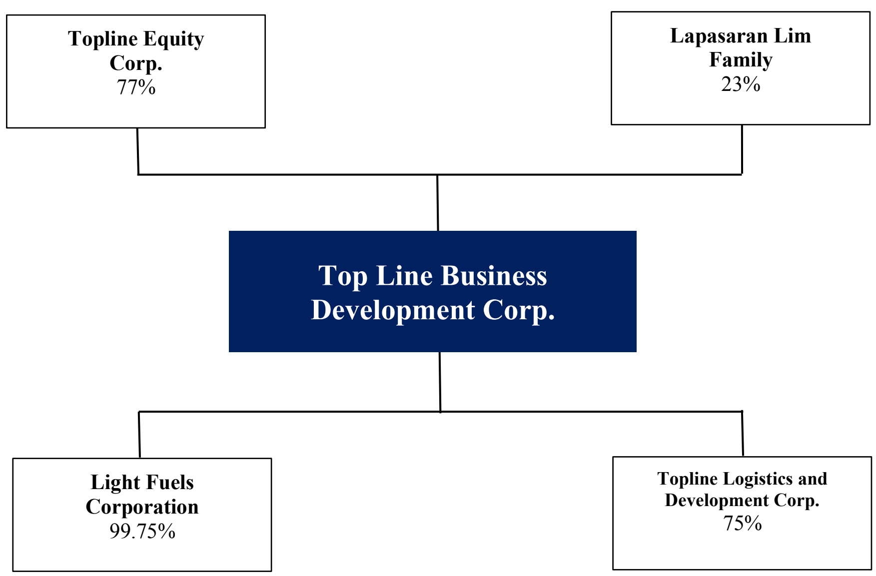
[2] Center for Research and Communication Foundation, Inc. (2024, June). The Philippine Fuel Distribution Industry: Prospects, Risks, and Critical Success Factors

- **Light Fuels Express** – the planned small-footprint fuel station operating under the "Light Fuels Express" brand. These stations are designed to accommodate two-wheeled and light vehicles, which is a fast-growing niche in the region. These stations are located in major thoroughfares and in secondary and interior roads in the Central Visayas region.

As of the date of this Prospectus, the Company through LFC has opened two (2) fuel stations in Jagobiao and North Reclamation Area, all in Mandaue City, with seven (7) additional fuel stations in various stages of construction and development. By the end of 2024, the Company envisions to have ten (10) stations, of which two (2) will be for Tier 1 Service Stations, two (2) for Light Fuels Express, and six (6) for Tier 2 Service Stations. Currently, Light Fuels has already secured the ECC for six (6) out of seven (7) of its planned service stations. Light Fuels sources most of its liquid fuel supply requirements from Top Line.

On May 27, 2023, the Company opened Pier88, the first *"smart"* port in the Central Visayas region. Located in Liloan, North of Cebu Island, Pier88 is strategically positioned to serve vessels catering to nearby islands such as Leyte and Camotes. These vessels cater to both local and regional passengers, as well as the cargo requirements of the surrounding manufacturing plants. Its *"smart"* port features integrated digital technologies such as automated fare and ticketing systems to streamline operations and improve the passenger experience. Pier88 also plans to implement an automated cargo handling system, which is expected to optimize operations and improve throughput. Additionally, the Department of Public Works and Highways has initiated the construction of a new coastal road which traverses Pier88, with a target completion date by late 2025. At present, the port is operated by Pier Eighty-Eight Ventures, Inc., while the automated ticketing system for passengers, as well as the automated cargo handling is provided by Topline High Tech and Synergy Corporation – both affiliates of the Company and members of the Group.

The conglomerate map of the Company before the listing is indicated as follows:



SUBSIDIARIES AND KEY AFFILIATES

Top Line is a member of the Topline Group of Companies (the "**Group**"), a diversified conglomerate with interests in energy, real estate, technology development, port and ferry terminal operations, passenger ferry operations, and restaurant operations. Top Line and its Subsidiaries are mainly focused on liquid fuel trading and related services. The Group's operations are focused within Central Visayas and is owned and operated by the Lapasaran Lim family.

Subsidiaries

The subsidiaries of the Company are discussed below:

- ***Light Fuels Corporation*** *(formerly "Light Petroleum Corporation")*

  Light Fuels Corporation ("LFC") was incorporated on July 13, 2020. LFC operates the retail fuel distribution operations of the Company through its "Light Fuels" and "Light Fuels Express" brands. To date, Light Fuels operates three (3) stations, with seven (7) stations intended to be launched by the end of 2024.

- ***Topline Logistics and Development Corp.***

  Topline Logistics and Development Corp. ("**TLDC**") was incorporated on October 26, 2021. Its primary purpose[3] is to engage in the business importation, trading, marketing, storage, wholesale distribution and retail of petroleum-based products such as, but not limited to, kerosene, diesel, gasoline, aviation gas and, for this purpose, operate, manage and maintain gasoline stations, depots and storage facilities for such petroleum-based products, together with relevant machinery, equipment and paraphernalia and facilities necessary or required for the transportation, handling, delivery, loading, sale and distribution of such products, to engage in the business of operating a convenient store including the sale of consumer and automotive products and sublease of space within the stations. As of the date of this Prospectus, TLDC is currently in the process of securing all the relevant permits and has yet to commence operations.

Key Affiliates

The Company's key affiliates within the Group are as follows:

- ***Pier88 and Pier Eighty-Eight Ventures, Inc.***

  Pier88 ("**Pier88**", or the "**Port**") is the first '*smart*' port located in Liloan, Cebu. The Port is owned by the Company but operated by an affiliate, Pier Eighty-Eight Ventures, Inc. ("**P88VI**"). Pier88 caters to local passengers as well as the cargo requirements of nearby industrial plants. The Port also integrates digital technologies such as automated fare and ticketing systems to streamline and enhance operations, with other automated cargo handling systems intended to be implemented. Top Line is also the fuel supplier of vessels plying to and from the Port.

- ***Topline Hi Tech and Synergy Corporation***

  Topline Hi Tech and Synergy Corporation ("**Topline Hi Tech**") is an affiliate of the Company that develops proprietary technological platforms used by the Group, such as automated payment systems, QR codes and similar technology. Topline Hi Tech has implemented a centralized automated ticketing system at the Cebu South Bus Terminal, in partnership with the Cebu Provincial Government and Beep, through the use of reloadable cards (known as "Suroy-Suroy Sugbo" cards) or one-time QR-code tickets to access terminal bays and board respective buses. Topline Hi Tech is also responsible for developing the digital infrastructure supporting the entire Group, such as its Light Rewards program. A more detailed discussion of the Light Rewards program can be found in the "*Business – Plans and Prospects*" section of this Prospectus.

[3] TLDC's application for an amendment to its Articles of Incorporation and increase in Authorized Capital Stock has been submitted and is pending review by the SEC.

- ***Topline Properties and Development Corporation***

  Topline Properties and Development Corporation ("**TPDC**") is a property holding and leasing company under the Group. TPDC is responsible for entering into leases with third parties on behalf of the various members of the Group. All leased locations of Light Fuels are subleased from TPDC at arms' length rates.

COMPETITIVE STRENGTHS

The Company considers the following as its competitive strengths:

- Competitive Pricing
- Reliability of Fuel Supply
- Fast Turnaround Time
- Experienced Management Team
- Access to Capital backed by Prudent Financial Management
- Strong Commitment to Corporate Social Responsibility

For a full discussion of Top Line's competitive strengths, please refer to "*the Business Section – Competitive Strengths*" section of this Prospectus.

PLANS AND PROSPECTS

The Company is looking to further grow its business through the following plans and prospects:

- Continued Investment into Proprietary Infrastructure
- Retail Segment Penetration
- Business Expansion

A more detailed discussion of these plans and prospects can be found in the "*Business section – Plans and Prospects*" of this Prospectus.

STRATEGIES

In order to achieve the Company's plans and prospects, the Company will pursue the following strategies:

- Vertical Integration of Supply Chain
- Territorial and Geographical Expansion – Central Visayas as strategic focus
- Future-Ready Approach
- Explore Potential Acquisition Opportunities

A more detailed discussion is provided in the "*Business section – Key Strategies*" of this Prospectus.

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RISKS OF INVESTING

Before making an investment decision, investors are advised to carefully consider all the information contained in this Prospectus, including the following key points characterizing the potential risks associated with an investment in the Offer Shares. These include risks arising from the nature of the Company and its business, risks relating to the economic and political environment in the Philippines, and risks relating to the Offer Shares. Please refer to the Risk Factors for a discussion, which, while not meant to be exhaustive, should be considered in connection with an investment in the Offer Shares.

CORPORATE INFORMATION

The Company's principal office is at 19F Latitude Corporate Center, Mindanao Avenue, Cebu Business Park, Cebu City, Philippines.

INVESTOR RELATIONS OFFICE

The Investor Relations Office will implement the investor relations program in order to reach out to all shareholders and keep them informed of corporate activities. The office will also handle communication of relevant information to the Company's stakeholders as well as to the broader investor community. The Investor Relations Office will also be responsible for receiving and responding to investor and shareholder queries relating to the Company.

The Investor Relations Officer ("**IRO**") will ensure that the Company complies with and files on a timely basis all required disclosures and continuing requirements of the SEC and the PSE. In addition, the IRO will oversee most aspects of the shareholder meetings, press conferences, investor briefings, and management of the investor relations portion of the Company's website, which will contain information, including but not limited to:

- Company information (organizational structure, board of directors, and management team);
- Company news (analyst briefing report, press releases, latest news, newsletters (if any));
- Financial report (annual and quarterly reports for the past two years);
- Disclosures;
- Investor FAQs;
- Investor contact (e-mail address and phone numbers for feedback/comments, shareholder assistance and service); and
- Stock information.

The Investor Relations Office will be located in the principal place of business of the Company with contact details as follows:

- Investor Relations Officer: Andrea Ma. Isabella M. Vargas
- Address: 19F Latitude Corporate Center, Mindanao Avenue, Cebu Business Park, Cebu City, Philippines
- Tel. No: (032) 505 6058
- Email: investorrelations@topline.ph
- Website: www.topline.ph

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SUMMARY OF THE OFFER

The following does not purport to be a complete listing of all rights, obligations and privileges attaching to or arising from the Offer Shares. Some rights, obligations or privileges may be further limited or restricted by other documents and subject to final documentation. Prospective investors are enjoined to perform their own independent investigation and analysis of the Company and the Offer Shares. Each prospective investor must rely on its own appraisal of the Company and the Offer Shares and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to invest in the Offer Shares and must not rely solely on any statement or the significance, adequacy, accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective investor's independent evaluation and analysis.

Issuer	Top Line Business Development Corp.
Selling Shareholder	Topline Equity Corporation
Stock Symbol	TOP
Issue Manager, Joint Lead Underwriter and Bookrunner	Investment & Capital Corporation of the Philippines
Joint Lead Underwriters	Investment & Capital Corporation of the Philippines, [●], [●], [●], and [●]
Financial Advisor	Straton Management OPC
Selling Agents	PSE Trading Participants
Stock Transfer Agent	Stock Transfer Service, Inc.
Receiving Agent	Stock Transfer Service, Inc.
Escrow Agent	[●]
Stabilizing Agent	[●]
Independent Auditor	MOORE Roxas Tabamo & Co.
Legal Counsel to the Issuer	Martinez Vergara & Gonzalez Sociedad
Legal Counsel to Joint Lead Underwriters	Romulo Mabanta Buenaventura Sayoc & de los Angeles
The Offer	Offer and sale of up to 3,683,100,000 Firm Shares and 368,310,000 Option Shares pursuant to the Overallotment Option.
Firm Shares	Up to 3,683,100,000 primary common shares to be issued by the Company.

Option Shares	Up to 368,310,000 secondary common shares owned and to be sold by the Selling Shareholder pursuant to the Overallotment Option.
Institutional Offer	At least 2,578,154,000 Firm Shares (or 70% of the Firm Shares) are being allocated to qualified institutional buyers ("**QIBs**") and other investors in the Philippines, by the Joint Lead Underwriters. The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as agreed among the Company, the Selling Shareholder and the Joint Lead Underwriters. See "—*Reallocation*" below.
Trading Participants and Retail Offer	Up to 1,104,946,000 Firm Shares (or 30% of the Firm Shares) (the "**Trading Participants and Retail Offer Shares**") are being offered in the Philippines through all the PSE Trading Participants and to local small investors ("**LSIs**") under the Local Small Investors Program of the PSE (subject to reallocation as described below) at the Offer Price. Up to 736,636,000 Firm Shares (or 20% of the Firm Shares) are being allocated to all of the PSE Trading Participants (the "**Trading Participants Offer Shares**") and up to 368,310,000 Firm Shares or (10% of the Firm Shares) are being offered to LSIs (the "**LSI Offer Shares**"). Each PSE Trading Participant shall initially be allocated [6,038,000] Firm Shares (computed by dividing the 736,636,000 Firm Shares among the [122] active PSE Trading Participants rounded down to the required subscription multiple), subject to reallocation as may be determined by the Joint Lead Underwriters. Based on the initial allocation for each trading participant, there will be no residual Firm Shares to be allocated. Each LSI applicant may subscribe up to a maximum of 128,000 Firm Shares at the Offer Price. LSIs shall subscribe through the PSE Electronic Allocation System or PSE EASy. An LSI is defined as a subscriber to the Offer who is willing to subscribe to a minimum board lot or whose subscription does not exceed Php100,000.00. In the case of this Offer, the minimum subscription of LSIs shall be up to13,000 shares or up to Php10,149.00, while the maximum subscription shall be 128,000 shares or Php99,840.00. There will be no discount on the Offer Price. The procedure in subscribing to Offer Shares via PSE EASy is indicated in the Implementing Guidelines for Local Small Investors to be announced through the PSE EDGE website. Should the total demand for the Offer Shares in the LSI program exceed the maximum allocation, the Joint Lead Underwriters shall prioritize the subscriptions of LSIs with

	amounts lower than the maximum subscription. In the event that the total demand for the LSI Offer Shares is five times or more than the initial allocation of [up to 368,310,000] Firm Shares, the Firm Shares in the Institutional Offer shall be reallocated to the Retail Offer and the allocation for the Retail Offer Shares shall be increased to [up to 552,465,000] Firm Shares (or 15% of the Firm Shares) in accordance with Article III, Part F, Section 4 of the PSE Consolidated Listing and Disclosure Rules (the "**PSE Listing Rules**"). Firm Shares not taken up by the PSE Trading Participants or the LSIs shall be distributed by the Joint Lead Underwriters to its clients or to the general public. Firm Shares not taken up by the QIBs, PSE Trading Participants and the LSIs, the Joint Lead Underwriters' clients, or the general public shall be purchased by the Joint Lead Underwriters, on a firm commitment basis, pursuant to the terms and conditions of the Underwriting Agreement.
Offer Price	Up to Php0.78 per Offer Share. The final Offer Price shall be determined through a book-building process and discussions between the Company and the Joint Lead Underwriters.
Overallotment Option	Pursuant to the approval by the SEC to conduct price stabilization activities dated [●], the Selling Shareholder has appointed [●] to act as the Stabilizing Agent. The Joint Lead Underwriters has an option, exercisable in whole or in part prior to the date of initial listing of the Offer Shares on the PSE ("**Listing Date**"), to purchase or procure purchasers for the Option Shares at the Offer Price from the Selling Shareholder, representing [up to 3%] of the issued and outstanding Common Shares of the Company, on the same terms and conditions as the Firm Shares as set forth in this Prospectus, solely to cover over-allotments, if any. To the extent the Overallotment Option is exercised and the Option Shares are purchased pursuant thereto, the Joint Lead Underwriters shall deliver or cause the delivery of the proceeds from the purchase of such Option Shares to the Stabilizing Agent as a fund that may be used by the latter to effect price stabilization transactions with a view to supporting the market price of the Offer Shares at a level higher than that which might otherwise prevail for a limited period commencing on the Listing Date. Any stabilization activities may begin on or after the Listing Date and, if begun, may be ended at any time, but must end no later than thirty (30) calendar days from and including the Listing Date. Any stabilization activities shall be done in compliance with all applicable laws, rules and regulations. The total number of Shares which the Stabilizing Agent may purchase to undertake Price Stabilization shall not exceed 15% of the aggregate number of the Firm Shares. If the Stabilizing Agent commences any Price Stabilization, it may

	discontinue such activity at any time. However, the Stabilizing Agent has the sole discretion whether to undertake Price Stabilization, and there is no assurance that the same will be undertaken. There is also no assurance that the price of the Shares will not decline significantly before or after any such stabilizing activities end. See "*Plan of Distribution – The Overallotment Option.*"
Price Stabilization	The Option Proceeds may be used by the Stabilizing Agent to effect price stabilization transactions by purchasing Common Shares in the open market for a period not exceeding thirty (30) calendar days from and including the Listing Date ("**Price Stabilization Period**"), with a view to supporting the market price of the Common Shares at a level higher than that which might otherwise prevail during such period. The Stabilizing Agent may purchase shares in the open market only if the market price of the shares falls below the final Offer Price and only to the extent of the Stabilization Shares. The Stabilizing Agent may conduct Stabilization Activities until the Option Proceeds are exhausted, subject to compliance with all applicable laws and regulations. The Stabilizing Agent has the sole discretion whether to undertake Stabilization Activities, and there is no assurance that the same will be undertaken. In the event that the Stabilizing Agent does not conduct Stabilization Activities, the Stabilizing Agent shall deliver to the Selling Shareholder the Option Proceeds. There is also no assurance that the price of the Common Shares will not decline significantly before or after any such stabilizing activities end. See "*Plan of Distribution – The Overallotment Option and Stabilization Activities*" in this Prospectus.
Offer Period	The Offer Period shall commence at 9:00 am., Manila time on [October 28, 2024] and end at 12:00 noon, Manila time on [November 5, 2024]. The Company and the Lead Underwriter reserve the right to extend or terminate the Offer Period, subject to the prior approval of the SEC and the PSE. Applications must be received by the Receiving Agent not later than 12:00 noon Manila Time on [November 5, 2024], whether filed through a participating Selling Agent or through PSE EASy for LSI applications or filed directly with the Lead Underwriter. Applications received thereafter or without the required documents will be rejected. Applications shall be considered irrevocable upon submission to a participating Selling Agent or PSE EASy or the Lead Underwriter, and shall be subject to the terms and conditions of the Offer as stated in the Prospectus and in the application. The actual purchase of the Offer Shares shall become effective

	only upon the actual listing of the Offer Shares on the PSE and upon the obligations of the Lead Underwriter under the Underwriting Agreement becoming unconditional and not being suspended, terminated or cancelled on or before the Listing Date in accordance with the provisions of such agreement.
Eligible Investors	The Offer Shares may be purchased by any natural person of legal age regardless of nationality, or any corporation, association, partnership, trust account, fund or entity, regardless of nationality, but subject to limits under Philippine law and the restrictions set out in this Prospectus, and without prejudice to the right of the Company to reject an application, including the right to reject if the subscription or purchase will cause the Company to be in breach of the Philippine ownership requirements under relevant Philippine laws, or of other applicable laws. Purchase of the Offer Shares in certain jurisdictions may be restricted by law. Foreign investors interested in purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase, and hold the Offer Shares
Use of Proceeds	The Company intends to use the net proceeds from the Primary Offer for its vertical expansion initiatives, working capital, and general corporate purposes. See the "*Use of Proceeds*" section of the Prospectus for details of how the total net proceeds are expected to be applied.
Minimum Subscription and Board Lot	Each application must be for a minimum of [up to 13,000 Offer Shares], and thereafter, in multiples of 1,000 Offer Shares. Applications for multiples of any other number of Common Shares may be rejected or adjusted to conform to the required multiple, at the Company's discretion.
Reallocation	The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as determined by the Joint Lead Underwriters. If there is an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Offer Shares in the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under-application in the Trading Participants and Retail Offer and a corresponding over-application in the Institutional Offer, Offer Shares in the

<table>
<tr><td></td><td>Trading Participants and Retail Offer may be reallocated to the Institutional Offer. The reallocation shall not apply in the event of over-application or under-application in both the Trading Participants and Retail Offer, on the one hand, and the Institutional Offer, on the other hand.

The Joint Lead Underwriters shall purchase the Trading Participants and Retail Offer Shares not reallocated to the Institutional Offer or otherwise not taken up by the PSE Trading Participants, LSIs or clients of the Joint Lead Underwriters or the general public in the Philippines pursuant to the terms and conditions of the Underwriting Agreement.</td></tr>
<tr><td>Lock-up</td><td>The PSE Consolidated Listing and Disclosure Rules (the “PSE Listing Rules”) require an applicant company for the Main Board to cause the Company’s existing shareholders owning at least 10% of the outstanding shares of the Company not to sell, assign or in any manner dispose of their shares for a period of 180 days after the listing of the shares.

In accordance with the foregoing, the Common Shares held by the following shareholders will be subject to the 180-day lock up period:

<table>
<tr><th rowspan="2">Shareholder</th><th colspan="2">No. of Common Shares Held Subject of the 180-Day Lock Up Period</th></tr>
<tr><th>If Over-allotment Option is not exercised</th><th>If Over-allotment Option is fully exercised</th></tr>
<tr><td>Topline Equity Corporation</td><td>5,295,000,000</td><td>4,926,690,000</td></tr>
</table>

Additionally, if there is any issuance or transfer of shares (i.e., private placement, asset for shares swap or a similar transaction) or of instruments which leads to an issuance or transfer of shares (i.e., convertible bonds, warrants or a similar instrument) done and fully paid for within one hundred eighty (180) days prior to the start of the Offering Period, or prior to the listing date in the case of Applicant Companies listing by way of introduction, and the transaction price is lower than that of the offer price in the Initial Public Offering or than that of the listing price in the case of Applicant Companies listing by way of introduction, all shares availed of shall be subject to a lock-up period of at least three hundred sixty-five (365) days from the full payment of the aforesaid shares.

In accordance with the foregoing, the Common Shares held by the following shareholders will be subject to the 365-day lock-up requirement, whether or not the Over-Allotment Option is exercised:</td></tr>
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<table>
<tr>
<td></td>
<td>
<table>
<tr><th>Shareholder</th><th>No. of Common Shares Held Subject of the 365-day Lock Up Period</th></tr>
<tr><td>Topline Equity Corporation</td><td>1,323,750,000</td></tr>
<tr><td>Eugene Erik C. Lapasaran Lim</td><td>158,000,000</td></tr>
<tr><td>Brigette Carmel L. Mueller</td><td>39,500,000</td></tr>
<tr><td>Constance Marie C. Lim</td><td>39,500,000</td></tr>
<tr><td>Suzanne Dorothy C. Lapasaran Lim</td><td>39,500,000</td></tr>
<tr><td>Ma. Alice L. Ingles</td><td>39,500,000</td></tr>
<tr><td>Eugene L. Lapasaran Lim</td><td>39,500,000</td></tr>
<tr><td>Ma. Constancia C. Lim</td><td>39,500,000</td></tr>
<tr><td>Atty. Maria Iolanda B. Abella</td><td>1,000</td></tr>
<tr><td>Atty. Leonido J. Pulido III</td><td>1,000</td></tr>
<tr><td>Luis A. Cañete</td><td>1,000</td></tr>
<tr><td>TOTAL</td><td>1,718,753,000</td></tr>
</table>
To implement the lock-up requirement, the Company and the foregoing shareholders shall enter into an escrow agreement with [●] for the Lock-up of the Shares.
The Company has agreed with the Joint Lead Underwriters that, except in connection with the Overallotment Option, it will not, without the prior written consent of the Joint Lead Underwriters, issue, offer, pledge, sell, contract to sell, or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal of) any Common Shares or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Common Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the underlying securities, including equity swaps, forward sales and options for a period of 180 days after the Listing Date. See “Principal Shareholder” and “Plan of Distribution – Lock-Up.”
</td>
</tr>
<tr>
<td>Registration, Listing and Trading</td>
<td>
The Company has filed an application with the SEC for the registration and an application with the PSE for the listing of all its issued and outstanding stock (including the Offer Shares). The SEC is expected to issue an Order of Effectivity and Permit to Sell on or about [●] and the PSE has approved the listing application in a Notice of Approval dated [●], subject to compliance with certain listing conditions.
All of the Offer Shares are expected to be listed on the Main Board of the PSE on [November 15, 2024], under the stock symbol “TOP”. Trading of the Offer Shares that are not subject to lock up is expected to commence on the same date.
</td>
</tr>
<tr>
<td>Dividends and Dividend Policy</td>
<td>Each holder of Common Shares will be entitled to such dividends as may be declared by the Company’s Board of Directors (the “Board” or “Board of Directors”), provided</td>
</tr>
</table>

	that any share dividends declaration requires the approval of shareholders holding at least two-thirds of its total "outstanding capital stock." Republic Act No. 11232 or the Revised Corporation Code of the Philippines (the "**Revised Corporation Code**") has defined "outstanding capital stock" as the total shares of stock issued under binding subscription contracts to subscribers or stockholders, whether fully or partially paid, except for treasury shares. The Company has approved a dividend policy in which dividends shall be payable at such time, in such manner, and in such amounts as the Board shall determine, subject to various factors maintaining an annual dividend payout of up to 30% of its net income from the preceding year, subject to the requirements of applicable laws and regulations, the terms and conditions of any of its outstanding debt facilities, and the absence of circumstances that may restrict the payment of such dividends, such as where the Company approves and implements corporate expansion or when it can be clearly shown that retention of earnings is necessary under special circumstances. The Company's Board may, at any time, modify the dividend policy depending upon the Company's capital expenditure plans and/or any terms of financing facilities entered into to fund its current and future operations and projects. The Company can give no assurance that it will pay any dividends in the future. See the "*Dividends and Dividend Policy*" section of the Prospectus for more discussion.
Form, Title and Registration of the Offer Shares	The Offer Shares are required to be lodged with the PDTC. The applicant must provide the information required for the PDTC lodgment of the Offer Shares. The Offer Shares will be ready for lodgment with the PDTC at least three (3) trading days prior to the Listing Date, and a certification to that effect shall be submitted by the Company to the PSE at least three (3) trading days prior to the Listing Date. The Offer Shares will be lodged with the PDTC on the Listing Date. The applicant may request to receive share certificates evidencing such applicant's investment in the Offer Shares through his/her broker after the Listing Date. Any expense to be incurred for such issuance of certificates shall be borne by the applicant.
Restrictions on Ownership	The Offer Shares may be purchased and owned by any person or entity regardless of citizenship or nationality, subject to any applicable nationality limits under Philippine law. The Philippine Constitution also limits foreign equity ownership in companies owning land to 40 per cent of the companies' capital stock. As of the date of this Prospectus, the Company does not own land. Thus, it is currently not subject to any foreign ownership limits.

	If and to the extent that the Company acquires land, foreign ownership in its capital stock will be limited to a maximum of 40% of its issued and outstanding capital stock.[4] For more information relating to restrictions on the ownership of the Shares, please see "*Description of Shares*" and "*Regulatory and Environmental Matters – Foreign Investment Laws and Restrictions*." In the event that foreign ownership of the Company's outstanding capital stock will exceed such allowable maximum percentage, the Company has the right to reject a transfer request by a stockholder to persons other than Philippine Nationals and the right not to record such purchases in the Company's books. Moreover, if any share is inadvertently issued and/or transferred in violation of the said restriction, the shares issued and/or transferred in excess of the allowable maximum percentage shall be null and void, and the Company may immediately proceed to cancel and demand the surrender of the certificate of stock covering such shares. Should any stockholder acquire shares in excess of the foregoing restriction, such stockholder shall not be considered a stockholder and shall have no right with respect to such shares except to demand payment therefore from the Company or transferor, as the case may be, or to dispose of the same to qualified shareholders within thirty (30) calendar days of receipt of notice from us. Foreign investors interested in subscribing or purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence, or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, shall represent and warrant, through the Application, that their purchase of the Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase, and hold the Offer Shares. The Company owns certain real estate in the Philippines. As such, foreign equity in the Company cannot exceed 40% of the total outstanding capital stock.
Registration of Foreign Investments	The BSP requires that investments in shares of stock funded by inward remittance of foreign currency be registered with the BSP only if the foreign exchange needed to service capital repatriation or dividend remittance will be sourced from the Philippine banking system. The registration with the BSP of all

[4] On June 30, 2024, the Company executed a Deed of Sale of Land, Building and Improvements transferring three parcels of land that it owned ((i) 271 sqm parcel of land located in Cebu City; (ii) 120 sqm lot located in Brgy. Tamiao, Municipality of Compostela and (iii) 150 sqm parcel of land located in Brgy. Tayud, Municipality of Consolacion) to Topline Equity Corporation. The parties are processing the transfer of title in the name of TEC with the relevant Registry of Deeds.

	foreign investments in the Offer Shares shall be the responsibility of the foreign investor. See the "*Philippine Foreign Exchange and Foreign Ownership Controls*" section of this Prospectus.
Tax Considerations	See the "*Philippine Taxation*" section of this Prospectus for further information on the Philippine tax consequences of the purchase, ownership and disposal of the Offer Shares.
Procedure for Application for the Trading Participants and Retail Offer	The Offer Period shall commence at 9:00 a.m. on [October 28, 2024] and shall end at 12:00 noon on [November 5, 2024]. If, for any reason, any day of the Offer Period is a non-Business Day, then the Offer Period may be extended to the next immediately succeeding Business Day, or such other date as may be agreed upon by the Company and the Joint Lead Underwriters. The Company and the Joint Lead Underwriters reserve the right to extend, shorten (provided that the Offer Period shall not be shorter than five (5) Business Days), or terminate the Offer Period, subject to the approval of the SEC and the PSE. Applications must be received by the Receiving Agent for PSE Trading Participant applications or through PSE EASy for LSI applications, as applicable, no later than 12:00 noon on [November 4, 2024] and shall be subject to the terms and conditions of the Offer as stated in the Prospectus and in the Application. Applications received thereafter or without the required documents will be rejected. <u>For PSE Trading Participants</u> Application forms to purchase the Trading Participants Offer Shares and signature cards may be obtained from the Joint Lead Underwriters or any participating PSE Trading Participant. Application forms will also be made available for download on the Company's website. Applicants shall complete the application form, indicating all pertinent information, such as the applicant's name, address, contact number, taxpayer's identification number, citizenship and all other information required in the application form. Applicants shall undertake to sign all documents and to do all necessary acts to enable them to be registered as holders of the Trading Participants Offer Shares. Failure to complete the application form may result in the rejection of the application. Applications must be received by the Receiving Agent not later than 12:00 noon on [October 30, 2024]. Applications received thereafter or without the required documents will be rejected. Applications shall be considered irrevocable upon submission to the Receiving Agent and once received, may not be withdrawn by the applicant. Applications shall be subject to the

	terms and conditions of the Offer as stated in this Prospectus and in the Application. All applications shall be evidenced by the application to purchase form, in quadruplicate, duly executed in each case by an authorized signatory of the applicant and accompanied by (i) two (2) completed signature cards, which for applicants who are corporations, partnerships or trust accounts, should be authenticated by the corporate secretary (or equivalent officer), (ii) photocopy of two (2) valid and current government-issued IDs of each of the applicant's signatories in the application, (iii) such other documents as may be reasonably required by the Joint Lead Underwriters or the Selling Agent in compliance with its internal policies regarding "knowing your customer" and anti-money laundering and (iv) the corresponding payment for the Trading Participants Offer Shares covered by the application and all other required documents. If the applicant is a corporation, partnership or trust account, the application must be accompanied by the following documents: • Two (2) duly executed specimen signature cards of the authorized signatory(ies), duly authenticated by the applicant's Corporate Secretary (or the equivalent corporate officer); • A certified true copy of the applicant's latest articles of incorporation and by-laws (or equivalent document) and other constitutive documents (each as amended to date) duly certified by its corporate secretary (or equivalent corporate officer authorized to provide such certification); • A certified true copy of the applicant's SEC certificate of registration (or the equivalent document) issued by the relevant regulating body of the applicant's country of incorporation or organization duly certified by its Corporate Secretary (or the equivalent officer authorized to provide such certification); • A duly notarized Corporate Secretary's Certificate (or the equivalent document) setting forth the resolutions of the applicant's board of directors or equivalent body, namely: (i) authorizing the purchase of the Offer Shares indicated in the application, (ii) identifying the list of designated signatory(ies) authorized for the purpose mentioned in (i), including each signatory's specimen signature, (iii) certifying the percentage of the applicant's capital or capital stock held by Philippine nationals; and certifying its designated email address for all communications with the Issuer; • A photocopy of two (2) valid and current government-issued IDs of (a) the authorized signatory/ies, duly

	certified as a true copy by the Corporate Secretary (or the equivalent corporate officer) and (b) the Corporate Secretary, duly certified as true copy by an authorized officer of the corporation; and • such other documents as may be reasonably required by the Joint Lead Underwriters or the relevant Selling Agent (as applicable) in compliance with its internal policies regarding "knowing your customer", anti-money laundering, and combating the financing of terrorism. • Foreign corporate and institutional applicants who qualify as eligible investors, in addition to the documents listed above, are required to submit in quadruplicate, a document signed by an authorized signatory setting out their representation and warranty stating that their purchase of the Trading Participants Offer Shares to which their application relates will not violate the laws of their jurisdictions of incorporation or organization, and that they are allowed, under such laws, to acquire, purchase and hold the Trading Participants Offer Shares. This should be read in conjunction with the Company's TP Guidelines which will be published on the PSE EDGE website prior to the start of the Offer Period. <u>For Local Small Investors</u> With respect to the LSIs, applications to purchase the Retail Offer Shares must be done online through PSE EASy. The system will generate a unique reference number and payment instructions. LSI applications and payments must be completed and settled, respectively, by 12:00 noon on [●] for check payments and by 1:00 p.m. on [●] for cash payments ("Retail Offer Settlement Date"). Further information about the Company, details about the Offer, instructions for subscribing through PSE EASy, payment terms and the list of PSE Trading Participants where LSI applicants may open trading accounts for the lodgment of the LSI applicant's Retail Offer Shares will be made available in the online IPO information center. The link to the online information center will be made available on the Company's website in due course and in the Company's LSI Guidelines which will be published on the PSE EDGE website prior to the start of the Offer Period. An LSI applicant should nominate in the application the PSE Trading Participant through which its shares will be lodged. Otherwise, the LSI application shall not be accepted. In the event that an LSI applicant does not have a PSE Trading Participant, the LSI applicant may open a trade account with [●] and nominate said entity as its endorsing PSE Trading

	Participant by accomplishing an account opening form and submitting the same (done through [●] and by clicking on "**Open an Account**"), together with any required attachments prior to the submission of the LSI application. LSI applications will be processed on a first-come, first-served basis, while final allocation of the Retail Offer Shares will be determined pursuant to allocation mechanics. This section should be read in conjunction with the Company's LSI Guidelines which will be published on the PSE EDGE website prior to the start of the Offer Period.
Payment Terms for the PSE Trading Participants	The purchase price must be paid in full in Philippine Pesos upon the submission of the duly completed and signed application form and signature cards together with the requisite attachments. Any and all bank charges, remittance fees, and all relative charges and fees shall be for the account of the applicant. For the Trading Participants Offer, payment for the Offer Shares shall be made through (i) over-the-counter cash or check deposit payment in any [●] branch via Bills Payment under the merchant account "TOP IPO"; (ii) online payment via [●] Bills Payment, with "TOP IPO" as the merchant's name through online banking or mobile banking; or (iii) any other mode of payment prescribed by the Receiving Agent. For LSIs, payment for the Offer Shares shall be made either by: (i) over-the-counter cash or check deposit payment in any [●] branch via Bills Payment under the merchant account "TOP IPO", or (ii) online payment via [•] Bills Payment with "TOP IPO" as the merchant's name through online banking or mobile banking. LSI applicants may contact the Receiving Agent for alternative modes of payment. For check payments, only personal or corporate checks, and manager's or cashier's checks with a clearing period of not more than one (1) Business Day and drawn against any BSP authorized agent bank will be accepted as a valid mode of payment. The check must be dated as of the date of submission of the Application, made payable to "TOP IPO", and crossed "Payee's Account Only". Checks subject to clearing periods of over one (1) Business Day shall not be accepted. As applicable, the applications and required documents (including proofs of payment) shall be transmitted to the Receiving Agent via email at [●] on or before the end of the Offer Period, with the physical copies delivered to the Receiving Agent's address at 34th Floor, Unit-D, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City no later than 12:00 noon, five (5) Business Days after the end of the Offer Period.

	For more details on the procedures for the application to the Offer, please refer to the Company's LSI Guidelines and TP Guidelines which will be published on the PSE EDGE website prior to the start of the Offer Period.
Acceptance/ Rejection of Applications	An Application, once accepted and approved by the Issuer through the Receiving Agent and in conformity with the Joint Lead Underwriters shall constitute a binding and effective agreement between the applicant and the Company and the Selling Shareholder for the subscription to or purchase of the Offer Shares in the number approved by the Issuer at the time, notwithstanding any provision to the contrary as may be found in the Application, this Prospectus, and other offer-related document and subject to (a) the conditions set forth therein; (b) receipt by the Issuer of the appropriate payment in good cleared funds from the applicant; (c) the successful listing of the Offer Shares on the PSE; and (d) upon the underwriting and purchase obligations of the Joint Lead Underwriters becoming unconditional and not being suspended, terminated or cancelled, on or before such listing. Notwithstanding the acceptance of any Application, the actual issuance of the Offer Shares to an applicant shall take place only upon the listing of the Offer Shares on the PSE. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to Listing Date pursuant to the Withdrawal of the Offer section of the Prospectus, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date. Subject to the paragraph below, all applications accepted by the Company may not be unilaterally revoked or canceled by the applicant or the Company, in full or in part, and the rights and privileges pertaining thereto are non-transferable. The Joint Lead Underwriters shall accept, reduce, or reject Applications to Purchase on behalf of and in consultation with the Company in accordance with the following provisions. (1) Applications may be rejected if (i) the subscription price is unpaid or not fully paid; (ii) payments are insufficient or where checks, as applicable, are dishonored upon first presentment; (iii) the Applications are not received by the Receiving Agent, the Joint Lead Underwriters, or the Selling Agent on or before the end of the Offer Period, or without the required documents, or there is failure to complete the Application to Purchase Form; (iv) the number of Offer Shares applied for subscription or purchase is less than the minimum amount of subscription or

	purchase; (v) the Applications do not comply with the terms of the Offer; (vi) the sale of the Offer Shares will result in a violation of foreign ownership restrictions; (vii) the applicants are not eligible investors; (viii) the Applications do not have sufficient information as required in the Application to Purchase or are not supported by the required documents; or (ix) the underwriting agreement is suspended, terminated, or cancelled on or before the Listing Date; or (x) the Applications suffer from some other defect or infirmity under applicable law. Applications with checks dishonored upon first presentation and application forms which do not comply with the terms of the Offer will automatically be rejected. **(2)** Applications may be reduced if the Offer is oversubscribed, in which case the number of Offer Shares covered by the Applications may be reduced pro rata or in accordance with such other methodology adopted by the Joint Lead Underwriters. Any payment received pursuant to the application should not be construed as an approval or acceptance by the Issuer of the application. Submission of the completed Application to Purchase to the relevant Selling Agent or the Joint Lead Underwriters shall constitute an instruction and authority by the applicant to the Company, the Selling Shareholder, and/or the Joint Lead Underwriters to execute any application form or other documents and generally to do all such other things as the Company, the Selling Shareholder, and/or the Joint Lead Underwriters may consider necessary or desirable to effect the registration in the name of the applicant of the Offer Shares applied for, or any lesser number in respect of which an Application may be accepted in the Stock and Transfer Book of the Company. The applicant shall undertake to sign all documents and to do all other acts necessary to enable the applicant to be registered as the owner of the Offer Shares applied for or any lesser number in respect of which the Application may be accepted, subject to the Articles of Incorporation and By-laws of the Company, and the laws of the Republic of the Philippines.
Withdrawal of the Offer	Before the execution of the underwriting agreements, the Offer may be withdrawn at any time, in which event the Company shall make the necessary disclosures to the SEC and PSE. At any time (i) after the execution of the underwriting agreements and before the commencement of the Offer Period, and (ii) on or after the commencement of the Offer Period and prior to the Listing Date, the Offer may be withdrawn due to

	the occurrence of any of the events listed below due to conditions beyond the Company’s and/or Joint Lead Underwriters’ control: • An outbreak or escalation of hostilities or acts of terrorism involving the Philippines or a declaration by the Philippines of a state of war; or occurrence of any event or change (whether or not forming part of a series of events occurring before, on and/or after the date hereof) of a political, military, economic or other nature; or occurrence of any change in local, national or international financial, political, economic or stock market conditions which renders it impracticable or inadvisable to continue with the Offer and/or listing of the Offer Shares in the manner contemplated by the Prospectus, or would have a material and adverse effect on the Philippine economy or on the securities or other financial or currency markets of the Philippines or on the distribution, offer and sale of the Offer Shares in the Philippines, rendering it impracticable or inadvisable to proceed with the Offer in the manner contemplated by the Prospectus, provided that for the avoidance of doubt, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Company’s or the Joint Lead Underwriters inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Company, the Joint Lead Underwriters, or any other entity/ person to take up any shares remaining after the Offer Period; • Issuance of an order revoking, cancelling, suspending, preventing or terminating the offer, sale, distribution or listing of the Offer Shares by any court or governmental agency or authority with jurisdiction on the matter, the BSP, the Philippine SEC or the PSE; • Cancellation, revocation or termination of the PSE Notice of Approval, the Philippine SEC pre-effective clearance, the SEC Order of Registration, or the Philippine SEC Permit to Sell; • Cancellation or suspension of trading in the PSE for at least three (3) consecutive trading days, or in such manner or for such period as will render impracticable the listing and trading of the Offer Shares on the Listing Date or such other date as may be approved by PSE; • A change or impending change in the law, rule, regulation, policy or administrative practice, or a ruling, interpretation, decree or order which (i) materially and adversely affects: (a) the ability of the

	Company to engage in the business it is presently engaged in; or (b) the capacity and due authorization of the Company to offer and issue the Offer Shares and enter into the transaction documents in connection with the Offer, or (ii) would render illegal the performance by the Joint Lead Underwriters of its underwriting obligations hereunder; • Any significant, adverse, and unforeseeable change or development in the Company's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, which renders the Offer Shares unsuitable for offering to the public; • The Company decides to or is compelled to stop its operations which is not remedied within five (5) business days; • The Company shall be adjudicated bankrupt or insolvent, or shall admit in writing its inability to pay its debts as they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or assignment with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or (ii) the Company shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or (iii) such receiver, trustee or similar officer shall be appointed; or (iv) the Company shall initiate or institute (by petition, application or otherwise howsoever), or consent to the institution of any bankruptcy, insolvency, reorganization, rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or (v) any such proceeding shall be instituted against the Company; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material asset, or material part thereof, of the Company; or (vi) any event occurs which under the laws of the Philippines or to other jurisdictions, or any applicable political subdivision thereof, has an effect equivalent to any of the foregoing; • A general banking moratorium is declared in the Philippines or a material disruption in commercial banking or securities settlement or clearance services occurs in the Philippines; • Any court proceeding, litigation, arbitration or other similar proceeding is commenced or threatened against the Joint Lead Underwriters in connection with or with respect to the issuance or sale by the

	Company of the Offer Shares or the Offer in general which renders the performance of their underwriting commitment impossible or impracticable; • Any event occurs which makes it impossible for any of the Joint Lead Underwriters to perform its underwriting obligation due to conditions beyond its control, such as issuance by any court, arbitral tribunal, or government agency which has jurisdiction on the matter of an order restraining or prohibiting the Joint Lead Underwriters, or directing the Joint Lead Underwriters to cease, from performing their underwriting obligations; • Any representation, warranty or statement of the Company in the Prospectus shall prove to be untrue or misleading in any material respect or the Company shall be proven to have omitted a material fact necessary in order to make the statements in the Prospectus not misleading, which untruth or omission: (a) was not known and could not have been known to the Joint Lead Underwriters on or before commencement of the Offer Period despite the exercise of due diligence, and (b) has a material and adverse effect on the Company's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability; • Unavailability of PDTC and PSE facilities used for the Offer and/or listing of the Offer Shares and such unavailability impacts the ability of the Issuer and Joint Lead Underwriters to fully comply with the listing requirements of PSE; and • Any force majeure event, other than the ones enumerated above, that has material and adverse effect on the Company's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability. After the commencement of the Offer Period, the Company shall not withdraw, cancel, suspend, or terminate the Offer solely by reason of the Company's or the Joint Lead Underwriters' inability to sell or market the Offer Shares or refusal or failure to comply with any commitment by the Company, the Joint Lead Underwriters, or any other entity/person to take up any shares remaining after the Offer Period for any reason other than any event which may be a valid cause for the withdrawal of the Offer. Notwithstanding the acceptance of any Application, the actual issuance of the Offer Shares to an applicant shall take place only upon the listing of the Offer Shares on the PSE. Subject to the foregoing withdrawal and termination discussion, the Company and any of its agents involved in the Offer undertake

	to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date. The PSE is a self-regulatory organization with a mandate to maintain a fair and orderly market. In this regard, the PSE may impose appropriate and reasonable sanctions and penalties on the relevant party, in accordance with applicable rules and regulations, if the PSE determines that the cancellation or termination of the offer and/or the underwriting commitment or the underwriting agreement was not warranted based on the facts gathered by PSE and as properly evaluated by the PSE after due and proper proceedings initiated by the PSE not later than five (5) banking days after such cancellation or termination.
Refunds for the Offer	In the event that the number of Trading Participants and Retail Offer Shares to be received by an Applicant, as confirmed by the Company, the Receiving Agent, and the Joint Lead Underwriters, is less than the number covered by its application, or if an application is rejected, then the Applicant is entitled to a refund, without interest, within five (5) banking days from the end of the Offer Period, of all or a portion of the payment corresponding to the number of Trading Participants and Retail Offer Shares wholly or partially rejected. Subject to the final mechanics to be included in the LSI Guidelines, refunds to Local Small Investors, if any, may be coursed directly through their nominated PSE Trading Participant (subject to confirmation of such PSE Trading Participant). Such refunds will be processed by the Receiving Agent directly to the nominated PSE Trading Participant by transferring immediately available funds to the relevant bank account of, or via check to, each relevant nominated PSE Trading Participant consenting to such refund arrangement in such amount representing the total refund due to all the clients of the relevant PSE Trading Participant on or before the fifth (5^{th}) Business Day after the end of the Offer Period or on [November 12, 2024]. The affected LSI applicants may coordinate directly with their respective nominated PSE Trading Participant, as indicated in the submitted LSI Application. All refunds shall be made through the Receiving Agent at the applicant's risk. If check refunds are not claimed after thirty (30) calendar days following the beginning of the refund period, such checks shall be mailed to the applicant's registered address at the applicant's risk.
Registration and Lodgment of Shares with PDTC	The Offer Shares purchased by Applicants will be lodged with the Philippine Depository and Trust Corp. ("**PDTC**").

<table>
<tr><td></td><td>The Applicant must provide the required information in the Application for the PDTC lodgment of the Offer Shares. The Offer Shares will be lodged with the PDTC at least three (3) trading days prior to the Listing Date.</td></tr>
<tr><td>Expected Timetable</td><td>The timetable of the Offer is expected to be as follows:

<table>
<tr><td>Book-building Period</td><td>October 7 – 18, 2024</td></tr>
<tr><td>Price Setting Date</td><td>October 21, 2024</td></tr>
<tr><td>Notice of Final Offer Price to the SEC and PSE</td><td>October 22, 2024</td></tr>
<tr><td>Start of the Offer Period</td><td>October 28, 2024</td></tr>
<tr><td>Submission of Firm Order and Commitments by PSE Trading Participant</td><td>October 30, 2024</td></tr>
<tr><td>End of the Offer Period</td><td>November 5, 2024</td></tr>
<tr><td>Listing Date</td><td>November 15, 2024</td></tr>
</table>

The dates included above are subject to the approval of the PSE and the SEC, subject to market and other conditions, and may be changed at the discretion of the Company, and Lead Underwriter, subject to the approval of the SEC and PSE.</td></tr>
<tr><td>Risks of Investing</td><td>Before making an investment decision, prospective investors should carefully consider the risks associated with an investment in the Offer Shares. Certain of these risks are discussed in the section entitled “Risk Factors” and include risks relating to the Company’s business, risks relating to the Philippines risks relating to the Offer and the Offer Shares, and risks relating to certain statistical information in this Prospectus.</td></tr>
</table>

SUMMARY OF FINANCIAL INFORMATION

The following tables present the summary of financial information and should be read in conjunction with the independent auditor's reports and the Company's financial statements, including the notes thereto, included elsewhere in this Prospectus, and the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*". The summary financial information as of, and for the years ended December 31, 2021, 2022, 2023, and for the period ended June 30, 2024 were derived from the Company's consolidated audited financial statements, which were prepared in accordance with PFRS. The Company's financial statements for the years ended December 31, 2021, 2022, and 2023 and for the period ended June 30, 2024 were audited by MOORE RT&CO in accordance with the PSA. The summary financial information presented below for the years ended December 31, 2021, 2022, 2023, and for the period ended June 30, 2024 were derived from the Company's consolidated audited financial statements.

The summary financial information below is not necessarily indicative of the results of future operations.

STATEMENTS OF CONSOLIDATED FINANCIAL POSITION (All amounts in thousands Philippine Pesos)				
	Audited			
	For the years ended December 31			**For the six months ended June 30**
	2021	**2022**	**2023**	**2024**
ASSETS				
Cash	43,706	659,115	123,841	102,928
Trade and other receivables	253,557	150,482	325,536	517,398
Inventories	-	4,323	106,590	74,740
Due from related parties	104,215	490,244	90,447	202,782
Deposit for asset purchase	164,500	-	-	-
Prepayments and other current assets	229,331	430,278	730,166	827,831
Total Current Assets	**795,309**	**1,734,443**	**1,376,579**	**1,725,680**
Property and equipment, net	318,696	424,323	910,471	920,498
Right-of-use (ROU) asset, net	325	24,078	-	8,114
Intangible assets, net	1,623	1,601	534	503.0
Deferred tax asset	10	175	-	1,796
Other noncurrent assets	399	3,705	3,465	4,403
Total Noncurrent Assets	**321,053**	**453,882**	**914,469**	**935,315**
TOTAL ASSETS	**1,116,362**	**2,188,325**	**2,291,049**	**2,660,994**
LIABILITIES AND EQUITY				
Trade and other payables	17,058	13,433	25,999	56,514
Loans payable, current	692,262	1,071,228	1,236,730	1,403,311
Mortgage payable, current	7,950	11,461	2,750	2,359
Lease liability, current	346	2,094	-	660
Due to related parties	41,672	-	-	
Income tax payable	16,448.5	8,370	19,355	16,941
Total Current Liabilities	**775,737**	**1,106,586**	**1,284,833**	**1,479,785**
Loans payable, net of current	60,000	190,870	172,981	209,819
Mortgage payable, net of current	37,240	31,125	22,932	23,039
Lease liability, net of current	-	22,465	-	7,495
Deposit for stock subscription	-	441,159	-	-
Total Noncurrent Liabilities	**97,240**	**685,619**	**195,913**	**240,353**

STATEMENTS OF CONSOLIDATED FINANCIAL POSITION (All amounts in thousands Philippine Pesos)				
	Audited			
	For the years ended December 31			For the six months ended June 30
	2021	2022	2023	2024
Total Liabilities	**872,977**	**1,792,205**	**1,480,747**	**1,720,138**
Share Capital	158,000	250,000	250,000	859,375
Deposit for stock subscription	-	-	367,500	-
Retained earnings	75,550	135,215	193,939	82,667
Total Equity Attributable to Equity Holders of the Parent Company	**233,550**	**385,215**	**811,439**	**942,042**
Non-controlling interests	9,835	10,905	(1,137)	(1,186)
Total Equity	**243,385**	**396,120**	**810,302**	**940,856**
TOTAL LIABILITIES AND EQUITY	**1,116,362**	**2,188,325**	**2,291,049**	**2,660,994**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (All amounts in thousands Philippine Pesos)					
	Audited				
	For the years ended December 31			For the six months period ended June 30	
	2021	2022	2023	2023	2024
Fuel Distribution	1,286,925	2,156,082	2,860,458	1,352,729	1,564,733
Restaurant Operations	4,936	11,684	15,572	7,557	-
Non-Fuel	-	-	48	13	49
Rental Income	611	-	-	-	-
Sales And Service Income	**1,292,471**	**2,167,765**	**2,876,077**	**1,360,299**	**1,564,782**
Cost Of Sales And Other Direct Costs	1,134,030	1,984,710	2,633,470	1,263,993	1,430,910
Gross Income	**158,442**	**183,055**	**242,607**	**96,306**	**133,871**
Other Income	1,197	1,398	18,081	137	63,609
General And Administrative Expenses	39,813	46,448	70,543	33,336	63,521
Interest Expense	33,357	55,487	85,913	35,413	53,247
Interest Income	16	66	139	19	29
Income Before Income Tax	**86,485**	**82,585**	**104,370**	**27,712**	**80,741**
Provision For Income Tax					
Current	(20,505)	(20,821)	(25,979)	(8,165)	(21,983)
Deferred	(1,267)	165	(175)	1,242	1,796
	(21,772)	(20,656)	(26,154)	(6,924)	(20,187)
Net Income	**64,713**	**61,929**	**78,217**	**20,789**	**60,554**
Other Comprehensive Income					
Total Comprehensive Income	**64,713**	**61,929**	**78,217**	**20,789**	**60,554**
Net Income Attributable To:					
Equity Holders Of The Parent Company	61,314	61,840	78,202	20,821	60,603
Non-Controlling Interests	3,399	89	14	(32)	(49)
	64,713	**61,929**	**78,217**	**20,789**	**60,554**
Net Income Attributable To:					
Equity Holders Of The Parent Company	61,314	61,840	78,202	20,821	60,603
Non-Controlling Interests	3,399	89	14	(32)	(49)
	64,713	**61,929**	**78,217**	**20,789**	**60,554**

STATEMENTS OF CASH FLOWS (All amounts in thousands Philippine Pesos)	**Audited**				
	For the years ended December 31			**For the six month ended June 30**	
	2021	**2022**	**2023**	**2023**	**2024**
Net cash provided by (used in) operating activities	(330,458)	16,426	(852,114)	(324,872)	(119,944)
Net cash used in investing activities	(125,633)	(323,866)	(464,143)	136,321	(120,548)
Net cash provided by financing activities	489,627	922,849	780,983	117,210	219,580
NET INCREASE IN CASH	**33,536**	**615,409**	**(535,274)**	**(71,341)**	**(20,912)**
CASH AT JANUARY 1	10,170	43,706	659,115	144,310	123,841
CASH AT DECEMBER 31	**43,706**	**659,115**	**123,841**	**72,968**	**102,928**

Key Financial and Operating Ratios					
	For the years ended December 31,			**For the six months ended June 30**	
	2021	**2022**	**2023**	**2023**	**2024**
Current Ratio [5]	1.0	1.6	1.1	1.1	1.2
Debt to Equity Ratio[6]	3.6	4.5	1.8	1.8	1.8
Gross Profit Margin (%)[7]	12.3%	8.4%	8.4%	7.1%	8.6%
Before Tax Return on Sales (%)[8]	6.7%	3.8%	3.6%	2.0%	5.2%
Earnings per Share[9]	25.89	24.77	31.29	8.32	0.01
Earnings before Interest, Taxes, Depreciation & Amortization[10]	128,003	152,540	206,235	71.011	152,401
Return on Equity[11]	37.3%	29.3%	24.5%	3.4%	6.9%

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5 Current Assets / Current Liabilities
6 Total Liabilities/Stockholders' Equity
7 Gross Profit/Revenues
8 Profit Before Tax/Revenues
9 Net Income/Outstanding Shares
10 Net Income plus Interest Expenses, Provision for Income Tax, Depreciation and Amortization
11 Net Income / Average Stockholders' Equity

RISK FACTORS

An investment in the Offer Shares involves a number of risks. The price of securities can and does fluctuate, and any individual security is likely to experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. Past performance is not indicative of future performance and results, and there may be a large difference between the buying price and the selling price of any security. For investors that deal in a range of investments, each investment carries a different level of risk.

The risk factor discussed in this section does not purport to disclose all of the risks and other significant aspects of investing in the Offer Shares. Additional risks and uncertainties not currently known to it or those it currently views to be immaterial may also materially and adversely affects our business, financial conditions or results of operations. Investors should undertake independent research and study the trading of securities before commencing any trading activity. Investors should seek professional advice regarding any aspect of the securities such as the nature of risks involved in the trading of securities, and specifically those of high-risk securities. Each Investor should also seek professional advice if he or she is uncertain of, or has not understood any aspect of, the securities to be invested in or the nature of risks involved in the trading of securities. Investors may request publicly available information on the Common Shares and the Company from the SEC.

The risk factors discussed in this section are of equal importance and are separated into categories for ease of reference only. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks or of the scope of any potential harm to our business, results of operations, financial condition and prospects. The means by which TOP intends to address the risk factors discussed herein are principally presented under the sections "*Business*", "*Management's Discussion and Analysis (MD&A) and Plan of Operation*", "*Industry*", and "*Board of Directors and Senior Management—Corporate Governance*" of the Prospectus.

RISKS RELATING TO THE COMPANY AND ITS BUSINESS

Volatility of petroleum product prices may have material adverse effects on the Company's business, operational results, and financial condition

The Company's financial results are primarily affected by the relationship, or margin, between the prices for its refined petroleum products and the prices for crude oil that is the main raw material for these refined petroleum products. As of June 30, 2024, fuel and lubricant costs account for 99.72% of the Company's total cost of goods sold. A number of domestic and international factors influence the price of petroleum products, including, but not limited to, the changes in global supply and demand for crude oil, economic conditions, conflicts or acts of terrorism, weather conditions, and domestic and foreign governmental regulation as well as other factors over which the Company has no control.

Excessive volatility due to geopolitical tensions

In February 2022, Russia launched a large-scale military action against Ukraine, causing oil supply issues and an ongoing humanitarian crisis in Europe. In response, the European Union, United States, United Kingdom, and other jurisdictions imposed, and may further impose, financial and economic sanctions and export controls against Russia. This significantly disrupted global commodity and financial markets, leading to high volatility in prices, with Dubai crude averaging $113 per barrel in June 2022, a $44 per barrel increase in just six months. The increase in energy, oil, gas, and raw material prices resulted in high inflation and interest rates, threatening global economic activity and oil demand. These economic concerns led to a drop in crude prices in the second half of 2022, with Dubai crude falling by more than $30 per barrel to $77 per barrel in December.

Furthermore, volatility in product cracks may arise from changes in the supply and demand balance due to seasonal effects, disruptions in global refinery runs from natural calamities or unplanned shutdowns, slower demand recovery or growth, geopolitical and other macro-economic factors, and changes in the price trends of fuel substitutes such as coal or natural gas versus diesel. In 2022, similar to crude, product cracks were volatile due to the Russia-Ukraine war, particularly affecting diesel, as Russia is a major exporter. Product cracks rose to historical highs in the first half of 2022, with gasoline and diesel cracks peaking at $42 per barrel and $64 per barrel, respectively. However, reduced economic activity in the second half of the year capped these gains, with gasoline cracks dropping to as low as $4 per barrel in October 2022 and diesel cracks easing to $37 per barrel in December 2022. An escalation of the conflict between Russia and Ukraine or other global developments that threaten the supply and demand situation for oil will continue to impact global markets and oil prices, affecting the Company's financial performance.

Company Holding Period for Liquid Fuel

Additionally, a sharp rise in crude oil prices would increase the Company's need for short-term financing for working capital and may result in higher financing costs. Any difficulties in securing short-term financing or unfavorable pricing terms may have a material adverse effect on the Company's financial condition and operational results.

To minimize the risk of potential losses due to volatility in international crude and product prices, the Company actively monitors international and domestic market fuel prices. This, combined with maintaining inventory levels of 15 to 20 days provides the flexibility to adjust and align product pricing closely with prevailing market rates. Following industry practice, prices for the upcoming week are determined based on the world market price of fuel from the immediately preceding week. This approach enables the Company to anticipate price movements and plan contingencies to manage the disposition of existing inventory to various distributors and wholesalers as necessary. Additionally, the Company generally has the ability to pass on its costs to retail customers, effectively ensuring sufficient margins even amid fluctuating crude oil prices.

Furthermore, the Company employs price hedging strategies. These strategies are designed to lock in prices and stabilize costs over a specified period, providing a buffer against sudden market fluctuations.

The Company's business, operational results, and financial condition may be affected by intense competition in the downstream oil industry.

The Company faces intense competition at multinational, national, regional, and local levels in the sale of refined petroleum products and related items in the Philippines. This competition is primarily driven by price, as oil is a commodified product. Price differentials among industry players arise from differences in product specifications and various overhead costs, including transportation, distribution, and marketing expenses. Major competitors such as Petron, Shell, and Chevron have significantly greater financial and operational resources, and access to capital, potentially enabling them to dictate domestic marketing and selling conditions to the detriment of the Company. Additionally, the increasing number of new sponsor-driven independent oil entrants may intensify competition in the downstream oil industry in the long term.

Given that competition is mainly price-driven, the Company's business, operational, and financial conditions may be materially affected if it is unable to compete effectively. Success will depend on the Company's ability to manage overhead costs, streamline transportation and distribution expenses, maximize asset and operational utilization, and effectively hedge against oil price fluctuations.

To mitigate competition risk, the Company continuously strengthens and expands its distribution network to enhance its presence in both growing and high-potential markets. The Company invests in building brand equity to ensure consistent recognition and recall by its target market and aims to improve customer service to a level on par with or superior to its competitors. Additionally, the Company seeks to broaden its product and service offerings to cater to a wider market, including retail customers with higher purchasing power.

Unexpected surges in COVID-19, complications, or outbreaks of other highly infectious diseases may materially and adversely impact the Company's business, operational results, and financial condition. Moreover, the ongoing effects of the COVID-19 pandemic may continue to disrupt the Philippine and global economy, financial markets, and the Company's financial performance.

Infectious disease outbreaks, such as the COVID-19 pandemic in 2020, have created significant public health concerns, economic disruption, uncertainty, and volatility, all of which have impacted and may continue to impact the Company's businesses. While the Company has experience in managing operations throughout a pandemic, the duration and extent of the impact are beyond the Company's control.

Due to various uncertainties and factors beyond the Company's control, predicting the impact of global disease outbreaks on the Company, its businesses, results of operations, cash flows, and financial condition may be challenging. These factors and uncertainties include, but are not limited to:

- The severity and duration of any pandemic, including the possibility of subsequent waves or increases in cases in areas where the Company operates.
- The extent and timeliness of the national and local government responses.
- Restrictions on business operations, including complete or partial closures of offices, plants, and other facilities.
- Economic measures, fiscal policy changes, or other government actions.
- The health of the Company's personnel and the Company's ability to maintain staffing to sustain operations.
- Evolving macroeconomic factors, including general economic uncertainty, unemployment rates, and recessionary pressures.
- Financial, operational, or other impacts on the Company's supply chain, including suppliers and third-party contractors.
- Volatility in credit and financial markets.
- Potential litigation or claims from customers, suppliers, regulators, or other third parties.
- The pace of economic recovery.

The aforementioned factors and uncertainties may result in adverse impacts on the Company's businesses, operations, cash flows, and financial condition, due to:

- Increased volatility in international crude and product prices and foreign exchange rates.
- Decline in consumer demand due to reduced business activity and more permanent behavioral changes, such as increased online shopping and work-from-home arrangements.
- Destabilization of markets and reduced business activity, negatively impacting customers' ability to pay for the Company's products and services.
- Government moratoriums or regulatory actions limiting pricing changes.
- Delays or inability to access equipment or personnel for maintenance, leading to operational disruptions.
- Delays in receiving necessary permits for development projects due to government shutdowns.
- Economic deterioration leading to impairments of goodwill or long-lived assets.
- Delays or inability in obtaining regulatory actions and outcomes material to the Company's business.

To mitigate the adverse impact of uncertain market developments, the Company is implementing numerous initiatives, including:

- Active market monitoring and taking proactive steps to ensure continuous operational capacity.
- Prudent cost management by prioritizing critical and necessary capital expenditures and operating expenses.
- Sustained implementation of sales support programs.
- Tight implementation of collections and receivables.
- Supply Reliability / Resilient Supply Chain Management
    - The Company pursued vertical integration across its supply chain by securing tank trucks, lorries, and a skilled workforce, providing a competitive advantage not available to others in the region.
    - The Company put in place an advanced logistics management system which enabled it to maintain supply continuity despite poor road and infrastructure conditions.

The degree to which the COVID-19 pandemic or future outbreaks of contagious diseases will impact the Company depends on future developments, including the timeliness and effectiveness of actions taken to contain and mitigate effects, which are highly uncertain and cannot be predicted. Adverse effects on the Company's business and financial results may also heighten other risks described in this Prospectus.

Failure to respond promptly and effectively to product substitutions or government-mandated product formulations may negatively impact the Company's business and future prospects

Any potential increase in oil prices and environmental concerns could incentivize the Company's customers to switch to alternative fuels such as natural gas, ethanol, and palm oil methyl ester fuel blends. If these alternative fuels become more affordable and accessible than petroleum products, customers may transition away from petroleum to these alternatives, which are not offered by the Company, resulting in lower sales volumes. Additionally, recent regulations by the Philippine government mandate the inclusion of a specified percentage of alternative fuels in gasoline and diesel fuels sold or distributed by every oil company in the Philippines, with the possibility of future increases in these requirements. As the Company procures all of its product requirements, failure to respond quickly and effectively to identify and acquire relevant alternative fuels in line with market demands or governmental regulations could adversely affect its business and prospects.

The Company aims to mitigate this by continuing to explore potential investments in alternative fuels to complement its current product portfolio and adapt to changes in consumer preferences. Notably, TOP is also installing EV charging stations in select Light Fuels stations to ensure that the Company maintains its competitive edge as consumers shift to electric vehicles.

The Company requires significant capital expenditures and financing for its business, which are subject to a number of risks and uncertainties. If the Company is unable to obtain additional capital on acceptable terms when needed, its growth prospects and future profitability may be adversely affected.

The Company's business is capital intensive, particularly for importing, storing, and distributing petroleum products, which require substantial capital. Significant capital resources are necessary to fund trading operations, maintain, renew, and replace operating assets and infrastructure, and improve operational efficiency. Additionally, further growth and expansion into new markets and business areas will necessitate increased capital expenditure, thereby increasing the Company's funding requirements.

If the Company is unable to obtain financing on a timely basis and at a reasonable cost, it may not be able to pursue further growth, implement planned policies, or seize new opportunities as they arise. This would restrict the Company's ability to grow and may, over time, reduce the quality and reliability of the services provided, adversely affecting the Company's business, results of operations, and financial condition.

Historically, the Company has financed its working capital requirements and capital expenditures through a combination of internal cash flow and external financing, including bank borrowings and equity financing. The Company's ability to secure external financing in the future, and the cost of such financing, are subject to various uncertainties, including financial market conditions, potential changes in monetary policies regarding bank interest rates and lending policies, and the performance of the Company's operations.

However, the Company employs a robust system of corporate governance to manage risks related to debt and equity financing. Constant prudence is exercised in re-assessing financing activities to maintain a healthy balance sheet. This includes ongoing adjustments to the debt profile to achieve an optimal funding mix in terms of tenor, rates, and structure, allowing for maximum future growth potential. Additionally, the Company maintains favorable relationships with local creditors and investors, granting reasonable access to the financing needed for continued operations and future growth.

Any significant disruption in operations or casualty loss at the Company's storage and distribution facilities could affect its business and results of operations and result in potential liabilities

The Company's fuel distribution, storage operations, and retail gasoline stations could be adversely affected by several factors, including but not limited to equipment failure, accidents, power interruptions, human error, natural disasters, and other unforeseen incidents. Such disruptions could result in product shortages, facility shutdowns, equipment repair or replacement, increased insurance costs, personal injuries, loss of life, and unplanned inventory build-up, all of which could have a material adverse effect on the Company's business, results of operations, and financial condition.

While the Company has purchased insurance policies covering most foreseeable risks, these policies do not cover all potential losses, as insurance may not be available for all risks or on commercially reasonable terms. Operational disruptions may still occur, and insurance may not adequately cover the entire scope or extent of the losses or financial impact on the Company.

To mitigate this risk, the Company follows best practices to prevent or minimize the impact of accidents and other incidents. These measures include efforts to isolate the physical effects of any incidents (e.g., developing dispersed locations of storage depots and alternative storage arrangements), minimizing the financial impact (e.g., ensuring adequate insurance coverage), and preventing their occurrence (e.g., maintaining standard safety and maintenance procedures and an adequate security force).

Regulatory decisions and changes in applicable taxes, duties and tariffs could increase the Company's operating costs and adversely affect its business, results of operations and financial condition

The Company's operations are subject to various taxes, duties, and tariffs. The tax and duty structure of the oil industry in the Philippines has undergone significant changes in recent years. For instance, duties on the import of crude oil and petroleum products were increased from 3% to 5% on January 1, 2005, and subsequently reduced to 0% effective July 4, 2010 (except for certain types of aviation gas). Additionally, a 12% value-added tax ("**VAT**") was imposed on the sale or importation of petroleum products in 2006.

On January 1, 2018, Republic Act No. 10963, also known as the Tax Reform for Acceleration and Inclusion Law (the "**TRAIN Law**"), took effect. This law, the first package under the Philippine government's comprehensive tax reform program ("**CTRP**"), imposed a phased increase in excise taxes on petroleum products from 2018 to 2020. The increases were scheduled as follows: Php2.65- Php2- Php1 per liter per year for premium unleaded gasoline, Php2.50-Php2.00-Php1.50 per liter per year for diesel and fuel oil, Php1.00- Php1.00- Php1.00 per kilogram per year for LPG, and Php0.33- Php0.00-Php0.00 per liter per year for jet fuel. The incremental excise tax is further subject to a 12% VAT. Higher excise taxes can potentially constrain demand growth, especially for LPG, given the availability of substitutes such as charcoal, kerosene, and electricity, and for gasoline, with public transportation as an alternative.

The TRAIN Law also mandates a fuel marking program for diesel, gasoline, and kerosene to curb illicit trading of fuel products. The cost for the fuel marker was initially subsidized by the government and passed on to oil companies starting September 2020. The second package of the tax reform program, known as the Corporate Recovery and Tax Incentives for Enterprises Act (the "**CREATE Act**"), was signed into law as Republic Act No. 11534 on March 26, 2021, and took effect on April 11, 2021. The CREATE Act lowers the corporate income tax and rationalizes fiscal incentives granted by investment promotion agencies. Under the CREATE Act, the corporate income tax rate for domestic corporations and resident foreign corporations was reduced to 25% effective July 1, 2020. The rate for non-resident foreign corporations was also reduced effective January 1, 2021. Additionally, the rate of the minimum corporate income tax ("**MCIT**") was lowered to 1% from July 1, 2020, to June 30, 2023.

As part of the rationalization of tax incentives, the CREATE Act stipulates that petroleum product imports are subject to applicable duties and taxes under the Customs Modernization and Tariff Act and the National Internal Revenue Code, with a provision for importers to claim refunds. Importation of crude oil intended for local refining is exempt from duties and taxes, provided that duties and taxes on refined petroleum products are paid upon lifting in accordance with Bureau of Customs and Bureau of Internal Revenue regulations.

On November 14, 2022, the House of Representatives approved House Bill No. 4339 (HB 4339), the fourth package of the CTRP, which is pending Senate approval. HB 4339 proposes tax reforms, including a final tax of 20% on interest income from currency bank deposits and similar arrangements, a harmonized tax rate of 15% on interest, royalties, dividends, and capital gains, a single gross receipt tax rate of 5% on financial intermediaries, and a lower stock transactions tax on shares of domestic corporations listed in foreign stock exchanges.

Under the GST tax mechanism, businesses charge and collect GST on all taxable goods and services supplied to consumers and claim the GST paid on business inputs. Under the SST tax regime, selected operating expenses are subject to SST without a claiming mechanism, potentially increasing operational costs. The Company has applied for exemptions under the Sales Tax Exemption Order to reduce such costs.

There can be no assurance that future tax changes in the Philippines will not have a material and adverse effect on the Company's business, financial condition, and results of operations.

To mitigate this risk, the Company continuously monitors tax legislation developments and movements, engages in proactive tax planning, and utilizes the expertise of tax advisors and legal experts. Additionally, the Company diversifies its operations and revenue streams, maintains financial contingencies, and participates in industry associations to stay informed about upcoming tax policies. Through these strategies, the Company aims to minimize the potential adverse impacts of future tax changes in the Philippines.

The Company depends on experienced, skilled, and qualified personnel and management team, and its business and growth prospects could be disrupted if it is unable to retain their services

The Company relies on experienced, skilled, and qualified personnel for the management and operation of its business. The loss or shortage of such personnel may lead to operational challenges and incur additional costs in hiring and training new employees, given the high investment in technical training and the long learning curve required. Increasing competition for talent also poses a challenge as companies vie to attract and employ individuals with the desired competencies.

The inability to identify and train replacement employees, including the transfer of significant internal historical knowledge and expertise, the limited availability of qualified talent in the labor market, and the rising cost of contract labor may adversely affect the Company's ability to manage and operate its business. The loss of a significant number of qualified personnel, if not well-managed, may disrupt and negatively impact the Company's operations, outputs, and financial performance.

Furthermore, the Company significantly relies on the expertise and contributions of its management team. Recognizing that key personnel may leave the Company at any time (e.g., by retirement or resignation), the Company has implemented a management succession plan. However, the inability to retain and engage members of its management team or the failure of the succession plan to materialize could have a material adverse effect on the overall operation of the business.

To mitigate this risk, the Company ensures that its compensation and benefits packages for management, officers, staff, and rank-and-file employees are comprehensive, relevant, and competitive with industry standards. Promotions and pay raises are awarded to select employees in recognition of their outstanding work performance. Additionally, regular performance appraisals are conducted to ensure alignment of employees' outputs with the Company's corporate objectives and targets. The Company also provides continuous training to its employees through its "Topline Academy", its in-house training facility which aims to enhance skills of its talent pool.

The growth of the Company is dependent on the successful execution and implementation of its expansion plans.

Ensuring proper execution and successful implementation of the Company's expansion plans are critical to maintaining growth going forward. These plans are based on certain assumptions about oil demand, oil prices, competition, financing costs, and acquiring the necessary timely regulatory approvals, among other factors. The Company cannot and does not represent with absolute certainty that these assumptions will materialize as predicted. If these assumptions prove incorrect, the Company's future financial performance may be negatively affected.

To mitigate this risk, the Company continually reviews its network expansion program by identifying and anticipating target locations, dealers, and operating and logistical requirements. Furthermore, the Company will assure timely mobilization and effective allocation of financial and operating resources to support its expansion plans.

The Company is also continuously monitoring developments in the market. This includes an assessment of supply-demand conditions, as well as overall price trends. As demand for liquid fuel in Cebu is expected to continue to increase[12], TOP believes that its expansion projects should provide headroom for future growth and position the Company to capitalize on favorable macroeconomic trends. Moreover, Top Line continues to focus on its niche of underserved markets – as noted by the Center for Research and Communication Foundation, Inc. ("**CRC**")[13], the fuel distribution industry continues to provide a strong first mover advantage. Finally, the Company has been in commercial fuel trading operations since 2017. The Company is also led by a strong management team that has a collective 45 years of experience in commercial fuel trading.

[12] Center for Research and Communication Foundation, Inc. (2024, June). The Philippine Fuel Distribution Industry: Prospects, Risks, and Critical Success Factors

[13] Center for Research and Communication Foundation, Inc. (2024, June). The Philippine Fuel Distribution Industry: Prospects, Risks, and Critical Success Factors

If the number or severity of claims for which the Company is insured increases, or if it is required to accrue or pay additional amounts because the cost of damages and claims proves to be more severe than its insurance coverage, the Company's financial condition and results of operations may be materially affected

The Company's distribution of petroleum products, storage operations, and retail stations in the Philippines are subject to inherent risks, such as equipment defects, malfunctions, failures, or misuse, which could cause environmental pollution, leaks or spills, personal injury or loss of life, and damage to or destruction of the environment. These incidents could result in liabilities that exceed the Company's insurance coverage and have a material adverse effect on its financial condition and results of operations. The Company could also be adversely affected by business interruptions caused by war, terrorist activities, mechanical failure, human error, political action, labor strikes, fire, and other circumstances or events.

The Company has insurance policies to mitigate the potential impact of these risks. However, these policies do not cover all potential losses, and insurance may not be available for all risks or on commercially reasonable terms. The Company estimates the liabilities associated with the risks retained by considering historical claims, experience, and other actuarial assumptions, which are subject to a degree of uncertainty and variability. External factors affecting this uncertainty and variability include future inflation rates, discount rates, litigation trends, legal interpretation, and actual claim settlement patterns. If the number or severity of claims for which the Company is insured increases, or if it is required to accrue or pay additional amounts because the claims prove to be more severe than originally assessed and beyond the coverage of existing insurance policies, the Company's financial condition, results of operations, and cash flows may be materially affected.

The Company continually reviews and updates its insurance policies to ensure reasonable protection from foreseeable events and risks. Insurance coverage is acquired through competitive bidding to ensure that the Company's premium costs are reasonable and at par with industry standards.

Existing or future claims against the Company and its Subsidiaries, or directors or key management may have an unfavorable impact on the Company and its business

From time to time, the Company, its Subsidiaries, or directors and key management officers may be subject to litigation, investigations, claims, and other legal proceedings. Legal proceedings could cause the Company to incur unforeseen expenses, occupy a significant amount of management's time and attention, and negatively affect the Company's business operations and financial position. Furthermore, legal proceedings could continue for a prolonged period and be time-consuming, making it difficult for the Company to predict possible losses, damages, or expenses arising from such proceedings. An unfavorable outcome in these or other legal proceedings could have a material adverse effect on the Company's reputation, business, financial position, results of operations, and cash flows.

To minimize this risk, the Company maintains a legal compliance program to ensure adherence to all relevant laws and regulations, conducts regular legal audits and assessments to identify and address potential legal risks proactively, and has an experienced in-house legal team as well as retains external legal advisors to provide expert counsel and representation in potential legal matters. Moreover, the Company implements robust risk management procedures to identify, evaluate, and mitigate potential legal risks promptly.

Changes in applicable accounting standards may impact the Company's businesses, operational results, and financial condition

The Philippine Financial and Sustainability Reporting Standards Council periodically issues new standards and amendments to existing standards and interpretations. There can be no assurance that the Company's financial condition, results of operations, or cash flows will not appear materially worse under the new standards. Furthermore, any failure to successfully adopt the new standards may adversely affect the Company's results of operations or financial condition.

The Company ensures to evaluates and assesses the impact of these new standards upon pronouncement by governing bodies. Disclosures of these standards are included in the annual and quarterly notes to the financial statements. Annual training sessions and guided simulations are conducted for concerned personnel prior to the adoption of such standards to ensure proper compliance. Necessary updates and changes in accounting policies and procedures are also undertaken as part of the preparation and implementation process. The Company has also appointed MOORE RT&CO.

The products that the Company handles are hazardous and could result in spills and/or environmental damage

As part of the Company's fuel distribution, storage operations, and retail station services, which involve leasing out storage space in terminal depots and transportation of petroleum products, there is a risk of leaks and spills when handling certain materials such as petroleum, potentially causing environmental damage. While the Company believes it does not handle or store hazardous chemicals in quantities exceeding specified limits, there can be no assurance that it has not in the past, or will not in the future, violate applicable environmental regulations or cause an oil leak and spill resulting in environmental damage. Such incidents may subject the Company to fines and penalties or result in the closure or temporary suspension of operations, which could have a material adverse effect on the Company's business and results of operations.

The Company closely monitors compliance with applicable laws, rules, and regulations for its fuel distribution, storage operations, and retail station services. Standard operating procedures and safety policies are established for handling hazardous materials, and the Company continuously conducts training sessions for its employees to ensure these procedures and safety policies are thoroughly implemented across the organization.

The Company may not be able to obtain suitable locations for its fuel terminals and the quality of the locations of the Company's current fuel terminals may decline in the future

The success of the Company's fuel distribution, storage operations, and retail station services depends significantly on the locations of its existing and future fuel terminals. As demographic and economic patterns change, current locations may not remain attractive or profitable. A decline in the attractiveness or infrastructure quality of these locations could result in reduced revenue. Additionally, desirable locations for new openings or relocations of existing fuel terminals or import terminals may not be available at an acceptable cost or due to geographical constraints, and the Company may face competition for the same or nearby locations. Furthermore, the Company may relocate or establish fuel terminals or import terminals in new areas in anticipation of future developments that ultimately do not materialize. The occurrence of these events could adversely affect the Company's business, results of operations, and financial condition.

To date, the Company's fuel terminal locations and quality are sufficient to meet the needs of its business, and their capacity is able to service the current and future requirements of the Company. The Company conducts regular reviews, and demand in Cebu remains strong[14]. The Company aims to maintain adequate supply to support its operations and growth objectives.

[14] Center for Research and Communication Foundation, Inc. (2024, June). The Philippine Fuel Distribution Industry: Prospects, Risks, and Critical Success Factors

The Company's expansion plans will place additional pressure and demands on the Company's management and key-in house operating divisions

Rapid growth in the Company's distribution of petroleum, storage operations, and retail station services will place additional pressure and demands on its management team, marketing team, in-house project management division, and its financial reporting and information systems. The Company's continued expansion will also require maintaining the consistency of its products and the quality of its services to prevent any deviations, whether actual or perceived, that could harm its business.

There is no assurance that the Company will be able to effectively and efficiently manage the growth of its operations, recruit and retain qualified personnel, and integrate new properties into its operations. Any failure to do so may materially and adversely affect the Company's ability to capitalize on new business opportunities, which could have a material adverse effect on its business, financial condition, results of operations, and prospects.

To manage and support its growth, the Company continues to improve its existing operations, administrative and technological systems, and its financial and management controls. Additionally, the Company focuses on recruiting, training, and retaining qualified management personnel as well as other administrative, sales, and marketing staff.

RISKS RELATING TO THE PHILIPPINES

The Company faces risks related to the Philippines, which encompass the performance of the Philippine economy

The Company and its Subsidiaries financial performance are affected by the overall state of the Philippine economy, and this influence will persist. The Company's growth and earnings depend somewhat on how well the Philippine economy is doing. In the past, the Philippines has faced slow or negative economic growth, high inflation, peso devaluation, and exchange controls.

Furthermore, global financial markets have experienced disruptions and liquidity problems, which might continue. There is uncertainty about whether the United States and the global economy might continue to decline, which would also affect the Philippine economy. The Company cannot guarantee that current or future governments will adopt policies that support economic growth, and the Company may not be able to effectively manage such systemic risks.

In 2020, the COVID-19 pandemic severely impacted the global economy, including the Philippines. COVID-19 was declared a pandemic by the World Health Organization and spread worldwide over the following years. Many countries, including the Philippines, implemented measures like lockdowns, social distancing, and business suspensions to contain the virus, significantly affecting businesses and causing a global economic recession. The Philippines had one of the longest and strictest lockdowns globally in 2020, resulting in a 9.6% year-on-year economic contraction, the most severe in decades.

However, the Philippines began to recover in 2021 as it adjusted to the pandemic and initiated COVID-19 vaccine rollouts in March 2021. Despite a negative GDP growth of -3.9% in Q1 2021, the economy rebounded in Q2 2021, with a 12.0% year-on-year GDP expansion. This positive trend continued throughout the year, resulting in a 5.6% GDP growth for the full year, surpassing the government's target of 5.0% to 5.5%.

In 2022, despite the ongoing pandemic, increased vaccination rates and eased mobility restrictions allowed the Philippine economy to maintain its GDP growth, with growth rates of 8.2%, 7.5%, and 7.6% in the first, second, and third quarters, respectively. As of Q4 2022, the GDP posted a 7.2% growth, resulting in a full-year growth of 7.6%.

In 2023, the Philippines posted the highest full-year GDP growth rate in Southeast Asia at 5.6%. The growth in the Philippine economy was driven by a resumption in commercial activities, public infrastructure spending, and growth in digital financial services.

Any future deterioration in the Philippine economy could significantly impact the Company's business, financial stability, and operations, including its ability to expand and implement its business strategy. Changes in Philippine economic conditions could also have adverse effects on the Company's financial position and operations.

Factors that might negatively affect the Philippine economy include decreases in business activities, scarcity of credit, exchange rate fluctuations, rising inflation or interest rates, employment levels, changes in fiscal policies, budget deficits, adverse trends in the current accounts, public health crises, natural disasters, political instability, terrorism, and regulatory or economic developments in the Philippines.

A downturn in the Philippine economy could harm general business conditions, leading to reduced Company and Subsidiary revenues, profitability, and cash flows.

Political instability may have a material adverse impact on the Company's operations and financial condition

The Philippines has from time to time experienced political and military instability. In recent history, there has been political instability in the Philippines, including impeachment proceedings against two former presidents and the chief justice of the Supreme Court of the Philippines, the nullification of the appointment of another chief justice, hearings on graft and corruption issues against various government officials, and public and military protests arising from alleged misconduct by previous and current administrations. There can be no assurance that acts of election-related or other political violence will not occur in the future, and any such events could negatively impact the Philippine economy.

In addition, the Company may be affected by political and social developments in the Philippines and changes in the political leadership and/or government policies in the Philippines. Any major deviation from the policies of the previous administration or fundamental change of direction, including a change in the form of government, may lead to an increase in political or social uncertainty and instability. Such political or regulatory changes may include (but are not limited to) the introduction of new laws and regulations that could impact the Company's business.

There is no assurance that the political environment in the Philippines will be stable or that the current or any future government will adopt economic policies that are conducive to sustained economic growth or which do not materially and adversely impact the current regulatory environment for power generation companies. An unstable political or social environment in the Philippines could negatively affect the general economic conditions and business environment in the Philippines which, in turn, could have a material and adverse impact on the Company's business, prospects, financial position and financial performance.

No assurance can be given that any changes in such regulations or policies imposed by the Government from time to time or the future political environment in the Philippines will be stable or that current or future administrations will adopt economic policies conducive to sustaining economic growth. Political instability in the future could reduce consumer demand for retail and consumer goods to the Company's disadvantage, or result in inconsistent or sudden changes in regulations and policies that affect the Company's business operations, which could have a material adverse impact on the Company's results of operations and financial condition.

All of the Company's business activities and assets are based in the Philippines, which exposes them to risks associated with the country, including the performance of the Philippine economy

Historically, the Company has derived a substantial portion of its operating income and operating profits in the Central Visayas region in the Philippines, as such, the Company is highly dependent on the state of the Philippine economy. Demand for its services and products are directly related to the strength of the Philippine economy (including its overall growth and income levels), the overall levels of business activity in the Philippines as well as the number of remittances received from overseas Filipinos. In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of its currency and the imposition of exchange controls. Other factors that may adversely affect the Philippine economy include:

- decreases in business, industrial, manufacturing or financial activities in the Philippines, the Southeast Asian region or globally;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines, the Southeast Asian region or globally;
- foreign exchange rate fluctuations;
- foreign exchange controls;
- inflation or increase in interest rates;
- levels of employment, consumer confidence and income;
- changes in the Government's fiscal and regulatory policies;
- Government budget deficits;
- public health epidemics or outbreaks of diseases, such as a worsening or resurgence of the COVID-19 pandemic, a re-emergence of polio, SARS, bird flu, or H1N1, or the emergence of other similar diseases in the Philippines or in other countries in Southeast Asia;
- natural disasters, including but not limited to tsunamis, typhoons, earthquakes, fires, floods and similar events;
- geopolitical tensions between the Philippines and other claimant countries concerning disputed territories in the West Philippine Sea;
- delays in obtaining government approvals and permits;
- a downgrade in the long-term foreign and local currency sovereign credit ratings of the Philippines or the related outlook for such ratings;
- political instability, territorial disputes, terrorism or military conflict in the Philippines, other countries in the region or globally; and
- other regulatory, social, political or economic developments in or affecting the Philippines.

Any future deterioration in economic conditions in the Philippines due to these or other factors could materially and adversely affect its customers and contractual counterparties. This, in turn, could materially and adversely affect its financial position and results of operations. Therefore, changes in the conditions of the Philippine economy could materially and adversely affect our business, financial condition or results of operations.

Natural catastrophes, including severe weather conditions, may materially disrupt the Company's operations and result in losses not covered by insurance

In January 2020, the Taal Volcano entered into a period of intense unrest beginning with phreatic or steam-driven activity in several points inside the Main Crater that progressed into magmatic eruption. The Philippine Institute of Volcanology and Seismology ("**PHIVOLCS**") raised the alert level to Alert Level 4 on January 12, 2020. Pursuant to such events, PHIVOLCS ordered the total evacuation of the Volcano Island and high-risk areas within a 14-kilometer radius from the Taal Main Crater. PHIVOLCS has thereafter lowered the Alert Level covering Taal to Level 1, but subsequently raised it to Alert Level 3 in March 2022 when Taal Volcano erupted again. While Taal Volcano currently has a classification of Alert Level 1, in September 2023, it spewed above average sulfur dioxide and volcanic smog, prompting authorities to close schools in dozens of cities and towns and to urge people to stay indoors. There can be no assurance that the Taal Volcano will not increase seismic activity or erupt in the future.

In December 2021, Super Typhoon Odette/Rai brought strong winds and rain to the Philippines. In October 2022, Tropical Storm Paeng brought strong winds and heavy rains in Mindanao which caused flooding and landslides. Finally in December 2023, Tropical Storm Kabayan/Jelawat brought heavy rains across the Eastern Visayas and Mindanao regions.

The Philippines is also situated in the "Pacific Ring of Fire", a path along the Pacific Ocean characterized by active volcanoes and frequent earthquakes. Recent earthquakes in the region include a 6.7 magnitude earthquake on November 17, 2023 in the province of Sarangani, and a 7.7 magnitude earthquake on December 2023, off the coast of Surigao del Sur.

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

Moreover, the Company has a strong track record in managing operations throughout natural calamities. Notably, the Company was able to minimize downtime throughout Typhoon Odette, with deliveries restarting within hours after the storm made landfall. Note that the super typhoon brought torrential rains, violent winds, landslides, and storm surges throughout Southern Philippines, with sustained wind speeds of 180km/h and gusts of up to 200km/h across the Cebu region. Nevertheless, Topline managed to provide much-needed fuel to its customers within the 24-hour turnaround time. Moreover, the Company also extended support to local government units and hospitals by donating fuel as part of its relief efforts. These factors have positioned TOP as a supplier of choice for its customers

Acts of terrorism could destabilize the country and could have a material adverse effect on the Company's business, financial position and results of operations

The Philippines has been subject to a number of terrorist attacks in the past several years. The Philippine army has been in conflict with the Abu Sayyaf organization which has been identified as being responsible for kidnapping and terrorist activities in the Philippines, and is also alleged to have ties to the Al-Qaeda terrorist network and, along with certain other organizations, has been identified as being responsible for certain kidnapping incidents and other terrorist activities particularly in the southern part of the Philippines.

Furthermore, the Government and the Armed Forces of the Philippines ("**AFP**") have been in conflict with members of several separatist groups seeking greater autonomy, including the Moro National Liberation Front ("**MNLF")** and the New People's Army ("**NPA**"). There have been numerous bombing incidents in Mindanao and elsewhere in the Philippines, which have resulted in death and injury to the civilian population as well as military and security personnel.

An increase in the frequency, severity or geographic reach of these terrorist acts, violent crimes, bombings and similar events could have a material adverse effect on investment and confidence in, and the performance of, the Philippine economy. Any such destabilization could cause interruption to the Company's business and materially and adversely affect the business, financial condition, and results of operations.

These continued conflicts between the Government and separatist groups could lead to further injuries or deaths by civilians and members of the AFP, which could destabilize parts of the Philippines and adversely affect the Philippine economy. There can be no assurance that the Philippines will not be subject to further acts of terrorism or violent crimes in the future, which could have a material adverse effect on the Company's business, financial condition, and results of operations.

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

The Philippines, China and several Southeast Asian nations have been engaged in a series of long-standing territorial disputes over certain islands in the West Philippine Sea, also known as the South China Sea. In 2013, due to rising tensions arising from a dispute between the Philippines and China over a group of small islands and reefs known as the Scarborough Shoal, the Philippines filed a case before the Permanent Court of Arbitration, to legally challenge China's claim in the West Philippine Sea and resolve the dispute under the United Nations Convention on the Law of the Sea ("**UNCLOS**"). In July 2016, the tribunal constituted by the Permanent Court of Arbitration rendered a decision upholding the exclusive sovereign rights over the West Philippine Sea and that China's "nine-dash-line" claim, which covered nearly all of the West Philippine Sea, is invalid. Under the administration of President Duterte, the Philippine government has taken measures to ease tensions with China which was brought about by the two countries' territorial dispute.

In March 2021, more than 180 Chinese military vessels were spotted on Julian Felipe Reef in the West Philippine Sea. The presence of the vessels defined a diplomatic protest and demand for the vessels to leave the area, issued by then Defense Secretary Delfin Lorenzana.

In recent months, there have been numerous run-in in areas of the West Philippine Sea. In August 2023, China Coast Guard vessels used water cannon against a Philippine resupply mission preventing one of the boats from delivering its cargo. On September 24, 2023, the Philippine Coast Guard reported that the Chinese Coast Guard has installed a floating barrier near the Bajo de Masinloc (Scarborough Shoal) in the West Philippine Sea in an attempt to prevent Filipino fishermen from entering the Scarborough Shoal. In a special operation conducted the following day, the Philippine Coast Guard confirmed that it has removed and cut the floating barrier. In October 2023, the Philippines has lodged a diplomatic protest with China in response to maneuvers by Chinese vessels that led to collisions with Philippine ships on a resupply mission to the BRP Sierra Madre on Ayungin Shoal (international name: Second Thomas Shoal). The Philippines filed 66 diplomatic protests against China in 2023. As of January 24, 2024, four diplomatic protests have so far been filed by the country against China in 2024.

United States President Joe Biden has manifested that the United States would not be easing up its military operations in the West Philippine Sea. South Asian nations and claimants involved in the West Philippine Sea dispute also continue to enforce their sovereign rights against China as well as other South Asian nations.

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

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

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

Although a principal objective of Philippine securities laws is to promote full and fair disclosure of material corporate information, there may be less publicly available information about Philippine public companies than is regularly made available by public companies in the U.S. and other countries. As a result, the Company's public shareholders may not have access to the same amount of information or have access to information in as timely of a manner as may be the case for companies listed in the U.S. and many other jurisdictions. Furthermore, although the Company complies with the requirements of the Philippine SEC with respect to corporate governance standards, these standards may differ from those applicable in other jurisdictions.

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

The value of the Philippine Peso may be adversely affected by certain events and circumstances such as the strengthening of the U.S. economy, the rise of the interest rates in the U.S. and other events affecting the global markets or the Philippines, causing investors to move their investment portfolios from the riskier emerging markets such as the Philippines. Consequently, an outflow of funds and capital from the Philippines may occur and may result in increasing volatility in the value of the Philippine Peso against the U.S. Dollar and other currencies. As of December 31, 2023, according to the BSP reference exchange rate bulletin, the Philippine Peso was at Php55.25 per U.S.$1.00 from Php55.67 per U.S.$1.00 as of December 31, 2022. As of June 30, 2024, the Philippine Peso was at Php58.87 against the U.S. dollar.

Investors may face difficulties enforcing judgments against the Company.

Considering that the Company is organized under the laws of the Republic of the Philippines, it may be difficult for investors to enforce judgments against the Company obtained outside of the Philippines. In addition, majority of the Company's directors and officers are residents of the Philippines, and all or a substantial portion of the assets of such persons are located in the Philippines. As a result, it may be difficult for investors to effect service of process upon such persons, or to enforce against them judgments obtained in courts or arbitral tribunals outside the Philippines predicated upon the laws of jurisdictions other than the Philippines.

The Philippines is party to the United Nations Convention on Recognition and Enforcement of Foreign Arbitral Awards, but it is not party to any international treaty relating to the recognition or enforcement of foreign judgments. Nevertheless, the Philippine Rules of Civil Procedure provide that a final and conclusive judgment of a foreign court is enforceable in the Philippines through an independent action for the enforcement of a foreign judgment or final order, and without re-trial or re-examination of the issues, only if: (i) such judgment was obtained by collusion or fraud, (ii) the foreign court rendering such judgment did not have jurisdiction, (iii) such order or judgment is contrary to good customs, public order, or public policy of the Philippines, (iv) the party against whom the enforcement is sought did not receive notice of the proceedings before the foreign court, or (v) such judgment was based upon a clear mistake of law or fact.

Developments outside of the Philippines, including U.S. policies related to global trade and tariffs could adversely affect the Company's business and operations.

The current international political environment, including existing and potential changes to U.S. policies related to global trade and tariffs, have resulted in uncertainty surrounding the future state of the global economy. Since 2018, the U.S. began to increase or impose tariffs on many products, particularly from China, including, but not limited to, solar panels, steel and aluminum products, consumer electronics, and industrial chemicals. In response, the European Union, China and other affected jurisdictions have introduced tariffs on U.S. goods. An escalating trade war may have material adverse effects on the power industry and the Company's business may be impacted by these tariffs. Any further expansion in the types or levels of tariffs implemented has the potential to negatively impact the Company's business, financial condition and results of operations. Additionally, there is a risk that the U.S. tariffs on imports are met with tariffs on U.S. produced exports and that a broader trade conflict could ensue, which has the potential to significantly impact global trade and economic conditions. Potential costs and any attendant impact on pricing arising from these tariffs and any further expansion in the types or levels of tariffs implemented could adversely affect the Company's business, financial condition and results of operations.

Economic disruption in other countries, even in countries in which TOP does not currently conduct business or have operations, could also adversely affect the Company's businesses and results. Adverse market and economic conditions continue to create a challenging operating environment for financial services companies. In particular, the impact of interest and currency exchange rates, the risk of geopolitical events, fluctuations in commodity prices and concerns about European stagnation as well as diverging monetary policies among the major economies have affected financial markets and the economy.

In addition to the macroeconomic factors discussed above, other events beyond the Company's control, including terrorist attacks, cyber-attacks, military conflicts, economic or political sanctions, disease pandemics, political unrest or natural disasters could have a material adverse effect on economic and market conditions, market volatility and financial activity, with a potential related effect on the Company's businesses and results.

There can be no assurance that the uncertainties affecting global markets will not negatively impact credit markets in Asia, including in the Philippines. These developments may adversely affect trade volumes with potentially negative effects on the Philippines.

Any economic slowdown or deterioration in economic conditions in the Philippines may adversely affect the Company's business and operations in the Philippines. In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the Philippine currency, imposition of exchange controls, debt restructuring and electricity shortages and blackouts.

Public health epidemics, such as the COVID-19 pandemic, and outbreaks of diseases along with measures intended to prevent its spread could have a material adverse effect on the Company's business, results of operations, cash flows and financial condition

In April 2009, an outbreak of the H1N1 virus, commonly referred to as "swine flu," occurred in Mexico and spread to other countries, including the Philippines. In August 2014, the World Health Organization ("**WHO**") declared the Ebola outbreak that originated in West Africa as an international health emergency in view of the rising death toll due to the disease. That month, a Filipino seaman in Togo was quarantined for exhibiting symptoms of Ebola virus infection but was later released after testing negative for the disease. While still Ebola free, the Philippines, however, remains vulnerable to exposure and spread of the disease for the following reasons: (a) the considerable number of overseas Filipino workers in the Ebola-hit West African countries;(b) the impact of international travel which raises the probability of transmission; and (c) lack of the necessary infrastructure to contain the spread of the disease. In March 2016, the Director-General of WHO terminated the Public Health Emergency of International Concern on the Ebola Virus Disease outbreak.

In February 2015, a Filipina nurse who arrived from Saudi Arabia tested positive for the MERS-CoV (i.e., the Middle East Respiratory Syndrome-Corona virus). She was quarantined, received medical treatment, and later discharged and cleared of the disease by the Department of Health. All known contacts of the said nurse, including some passengers in the same flight that arrived from Saudi Arabia, were also cleared of the infection, putting the country once again free of an active case of the disease.

In March 2016, reports of an American woman who stayed in the Philippines for four weeks in January 2016, tested positive for the Zika virus upon returning home, indicating the local transmission of the disease through the Aedes aegypti mosquito. In May 2016, a South Korean national was reported to have acquired the infection while visiting the Philippines, following earlier reports of two other confirmed cases of the viral infection in the country. All of the patients had recovered, indicating that the Zika viral infection acquired in the country was self-limiting. In August 2017, an outbreak of bird flu from a poultry farm in Central Luzon was confirmed, and the avian influenza strain was later found to be transmissible to humans. In response to the outbreak, restrictions on the transport and sale of birds and poultry products outside a seven-kilometer radius control area surrounding the affected site were imposed. The Philippines has since been cleared of any human infection of the avian influenza virus.

In late 2019, COVID-19, an infectious disease that was first reported to have been transmitted to humans in 2019 has spread globally over the course of 2020, and in March 2020, it was declared as a pandemic by the World Health Organization. While the WHO has declared the COVID-19 pandemic to be over in May 2023, there are still active and recurring cases globally, including in the Philippines. In July 2023, the President of the Philippines issued Presidential Proclamation No. 297 effectively lifting the State of Public Health Emergency throughout the Philippines brought about by the COVID-19 pandemic.

The extent of the impact of COVID-19 on the Philippine economy and the speed and certainty of any economic recovery cannot be predicted for certain, and any new surge in infections may result in stricter quarantine or lockdown measures across provinces, cities and municipalities and may lead to further contraction of the Philippine economy, closure of businesses, and rise in unemployment rates.

Since early May 2022, cases of monkeypox have been reported from countries where the disease is not endemic, and continue to be reported in several endemic countries. In July 2022, WHO Director-General Tedros Adhanom Ghebreyesus declared the ongoing monkeypox outbreak a Public Health Emergency of International Concern.

In 2023, an outbreak of the Nipah virus was reported in India. According to the WHO, patients who contracted the Nipah virus have a 40% to 75% mortality rate depending on the public health response to the virus. In September 2023, the Department of Health confirmed that there are no cases of Nipah virus in the Philippines.

If the outbreak of the Ebola virus, MERS-CoV, Zika virus, bird flu, polio, COVID-19, monkeypox, Nipah virus, or any public health epidemic becomes widespread in the Philippines or increases in severity, it could have an adverse effect on economic activity in the Philippines, and could materially and adversely affect the Company’s business, financial condition and results of operations.

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

Historically, the Philippines' sovereign debt has been rated non-investment grade by international credit rating agencies. In 2019, the Philippines' long-term foreign currency-denominated debt was upgraded by S&P Global ("**S&P**"), to BBB+ with stable outlook, while Fitch Ratings ("**Fitch**"), and Moody's Investors Service ("**Moody's**"), affirmed the Philippines' long-term foreign currency-denominated debt to the investment-grade rating of BBB and Baa2, respectively, with a stable outlook. On February 28, 2020, Fitch revised its rating of Philippines long-term foreign currency-denominated debt to BBB, with a positive outlook, following its expectation that sound macroeconomic management will continue to support high growth rates with stable inflation while ongoing tax reforms were expected to improve fiscal finances. On May 7, 2020, Fitch affirmed its rating of Philippines long-term foreign currency-denominated debt to BBB, but revised the outlook to stable, to reflect the deterioration in the Philippines' near-term macroeconomic and fiscal outlook as a result of the impact of the COVID-19 pandemic and domestic lockdown to contain the spread of the virus. In May 2020, S&P and Moody's affirmed their ratings of BBB+ and Baa2, with stable outlook, respectively, for the Philippines' long-term foreign currency-denominated debt. In November 2022, S&Ps affirmed its rating of BBB+, with stable outlook, for the Philippines' long-term foreign currency-denominated debt. In February 2022, Fitch affirmed its rating of Philippines long-term foreign currency-denominated debt to BBB, with a negative outlook. In September 2022, Moody's affirmed its rating of Baa2, with stable outlook. As of November 2023, S&P maintained its BBB+ long-term credit rating for the Philippines with a stable outlook, as well as an A-2 short-term credit rating for the Philippines.

The Government's credit ratings directly affect companies domiciled in the Philippines as international credit rating agencies issue credit ratings by reference to that of the sovereign. No assurance can be given that Fitch, Moody's, S&P, or any other international credit rating agency will not downgrade the credit ratings of the Government in the future and, therefore, Philippine companies. Any such downgrade could have a material adverse impact on the liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including the Company, to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available.

RISKS RELATING TO THE OFFER AND THE OFFER SHARES

Upon listing with the PSE, the Common Shares will be subject to PSE rules and regulations, which amendments thereto may adversely affect the Common Shares

From time to time, the PSE may issue changes to rules and regulations applicable to the Company which may affect the trading of the Common Shares. The PSE has recently proposed amendments to, among others, revise the criteria on what constitutes public and non-public shares by removing "purpose of investment" as a criterion, and categorically characterizing 10% ownership of the outstanding common shares in a listed company as "significant shareholdings". Given this, the shares held by investors that constitute at least 10% of the outstanding common shares in a listed company may now be deemed privately held, regardless of the purpose of such investment in the listed company. This change increases the exposure of the Company to breach the requirement on MPO, which may result in suspension of trading and, if not rectified by the Company, automatic delisting. In turn, this also exposes investors to risks of being unable to trade their shares, and limits the extent of their potential investments, considering that there is now a proposed quantifiable threshold that may determine whether shares are publicly or privately held.

The market price of the Common Shares may be volatile, which could cause the value of investors' investments in the Common Shares to decline

The Philippine securities markets are substantially smaller, less liquid, and more volatile relative to major securities markets in the United States and other jurisdictions, and are not as highly regulated or supervised as some of these other markets are. The Offer Price could differ significantly from the price at which the Common Shares will trade subsequent to completion of the Offer. There is no assurance that investors may sell the Offer Shares at prices or at times deemed appropriate.

The market price of the Common Shares could be affected by several factors, including: volatility in stock market prices and volume; fluctuations in the Company's consolidated revenue, cash flow and earnings; general market, political and economic conditions; changes in earnings estimates and recommendations by financial analysts; differences between the Company's actual financial and operating results and those expected by investors and financial analysts; changes in market valuations of listed stocks in general and other retail stocks in particular; the market value of the Company's assets; market news and rumors; changes to Government policy, legislation or regulations; changes in the Company's relationships with regulators; the Company's dividend policy; future sales of the Company's equity or equity-linked securities; and general operational and business risks.

In addition, many of the risks described elsewhere in this Prospectus could materially and adversely affect the market price of the Common Shares

In part as a result of recent global economic downturns, the global equity markets have experienced price and volume volatility that has affected the share prices of many companies. Share prices for many companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. Fluctuations such as these could adversely affect the market price of the Common Shares. There is no assurance that the Company will be able to manage such risk.

The PSE recently announced the immediate effectivity of its guidelines for short selling transactions, following regulatory support by the SEC. Pursuant to this development, investors may opt to take advantage of declining market prices of eligible securities. These eligible securities, however, only includes member companies of the PSE index and exchange traded funds, which criteria may be subject to review and amendment by the PSE from time to time.

There can be no guarantee that the Offer Shares will be listed on the PSE, or that there will be no regulatory action that could delay or affect the Offer

Subscribers of the Offer are required to pay the Offer Price of the Offer Shares so subscribed upon submission of their Applications during the Offer Period. Although the PSE has approved the Company's application to list the Offer Shares on [●], but because the Listing Date is scheduled after the Offer Period, there can be no guarantee that listing will occur on the anticipated Listing Date. Delays in the admission and the commencement of trading of shares on the PSE have occurred in the past. If the PSE does not admit the Offer Shares for listing on the PSE, the market for these will be illiquid and holders may not be able to trade the Offer Shares. However, they would be able to sell these by negotiated sale. This may materially and adversely affect the value of the Offer Shares.

The Offer Shares may not be a suitable investment for all investors

Each prospective investor in the Offer Shares must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Company and its business, the merits and risks of investing in the Offer Shares and the information contained in this Prospectus; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Offer Shares and the impact the Offer Shares will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Offer Shares, including where the currency for purchasing and receiving dividends on the Offer Shares is different from the potential investor's currency; (iv) understand and (v) be familiar with the behavior of any relevant financial markets; and be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Moreover, potential investors should note that offers by the Joint Lead Underwriters of the Offer Shares will be made to persons located outside the Philippines and therefore, would not be governed by Philippine laws. As such, the type and level of due diligence that is conducted by the Joint Lead Underwriters, and any conflict-of-interest considerations to which they may be subject, may be different from those applicable to the Joint Lead Underwriters. There is, therefore, no assurance that the due diligence conducted by the Joint Lead Underwriters and the standard of avoidance of conflict of interest maintained by the same as regards the Issuer would be with the same as the Joint Lead Underwriters, which is subject to the supervision of the Philippine SEC.

Future sales of shares in the public market could adversely affect the prevailing market price of the Common Shares and shareholders may experience dilution in their holdings

In order to finance the expansion of the Company's business and operations, the Board will consider the funding options available to them at the time, which may include the issuance of new shares. In accordance with the Company's Amended Articles of Incorporation, the Company's stockholders shall have no pre-emptive right to subscribe to any issue or disposition of shares of any class. While the Revised Corporation Code of the Philippines and the listing rules of the PSE provide for some degree of minority shareholders' protection, if additional funds are raised by the Company through the issuance of new equity or equity-linked securities other than on a *pro rata* basis to existing shareholders such as through a share rights offer, the percentage ownership of existing shareholders may be reduced, shareholders may experience subsequent dilution or such securities may have rights, preferences and privileges senior to those of the Offer Shares.

Further, the market price of the Common Shares could decline as a result of future sales of substantial amounts of the Common Shares in the public market or significant sales, including by the Company's shareholders, or the issuance of new shares, or the perception that such sales, transfers or issuances may occur. This could also materially and adversely affect the prevailing market price of the Common Shares or the Company's ability to raise capital in the future at a time and at a price the Company deems appropriate.

The PSE rules require existing shareholders owning at least 10% of the outstanding shares of a company not to sell, assign or in any manner dispose of their shares for a period of 180 days after the listing of the company's common shares. In addition, all shares issued or transferred within 180 days prior to the commencement of the offer at an issue price less than the price per offer share shall be subject to a lock-up period of at least 365 days from the date that full payment is made on such common shares, as required by the PSE. To implement this lockup requirement, the PSE requires the applicant company to lodge the shares with the PDTC through a PCD participant for the electronic lock-up of the shares or to enter into an escrow agreement with the trust department or custodian unit of an independent and reputable financial institution.

Moreover, a listed company on the PSE shall be prohibited from offering additional securities, except offerings for stock dividends and employee stock option plans, within 180 calendar days from the date of initial listing.

Except for such restrictions, there is no restriction on the Company's ability to issue Common Shares or the ability of any of the Company's shareholders to dispose of, encumber or pledge, their Common Shares, and there can be no assurance that the Company will not issue shares or that such shareholders will not dispose of, encumber or pledge, their common shares.

Investors may incur immediate and substantial dilution as a result of purchasing Common Shares in the Offer

The issue price of the Common Shares in the Offer may be substantially higher than the net tangible book value of net assets per share of the outstanding Common Shares. Therefore, purchasers of Common Shares in the Offer may experience immediate and substantial dilution and the Company's existing shareholders may experience a material increase in the net tangible book value of net assets per share of the Common Shares they own. See the "*Dilution*" section of this Prospectus.

The relative volatility and illiquidity of the Philippine securities market may substantially limit investors' ability to sell the Offer Shares at a suitable price or at a time they desire

The Philippine securities markets are substantially smaller, less liquid, and more volatile relative to major securities markets in the United States and other jurisdictions, and are not as highly regulated or supervised as some of these other markets are. The Offer Price could differ significantly from the price at which the Common Shares will trade subsequent to completion of the Offer. There is no assurance that investors may sell the Offer Shares at prices or at times deemed appropriate.

In recent years, stock markets, including the PSE, have experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to the operating performance of these companies. These broad market fluctuations may adversely affect the market price of the Company's Common Shares. There is no assurance that the Company will be able to manage such risk.

Shareholders may be subject to limitations on minority shareholders' rights and regulations may differ from those in more developed countries

The Company's corporate affairs are governed by its Articles of Incorporation and By-Laws and the Revised Corporation Code of the Philippines. The laws of the Philippines relating to the protection of interests of minority shareholders differ in some respects from those established under the laws of more developed countries. Such differences may mean that the Company's minority shareholders may have less protection than they would have under the laws of more developed countries. The obligation under Philippine law of majority shareholders and directors with respect to minority shareholders may be more limited than those in certain other countries such as the United States or the United Kingdom. Consequently, minority shareholders may not be able to protect their interests under current Philippine law to the same extent as in certain other countries.

The Revised Corporation Code of the Philippines, however, provides for minimum minority shareholders protection in certain instances wherein a vote by the shareholders representing at least two-thirds of outstanding capital stock is required. The Revised Corporation Code of the Philippines also grants shareholders an appraisal right allowing a dissenting shareholder to require the corporation to purchase his shares in certain instances. Derivative actions are rarely brought on behalf of companies in the Philippines. Accordingly, there can be no assurance that legal rights or remedies of minority shareholders will be the same, or as extensive, as those available in other jurisdictions or sufficient to protect the interests of minority shareholders.

Future changes in the value of the Philippine Peso against the U.S. dollar and other currencies will affect the foreign currency equivalent of the value of the Common Shares and any dividends

Fluctuations in the exchange rate between the Philippine Peso and other currencies will affect the foreign currency equivalent of the Philippine Peso price of the Common Shares on the PSE. Such fluctuations will also affect the amount in foreign currency received upon conversion of cash dividends or other distributions paid in Philippine Pesos by the Company on, and the Philippine Peso proceeds received from any sales of, the Common Shares.

The Philippine economy has experienced volatility in the value of the Philippine Peso and also limitations to the availability of foreign exchange. In July 1997, the BSP announced that the Philippine Peso can be traded and valued freely on the market. As a result, the value of the Philippine Peso underwent significant fluctuations between July 1997 and December 2004 and the Philippine Peso declined from approximately Php29.00 to U.S.$1.00 in July 1997 to Php56.18 to U.S.$1.00 by December 2004. As of December 31, 2023, according to the BSP reference exchange rate bulletin, the Philippine Peso was at Php55.25 per U.S.$1.00 from Php55.67 per U.S.$1.00 as of December 31, 2022. As of June 30, 2024, the Philippine Peso was at Php58.87 against the U.S. dollar.

The transfer of Offer Shares is restricted in certain jurisdictions which may adversely affect their liquidity and the price at which they may be sold

The Offer Shares have not been registered under, and the Company is not obligated to register the Offer Shares under, the U.S. Securities Act or the securities laws of any jurisdiction (other than the Philippines) and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable laws. See the "*Plan of Distribution*" section and the "*Summary of the Offer—Transfer Restrictions*" section of this Prospectus. The Company has not agreed to or otherwise undertaken to register the Offer Shares in such under the U.S. Securities Act or under the securities laws of any jurisdiction (other than in the Philippines), and the Company has no intention of doing so.

Overseas shareholders may not be able to participate in the Company's future rights offerings or certain other equity issues

If the Company offers or causes to be offered to holders of the Offer Shares rights to subscribe for Common Shares or any right of any other nature, the Company will have discretion as to the procedure to follow in making such rights available to holders of the Offer Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For example, such rights may not be offered to holders of the Common Shares who are U.S. persons (as defined in Regulation S) or have a registered address in the U.S. unless: (i) a registration statement is in effect, if a registration statement under the U.S. Securities is required in order for the Issuer to offer such rights to holders to secure the securities represented by such rights; or (ii) the offer and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the U.S. Securities Act.

The Company has no obligation to prepare or file any registration statement outside of the Philippines if the offer and sale of rights to subscribe for securities or the underlying securities are exempted from the applicable registration requirements. Accordingly, shareholders who are subject to similar restrictions may be unable to participate in rights offerings and may experience a dilution in their holdings.

Overseas shareholders may be subject to restrictions on repatriation of Philippine Pesos received with respect to the Common Shares

Under BSP regulations, as a general rule, Philippine residents may freely dispose of their foreign exchange receipts and foreign exchange may be freely sold and purchased outside the Philippine banking system. Restrictions exist on the sale and purchase of foreign exchange within the Philippine banking system. In particular, a foreign investment must be registered with the BSP if foreign exchange needed to service the repatriation of capital and the remittance of dividends, profits and earnings which accrue thereon is sourced from the Philippine banking system. See the "*Regulatory and Environmental Matters – Other Laws – Registration of Foreign Investment and Exchange Controls*" section of this Prospectus.

Developments in other markets and countries may adversely affect the Philippine economy and, therefore, the market price of the Common Shares

In the past, the Philippine economy and the securities of Philippine companies have been, to varying degrees, influenced by economic and market conditions in other countries, especially other countries in Southeast Asia, as well as investors' responses to those conditions. Although economic conditions are different in each country, investors' reactions to adverse developments in one country may affect the market price of securities of companies in other countries, including the Philippines. Accordingly, adverse developments in the global economy could lead to a reduction in the demand for, and market price of, the Common Shares. There is no assurance that the Company will be able to manage such risk.

The intended use of the proceeds of the Offer may be delayed or may not materialize

The net proceeds from the sale of the Offer Shares are intended to be used for the purposes and in the manner set out in "*Use of Proceeds*". In particular, the net proceeds from the sale of the Offer Shares shall be used by the Company to fund its vertical integration efforts, its working capital requirements, and general corporat epurposes. .

The Company may encounter certain unforeseen events that may delay the commencement of construction or operation. Moreover, the Company's management will have discretion over the detailed use and investment of the net proceeds of the Offer and the Company may not use the proceeds from the sale of the Offer Shares in the exact manner set in the "*Use of Proceeds*".

RISKS RELATING TO CERTAIN INFORMATION IN THE PROSPECTUS

Certain information contained herein is derived from unofficial publications

Certain information in this Prospectus relating to the Philippines, the industry and market, generally, including statistics relating to market size, is derived from various Government and private publications. This Prospectus also contains industry information which was prepared from available public sources and independent market research conducted by the CRC. The information contained in that section may not be consistent with other information regarding the Company's industry. Similarly, industry forecasts and other market research data, including those contained or extracted herein, have not been independently verified by the Company, the Joint Lead Underwriters nor any of their respective affiliates or advisors, and may not be accurate, complete, up to date or consistent with other information compiled within or outside the Philippines. Prospective investors are cautioned accordingly.

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USE OF PROCEEDS

Based on the Offer Price of up to Php0.78 per Offer Share, the estimated gross proceeds that TOP will receive from the Primary Offer Shares will be Php2,872.8 million and estimates that the net proceeds from the Primary Offer Shares will be approximately Php2,754.3 million after deducting the applicable underwriting fees, costs and expenses for the Offer payable by the Company. Top Line will not receive any proceeds from the exercise of the Overallotment Option.

The proceeds of the Offer will not be used to reimburse any officer, director, employee or shareholder for service rendered, assets previously transferred, money loaned or advance or otherwise. In addition, no part of the proceeds will be allotted for payment of bank loans of the Company.

EXPENSES

Based on the Offer Price of up to Php0.78 per Offer Share, the total proceeds, total expenses, and the net proceeds from the Primary Shares will be:

	Estimated Amount (in Php millions)
Total Proceeds from the Sale of Primary Offer Shares	Up to 2,872.8
Estimated expenses:	
Underwriting fees	50.3
Selling fees	28.7
Legal counsel	9.4
Audit fees	2.5
Other professional fees	2.9
PSE listing fee	9.6
SEC registration, research and listing fees	1.5
Documentary stamp taxes	7.1
Stock and Transfer and Receiving Agency Fees	0.8
Share Lock Up Escrow Agency Fees	0.8
Estimated other expenses	6.6
Total Estimated Expenses	118.5
Estimated Net Proceeds from the Primary Offer Shares	**Up to 2,754.3**

The actual underwriting and selling fees and other Offer-related expenses may vary from the estimated amounts. The estimated expenses set forth in the table above reflect the estimated expenses relating to the sale of the Primary Offer Shares and are presented in this Prospectus for convenience only.

The taxes, underwriting, and selling fees pertaining to the exercise of the Overallotment Option will be paid by the Selling Shareholder. In the event that the Overallotment Option is not exercised, it is deemed cancelled and the filing fee is forfeited. The Company will not receive any proceeds from the sale of shares by the Selling Shareholder.

	Estimated Amount (in Php, millions)
Total Proceeds from the Sale of Secondary Offer Shares	287.28
Estimated expenses:	
Underwriting and Selling Fees	8.6
Estimated Taxes to be paid	2.9
Total Estimated Expenses	11.5
Estimated Net Proceeds from the Secondary Offer Shares	**275.8**

The actual underwriting and selling fees and other Offer-related expenses may vary from the estimated amounts indicated above.

The Company intends to use the net proceeds from the Primary Offer, as follows:

Use of Proceeds	**Estimated Amount (Php millions)**	**%**	**Estimated Timing of Disbursement**
Construction of fuel depots	980.0	36%	2025 - 2026
Working Capital	937.5	34%	2024 - 2025
Acquisition fuel tankers	300.0	11%	2025 - 2026
Acquisition tank trucks	160.0	6%	2024 - 2025
Construction of service stations	65.0	2%	2025 - 2026
General corporate purposes	311.8	36%	2025
TOTAL	**2,754.3**	**100%**	

The Company intends to build its own fuel depots equipped with terminal for receiving and deliveries. These will be constructed in Mactan and in Bohol and will have a combined storage capacity of 30 million liters. There will be separate tanks for diesel, premium and regular gasoline fuels. The main storage in Mactan will have a capacity of 25 million and will serve as the receiving facility for the imported supplies while the Bohol storage will serve as a satellite depot that will ensure the availability of stocks in the surrounding region. Construction of these fuel depots will commence within 2025 and be operational by mid-2026. The Company will allocate Php980.0 million for these depots.

As part of its strategy to penetrate the retail market including the underserved sectors, the Company will allocate a portion of the proceeds for the construction of additional ten (10) Light Fuels service stations. Construction of these stations will commence by 2025 and is intended to be operational by 2025 – 2026.

To ensure the faster movement of supply from the main storage to the satellite depot, and to the other customers, the Company will acquire two units of compartmentalized fuel tankers with a capacity of 5.0 million liter for each vessel. To complement further the fuel logistics platform, the Company will also acquire 40 units of tank trucks with rated capacities of at least 20,000 liters. The acquisition of tank trucks will take place between 2024 and 2025.

There will also be requirement for working capital to fund the supply of stocks that will be sourced from the local and imported supplies. These supplies will be temporarily stored in the fuel depots to ensure the reliability of supply at any given time. The Company intends to apply the proceeds allocated for working capital within the 4th quarter of 2024.

The rest of the proceeds will be used for general corporate purposes.

To the extent that the Offer proceeds are insufficient to finance the above-mentioned purposes, additional financing from loans and internally generated cash flows will be utilized as necessary.

Other than as described above, no part of the net proceeds from the Primary Offer Shares shall be used to acquire assets outside of the ordinary course of business or finance the acquisition of other businesses, or to reimburse any officer, director, employee or shareholder of the Company for services rendered, assets previously transferred, money loaned or advanced, or otherwise.

No amount of the net proceeds of the Offer will be lent to any of the Company's Affiliates. The actual amount and timing of disbursement of the net proceeds from the Offer Shares for the uses stated above will depend on various factors which include, among others, changing market conditions or new information regarding the cost or feasibility of the Company’s plans. The Company’s cost estimates may change as the plans are developed and actual costs may be different from the budgeted costs. To the extent that the net proceeds from the Offer Shares are not immediately applied to the above purposes, the Company may invest the net proceeds in interest-bearing short term demand deposits and/or money market instruments and other short term liquid instruments.

The Company undertakes that it will not use the net proceeds from the Offer for any purpose, other than as discussed in this Prospectus. The Company’s cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary from the foregoing discussion and the Company’s management may find it necessary or advisable to alter its plans.

In the event of any deviation, adjustment or reallocation in the planned use of proceeds, the Company shall inform the SEC and the PSE in writing at least thirty (30) days before such deviation, adjustment or reallocation is implemented. Any material or substantial adjustments to the use of proceeds, as indicated above, should be approved by the Company’s Board of Directors and disclosed to the SEC and the PSE. In addition, the Company shall submit via the PSE EDGE the following disclosures to ensure transparency in the use of proceeds:

- Any material disbursements made in connection with the planned use of proceeds from the Offer Shares;
- Quarterly progress report on the application of the proceeds from the Offer Shares on or before the first fifteen (15) days of the following quarter; the quarterly progress reports should be certified by the Company’s Chief Financial Officer or Treasurer and external auditor;
- Annual summary of the application of the proceeds on or before January 31 of the following year, which will be certified by the Company’s Chief Financial Officer or Treasurer and external auditor; and
- Approval by the Company’s board of directors of any reallocation on the planned use of proceeds. The actual disbursement or implementation of such reallocation must be disclosed by the Company at least thirty (30) days prior to the said actual disbursement or implementation.

The quarterly and annual reports required in items (b) and (c) above must include a detailed explanation for any material variances between the actual disbursements and the planned use of proceeds in the Prospectus, if any. The detailed explanation must state the approval of the Company's Board as required in item (d) above. The Company will submit an external auditor's certification of the accuracy of the information reported by the Company to the PSE in their quarterly and annual reports.

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DIVIDENDS AND DIVIDEND POLICY

LIMITATIONS AND REQUIREMENTS

Under Philippine law, dividends may be declared out of a corporation's Unrestricted Retained Earnings which shall be payable in cash, in property, or in stock to all stockholders on the basis of outstanding stock held by them. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the SEC. The approval of the Board of Directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing not less than two-thirds of the outstanding capital stock at a regular or special meeting duly called for the purpose. From time to time, the Company may reallocate capital among its Subsidiaries, depending on its business requirements.

The Philippine Revised Corporation Code prohibits stock corporations from retaining surplus profits in excess of 100% of their paid-in capital stock, except when justified by definite corporate expansion projects or programs approved by the Board of Directors, or when the corporation is prohibited under any loan agreement with any financial institution or creditor from declaring dividend without its consent, and such consent has not yet been secured, or when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation.

The Philippine Revised Corporation Code generally requires a Philippine corporation with retained earnings in excess of 100% of its paid-in capital to declare and distribute as dividends the amount of such surplus. Notwithstanding this general requirement, a Philippine corporation may retain all or any portion of such surplus in the following cases: (i) when justified by definite expansion plans approved by the board of directors of the corporation, (ii) when distribution is prohibited under any loan agreement with any financial institution or creditor without its consent, and such consent has not been secured, (iii) when retention is necessary under special circumstances, such as when there is a need for special reserves for probable contingencies, or (iv) when the non-distribution of dividends is consistent with the policy or requirement of a Government office.

RECORD DATE AND PAYMENT DATE

Pursuant to existing SEC rules, any declaration of cash dividends must have a record date not less than ten (10) nor more than thirty (30) calendar days from the date of declaration. Under such rules, if no record date is specified, the record date will be deemed fixed at fifteen (15) calendar days from such declaration. For stock dividends, the record date should not be less than ten (10) nor more than thirty (30) days from the date of the shareholders' approval. If no record date is set, under SEC rules, the record date will be deemed fixed at fifteen (15) calendar days from the date of the stock dividend declaration. In either case, the set record date is not to be less than ten (10) trading days from receipt by the PSE of the notice of declaration of dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the SEC.

In relation to foreign shareholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the BSP.

Pursuant to the "Amended Rules Governing Pre-emptive and other Subscription Rights and Declaration of Stock and Cash Dividends" of the SEC, all cash dividends and stock dividends declared by a company shall be remitted to PDTC for immediate distribution to participants not later than eighteen (18) trading days after the record date (the "**Payment Date**"); provided that in the case of stock dividends, the credit of the stock dividend shall be on the Payment Date which in no case shall be later than the stock dividends' listing date. If the stock dividend shall come from an increase in capital stock, all stock dividends shall be credited to PDTC for immediate distribution to its participants not later than twenty (20) trading days from the record date set by the SEC, which in no case shall be later than the stock dividends' listing date.

DIVIDEND HISTORY

On March 15, 2024, the Board of Directors approved the declaration of stock dividends amounting to One Million Seven Hundred Eighteen Thousand Seven Hundred Fifty (1,718,750) common shares or a total of Php171,875,000.00 to all shareholders of the Company as of record date May 10, 2024.

Aside from the foregoing, the Company has not declared any dividends for the years ended December 31, 2021, 2022, and 2023.

DIVIDEND POLICY

Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors and/or stockholders of Top Line may determine and in accordance with law.

Pursuant to a board approval on March 26, 2024, the Board adopted a dividend policy to maintain an annual dividend payment ratio for its outstanding subscribed Common Shares up to thirty percent (30%) of the prior year's net income of the Company based on its audited financial statement as of such year. However, the Board of Directors, in its discretion, may decide to declare dividends to be payable in property or shares. The declaration of dividends shall also be subject to the requirements of applicable tax laws, rules and regulations, the availability of cash and unrestricted retained earnings and other circumstances which may restrict the payment of dividends, including but not limited to negative covenants in loan documents with banks and other financial institutions or where the Company approves and implements corporate expansion or when it can be clearly shown that retention of earnings is necessary under special circumstances. The Company's Board of Directors, may, at any time, modify such dividend payout ratio depending upon the results of operations and future projects and plans and other considerations.

Dividends shall be declared and paid out of TOP's unrestricted retained earnings and shall be payable in cash, property or stock to all shareholders on the basis of outstanding stock held by them. Unless otherwise required by law, TOP's Board of Directors, at its Joint Lead Underwriters discretion, shall determine the amount, type and date of payment of the dividends to the shareholders, taking into account various factors, including:

- the level of earnings, cash flow, return on equity and retained earnings;
- Results for and financial condition at the end of the year in respect of which the dividend is to be paid and expected financial performance;
- The projected levels of capital expenditures and other investment programs;
- Restrictions on payments of dividends that may be imposed on the Company by any of the financing arrangements and current or prospective debt service requirements; and
- Other such other factors as the Board deems appropriate.

Currently, the Company is a party to several loan agreements that restricts its ability to pay dividends unless the prior consent of the creditors is secured. Apart from the loan covenants and the requirement of law, there are no specific requirements relating to the Company's dividend policy that limits or would likely limit the Company's ability to pay dividends.

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DETERMINATION OF THE OFFER PRICE

The Offer Price is up to Php0.78 per Offer Share. The final Offer Price will be determined through a book-building process and discussions between the Company and the Joint Lead Underwriters. Since the Offer Shares have not been listed on any stock exchange prior to the Offer, there has been no market price for the Shares derived from day-to-day trading.

The factors that will be considered in determining the Offer Price are, among others, include the Company's ability to generate earnings, cash flow, and dividends, the Company's short- and long-term prospects, the level of demand from institutional investors, overall market conditions at the time of launch of the Offer and the market prices and earnings multiples of listed comparable companies, with reference to the relevant country's stock market index. The Offer Price does not have any correlation to the book value of the Offer Shares.

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CAPITALIZATION

The following table sets out the Company's consolidated debt, shareholders' equity, and capitalization as of June 30, 2024, and as adjusted to reflect the issuance and sale of a total of 3,683,100,000 Offer Shares at the Offer Price of Php0.78 per Offer Share. The table should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto, included in this Prospectus.

Provided below is the Company's Consolidated Debt, Shareholders' Equity, And Capitalization as of June 30, 2024:

	Actual as of June 30, 2024 Php (Audited)	As Adjusted for the Offer Php (Unaudited)
TOTAL DEBT	Php1,720,138,137	Php1,720,138,137
Equity:		
Capital stock	Php859,375,000	Php1,227,685,000
Additional Paid-In Capital	-	Php2,504,508,000
Retained earnings	Php82,666,826	Php82,666,826
Non-controlling interests	(Php1,185,886)	(Php1,185,886)
TOTAL EQUITY	Php940,855,940	Php3,813,673,940
TOTAL CAPITALIZATION	**Php2,660,994,077**	**Php5,533,812,077**

For illustration, the following tables show the impact of the Change in Par Value and on the earnings per share and book value per share as of December 31, 2021, 2022 and 2023 and as of June 30, 2024:

	Actual as of December 31, 2021	Actual as of December 31, 2022	Actual as of December 31, 2023	Actual as of June 30, 2024 Php	Effect of Stock Split	As Adjusted After Stock Split Php
	(Audited)					
Authorized shares						
Number of shares	2,500,000	2,500,000	2,500,000	16,000,000	15,984,000,000	16,000,000,000
Amount	Php250,000,000	Php250,000,000	Php250,000,000	Php1,600,000,000	-	Php1,600,000,000
Par value per share	Php100	Php100	Php100	Php100	(Php99.90)	Php0.10
Equity						
Capital stock	Php158,000,000	Php250,000,000	Php250,000,000	Php859,375,000	-	Php859,375,000
Deposit for future stock subscription	-	-	Php367,500,000	-	-	-
Retained earnings	Php75,550,418	Php137,390,584	Php193,938,646	Php82,666,826	-	Php82,666,826
Non-controlling interests	Php9,834,857	Php8,729,696	(Php1,136,672)	(Php1,185,886)	-	(Php1,185,886)
TOTAL EQUITY	**Php243,385,275**	**Php396,120,280**	**Php810,301,974**	**Php940,855,940**	**-**	**Php940,855,940**
Number of shares outstanding	1,580,000	2,500,000	2,500,000	8,593,750	8,585,156,250	8,593,750,000
Book Value per Share	**Php154.04**	**Php163.46**	**Php324.12**	**Php109.48**	**(Php109.37)**	**Php0.11**
Earnings per Share	**Php40.96**	**Php25.56**	**Php12.49**	**Php11.52**	**-**	**Php0.01**

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EFFECT OF THE CHANGE IN PAR VALUE OF THE COMPANY

On April 18, 2024, the Company's Board of Directors approved amendments to its Articles of Incorporation to, among others, (i) reduce the par value of the Common Shares from Php100.00 to Php0.10 per share ("**Change in Par Value**"). The Company's shareholders approved the Change in Par Value on April 18, 2024 and the SEC approved such amendments on [●].

Before the amendment of the Articles of Incorporation, the par value of the Common Shares was Php100.00 per share, and the earnings per share for the years ended December 31, 2021, 2022 and 2023 and as of June 30, 2024, was Php40.96, Php25.56, Php12.49, and Php11.52, respectively, and the book value per share as of December 31, 2021, 2022 and 2023 and as of June 30, 2024, was Php154.04, Php163.46, Php324.12, and Php109.48, respectively. Below is a breakdown of the shareholdings at the stockholders meeting before the Change in Par Value:

SHAREHOLDINGS BEFORE THE STOCK SPLIT

Stockholders	Nationality	No. of Common Shares Subscribed	Amount Subscribed (Php)	Amount Paid-Up (Php)	%
Topline Equity Corporation	Filipino	4,295,000	429,500,000.00	429,500,000.00	73.11
Eugene Erik C. Lapasaran Lim	Filipino	632,000	63,200,000.00	63,200,000.00	10.75
Brigitte Carmel L. Mueller	Filipino	158,000	15,800,000.00	15,800,000.00	2.69
Constance Marie C. Lim	Filipino	158,000	15,800,000.00	15,800,000.00	2.69
Suzanne Dorothy C. Lapasaran Lim	Filipino	158,000	15,800,000.00	15,800,000.00	2.69
Ma. Alice L. Ingles	Filipino	158,000	15,800,000.00	15,800,000.00	2.69
Eugene L. Lapasaran Lim	Filipino	158,000	15,800,000.00	15,800,000.00	2.69
Ma. Constancia C. Lim	Filipino	158,000	15,800,000.00	15,800,000.00	2.69
		5,875,000	**587,500,00.00**	**587,500,00.00**	**100**

On April 17, 2024, upon approval by the SEC of the Company's application for increase in authorized capital stock from Php250,000,000 to Php1,600,000,000.00, the Company issued a total of 4,375,000 shares to TEC broken down as follows:

(a) 3,375,000 shares subscribed to in support of the application for increase in authorized capital stock.
(b) 300,000 shares pursuant to a Subscription Agreement dated December 22, 2023; and
(c) 700,000 shares pursuant to a Subscription Agreement dated April 17, 2024.

On May 24, 2024, the Company issued a total of 1,718,750 shares in favor of all its stockholders, by way of stock dividends, in proportion to their shareholdings in the Company and on July 12, 2024, the Company issued one (1) share each to Ms. Iolanda Abella, Mr. Leonido J. Pulido and Mr. Luis A. Cañete who were elected as independent directors of the Company.

Hence, while the application for the reduction in par value was pending with the SEC and after the above additional shares were issued, the shareholding of the Company is as follows:

SHAREHOLDINGS BEFORE THE STOCK SPLIT AFTER ADDITIONAL ISSUANCES

Stockholders	Nationality	No. of Common Shares Subscribed	Amount Subscribed (Php)	Amount Paid-Up (Php)	%
Topline Equity Corporation	Filipino	6,618,750	661,875,000.00	661,875,000.00	77.20
Eugene Erik C. Lapasaran Lim	Filipino	790,000	79,000,000.00	79,000,000.00	9.19
Brigitte Carmel L. Mueller	Filipino	197,500	19,750,000.00	19,750,000.00	2.30
Constance Marie C. Lim	Filipino	197,500	19,750,000.00	19,750,000.00	2.30
Suzanne Dorothy C. Lapasaran Lim	Filipino	197,500	19,750,000.00	19,750,000.00	2.30
Ma. Alice L. Ingles	Filipino	197,500	19,750,000.00	19,750,000.00	2.30
Eugene L. Lapasaran Lim	Filipino	197,500	19,750,000.00	19,750,000.00	2.30
Ma. Constancia C. Lim	Filipino	197,500	19,750,000.00	19,750,000.00	2.30
Iolanda B. Abella	Filipino	1	100.00	100.00	0
Leonido J. Pulido	Filipino	1	100.00	100.00	0
Luis A. Cañete	Filipino	1	100.00	100.00	0
		8,593,753	**859,375,300.00**	**859,375,300.00**	**100**

Following the amendment of the Company's Articles of Incorporation on [●], the par value of the Common Shares is Php0.10. Based on this, the earnings per share for the years ended December 31, 2021, 2022 and 2023 and as of June 30, 2024, would have been Php0.05, Php0.02, Php0.01, and Php0.01, respectively, and the book value per share as of December 31, 2021, 2022 and 2023 and as of June 30, 2024, would have been Php0.20, Php0.13, Php0.26, and Php0.21, respectively. Aside from the foregoing, the change in par value of the Company's Common Shares had no impact on the Issuer's financial ratios. Below is a breakdown of the Company's shareholdings after the Change in Par Value:

SHAREHOLDINGS AFTER THE STOCK SPLIT

Stockholders	Nationality	No. of Common Shares Subscribed	Amount Subscribed (Php)	Amount Paid-Up (Php)	%
Topline Equity Corporation	Filipino	6,618,750,000	61,875,000.00	61,875,000.00	77.20
Eugene Erik C. Lapasaran Lim	Filipino	790,000,000	79,000,000.00	79,000,000.00	9.19
Brigitte Carmel L. Mueller	Filipino	197,500,000	19,750,000.00	19,750,000.00	2.30
Constance Marie C. Lim	Filipino	197,500,000	19,750,000.00	19,750,000.00	2.30
Suzanne Dorothy C. Lapasaran Lim	Filipino	197,500,000	19,750,000.00	19,750,000.00	2.30
Ma. Alice L. Ingles	Filipino	197,500,000	19,750,000.00	19,750,000.00	2.30
Eugene L. Lapasaran Lim	Filipino	197,500,000	19,750,000.00	19,750,000.00	2.30
Ma. Constancia C. Lim	Filipino	197,500,000	19,750,000.00	19,750,000.00	2.30
Iolanda B. Abella	Filipino	1,000	100.00	100.00	0
Leonido J. Pulido	Filipino	1,000	100.00	100.00	0
Luis A. Cañete	Filipino	1,000	100.00	100.00	0
		8,593,753,000	**859,375,300.00**	**859,375,300.00**	100%

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DILUTION

The Company will offer up to 3,683,100,000 Offer Shares to the public at the Offer Price, which will be higher than the adjusted book value per share of the outstanding Common Shares and which will result in an immediate material dilution of new investors' equity interest in the Company. The tangible book value of the Company was Php940,855,940 or Php109.48 per share . This was computed based on the Company's audited financial statements as of June 30, 2024 and the Company's adjusted par value approved by the SEC on [●], wherein the Company's resulting issued and outstanding capital stock is 8,593,753,000 common shares. The tangible book value represents the amount of the Company's total assets less the sum of its liabilities. The Company's net tangible book value per share is computed by dividing the tangible book value by the 8,593,753,000 issued and outstanding Common Shares of the Company.

Dilution in pro-forma book value per share to investors of the Offer Shares represents the difference between the Offer Price and the pro-forma book value per Share immediately following the completion of the Offer.

After giving effect to an increase in the Company's total assets to reflect the receipt of the net Offer proceeds of approximately Php2,754.3 million from the sale of 3,683,100,000 Primary Offer Shares at an Offer Price of Php0.78 per Offer Share, the Company's net tangible book value will be approximately Php3,695.2 million or Php0.30 per Common Share. This represents an immediate increase in the net tangible book value of Php2,754.3 million to existing shareholders and an immediate decrease of Php0.48 per share to investors of the Offer Shares.

The following table illustrates dilution on a per Common Share basis, at the Offer Price of up to Php0.78 per Offer Share:

Basis of Dilution of Common Shares	
Offer Price per Offer Share	Php0.78
Net book value per Common Share as of June 30, 2024	Php0.11
Pro forma net book value per Common Share immediately following the completion of the Offer	Php0.30
Dilution in Pro forma net book value per Common Share to investors of the Shares	Php0.48
Basis of Dilution of Common Shares	
Offer Price per Offer Share	Php0.78
Net book value per Common Share as of June 30, 2024	Php0.11
Pro forma net book value per Common Share immediately following the completion of the Offer	Php0.30
Dilution in Pro forma net book value per Common Share to investors of the Shares	Php0.48

The following table sets forth the shareholdings of existing and new shareholders of the Company immediately after completion of the Offer, assuming full exercise of the overallotment option:

Resulting Outstanding Capital Stock After the Offer		
	Common Shares	**%**
Existing shareholders	8,593,753,000	67.00
Public	4,051,410,000	33.00
TOTAL	**12,276,853,000**	**100.00**

The following table sets forth the shareholdings, and percentage of Shares outstanding of the existing and new shareholders of the Company before and after the Offer:

Shareholder	Pre-IPO No. of Shares Held	%	Post-IPO No. of Shares Held	%
Topline Equity Corporation	6,618,750,000	77.02%	6,618,750,000	53.91%
Eugene Erik C. Lapasaran Lim	790,000,000	9.19%	790,000,000	6.43%
Eugene L. Lapasaran Lim	197,500,000	2.30%	197,500,000	1.61%
Ma. Constancia C. Lapasaran Lim	197,500,000	2.30%	197,500,000	1.61%
Constance Marie C. Lapasaran Lim	197,500,000	2.30%	197,500,000	1.61%
Suzanne Dorothy C. Lapasaran Lim	197,500,000	2.30%	197,500,000	1.61%
Ma. Alice L. Ingles	197,500,000	2.30%	197,500,000	1.61%
Brigette Carmel C. Mueller	197,500,000	2.30%	197,500,000	1.61%
Iolanda Abella	1,000	0.00%	1,000	0.00%
Luis Cañete	1,000	0.00%	1,000	0.00%
Leonilo Pulido III	1,000	0.00%	1,000	0.00%
Public	-	-	3,683,100,000	30%
TOTAL	**8,593,753,000**	**100%**	**12,276,853,000**	**100%**

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) AND PLAN OF OPERATION

The following is a discussion and analysis of the Company's historical financial condition and results of operations and certain trends, risks and uncertainties that may affect the Company's business and should be read in conjunction with the independent auditor's reports and the Company reviewed and audited consolidated financial statements and notes thereto contained in this Prospectus. The critical accounting policies section discloses certain accounting policies and management judgments that are material to the results of operations and financial condition for the periods presented in this report. The discussion and analysis of the Company's results of operations is presented in three (3) comparative sections: the year ended 2024 compared with the year ended 2023, the year ended 2023 compared with the year ended 2022, the year ended 2022 compared with the year ended 2021, and the six months ended June 30, 2023 and 2024. Disclosure relating to liquidity and financial condition and the trends, risks and uncertainties that have had or that are expected to affect revenues and income complete the management's discussion and analysis.

Prospective investors should read this discussion and analysis of the Company's financial condition and results of operations in conjunction with the Company's consolidated financial statements and the notes thereto set forth elsewhere in this Prospectus.

This discussion contains forward-looking statements and reflects the Company's current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section entitled Risk Factors and elsewhere in this Prospectus.

FACTORS AFFECTING THE COMPANY'S RESULTS OF OPERATIONS

Prospective investors should read this discussion and analysis of the Company's financial condition and results of operations in conjunction the section entitled "*Selected Financial and Operating Information*" and with the financial information as of and for the years ended December 31, 2021, 2022, 2023, and for the six months ended June 30, 2024 in each case, including the notes relating thereto, included elsewhere in this Prospectus.

Our operations have been affected by a lot of influencing factors, mainly competition, the price fluctuations, capital, and regulations. These factors will continue to affect the Company. The Company continues to implement its strategies and innovative approaches to ride smoothly in all of these challenges.

Competition

Other than the "*Big Three*" in the liquid fuels industry[15], there are numerous other suppliers selling fuel products by retail and direct deliveries to customers. Each competitor comes in different forms and looks. Newer players keep on entering the retail segment, some of them with their own import activities. The Company endeavors to play along with the competition by cornering also the supply for the independent players, especially those without import capabilities.

[15] Center for Research and Communication Foundation, Inc. (2024, June). The Philippine Fuel Distribution Industry: Prospects, Risks, and Critical Success Factors

Price Fluctuations

Price fluctuations in the world market instantly affects our local demand and supply. Nowadays, it's common knowledge that almost all motorists anticipate the price movements every week and therefore timed their refill every Monday in anticipation of price adjustments the following day. This behavior tends to negate loyalty build up from customers as they also try to shop for stations with the best price. In this situation, location and service become the differentiating advantage to be able to maintain a certain customer segment.

Capital

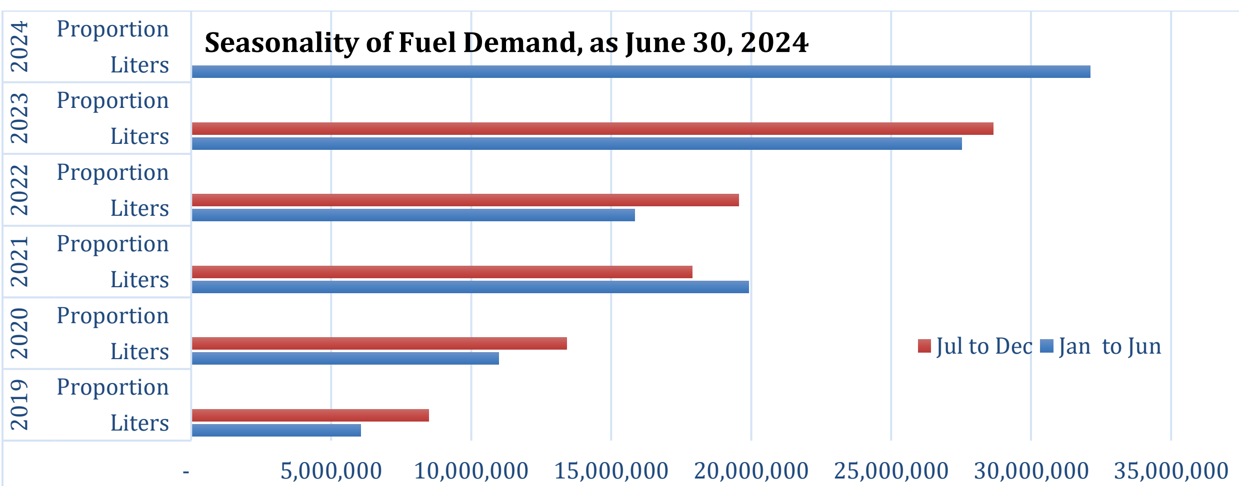
Working capital is also very critical in terms of maintaining reliable supply level. Most suppliers maintain certain volume supply level with their customers that are covered by bank guarantees. The Company ensures consistent supply of fuel from its suppliers with prepayment transactions in most of the times. This requires strong financial supports from its creditor banks.

Regulations

Other than the laws governing the downstream oil industry, the local government units also play a vital role in the opening and operation of fuel service stations, transport and delivery of fuel supply, traffic regulations, and even zoning of business locations. In the local level, issuances of location permits and clearances differ from locality to another. The Company has to adjust to these realities to be able to expand and reach its customers and end users.

Seasonality

The Company has historically experienced mild seasonality in the volumes of liquid fuels that it sells, with the second half of its financial year experiencing a higher proportion of its volumes sold. The table below illustrates this seasonality, from 2019 up to the first half of 2024:



Except for year 2021 wherein the actual volume sold in the second half is lower than its first half, the rest of the years registered higher sales volume on the second half of the year. In 2021 most of the deliveries towards the end of the year were hampered by impassable conditions of most of the roads due to the effects of Typhon Odette (super typhoon Rai). In 2022, the gap between the first half and the second half of the year is remarkably wide because of the scarcity of supply after the typhoon and the outbreak of Russia-Ukraine war that followed in February 2022. Overall, the sales volume notably increases year on year.

CRITICAL ACCOUNTING POLICIES

Critical accounting policies are those that are both (i) relevant to the presentation of the Company's financial condition and results of operations and (ii) require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increase, those judgments become even more subjective and complex. In order to provide an understanding of how the Company's management forms its judgments about future events, including the variables and assumptions underlying its estimates, and the sensitivity of those judgments to different circumstances, the Company has identified the significant accounting judgments, estimates and assumptions discussed in Note 4 to the Company's audited financial statements included in this Prospectus.

The main items subject to estimates and assumptions by management include, among others, impairment for allowance of expected credit losses ("**ECL**"), impairment losses on receivables, due from related parties and refundable deposits, estimation of useful lives of property and equipment, and realizability of deferred tax assets.

While the Company believes that all aspects of its financial statements, including the accounting policies discussed in Note 3 to its audited financial statements should be studied and understood in assessing the Company's current and expected financial condition and results of operations, the Company believes that the significant accounting judgments, estimates and assumptions discussed in Note [4] to the Company's audited financial statements warrant particular attention.

RESULTS OF OPERATIONS

Results of Operations as of June 30, 2024 vs June 30, 2023

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (All amounts in thousands Philippine Pesos)			
	Audited		
	for the six months period ended June 30		
	2023	2024	Increase/ (Decrease)
Sales And Service Income			
Fuel Distribution	1,352,729	1,564,733	212,003
Restaurant Operations	7,557	-	(7,557)
Non-Fuel	13	49	37
Sales And Service Income	1,360,299	1,564,782	204,483
Cost Of Sales And Other Direct Costs	(1,263,993)	(1,430,910)	166,918
Gross Income	96,306	133,871	37,565
Other Income	137	63,609	63,472
General And Administrative Expenses	(33,336)	(63,521)	30,185
Interest Expense	(35,413)	(53,247)	17,834
Interest Income	19	29	10
Income Before Income Tax	27,712	80,741	53,028
Provision For Income Tax			
Current	(8,165)	(21,983)	13,818
Deferred	1,242	1,796	555
	(6,924)	(20,187)	13,263
Net Income	20,789	60,554	39,765
Other Comprehensive Income			

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (All amounts in thousands Philippine Pesos)			
	Audited		
	for the six months period ended June 30		
	2023	2024	Increase/ (Decrease)
Total Comprehensive Income	20,789	60,554	39,765
Net Income Attributable To:			
Equity Holders Of The Parent Company	20,821	60,603	31,412
Non-Controlling Interests	(32)	(49)	17
	20,789	60,554	39,765
Total Comprehensive Income Attributable To:			
Equity Holders Of The Parent Company	20,821	60,603	31,412
Non-Controlling Interests	(32)	(49)	17
	20,789	60,554	39,765

Sales and Other Income

For the first six months of 2024, the Company improved its sales performance by 15.0% or by Php204.5 million. This growth was driven by an increase in volume turnover, outperforming all other comparable periods in the previous years.

The Company had already assigned its restaurant business to an affiliate company, hence it registered zero sales on that segment. In the same period in 2024, the Company recognized rental income for Pier88 and was recorded under Other Income.

Cost of Sales and Gross Income Margin

The company achieved higher gross income margin of 8.6% in the first half of 2024 compared its achievement of 7.1% at the same period in 2023. The increase in its supply and ability to maintain inventory due to the operation of its supply depot contributed to the improvement its gross margin.

General, Administrative and Interest Expenses

General and administrative expenses both registered increases as the Company prepares its organization to handle bigger volume and wider territorial coverage. The increase in general and administrative expense is at Php30.2 million. Interest expense grew by Php17.8 million due to the interest payments for the term loan it availed to finance the construction of Pier88, and the slight increase in the interest rates charged by the banks for the particular period.

Net Income

Net income result for the first half of 2024 grew by almost three times to Php60.5 million compared to Php20.8 million for the same period in 2023. The net income performance is attributable to the increase in volume sales for the period, better gross margin, and the rental income contributed by Pier88.

Financial Condition as of June 30, 2024 vs December 31, 2023

STATEMENTS OF CONSOLIDATED FINANCIAL POSITION (All amounts in thousands Philippine Pesos)			
	Audited		
	As of December 31, 2023	As of June 30, 2024	Increase/ (Decrease)
Cash	123,841.0	102,928.0	(20,912.0)
Trade and other receivables	325,536.0	517,398.0	191,862.0
Inventories	106,590.0	74,740.0	(31,850.0)
Due from related parties	90,447.0	202,782.0	112,334.0
Prepayments and other current assets	730,166.0	827,831.0	97,666.0
Total Current Assets	**1,376,579.0**	**1,725,680.0**	**349,100.0**
Property and equipment, net	910,471.0	920,498.0	10,027.0
Right-of-use (ROU) asset, net	-	8,114.0	8,114.0
Intangible assets, net	534.0	503.0	(30.0)
Deferred tax asset	-	1,796.0	1,796.0
Other noncurrent assets	3,465.0	4,403.0	938.0
Total Noncurrent Assets	**914,469.0**	**935,315.0**	**20,845.0**
TOTAL ASSETS	**2,291,049.0**	**2,660,994.0**	**369,945.0**
Trade and other payables	25,999.0	56,514.0	30,515.0
Loans payable, current	1,236,730.0	1,403,311.0	166,581.0
Mortgage payable, current	2,750.0	2,359.0	(391.0)
Lease liability, current	-	660.0	660.0
Income tax payable	19,355.0	16,941.0	(2,413.0)
Total Current Liabilities	**1,284,833.0**	**1,479,785.0**	**194,952.0**
Loans payable, net of current	172,981.0	209,819.0	36,838.0
Mortgage payable, net of current	22,932.0	23,039.0	-
Lease liability, net of current	-	7,495.0	7,495.0
Total Noncurrent Liabilities	**195,913.0**	**240,353.0**	**44,440.0**
Total Liabilities	**1,480,747.0**	**1,720,138.0**	**239,391.0**
Share Capital	250,000.0	859,375.0	-
Deposit for future stock subscription	367,500.0	-	609,375.0
Retained earnings	193,939.0	82,667.0	(111,272.0)
Total Equity Attributable to Equity Holders of the Parent Company	**811,439.0**	**942,042.0**	**130,603.0**
Non-controlling interests	(1,137.0)	(1,186.0)	(49.0)
Total Equity	**810,302.0**	**940,856.0**	**130,554.0**
TOTAL LIABILITIES AND EQUITY	**2,291,049.0**	**2,660,994.0**	**369,945.0**

Assets

Total Assets grew by Php369.9 million due to an increase in receivables from trade, other prepayments, as well as increases in its properties, plants and equipment. There is also an increase in the due from affiliate companies.

Liabilities

The overall liabilities of the company increased by Php239.4 million due to an increase in its loan balances comprising of Php195.0 in short term loans and Php44.4 in long term loans. There is also a notable increase in its trade and other payables by Php30.5 million.

Stockholders' Equity and Capital Accounts

As of June 30, 2024, the Company's total equity grew by Php130.6 million due mainly from additional infused capitalization of Php70.0 million by its parent company, the Topline Equity, and Php60.5 million in net income from its operation for the first six months.

Statement of Cash Flows as of June 30, 2024 vs June 30, 2023

STATEMENTS OF CASH FLOWS (All amounts in thousands Philippine Pesos)	Audited for six months period ended June 30	
	2023	2024
Net cash used in operating activities	(324,872)	(119,944)
Net cash provided by (used in) investing activities	136,321	(120,548)
Net cash provided by financing activities	117,210	219,580
NET DECREASE IN CASH	**(71,341)**	**(20,912)**
CASH AT JANUARY 1	144,310	123,841
CASH AT DECEMBER 31	**72,968**	**102,928**

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Results of Operations as of December 31, 2023 vs December 31, 2022

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (All amounts in thousands Philippine Pesos)	**Audited for the year ended December 31**		
	2022	**2023**	**Increase (Decrease)**
Sales And Service Income			
Fuel Distribution	2,156,082	2,860,458	704,376
Restaurant Operations	11,684	15,572	3,888
Non-Fuel		48	48
Sales And Service Income	**2,167,765**	**2,876,077**	**708,312**
Cost Of Sales And Other Direct Costs	(1,984,710)	(2,633,470)	648,760
Gross Income	**183,055**	**242,607**	**59,552**
Other Income	1,398	18,081	16,683
General And Administrative Expenses	(46,448)	(70,543)	24,095
Interest Expense	(55,487)	(85,913)	30,427
Interest Income	66	139	72
Income Before Income Tax	**82,585**	**104,370**	**21,785**
Provision For Income Tax			-
Current	(20,821)	(25,979)	5,158
Deferred	165	(175)	(340)
	(20,656)	(26,154)	5,498
Net Income	**61,929**	**78,217**	**16,287**
Other Comprehensive Income	-	-	-
Total Comprehensive Income	**61,929**	**78,217**	**16,287**
Net Income Attributable To:			
Equity Holders Of The Parent Company	61,840	78,202	16,362
Non-Controlling Interests	89	14	(75)
	61,929	**78,217**	**16,287**
Total Comprehensive Income Attributable To:			
Equity Holders Of The Parent Company	61,840	78,202	16,362
Non-Controlling Interests	89	14	(75)
	61,929	**78,217**	**16,287**

Sales and Service Income

Sales and service income increased by 32.7% to Php2,876.1 million for the years ended December 31, 2023, compared to Php2,167.8 million for the years ended December 31, 2022. This growth was mainly driven by their fuel distribution's increase in volume turnover.

Restaurant operations increased by 33.3% to Php15.6 million for the years ended December 31, 2023, compared to Php11.7 million for the years ended December 31, 2022.

Cost of Sales and Gross Income

Cost of sales and other direct costs increased by 32.7% to Php2,633.5 million for the years ended December 31, 2023, compared to Php1,984.7 million for the years ended December 31, 2022, demonstrating that the growth of cost of sales is commensurate with the increase in sales and service income.

General, Administrative and Interest Expenses

General and administrative expenses increased by 51.9% to Php70.5 million for the years ended December 31, 2023, compared to Php46.4 million for the years ended December 31, 2022, primarily due to the hiring of additional manpower and the expansion of additional working spaces.

Interest Expense increased by 54.8% to Php85.9 million for the years ended December 31, 2023, compared to Php55.5 million for the years ended December 31, 2022, mainly due to increased loan availment from credit facilities to fund additional working capital requirements.

Other Income

Other income increased by 11.93 times to Php18.01 million for the years ended December 31, 2023, compared to Php1.4 million for the years ended December 31, 2022, primarily due to the lease income received from Pier88, which was classified under other income and de-recognition of lease amounting to Php3.7 million.

Net Income

Net income increased by 26.3% to Php78.2 million for the years ended December 31, 2023, compared to Php61.9 million for the years ended December 31, 2022, mainly driven by higher sales volume, and lease income contributions of Pier88 classified under other income.

Financial Condition as of December 31, 2023 vs December 31, 2022

STATEMENTS OF CONSOLIDATED FINANCIAL POSITION (All amounts in thousands Philippine Pesos)			
	Audited as of December 31		
	2022	2023	Increase/ (Decrease)
Cash	659,115	123,841	(535,274)
Trade and other receivables	150,482	325,536	175,054
Inventories	4,323	106,590	102,266
Due from related parties	490,244	90,447	(399,796)
Prepayments and other current assets	430,278	732,048	301,770
Total Current Assets	**1,734,443**	**1,378,462**	**(355,980)**
Property and equipment, net	424,323	910,471	486,148
Right-of-use (ROU) asset, net	24,078	-	(24,078)
Intangible assets, net	1,601	534	(1,068)
Deferred tax asset	175	-	(175)
Other noncurrent assets	3,705	3,465	(240)
Total Noncurrent Assets	**453,882**	**914,469**	**460,587**
TOTAL ASSETS	**2,188,325**	**2,292,932**	**104,607**
Trade and other payables	13,433	27,882	14,449
Loans payable, current	1,071,228	1,236,730	165,502
Mortgage payable, current	11,461	2,750	(8,712)
Lease liability, current	2,094	-	(2,094)
Income tax payable	8,370	19,355	10,985
Total Current Liabilities	1,106,586	1,286,716	180,130

STATEMENTS OF CONSOLIDATED FINANCIAL POSITION (All amounts in thousands Philippine Pesos)			
	Audited		
	as of December 31		
	2022	2023	Increase/ (Decrease)
Loans payable, net of current	190,870	172,981	(17,889)
Mortgage payable, net of current	31,125	22,932	(8,193)
Lease liability, net of current	22,465	-	(22,465)
Deposit for future stock subscription	441,159	-	(441,159)
Total Noncurrent Liabilities	**685,619**	**195,913**	**(489,705)**
Total Liabilities	**1,792,205**	**1,482,630**	**(309,575)**
Share Capital	250,000	250,000	-
Deposit for future stock subscription	-	367,500	367,500
Retained earnings	135,215	193,939	58,724
Total Equity Attributable to Equity Holders of the Parent Company	385,215	811,439	426,224
Non-controlling interests	10,905	(1,137)	(12,042)
Total Equity	**396,120**	**810,302**	**414,182**
TOTAL LIABILITIES AND EQUITY	**2,188,325**	**2,292,932**	**104,607**

Assets

Total Assets for the years ended December 31, 2023 amounted to Php2,292.9 million, an increase of 4.78% or Php102.7 million, as compared to Php2,188.3 million for the years ended December 31, 2022.

Cash decreased by 81.2% to Php123.9 million for the years ended December 31, 2023, compared to Php659.1 million for the years ended December 31, 2022, which can be attributed to partially paying off amounts due from related parties.

Trade and other receivables increased by 116.3% to Php325.5 million for the years ended December 31, 2023, in contrast to Php150.5 million for the years ended December 31, 2022, primarily due to an increase in the Company's trade receivables by Php147.3 million and the recognition of receivables from its Affiliate companies amounting toPhp27.8 million.

Due from related parties decreased by 81.6% to Php90.4 million for the years ended December 31, 2023, compared to Php490.2 million for the years ended December 31, 2022, mainly due to partial payment from cash resources.

Prepayments and other current assets increased by 70.1% to Php732.0 million for the years ended December 31, 2023, compared to Php430.3 million for the years ended December 31, 2022, which are due to increases in advance payments made by the Company to suppliers of fuels which are yet to be delivered.

Property and equipment, net increased by 114.6% to Php910.5 million for the years ended December 31, 2023, compared to Php424.3 million for the years ended December 31, 2022, mainly because of the increasing percentage of completion of Pier88 and the recognition of its corresponding value for the period amounting to Php429 million; increases in land, buildings and leasehold improvements amounting to Php33.5 million, and net additions for machineries and transport equipment amounting to Php21.4 million.

Liabilities

Total Liabilities for the years ended December 31, 2023, amounted to Php1,482.6 million, a decrease of 17.3% or Php309.6 million, compared to Php1,792.2 million for the years ended December 31, 2022.

Loans payable, current increased by 15.4% to Php1,236.7 million for the years ended December 31, 2023, compared to Php1,071.2 million for the years ended December 31, 2022, mainly due to increase in drawdowns from credit facilities of the Company to fund working capital requirements.

Lease liability, net of current decreased by Php22.5 million for the year ended December 31, 2023, primarily due to the de-recognition of lease liabilities against ROU assets.

Deposit for Future Stock Subscription (DFFS) decreased by Php441.2 million for the years ended December 31, 2023, due to the reclassification of DFFS from a liability account to an equity account following the submission of the application to the SEC for an increase in the Company's authorized capitalization.

Equity and Capital Accounts

Total Equity increased by 104.6% to Php810.3 million for the years ended December 31, 2023, compared to Php396.1 million for the years ended December 31, 2022.

Deposit for Future Stock Subscription increased by Php367.5 million for the years ended December 31, 2023, and will be credited to the respective subscribers of newly issued stocks upon SEC approval of the pending amendment to increase the Company’s authorized capitalization.

Retained earnings increased by 41.2% to Php193.9 million for the years ended December 31, 2023, compared to Php135.2 million for the years ended December 31, 2022, mainly driven by the de-recognition of income from the restaurant operations.

Statement of Cash Flows as of December 31, 2023 vs December 31, 2022

STATEMENTS OF CASH FLOWS (All amounts in thousands Philippine Pesos)		
	Audited for the year ended December 31	
	2022	**2023**
Net cash provided by (used in) operating activities	16,426	(852,114)
Net cash used in investing activities	(3,626,533)	(464,143)
Net cash provided by financing activities	922,849	780,983
NET INCREASE IN CASH	**615,409**	**(535,274)**
CASH AT JANUARY 1	43,706	659,115
CASH AT DECEMBER 31	**659,115**	**123,841**

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Results of Operations as of December 31, 2022 vs December 31, 2021

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (All amounts in thousands Philippine Pesos)	Audited		
	for the year ended December 31		
	2021	2022	Increase (Decrease)
Fuel Distribution	1,286,925	2,156,082	869,157
Restaurant Operations	4,936	11,684	6,748
Non-Fuel	611	-	(611)
Sales And Service Income	**1,292,471**	**2,167,765**	**875,294**
Cost Of Sales And Other Direct Costs	(1,134,030)	(1,984,710)	850,681
Gross Income	**158,442**	**183,055**	**24,613**
Other Income	1,197	1,398	201
General And Administrative Expenses	(39,813)	(46,448)	6,635
Interest Expense	(33,357)	(55,487)	22,130
Interest Income	16	66	51
Income Before Income Tax	**86,485**	**82,585**	**(3,900)**
Provision For Income Tax			
Current	(20,505)	(20,821)	316
Deferred	(1,267)	165	(1,432)
	(21,772)	(20,656)	(1,116)
Net Income	**64,713**	**61,929**	**(2,784)**
Other Comprehensive Income	-	-	-
Total Comprehensive Income	**64,713**	**61,929**	**(2,784)**
Net Income Attributable To:			
Equity Holders Of The Parent Company	61,314	61,840	526
Non-Controlling Interests	3,399	89	(3,309)
	64,713	**61,929**	**(2,784)**
Total Comprehensive Income Attributable To:			
Equity Holders Of The Parent Company	61,314	61,840	526
Non-Controlling Interests	3,399	89	(3,309)
	64,713	**61,929**	**(2,784)**

Sales and Service Income

Sales and service income increased by 67.7% to Php2,167.8 million for the years ended December 31, 2022, compared to Php1,292.5 million for the years ended December 31, 2021, primarily driven by increase in sales and rising fuel prices.

Cost of Sales and Other Direct Costs

Cost of sales and other direct costs increased by 75.0% to Php1,984.7 million for the years ended December 31, 2022, compared to Php1,134.0 million for the years ended December 31, 2021, mainly due to higher costs of fuel during 2021. This is reflected in higher gross income margins of 12.3% in 2021, compared to 8.5% in 2022.

General and Administrative Expenses, and Interest Expenses

General and administrative expenses increased by 16.7% to Php46.4 million for the years ended December 31, 2022, compared to Php39.8 million for the years ended December 31, 2021. Interest expenses increased by 66.3% to Php55.5 million for the years ended December 31, 2022, compared to Php33.4 million for the years ended December 31, 2021, primarily due to increased loan availment from credit facilities to fund rising fuel prices, and a drawdown from the term loan facility to fund the completion of Pier88.

Net Income

Net income decreased by 4.3% to Php61.9 million for the years ended December 31, 2022, compared to Php64.7 million for the years ended December 31, 2021, primarily due to the increase in interest expenses, and general and administrative expenses during the period.

Financial Condition as of December 31, 2022 vs December 31, 2021

STATEMENTS OF CONSOLIDATED FINANCIAL POSITION (All amounts in thousands Philippine Pesos)			
	Audited as of December 31		
	2021	**2022**	**Increase/ (Decrease)**
Cash	43,706	659,115	615,409
Trade and other receivables	253,557	150,482	(103,075)
Inventories		4,323	4,323
Due from related parties	104,215	490,244	386,029
Deposit for asset purchase	164,500		(164,500)
Prepayments and other current assets	229,331	430,278	200,947
Total Current Assets	**795,309**	**1,734,443**	**939,133**
Property and equipment, net	318,696	424,323	105,627
Right-of-use (ROU) asset, net	325	24,078	23,753
Intangible assets, net	1,623	1,601	(21)
Deferred tax asset	10	175	165
Other noncurrent assets	399	3,705	3,306
Total Noncurrent Assets	**321,053**	**453,882**	**132,829**
TOTAL ASSETS	**1,116,362**	**2,188,325**	**1,071,963**
Trade and other payables	17,058	13,433	(3,625)
Loans payable, current	692,262	1,071,228	378,965
Mortgage payable, current	7,950	11,461	3,511
Lease liability, current	346	2,094	1,748
Due to related parties	41,672	-	(41,672)
Income tax payable	16,449	8,370	(8,079)
Total Current Liabilities	**775,737**	**1,106,586**	**330,849**
Loans payable, net of current	60,000	190,870	130,870
Mortgage payable, net of current	37,240	31,125	(6,115)
Lease liability, net of current	-	22,465	22,465
Deposit for future stock subscription	-	441,159	441,159
Total Noncurrent Liabilities	**97,240**	**685,619**	**588,379**
Total Liabilities	**872,977**	**1,792,205**	**919,228**

STATEMENTS OF CONSOLIDATED FINANCIAL POSITION (All amounts in thousands Philippine Pesos)			
	Audited		
	as of December 31		
	2021	2022	Increase/ (Decrease)
Share Capital	158,000	250,000	92,000
Retained earnings	75,550	135,215	59,665
Total Equity Attributable to Equity Holders of the Parent Company	**233,550**	**385,215**	**151,665**
Non-controlling interests	9,835	10,905	1,070
Total Equity	**243,385**	**396,120**	**152,735**
TOTAL LIABILITIES AND EQUITY	**1,116,362**	**2,188,325**	**1,071,963**

Assets

Total Assets for the years ended December 31, 2022, amounted to Php2,188.3 million, an increase of 96.0% or Php1,071.9 million, in contrast to Php1,116.4 million for the years ended December 31, 2021, primarily driven by the increase in sales volume.

Cash increased by 14.1 times to Php659.1 million for the years ended December 31, 2022, compared to Php43.7 million for the years ended December 31, 2021, mainly driven by the increase in sales volume.

Trade and other receivables decreased by 40.7% to Php150.5 million for the years ended December 31, 2022, compared to Php253.6 million for the years ended December 31, 2021, mainly attributed to efforts in collecting all trade receivables on time.

Due from related parties increased by 370.4% to Php490.2 million for the years ended December 31, 2022, in comparison to Php104.2 million for the years ended December 31, 2021, which is attributed to increases in transactions with related parties that principally consist of cash advances which are unsecured, noninterest-bearing, due and payable upon demand settled through cash.

Prepayments and other current assets increased by 87.6% to Php430.3 million for the years ended December 31, 2022, compared to Php229.3 million for the years ended December 31, 2021, which are due to increases in advance payments made by the Company to suppliers of fuels which are yet to be delivered.

Property and equipment, net increased by 33.1% to Php424.3 million for the years ended December 31, 2022, compared to Php318.7 million for the years ended December 31, 2021, mainly due to the increasing percentage of completion of Pier88 and the recognition of its increasing value for the period amounting to Php91.4 million, and net increase in transportation equipment amounting to Php106.5 million.

Liabilities

Total Liabilities for the years ended December 31, 2022 amounted to Php1,792.2 million, an increase of 105.3% or Php919.2 million, compared to Php873.0 million for the years ended December 31, 2021.

Loans payable, current increased by 54.7% to Php1,071.2 million for the years ended December 31, 2022, compared to Php692.3 million for the years ended December 31, 2021, mainly due to an increase in loan drawdowns, totaling Php509.8 million. This includes Php379.0 million from the revolving credit line and Php131.0 million from the term loan used for the construction of Pier88.

Deposit for Future Stock Subscription (DFFS) increased by Php441.2 million for the year ended December 31, 2022, due to an additional capital infusion from Topline Equity Corporation (TEC). The excess capital infusion after issuing the remaining unissued capital to TEC, was recorded as DFFS.

Stockholders' Equity and Capital Accounts

Total Equity increased by 62.8% to Php396.1 million for the years ended December 31, 2022, compared to Php243.4 million for the years ended December 31, 2022.

Share Capital increased by Php92.0 million for the years ended December 31, 2022, mainly due to the Company issuing all of the remaining unissued shares to TEC. As a result, the authorized capital of Php250.0 million became fully issued and paid in 2022.

Retained earnings increased by 79.0% to Php135.2 million for the years ended December 31, 2022, compared to Php75.6 million for the years ended December 31, 2021.

Statement of Cash Flows as of December 31, 2022 vs December 31, 2021

STATEMENTS OF CASH FLOWS (All amounts in thousands Philippine Pesos)		
	Audited for the year ended December 31	
	2021	**2022**
Net cash provided by (used in) operating activities	(330,458)	16,426
Net cash used in investing activities	(125,633)	(3,626,533)
Net cash provided by financing activities	489,627	922,849
NET INCREASE IN CASH	**33,536**	**615,409**
CASH AT JANUARY 1	10,170	43,706
CASH AT DECEMBER 31	**43,706**	**659,115**

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Results of Operations as of December 31, 2021 vs December 31, 2020

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (All amounts in thousands Philippine Pesos)			
	Audited		
	for the year ended December 31		
	2020	2021	Increase (Decrease)
Fuel Distribution	701,647	1,286,925	585,277
Restaurant Operations	7,042	4,936	(2,106)
Rental income	561	611	50
Sales And Service Income	**709,249**	**1,292,471**	**583,222**
Cost Of Sales And Other Direct Costs	(662,394)	(1,134,030)	471,635
Gross Income	**46,855**	**158,442**	**111,587**
Other Income	-	1,197	1,197
General And Administrative Expenses	(25,837)	(39,813)	13,976
Interest Expense	(9,038)	(33,357)	24,318
Interest Income	65	16	(49)
Income Before Income Tax	**12,045**	**86,485**	**74,440**
Provision For Income Tax			
Current	(3,334)	(20,505)	(17,171)
Deferred	1,277	(1,267)	(2,544)
	(2,058)	(21,772)	(19,714)
Net Income	**9,987**	**64,713**	**54,726**
Other Comprehensive Income	-	-	-
Total Comprehensive Income	**9,987**	**64,713**	**54,726**
Net Income Attributable To:			
Equity Holders Of The Parent Company	7,471	61,314	59,665
Non-Controlling Interests	2,517	3,399	2,265
	9,987	**64,713**	**61,929**

Sales and Other Income

Sales in 2021 went up by P583.2 million or 83% higher than that of 2020. The growth in sales is attributable to a sharp increase in sales volume of petroleum products. While the restaurant operation declined by 30% in the same period, it did not affect the overall growth of the Company considering its nominal contribution to the Company's sales.

Cost of Sales and Gross Margins

The gross margin in 2021 almost doubled to 12.3% from 6.61% in 2020 which reflects the Company's successful management of supply chain and purchasing timing.

Operating and Other Expenses

The Company's general and administrative expenses increased by Php14 million as it provided for additional support to its growing operations. The interest expense also went up by Php24.4 million as the Company availed more of its credit facilities to fund its growing supply requirement.

Net Income

Amidst the backdrop of higher growth in sales and better gross margins, the corresponding net income also grew by Php54.7 million or more than 5x its 2020 level of Php10 million. The overall result of operations confirms the management's ability to manage cost and pricing structures.

Financial Condition as of December 31, 2021 vs December 31, 2020

STATEMENTS OF CONSOLIDATED FINANCIAL POSITION (All amounts in thousands Philippine Pesos)			
	Audited		
	as of December 31		
	2020	2021	Increase/ (Decrease)
Cash	10,170	43,706	33,536
Trade and other receivables	31,147	253,557	222,410
Inventories	291	-	(291)
Due from related parties	72,409	104,215	31,806
Deposit for asset purchase	-	164,500	164,500
Prepayments and other current assets	230,283	229,331	(953)
Total Current Assets	**344,301**	**795,309**	**451,009**
Property and equipment, net	38,750	318,696	279,946
Deposit for asset purchase	164,500	-	(164,500)
Right-of-use (ROU) asset, net	2,919	325	(2,594)
Intangible assets, net	2,006	1,623	(383)
Deferred tax asset	1,277	10	(1,267)
Other noncurrent assets	399	399	(399)
Total Noncurrent Assets	**209,851**	**321,053**	**111,202**
TOTAL ASSETS	**554,152**	**1,116,362**	**562,211**
Trade and other payables	72,295	17,058	(55,238)
Loans payable, current	231,000	692,262	461,262
Mortgage payable, current	1,528	7,950	6,422
Lease liability, current	2,581	346	(2,235)
Due to related parties	-	41,672	41,672
Income tax payable	2,981	16,448.52	13,468
Total Current Liabilities	**310,386**	**775,737**	**465,351**
Loans payable, net of current	60,000	60,000	-
Mortgage payable, net of current	4,650	37,240	32,590
Lease liability, net of current	444	-	(444)
Total Noncurrent Liabilities	**65,094**	**97,240**	**32,146**
Total Liabilities	**375,479**	**872,977**	**497,498**
Share Capital	158,000	158,000	-
Retained earnings	14,236	75,550	61,314
Total Equity Attributable to Equity Holders of the Parent Company	**172,236**	**233,550**	**61,314**
Non-controlling interests	6,436	9,835	3,399
Total Equity	**178,672**	**243,385**	**64,713**
TOTAL LIABILITIES AND EQUITY	**554,152**	**1,116,362**	**562,211**

Assets

The Company's total assets doubled from Php554.2 million in 2020 to Php1,116.4 million in 2021. This was mainly driven by the impact of accelerating volumes between 2020 and 2021. Notably, COVID factors that affected the ramp up of sales. As such, trade receivables increased by Php222.4 million in 2021 – standard credit terms extended by the Company in 2021 ranges from fifteen (15)to thirty (30) days.

Top Line earmarked Php164.5 million as deposit for asset purchase – this is related to advance payments for the purchase of land.

TOP also increased its property, plant, and equipment by Php279.9 million in 2021, as it acquired station equipment, fuel tanks and construction of its office units.

Liabilities

Total liabilities also grew from Php375.5 million in 2020 to Php873 million in 2021 due mainly to increase in borrowings that were used to finance the working capital of the Company.

Stockholders' Equity

Total Stockholders' Equity grew by Php61.3 million to Php243.4 million in 2021 coming from the net income for the period.

Statement of Cash Flows as of December 31, 2021 vs December 31, 2020

STATEMENTS OF CASH FLOWS (All amounts in thousands Philippine Pesos)	Audited for the year ended December 31	
	2020	2021
Net cash provided by (used in) operating activities	65,765	(330,458)
Net cash used in investing activities	(93,532)	(125,633)
Net cash provided by financing activities	3,081	489,627
NET INCREASE (DECREASE) IN CASH	**(25,125)**	**33,536**
CASH AT JANUARY 1	35,295	10,170
CASH AT DECEMBER 31	**10,170**	**43,706**

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KEY PERFORMANCE INDICATORS (KPIs)

The Company's KPIs as of the year ended December 31, 2021, 2022, 2023, and the financial period ending June 30, 2024, are listed below:

Key Financial And Operating Ratios					
	For the years ended December 31,			For the financial period ended June 30	
	2021	2022	2023	2023	2024
Current Ratio [16]	1.0	1.6	1.1	1.1	1.2
Debt to Equity Ratio[17]	3.6	4.5	1.8	1.8	1.8
Gross Profit Margin (%)[18]	12.3%	8.4%	8.4%	7.1%	8.6%
Before Tax Return on Sales (%)[19]	6.7%	3.8%	3.6%	2.0%	5.2%
Earnings per Share[20]	25.89	24.77	31.29	8.32	0.01
Earnings before Interest, Taxes, Depreciation & Amortization[21]	128,003	152,540	206,235	71,011	152,401
Return on Equity[22]	37.3%	29.3%	24.5%	3.4	6.9%

FINANCIAL RISK DISCLOSURE

As of date of this Prospectus, the Issuer has not spent on any research/development activities.

The Company is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

The Company is not aware of any event that will trigger direct or contingent financial obligation that is material to the Company, including default or acceleration of any obligation.

The Company is not aware of any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

The Company does not have any significant elements of income or loss that did not arise from its continuing operations.

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16 Current Assets / Current Liabilities
17 Total Liabilities/Stockholders' Equity
18 Gross Profit/Revenues
19 Profit Before Tax/Revenues
20 Net Income/Outstanding Shares
21 Net Income plus Interest Expenses, Provision for Income Tax, Depreciation and Amortization
22 Net Income / Average Stockholders' Equity

INDUSTRY OVERVIEW

The information that appears in this Industry Overview has been prepared by the Center for Research and Communication Foundation, Inc. ("**CRC**") and reflects estimates of market conditions based on publicly available sources and trade opinion surveys, and is prepared primarily as a market research tool. The Company compensated CRC for the conduct of the study referred to in the Prospectus. References to CRC should not be considered as the opinion of CRC as to the value of any security or the advisability of investing in the Company. The Company believes that the sources of information contained in this Industry Overview are appropriate sources for such information and have taken reasonable care in reproducing such information. The Company has no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. The information prepared by CRC and set out in this Industry Overview has not been independently verified by the Company, the Issue Manager, the Joint Lead Underwriters or any other party involved in the Offering and neither they nor CRC give any representations as to its accuracy and the information should not be relied upon in making, or refraining from making, any investment decision.

The information should not be relied upon in making, or refraining from making, any investment decision. The Industry Overview includes forecasts and other forward-looking estimates. These forward-looking statements are necessarily based on various assumptions and estimates that are inherently subject to various risks and uncertainties relating to possible invalidity of the underlying assumptions and estimates and possible changes or development of social, economic, business, industry, market, legal, government, and regulatory circumstances and conditions and actions taken or omitted to be taken by others. Actual results and future events could differ materially from such forecasts. Investors should not place undue reliance on such statements, or on the ability of any party to accurately predict future industry trends or performance.

MACROECONOMIC OVERVIEW

The Philippines is on an upward growth momentum, with a strong 5.5% GDP growth in 2023, driven by high consumer spending and public spending on infrastructure. This economic growth has contributed to improving employment rates, particularly in the services sector which has become the country's leading growth engine. With 95.7% employment in 2023, consumption is expected to increase with greater purchasing power, boosted by a young and growing population of 112 million, steady OFW remittances, and accelerating IT-BPM revenues. In particular, the digital economy which catapulted during the lockdown, spurred growth in retail and transportation services, with the shift to online shopping platforms such as Lazada, Shopee, and TikTok Shop and accessibility of transport network vehicle services (TNVS) and similar logistic providers, facilitated by the widespread adoption of financial technology services such as e-wallets. It has also given rise to e-commerce and micro, small, and medium enterprises ("**MSMEs**") catering to various consumer trends. This consumption-driven growth, supported by the government's infrastructure development and foreign direct investments, creates a ripple effect, bolstering economic activities that will stimulate the demand for transportation and logistics services and fuel consumption. On the other hand, fluctuations in the foreign exchange rate, influenced by geopolitical events such as the Russia-Ukraine war and the Israel-Gaza conflict, has weakened the Philippine peso and induced inflation, with the rising prices of imported goods including food and fuel. This volatility of global oil markets, which the Philippines relies on for fuel imports, directly impacts local gasoline prices, making the country vulnerable to market disruptions. Nonetheless, despite the challenges of global economies, the Philippines is expected to withstand volatilities and sustain a positive economic outlook in the next five years.

A closer look at regional growth indicates that emerging markets in the Visayas have outperformed the largest regional markets such as the National Capital Region (NCR), CALABARZON, and Central Luzon in the recent years. In particular, Central Visayas is the third-fastest growing economy with an average year-on-year growth rate of 7.46% from 2021 to 2023, after Western Visayas and Cordillera Administrative

Region (CAR). The region, comprising Cebu, Bohol, Negros Oriental, and Siquijor, is also the largest regional market outside Luzon with a gross regional domestic product ("**GRDP**") of Php 1.38 billion and 6.45% share to total Philippine GDP. The services sector is the region's main economic driver, dominated by information technology and tourism services. It also has a developed industry, with major manufacturing and agro-industrial zones. Its potential as a rising regional economic hub outside Luzon is further reinforced by its large and growing population, substantial construction growth, and notable share in the total enterprises nationwide.

The robust national and regional economies, stimulated by key trends such as young consumers' digital lifestyles and shopping behavior, government's infrastructure development plans, and support for MSMEs will bring about increased demand for construction and retail, travel and transportation, and logistic services that will continue to boost energy consumption. In fact, due to the growing demand for mobility, motor vehicle sales, including passenger cars and motorcycles, have almost doubled since the lockdown. As such, the import of crude and refined petroleum products, primarily diesel, gasoline, and LPG will remain elevated as the country continues to rely on these liquid fossil fuels due to underdeveloped infrastructure and technology for clean and renewable energy and alternative fuels.

PETROLEUM INDUSTRY

Energy consumption in the Philippines relies heavily on oil and petroleum products with an aggregate level of around 50% of total consumption in the last five years. Due to this demand, the country had to import almost 50% more than the previous year's volume of crude oil in 2022 when the economy reopened and the remaining refinery resumed its normal operations. The Joint Lead Underwriters refinery operated by Petron nonetheless cannot meet the growing demand as refined petroleum made up 74% of total crude imports.

Without oil exploration and production, the Philippine Petroleum Industry is engaged mainly in downstream oil activities which cover importation, refining, storage, trade, distribution, and retail of various products including crude oil, gasoline, diesel, liquefied petroleum gas (LPG), and kerosene, among others. The figure on the next page shows the industry's value chain[23].

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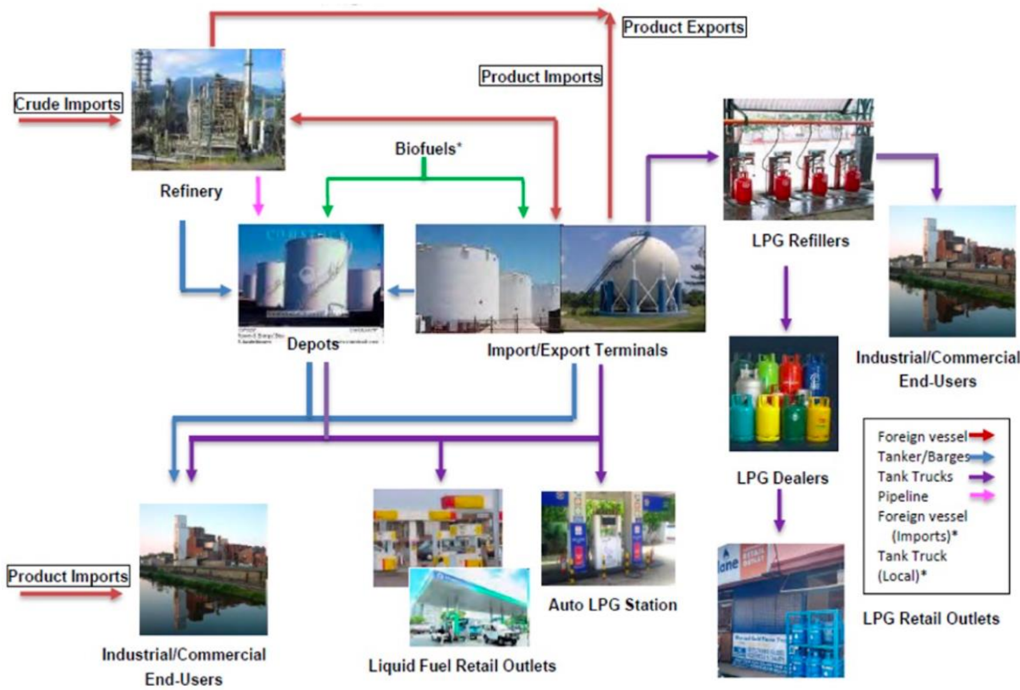
[23] Source: Department of Energy



Oil consumption increased by 3.4% in 2023, as total petroleum product demand rose to 13,595 million liters from 13,154 ML in 2022. This increase led to a daily average requirement of 75.1 ML, up from 72.7 ML the previous year, driven by economic recovery and eased mobility restrictions, promising a positive outlook for the petroleum industry. Among refined fuels, demand is highest for diesel (42%), followed by gasoline (30%), LPG (12%), and Avturbo (9%) as of June 2023 although gasoline has the highest average demand growth for the past 5 years.

Fuel demand is predominantly from the transport sector (63%), followed by commercial/services (9.9%), industry (8.4%), and residential (8.4%) sectors. Remarkably, power generation has the highest average demand growth among all sectors from 2018 to 2022 which indicates that electricity is still largely dependent on liquid fossil fuels. In terms of regional demand, Luzon corners 70% of demand for petroleum products, distributed among the National Capital Region (NCR) (30.4%), North Luzon (20.7%), and South Luzon (19.6%) where economic activities are concentrated. The remaining demand share as of June 2023 is almost equally distributed between Visayas (14.1%) and Mindanao (15.3%). Nonetheless, with the slowing down of NCR growth due to saturation, increased fuel consumption is expected in the Visayan regions, especially in Central Visayas, being the third-fastest growing regional economy and the largest market outside Luzon. In fact, most additional fuel retail stations in the past 5 years are found in the growth centers of the economy, including Central Visayas, where green fields in suburban and rural areas may still be tapped for geographic expansion and location strategies.

Total petroleum supply (13,978 MB as of June 2023) is provided mainly by imports from countries in the Middle East and refineries. However, with the exit of the Shell refinery in 2020, the total contribution share of refineries (with Petron as the Joint Lead Underwriters refinery) to fuel production has declined from 39% in 2019 to 26% in 2023. With the high cost of refining oil, refiners have resorted to importing oil to meet the fuel demand economically. However, the supply side can hardly keep up with fuel demand as 97 to 99% of fuel production is consumed, leading to shortages between 2020 and 2022 that caused price surges in diesel and gasoline.

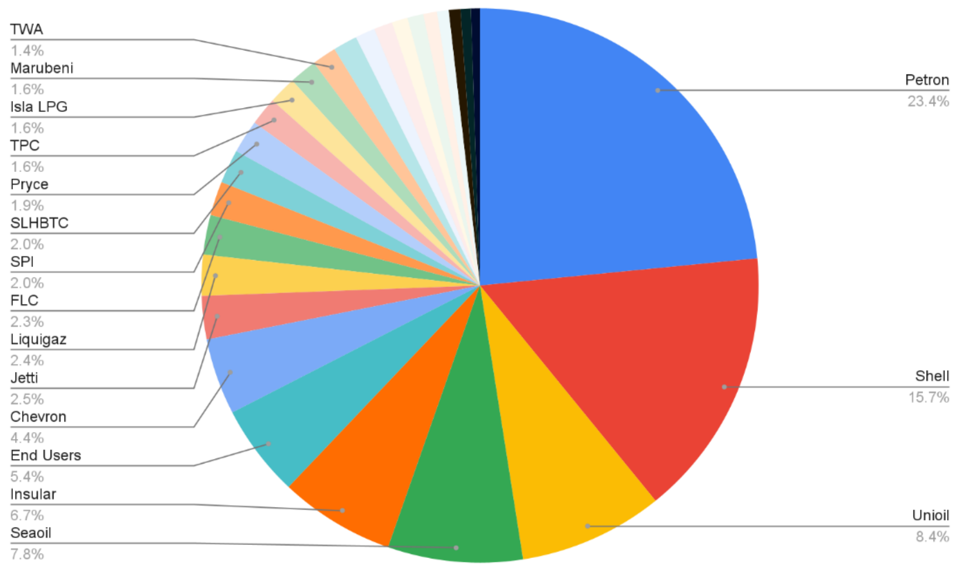
Fuel prices depend on factors along the industry value chain before it reaches end-users. Costs such as import and refining costs, trading mark-ups, margins from storage and terminal operations as well as distribution and hauling, are accumulated and passed on to wholesalers and retailers, who, in turn, incorporate dealer's margins and taxes, that will be paid for by final consumers at pump prices. While these costs and efficiencies leading to long-term scale economies are within the control of petroleum companies, variables such as global prices of imported oil, foreign exchange, and excise taxes also influence fuel prices that could lead to price volatility. Nonetheless, due to fuel being price inelastic, changes in price do not significantly change demand, leading to overall increase in revenues. Still, margins narrow over time as markets become saturated. Thus, economic value could be further optimized if firms integrate their activities across the value chain and employ first-mover advantage on unexplored and underdeveloped areas.

Statistical indicators of fuel demand include logistics and distribution (postal and courier activities), manufacturing activities, and physical infrastructure. The continuous growth of services and industrial sectors and rise of e-commerce will create wider market opportunities and contribute positively to fuel demand through increased demand for transportation and distribution. Likewise, this could give way to demand for petroleum products as primary inputs to production. Lastly, while public infrastructure is anchored on construction, its distributional effects to the downstream oil industry stems from the demand spillovers of the transportation, manufacturing, and logistics sectors. Greater connectivity arising from infrastructure development will thus stimulate industry competitiveness of fuel distribution and widen market prospects.

INDUSTRY OUTLOOK

The Philippine fuel distribution industry is loosely oligopolistic in structure, with the "Big Three" petroleum companies – Petron, Shell, and Chevron (Caltex) – dominating the industry at a consolidated 43% of total product demand. . As of June 2023, Petron remains the leading industry player at 23.4% market share, followed by Shell (15.7%), Unioil (8.4%), Seaoil (7.8%), Insular (6.7%), and Chevron (4.4%). Over the years, multiple independent players have expanded their market share, from less than 40% of total share in 2019 to controlling over half of the market in 2023.

Market Share of Petroleum Industry Players in Total Petroleum Products (as of June 2023)



Source: Department of Industry

A comparative analysis of key industry players and Top Line's direct competitors show the highly integrated capabilities of the major players, reinforced by enduring industry experience and strong global partnerships that can provide financial and capital backing.

Summary of Profile of Competitors and Key Capabilities

Company/Industry Activities	Refinery	Storage & Terminal Operators	Importers	Bulk Traders	Haulers	Retailers
Petron	★	★	★	★	★	★
Pilipinas Shell		★	★	★	★	★
Chevron (Caltex)		★	★	★	★	★
Seaoil		★	★	★	★	★
Insular		★	★	★	★	
Unioil		★	★	★	★	★
Phoenix		★	★	★	★	★
Total		★	★	★	★	★
RePhil			★	★	★	★
Top Line		★		★	★	★
Diatoms				★		★

Company/Industry Activities	Refinery	Storage & Terminal Operators	Importers	Bulk Traders	Haulers	Retailers
Kitrol		★	★	★	★	★
FERC fuel			★		★	★

Source: Company profiles official websites, local news, key informant and desk research

The comparative financial analysis of these companies from 2021 to 2022 reveal intense competition with gradually narrowing gross profit margins (GPM) at 7.3% industry average. Moreover, the comparative GPMs indicate the profitability of importers over refiners due to high production costs. Meanwhile, the average industry net income margins (NIM) stood only at 0.33%, dragged by the decline of players like Total and Phoenix. On the other hand, return on equity (ROE) is more favorable at an industry average of 13.8%, with smaller independent players outperforming the major highly-integrated players who tend to infuse capital to fund outlays and match their financing terms. Meanwhile, the return of assets (ROA) is lower at an industry average of 3.5% with Petron and Shell having relatively lower ROA due to their high asset intensity, compared to smaller independent players.

Despite tight margins, major players like Petron, Shell, Caltex, Insular, and Unioil leveraged their extensive retail networks for scale economies. In contrast, smaller players such as Top Line, Kitrol, and Diatoms maximized margins by focusing on specific geographic coverage and captured accounts and segments, particularly two-wheeled and four-wheeled vehicles. Specifically, Kitrol engaged in niche play, having integrated their operations from importation to retailing, resulting in wider profit margins. Overall, the industry's relatively high returns on equity and gross margins attract new entrants despite competitive pressures, suggesting continued growth and competition in the downstream oil industry.

The industry’s bright prospects are assured as fuel demand forecasts from 2024 to 2028 indicate sustained growth as the economy improves over time, driven by consumer spending and government’s infrastructure spending. Even at low growth, fuel demand is projected to increase from 63,660 MB in 2024 to 85,090 MB in 2028. The economic and industrial landscape will remain favorable, leading to increased investments and economic activities, especially those that rely on transportation, logistics, and distribution services, that will create more demand for fuel like diesel and gasoline. On the other hand, firms also need to take into account the rise of electric vehicles (EVs) which could lower demand for petroleum products, and the long-term thrust for renewable energy and alternative fuels which could serve as substitutes for diesel and gasoline. Nevertheless, demand for liquid fossil fuels is projected to continue in the foreseeable future as the country’s underdeveloped infrastructure and technology pose constraints to the full adoption of EVs and more sustainable forms of energy.

To create and sustain business growth, industry players may take advantage of opportunities such as the steady consumption-led and dispersed growth of the Philippine economy supported by strong macroeconomic indicators, the increased demand for transport vehicles stimulated by connectivity-building infrastructure projects and rising household incomes, and the deregulated policy environment and distribution model that lowers entry barriers for new players. With access to working capital, a reliable fuel supplier, and a captive market, establishing and expanding operations in “green areas” located in emerging regional and provincial economies is eased.

On the other hand, there are certain risks associated with the industry that can threaten the viability of new players. These risks include the highly contestable regional and provincial markets that can easily be penetrated by existing major players which could lead to market saturation, the threat of illicit fuel trade due to weak regulatory enforcement that can eat up market share from legitimate firms, the volatility of global oil markets that could lead to price fluctuations and supply chain disruptions, and the inflationary environment that can erode purchasing power due to shortages and depreciating Philippine peso.

For a small player such as Top Line to grow and become competitive amidst the opportunities and risks, it should work on specific capabilities. First, it should integrate across the downstream activities of fuel distribution to achieve economies of scale and capture economic value by investing in additional depot capacities, hauling, and retail capacities for storage, distribution, and sale of its products. Second, it should achieve first-mover advantage and rapid market saturation by expanding to green fields in Central and Eastern Visayas to increase its market share while the entry barriers are low and competitors are few. Third, it should secure partnerships abroad for additional capital and reliable suppliers that would support its expansion plans that would require additional terminal and depot storage capacities. Lastly, Top Line should have hedging capabilities to manage its finances, mitigate any adverse impact of price volatility, and sustain its competitive pricing and market positioning. Hedging, which includes methods such as engaging in futures and options contracts, swaps, and forward contracts, is a fundamental tool to manage risks that will allow the company to respond to market uncertainties and to secure financial outcomes. Alongside this is ensuring a pool of human talents that will execute a more integrated and expanded operations effectively, especially in terms of hedging, fuel trading, product marketing, and location strategies.

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BUSINESS

OVERVIEW

TOP, registered on July 12, 2013, was part of the Lapasaran Lim family's business operations in Cebu. It was initially focused on its real estate development and leasing ventures. However, in 2017, the Company identified an opportunity within the liquid fuels industry through an affiliate's wharf operations in Mactan, Lapu-Lapu City. This prompted Top Line's entry into the liquid fuels industry with its commercial fuel trading operations.

Currently, the Company is mainly focused on its vertically integrated liquid fuels business, with an emphasis on the underserved Central Visayas region. Its decision to enter the liquid fuels industry has paid off, as revenues have grown by a compounded annual growth rate ("**CAGR**") of 86.4% y-y from Php805.6 million in 2021 to Php2.8 billion in 2023. Top Line has developed a strong suite of internal capabilities in liquid fuel distribution, ranging from bulk procurement and storage, commercial sales, transportation and logistics, as well as customer support. The Company is also beginning to establish its retail fuel distribution network through Light Fuels – a chain of fuel stations catering to underserved niches within the high-growth Central Visayas area[24]. TOP is also planning to construct and operate its own liquid fuel terminals and satellite fuel depots throughout the region.

These vertical integration initiatives are complimentary to the Company's core commercial fuel trading business and helps establish the sustainability of its operations. Top Line improves its supply stability by establishing proprietary upstream fuel storage infrastructure. Furthermore, a larger storage capacity allows TOP to secure better pricing from its suppliers, while broadening its portfolio to include gasoline on top of its core diesel product. Meanwhile, TOP has tapped the higher margin retail market through its downstream LFC network. As a result, Top Line is well positioned to accelerate development of the region by providing much needed energy to underserved niches within Central Visayas.

TOP believes that its ability to provide quality fuels at a competitive price, alongside its 24-hour turnaround time and dedication to customer service provides the Company a strong competitive advantage over other fuel suppliers. Top Line also remains fully compliant with all pertinent regulations, particularly with its excise taxes for its fuel supply. As of the date of this Prospectus, TOP's management team has a collective 45 years of experience in operations.

Top Line's commercial fuel trading operations continues to be its core revenue driver, with this segment accounting for 99.3%, 99.3%, 97.1%, and 97.8% of total revenues in the financial year ended December 31, 2021, 2022, 2023, and six (6) months ending June 30, 2024 respectively. This segment caters to customers with requirements of at least 4,000 liters per order in transportation, construction, shipping, and mining, among others. Its commercial fuel trading operations are backed by a fleet of 18 tanker trucks.

In 2020, the Company expanded vertically into the higher-margin retail market through its wholly-owned subsidiary, Light Fuels Corporation ("**Light Fuels**" or "**LFC**"). LFC intends to cater to underserved geographies and markets, which have relatively less competition. Light Fuels serves a broad base of customers through network of Light Fuels stations located throughout the Metro Cebu area. The first retail station of the Company, a Tier 1 Station, was inaugurated on February18, 2023 in Mandaue City.

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24 Center for Research and Communication Foundation, Inc. (2024, June). The Philippine Fuel Distribution Industry: Prospects, Risks, and Critical Success Factors

The Company intends to expand its retail footprint throughout the Central Visayas region through the retail formats below:

- **Tier 1 Stations –** full service fuel stations operating under the "Light Fuels" brand. These stations have a fuel forecourt and dedicated commercial spaces for food stations, retail shops, as well as convenience stores. Tier 1 Stations are located along major thoroughfares in the Central Visayas region.
- **Tier 2 Stations –** the planned smaller-scale service stations also operating under the "Light Fuels" brand. These stations are limited to a fuel forecourt located along major thoroughfares in the Central Visayas region. These station have no commercial spaces but can be upgraded to a Tier 1 station in the future.
- **Light Fuels Express** – ther planned small-footprint fuel station operating under the "Light Fuels Express" brand. These stations are designed to accommodate two-wheeled and light vehicles, which is a fast-growing niche in the region[25]. These stations are located in major thoroughfares and in secondary and interior roads in the Central Visayas region.

The first retail station, located in Mandaue City, was opened in February 18, 2023. As of the date of this Prospectus, the Company has opened two (2) additional fuel stations in Jagobiao and North Reclamation Area, all in Mandaue City, with seven (7) additional fuel stations that are in various stages of construction and development. By the end of 2024, the Company envisions to have ten (10) stations, of which two (2) will be Tier 1 Stations, two (2) Light Fuels Express, and six (6) Tier 2 Stations. Light Fuels sources most of its liquid fuel supply requirements from Top Line.

On May 27, 2023, the Company opened Pier88, the first *'smart'* port in the Central Visayas region. Located in Liloan, North of Cebu Island, the Port is strategically positioned to serve the vessels calling on ports in the nearby islands such as Leyte and Camotes. These vessels cater to both local and regional passengers, as well as the cargo requirements of the surrounding manufacturing plants. Its '*smart*' port features integrated digital technologies such as automated fare and ticketing systems to streamline operations and improve the passenger experience. Pier88 also plans to implement an automated cargo handling system, which should optimize cargo movement and improve throughput. Additionally, the Department of Public Works and Highways has initiated the construction of a new coastal road which traverses Pier88, with a target completion date by late 2025. At present, the port is operated by P88VI, while the automated ticketing system for passengers, as well as the automated cargo handling is provided by Topline High Tech and Synergy Corporation – both affiliates of the Company and members of the Group.

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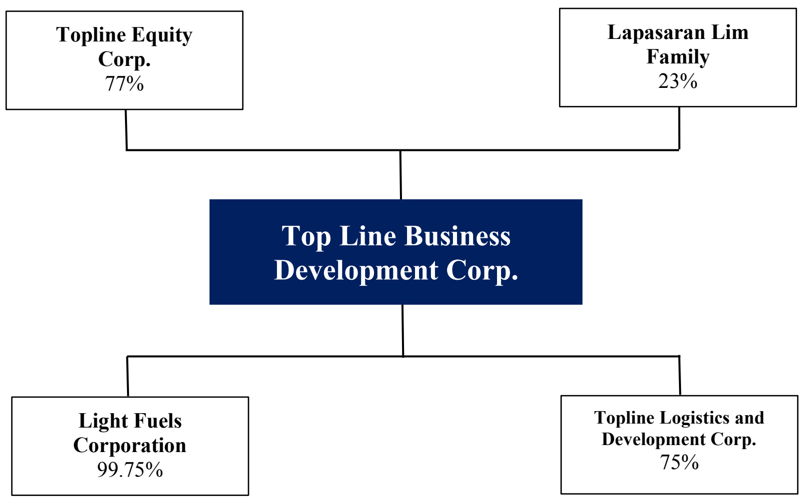
[25] Center for Research and Communication Foundation, Inc. (2024, June). The Philippine Fuel Distribution Industry: Prospects, Risks, and Critical Success Factors

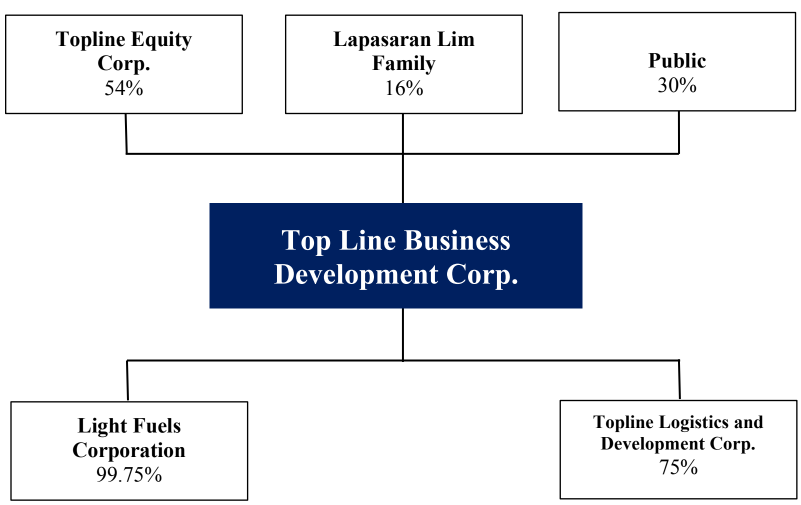
CORPORATE STRUCTURE

The diagrams below illustrate Top Line's pre-IPO and post-IPO corporate structure:

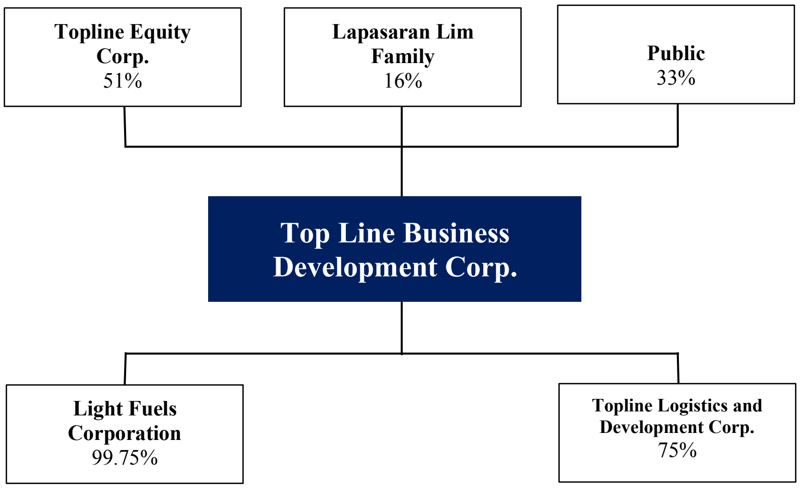
Pre-IPO Corporate Structure



Post-IPO Corporate Structure assuming the Overallotment Option is not exercised



Post-IPO Corporate Structure assuming Overallotment Option is exercised



SUBSIDIARIES AND KEY AFFILIATES

Top Line is a member of the Group, a diversified conglomerate with interests in energy, real estate, technology development, port and ferry terminal operations, passenger ferry operations, and restaurant operations. Top Line and its Subsidiaries are mainly focused on liquid fuel trading and related services. The Group's operations are focused within Central Visayas and is owned and operated by the Lapasaran Lim family.

Subsidiaries

The subsidiaries of the Company are discussed below:

- **Light Fuels Corporation (formerly "Light Petroleum Corporation")**

  Light Fuels Corporation ("LFC") was incorporated on July 13, 2020. LFC operates the retail fuel distribution operations of the Company through its "Light Fuels" and "Light Fuels Express" brands. To date, Light Fuels operates three (3) stations, with seven (7) stations intended to be launched by the end of 2024.

- **Topline Logistics and Development Corp.**

  Topline Logistics and Development Corp. ("**TLDC**") was incorporated on October 26, 2021. Its primary purpose[26] is to engage in the business importation, trading, marketing, storage, wholesale distribution and retail of petroleum-based products such as, but not limited to, kerosene, diesel, gasoline, aviation gas and, for this purpose, operate, manage and maintain gasoline stations, depots and storage facilities for such petroleum-based products, together with relevant machinery, equipment and paraphernalia and facilities necessary or required for the transportation, handling, delivery, loading, sale and distribution of such products, to engage in the business of operating a convenient store including the sale of consumer and automotive products and sublease of space within the stations. As of the date of this Prospectus, TLDC is currently in the process of securing all the relevant permits and has yet to commence operations.

[26] TLDC's application for an amendment to its Articles of Incorporation and increase in Authorized Capital Stock has been submitted and is pending review by the SEC.

Key Affiliates

The Company's key affiliates within the Group are as follows:

- **Pier88 and Pier Eighty-Eight Ventures, Inc.**

Pier88 ("**Pier88**", or the "**Port**") is the first '*smart*' port located in Liloan, Cebu. The Port is owned by the Company but operated by an affiliate, Pier Eighty-Eight Ventures, Inc. ("**P88VI**"). Pier88 caters to local passengers as well as the cargo requirements of nearby industrial plants. The Port also integrates digital technologies such as automated fare and ticketing systems to streamline and enhance operations, with other automated cargo handling systems intended to be implemented. Top Line is also the fuel supplier of vessels plying to and from the Port.

- **Topline Hi Tech and Synergy Corporation**

Topline Hi Tech and Synergy Corporation ("**Topline Hi Tech**") is an affiliate of the Company develops proprietary technological platforms used by the Group, such as automated payment systems, QR codes and similar technology. Topline Hi Tech has implemented a centralized automated ticketing system at the Cebu South Bus Terminal, in partnership with the Cebu Provincial Government and Beep, through the use of reloadable cards (known as "Suroy-Suroy Sugbo" cards) or one-time QR-code tickets to access terminal bays and board respective buses. Topline Hi Tech is also responsible for developing the digital infrastructure supporting the entire Group, such as its Light Rewards program. A more detailed discussion of the Light Rewards program can be found in the Business – Plans and Prospects section of this Prospectus.

Samples of Suroy-Suroy Sugbo Cards from Topline Hi Tech

- **Topline Properties and Development Corporation**

Topline Properties and Development Corporation ("**TPDC**") is a property holding and leasing company under the Group. TPDC is responsible for entering into leases with third parties on behalf of the various members of the Group. All leased locations of Light Fuels are subleased from TPDC at arms' length rates.

<u>HISTORY AND KEY MILESTONES</u>

On July 12, 2013, Top Line was registered with the SEC as a company engaged in the real estate leasing and related ventures and restaurant franchising operations. The Company is owned, controlled, and operated by the Lapasaran Lim family of Cebu.

In 2017, Top Lin diversified into commercial-scale distribution of liquid fuel to take advantage of the growth opportunity in the transportation sector driven by an affiliate's management of a wharf located in Mactan, Lapu-Lapu City.

In 2020, the Company expanded vertically into the higher-margin retail market through its wholly-owned subsidiary, LFC which is marketed under "Light Fuels" and "Light Fuels Express" brands. Its first service station, located at A.C. Cortes Avenue, Mandaue City, was inaugurated on February 18, 2023.

In 2021, the Company incorporated TLDC to engage in the importation, trading, distribution, and marketing of liquid fuel and other petroleum-based products. As of the date of this Prospectus, TLDC is currently in the process of securing all the relevant permits and has yet to commence operations.

In 2023, Top Line inaugurated Pier88, the first smart port in the Central Visayas region. The Port is owned by the Company but operated by an affiliate, P88VI. Pier88 caters to local passengers as well as the cargo requirements of nearby industrial plants. In the same year, to streamline the Company's operations and to allow it to focus on the liquid fuels industry, Top Line transferred its restaurant franchise operations to affiliate within the Group.

As of the date of this Prospectus, the Company through LFC has added two (2) fuel stations in Jagobiao and North Reclamation Area, all in Mandaue City, with seven (7) additional fuel stations in various stages of construction and development. By the end of 2024, the Company envisions to have ten (10) stations, of which two (2) will be for Tier 1 Service Stations, two (2) for Light Fuels Express, and six (6) for Tier 2 Service Stations. Currently, Light Fuels has secured the ECC for six (6) out of seven (7) of its planned service stations. Light Fuels sources most of its liquid fuel supply requirements from Top Line.

RECENT ISSUANCE OF SHARES

In the past three (3) years, the Company entered into the following transactions exempt from the registration requirements of the SRC and therefore have not been registered with the SEC:

- On January 6, 2022, the Company issued 920,000 shares in favor of Topline Equity Corporation ("**TEC**") resulting to a total of 2,500,000 issued and outstanding common shares. Said issuance is considered an exempt transaction under SRC 10.1 (k) or the sale of securities by an issuer to fewer than twenty (20) persons in the Philippines during any 12-month period.

- On April 17, 2024, upon approval by the SEC of the Company's application for increase in authorized capital stock from Php250,000,000 to Php1,600,000,000.00, the Company issued a total of 4,375,000 shares to TEC broken down as follows:

  (a) 3,375,000 shares subscribed to in support of the application for increase in authorized capital stock. This issuance is considered an exempt transaction under SRC 10.1 (e) or the sale of capital stock of a corporation to its own stockholders exclusively, where no commission or other remuneration is paid or given directly or indirectly in connection with the sale of such capital stock;
  (b) 300,000 shares pursuant to a Subscription Agreement dated December 22, 2023. Said issuance is considered an exempt transaction under SRC 10.1 (e) or the sale of capital stock of a corporation to its own stockholders exclusively, where no commission or other remuneration is paid or given directly or indirectly in connection with the sale of such capital stock
  (c) 700,000 shares pursuant to a Subscription Agreement dated April 17, 2024. Said issuance is considered an exempt transaction under SRC 10.1 (e) or the sale of capital stock of a

corporation to its own stockholders exclusively, where no commission or other remuneration is paid or given directly or indirectly in connection with the sale of such capital stock

- On May 24, 2024, the Company issued a total of 1,718,750 shares in favor of all its stockholders, by way of stock dividends, in proportion to their shareholdings in the Company. Said issuance is considered an exempt transaction under SRC 10.1 (d) or the distribution by a corporation of securities to its stockholders or other security holders as a stock dividend or other distribution out of surplus.

- On [July 12, 2024], the Company issued one (1) share each to Ms. Iolanda Abella, Mr. Leonido J. Pulido and Mr. Luis A. Cañete who were elected as independent directors of the Company. Said issuances are considered an exempt transaction under SRC 10.1 (k) or the sale of securities by an issuer to fewer than twenty (20) persons in the Philippines during any 12-month period;

Apart from the foregoing, there are no recent sales of unregistered or exempt securities.

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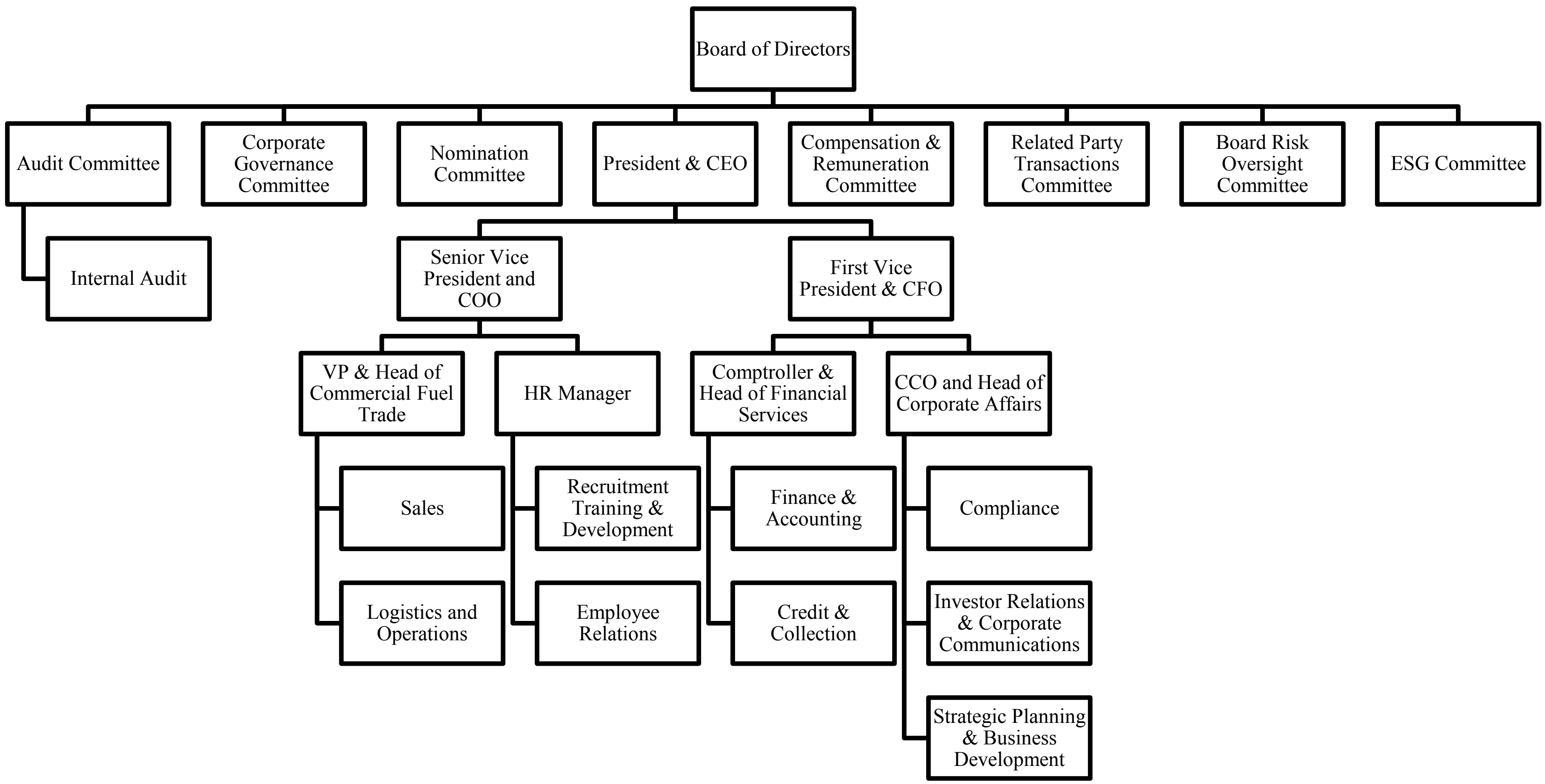
ORGANIZATIONAL STRUCTURE



COMPETITIVE STRENGTHS

Competitive Pricing

In a study by CRC, the liquid fuels industry is very competitive, with customers mainly making decisions based on the price[27]. Top Line's ability to provide competitively priced liquid fuel is a key driver for the Company's growth. This is evidenced by the fact that TOP's revenues grew at a CAGR of 86.2%, from Php805.6 million in 2021 to Php2.8 billion in 2023.

Since there is no centralized or organized exchange for fuel sales in the Philippines, Top Line has in place a dedicated in-house sales team that monitors market prices and trends. This team maintains strong relationships with suppliers, customers, and other traders to gather timely market information which is then utilized by TOP to benchmark and manage its own market price and to maintain its competitiveness in the industry.

The Company is also prudent in managing its costs and expenses to provide greater flexibility and headroom for its pricing strategy. To do this, TOP places bulk orders to its suppliers to secure optimal pricing for its liquid fuel purchases. This allows the Company to take advantage of substantial volume discounts from its suppliers and thereby allows the Company to implement hedging mechanisms intended to maintain profit margins. Furthermore, by placing bulk order volumes and paying on time, the Company is able to foster a positive track record, solid relationship, and better operating leverage with its key suppliers.

Currently, the Company sources all its supply from key local suppliers. TOP's suppliers are responsible for the production and/or importation from oil-producing regions globally. Most importantly, Top Line only procures liquid fuel inventory from reputable suppliers to maintain the quality of its product, as well as ensure that it remains compliant with all necessary regulations, such as excise taxes. A more detailed discussion of TOP's suppliers can be found in the "*Business section – Suppliers*" of this Prospectus.

Reliability of Fuel Supply

The Company's ability to retain customers is dependent on its ability to have sufficient and reliable supply of liquid fuel. Any interruption in fuel supply may translate to customer dissatisfaction and may even cause loss of clients. As such, TOP has made significant investments to reasonably ensure sufficient liquid fuel inventory to satisfy the requirements of its customers. Moreover, the Company's vertical integration efforts have resulted to improved operational capacity and positioned the Company as a "one-stop shop".

The Company has a list of key suppliers that have been pre-screened by TOP's procurement team. While the Company sources more than 50.0% of its supply from one supplier, Top Line has also invested significantly in its storage and logistics capacities to provide redundancy and stability of supply from a broad base of fuel suppliers. Furthermore, TOP's customers are assured of the quality of its fuel products and compliance to regulation since the Company only deals with reputable and legitimate suppliers.

TOP operates a leased depot in Mandaue, Cebu with an aggregate capacity of 5.0 million liters. This allows the Company to store its bulk fuel orders to ensure sufficient supply. The Company is also looking to develop a 25.0-million-liter fuel terminal in Mactan, as well as a 5.0-million-liter satellite depot in Bohol. This is expected to boost TOP's ability to hold additional inventory which will allow it to have sufficient supply of fuel for its customers. The Company also manages its exposure to price fluctuations in the fuel industry through price hedging mechanisms with its suppliers. Additionally, Top Line has automated its inventory management by utilizing SAP ERP to manage its operations.

[27] Center for Research and Communication Foundation, Inc. (2024, June). The Philippine Fuel Distribution Industry: Prospects, Risks, and Critical Success Factors

Management also monitors key developments and has developed redundancy plans to ensure stable operations. TOP maintains strong relationships with its employees and fosters a culture of dedication to customer service. This thereby enables the Company to maintain continuous and reliable operations to serve its customers' requirements. For instance, during the crisis brought about by Super Typhoon Rai (locally known as Typhoon Odette) on December 16 2021, TOP was still able to continue its operations. At the time, the typhoon brought torrential rains, violent winds, landslides, and storm surges throughout Southern Philippines, with sustained wind speeds of 180km/h and gusts of up to 200km/h. Despite these challenges, Top Line managed to provide the much-needed fuel supply to its customers. Moreover, the Company was also able to extend support to local government units and hospitals by donating fuel as part of its relief efforts. Such experience has positioned TOP as a reliable fuel supplier of choice for its customers.

A more detailed discussion of TOP's suppliers can be found in the "*Business section – Suppliers*" of this Prospectus, while a more detailed discussion on the proposed fuel terminal can be found on the "*Use of Proceeds*" section of this Prospectus.

Fast Turnaround Time

Top Line's commercial fuel trading segment delivers within twenty-four (24) hours to its customers. This turnaround time is a core competitive advantage of the Company, as other fuel providers typically require longer lead times for delivery. Because of this, TOP maintains positive relationships with its customers since it is able to contribute to the efficiency in their operations. The table below illustrates the breakdown of TOP's customer base relative to how long they have been doing business with the Company:

Frequencies of Customers Buying Transactions				
Frequency of Orders	% of Customers			
	2021	2022	2023	Average
More than 12 times	54%	53%	75%	61%
7 to 12 times	18%	15%	15%	16%
4 to 6 times	12%	21%	6%	13%
2 to 3 times	12%	8%	3%	8%
Once only	4%	3%	1%	3%

The Company has a dedicated team focused on scheduling deliveries to customers. This team allows the Company to optimize logistics, smoothen operations, as well as minimize cost and turnaround time. TOP, through LFC, also maintains a fleet of 18 tank trucks. A more detailed discussion of TOP's fleet of existing tank trucks can be found in the "Description of Property".

Experienced Management Team

The Company is led by an experienced management team with an established track record. Under the management team's leadership, the Company's revenues have posted a CAGR of 86.2%, growing from Php805.6 million in 2021 to Php2.8 billion in 2023. TOP's management team collectively has over 45 years of experience. Top Line is led by Mr. Eugene Erik C. Lapasaran Lim who is the Company's Chairman, President, and CEO. He earned his Bachelor's Degree in Business Administration from the University of San Carlos ("**USC**") in 2007, and also completed the General Management Programme at the National University of Singapore ("**NUS**") in 2023, further expanding his expertise in business management.

Ms. Brigitte Carmel L. Mueller is the Senior Vice President and COO of the Company, overseeing its subsidiaries and affiliates with a focus on port operations and commercial fuel trade. Ms. Mueller achieved her Bachelor's Degree in Political Science at the University of the Philippines ("**UP**") – Cebu in 2002.

Atty. Constance Marie C. Lim, CPA is the First Vice President, CFO, and Treasurer of Top Line, where she spearheads the Company's Financial Services and Corporate Affairs Units. She completed her Management Accounting Degree in 2013 and her Accountancy Degree in 2014 at the USC and University of Cebu ("**UC**"), respectively. She first launched her professional career as an Audit Associate for Reyes Tacandong & Co. after passing the Certified Public Accountant Licensure Examinations in 2014. She further pursued a Juris Doctor degree at USC and, after passing the 2019 Bar Examinations, worked as a Legal Associate at the Angara Abello Concepcion Regal & Cruz Law Firm. Atty. Lim also completed the General Management Programme NUS in 2023.

Mr. Alvin L. Lato is the Vice President and Head of the Commercial Fuel Trade Division within the Company. He graduated with a Bachelor's Degree in Business Administration from USC in 2007. Prior to joining Top Line in 2019, he spent the bulk of his career with Petron Corporation across several departments. His prior roles include working as an account sales executive in 2009, supervising major corporate accounts under the Petron Cards – Fleet Card division in the Visayas and Mindanao area until 2013. He then managed retail and industrial accounts for Petron Lubricants and Greases in the South Mindanao area between 2013 and 2015, and then transitioned to handling Industrial Fuel bulk deliveries to corporate accounts for Petron Corporation between 2015 and 2018.

Mr. Dwight Christian Jonas S. Villalon is the retail trade manager for Light Fuels Corporation. He graduated with a Bachelor's Degree in Business Management from University of the Philippines – Cebu. His prior roles include various roles within Petron Corporation between 2006 and 2017, throughout its lube trade, industrial trade, reseller trade, and trade promotions. He also served as the assistant mall manager for Shopping Center Management Corporation.

Access to Capital Backed by Prudent Financial Management

Top Line maintains good relationships with key domestic banks to fund working capital, namely Philippine National Bank ("**PNB**"), Land Bank of the Philippines ("**Land Bank**"), Security Bank Corporation ("**Security Bank**"), Philippine Veterans Bank ("**Veterans Bank**"), Bank of the Philippine Islands ("**BPI**"), Development Bank of the Philippines ("**DBP**"), and Robinsons Bank Corporation ("**Robinsons Bank**"). Collectively, these banks have provided Top Line with almost Php1.5 billion in active credit lines used for working capital purposes. These working capital lines are priced at reasonable commercial rates and are utilized by Top Line to place large bulk fuel purchases.

These working capital lines are generally secured by cross-corporate suretyships and personal suretyships of key management, while other lines are secured by real estate mortgages held by the principal shareholders. Top Line is also required by some of its lenders to maintain certain financial ratios and as of the date of this Prospectus, TOP remains compliant with all financial ratios mandated by its lenders. The Company believes in utilizing a prudent mix of debt and equity to maximize returns in a sustainable manner.

Moreover, Top Line carefully monitors the quality of its customer portfolio on a regular basis. As of the date of this Prospectus, 87.0% of TOP's sales are paid on a cash basis to minimize counterparty risk. Moreover, the Company ensures that the business is well-distributed among a diverse group of customers from different sectors to avoid concentration in one or a few particular accounts.

A more detailed discussion of TOP's financing arrangements can be found on the "*Business – Financing*" section of this Prospectus.

Strong Commitment to Corporate Social Responsibility

Socially responsible development continues to be one of the core principles of TOP, as the Company believes in giving back to the community. One of the ways Top Line fulfills this commitment is through outreach programs and philanthropic initiatives. By actively engaging with local communities and partnering with reputable organizations, TOP strives to uplift lives, empower individuals, and create change.

For instance, during the COVID-19 pandemic, the Company launched donation drives, providing essential resources such as alcohol-based sanitizers to minimize the transmission of the virus. Another instance is when the Company contributed to the establishment of a 'smart' classroom to USC in 2023 – with features such as advanced audio-visual equipment and high speed internet connectivity.

TOP has also established an internal "adopt-a-school" program, wherein each Light Fuels service station is intended to support a local school. This aims to provide resources to nearby schools and promote better education for the community.

In addition, since the Company caters to the fuel requirements of motorists, the Company strongly advocates road user safety. The Company plans to put in place education programs and campaigns for motorists to promote safe driving of vehicles to prevent road mishaps.

The Company also advocates for the growth and development of its employees with the establishment of Topline Academy. The Company continuously invests in training programs to upskill its workforce and to develop their own personal potential and capabilities.

PLANS AND PROSPECTS

CRC has noted that the growth of the liquid fuel industry in Visayas and Mindanao are expected to outpace overall Philippine GDP growth as the region develops[28]. Moreover, the Company noted that the opening of the market after years of varying degrees of lockdowns due to the pandemic, and the archipelagic configuration of the Visayas, requires a sustainable fuel supply. Top Line expects to support this economic growth by providing reliable fuel supply to the transport, manufacturing, construction, agricultural, mining, and other vital sectors. As such, Top Line has outlined several initiatives:

Continued Investment into Proprietary Infrastructure

Top Line intends to develop a depot with a 25.0 million liter fuel terminal in Mactan. The fuel terminal will have an integrated import facility that can accommodate bigger tanker capacity vessels from overseas. With its geographical positioning, Mactan Island is readily able to accommodate bigger capacity vessels without the limitations of the inter-island bridges across Cebu.

The Company also intends to establish a satellite depot with a 5.0-million-liter capacity in Bohol. This depot facility will be fitted with terminals for vessel fuel tankers and will be used to supply the fuel requirements of new customers in Tagbilaran, Panglao, and other nearby localities. Supply for this satellite depot will be provided by the fuel terminal in Mactan as well as other suppliers in the region.

[28] Center for Research and Communication Foundation, Inc. (2024, June). The Philippine Fuel Distribution Industry: Prospects, Risks, and Critical Success Factors

TOP also intends to broaden its delivery fleet by acquiring 40 new tank trucks. Top Line believes that this should facilitate more deliveries with faster turnaround times. The Company also intends to supply the nearby Leyte area through tank trucks via Roll-on/Roll-off sea vessels.

A more detailed discussion on its planned infrastructure investments can be found on the Use of Proceeds section of this Prospectus.

Retail Segment Penetration

Top Line has identified an opportunity within underserved markets and geographies. As noted by CRC, the liquid fuels industry is saturated; as such, it is critical to find new niches to gain a first mover advantage[29]. To this end, the Company will be establishing Light Fuels stations in strategically located areas.

Light Fuels is launching its Light Fuels Express stations, which are designed with smaller space requirements and high motorcycle service turnovers. Intended to cater to two-wheeled vehicles and other light vehicles, its stations will also include a quick motorcycle wash and helmet wash area, as well as expedited payment processing and acceptance through Radio Frequency Identification ("**RFID**")-enabled lanes for customers requiring technology-enabled transactions. LFC is expected to launch 12 Light Fuels Express stations to be located within Metro Cebu, as well as nearby municipalities within the next two (2) years. Two (2) of these station models will be opened within Cebu City and the municipality of Minglanilla in 2024. A computer rendering of the planned stations is shown below:

3D Computer Renders of Planned Stations

LFC is also a member of the Group's customer loyalty program, Light Rewards. Primarily a mobile-based application, users are awarded points for purchases made in Light Fuels stations, as well as other retail customer-facing segments of the Group.

Top Line will also continue to cater to white-label gasoline stations. By providing reliable supply of fuel stocks at very competitive pricing and payment schemes, TOP continues to support independent service stations.

Business Expansion

As a result of the prior investments into its proprietary infrastructure, the Company expects to expand its business by offering a broader suite of products across a wider geographic footprint. This includes adding new product offerings such as primarily premium and unleaded fuel. This allows TOP to cater to a broader set of customers, particularly the high growth motorcycle segment[30].

[29] Center for Research and Communication Foundation, Inc. (2024, June). The Philippine Fuel Distribution Industry: Prospects, Risks, and Critical Success Factors

[30] Center for Research and Communication Foundation, Inc. (2024, June). The Philippine Fuel Distribution Industry: Prospects, Risks, and Critical Success Factors

Top Line also expects to expand its market throughout the Central Visayas region, with Bohol as its next key geographic market. This includes the construction of a 5.0-million-liter fuel depot on the island, as well as eventual expansion of its Light Fuel retail station network.

Along with territorial expansion, Top Line will also increase its customer base and maintain a healthy portfolio of accounts, representing most of the industry sectors. A larger customer base will help ensure that no single customer accounts for more than ten percent (10.0%) of the business.

Finally, LFC will also service smaller-scale institutional customers through its Business-to-Business ("**B2B**") platform. This segment is expected to cater to corporate requirements of less than 4,000 liters by using smaller tanker trucks based in Light Fuels service stations. This will allow its customers to streamline operations by having fuel delivered directly to their premises, despite having lower fuel requirements.

A more detailed discussion of the Company's B2B platform can be found on the "*Business – Operations*" section of this Prospectus.

KEY STRATEGIES

Vertical Integration of Supply Chain

Top Line's strategic approach to vertical integration is expected to be supported by its IPO proceeds, which are earmarked for critical infrastructure. The construction of additional fuel service stations, acquisition of fuel tankers for inter-island distribution, establishment of a fuel depot, procurement of additional tank trucks for land distribution, and reinforcement of working capital collectively contribute to the Company's vertical integration of its supply chain.

By allocating resources to these efforts, the Company aims to minimize friction costs by managing key aspects of its operations from sourcing to distribution. This approach optimizes its operational efficiency and reliability. Moreover, by integrating vertically, Top Line gains the ability to manage supply chain risks – this should translate to healthier profit margins, better supply stability, and consistent product quality. This will also entail sourcing of supply from the most efficient and cost-effective sources.

Territorial and Geographical Expansion – Central Visayas as Strategic Focus

In a study by CRC, the region comprising of Cebu, Bohol, Negros Oriental, and Siquijor, is the largest regional market outside Luzon with a gross regional domestic product (GRDP) of Php 1.38 billion and 6.45% share to total Philippine GDP[31]. To take advantage of this growth, Top Line aims to provide critical liquid fuel to underserved areas within Central Visayas. With a focus on the Central Visayas region, the Company directs its efforts to cater to communities where access to reliable fuel sources is limited and the market is less saturated.

TOP aims to develop proprietary infrastructure within Central Visayas, such as its 25.0-million-liter fuel terminal in Mactan, its 5.0-million-liter fuel depot in Bohol, its expanded tanker truck fleet, and its network of retail fuel stations. The Company will also continue to supply ~~with~~ independent service stations to support them with a reliable supply of fuel stocks at competitive prices and payment terms. The Company believes that this infrastructure positions Top Line to best capture the accelerating fuel requirements of the Central Visayas region.

[31] Center for Research and Communication Foundation, Inc. (2024, June). The Philippine Fuel Distribution Industry: Prospects, Risks, and Critical Success Factors

Expansion of coverage will also entail launching of *Light Fuels Express* stations, a new service station format that give preferential attention to motorcycles and riders. This new format is designed to cater to motorcycles and other smaller vehicles with their own peculiar requirements. The Light Fuels Express stations will help decongest some service stations by offering faster service through dedicated lanes with automated payment systems.

Future-Ready Approach

TOP has a dedicated team for regulatory compliance, which also monitors potential changes in the regulatory landscape. The Company continuously monitors legislation developments, engages in proactive planning, and utilizes the expertise of tax advisors and legal experts. Additionally, the Company maintains financial contingencies and participates in industry associations to stay informed about upcoming tax policies. Furthermore, TOP remains compliant with Philippine fuel standards.

The Company also continues to actively monitor technical developments in the liquid fuel industry. This includes ongoing technical developments in liquid fuels regulation and other advances in liquid fuel technologies. TOP continues to remain open to the distribution of other fuel types, provided that there is sufficient market demand. Notably, Top Line is also designing new Light Fuels stations with electric vehicle charging kits and solar panels. This allows LFC to cater to newer vehicles that are predominantly powered by electricity.

Explore potential acquisition opportunities

The Company is open to opportunistic acquisitions of retail fuel stations to accelerate the rollout of Light Fuels stations. TOP is generally looking for chains of stations comprised of at least five (5) stations with a minimum aggregate volume of 500,000 liters per month. Moreover, Top Line is also open to acquisition of potential depots and tankers throughout the Central Visayas region to augment its proprietary storage and delivery infrastructure.

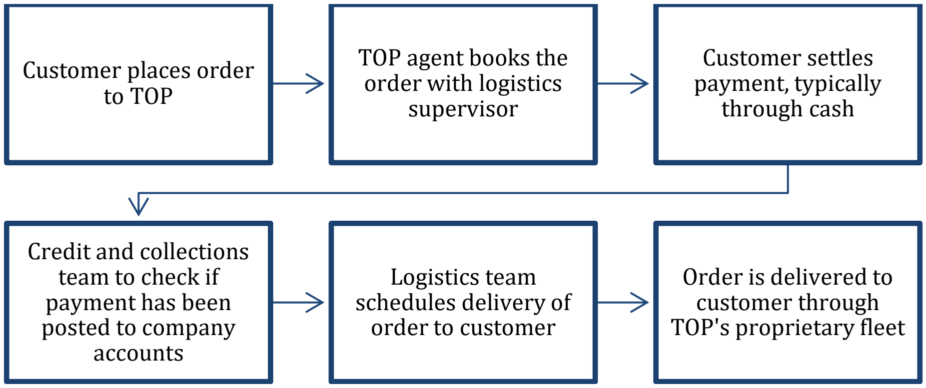
OPERATIONS

Commercial Fuel Trading

Top Line started its commercial fuel trading operations in 2017. This segment continues to be its core revenue driver for the Company, with this segment accounting for 99.3%, 99.3%, 97.1%, and 97.8% of total revenues in the financial year ended December 31, 2021, 2022, 2023, and six (6) months ending June 30, 2024 respectively.

This segment caters to customers with requirements of at least 4,000 liters per order in transportation, construction, shipping, and mining, among others. Its commercial fuel trading operations are backed by a fleet of 18 tanker trucks. By understanding the intricacies of each industry and collaborating closely with partners, the Company delivers customized fuel distribution solutions that align with its customers' operational objectives and timelines. Commercial fuel trading provides flexible delivery schedules, bulk purchasing options, and dedicated account management to streamline transactions and optimize efficiency.

The sales process flow for commercial fuel trading is as follows:



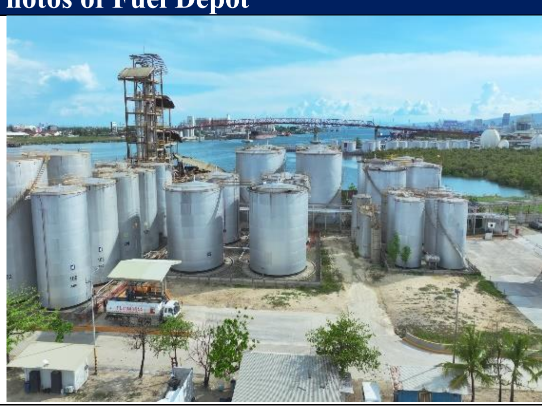
Photos of Tanker Trucks Used in Commercial Fuel Trading

Depot Operations

The Company is leasing storage fuel tanks situated within a depot terminal located in Mandaue City, Cebu. These storage fuel tanks enable Top Line to maintain ample fuel reserves to meet the fluctuating demands of customers while ensuring uninterrupted supply and timely delivery.

Top Line's depot operations adhere to stringent safety and environmental standards, reflecting its ongoing commitment to responsible business practices and regulatory compliance. Through rigorous maintenance protocols, regular inspections, and adherence to industry best practices, Top Line ensures the integrity and safety of its fuel storage facilities, safeguarding both its assets and the surrounding environment.

Photos of Fuel Depot



Photos of Fuel Depot

Business-to-Business (B2B)

The B2B business model is similar to the Company's commercial fuel trading business, albeit catering to customers with smaller order requirements of less than 4,000 liters. This segment is intended to utilize the existing Light Fuels retail network as its supply point, thereby facilitating faster turnaround times throughout the radius of each service station's covered area. Moreover, this segment will provide key benefits, such as flexible delivery schedules, bulk purchasing options, and dedicated account management to streamline transactions and optimize efficiency.

Photos of Trucks for B2B Operations

Fuel Service Stations

The Company caters to the higher-margin retail fuel sector through Light Fuels. LFC intends to cater to underserved geographies and markets, which have relatively less competition. Light Fuels serves a broad base of customers and it intends to expand its retail footprint throughout the Central Visayas region through the retail formats below:

- **Tier 1 Stations** – full service fuel stations operating under the "Light Fuels" brand. These stations have a fuel forecourt and dedicated commercial spaces for food stations, retail shops, as well as convenience stores. Tier 1 Stations are located along major thoroughfares in the Central Visayas region.

- **Tier 2 Stations** – the planned smaller-scale service stations also operating under the "Light Fuels" brand. These stations are limited to a fuel forecourt located along major thoroughfares in the Central Visayas region. These stations have no commercial spaces but can be upgraded to a Tier 1 station in the future.
- **Light Fuels Express** – the planned small-footprint fuel station operating under the "Light Fuels Express" brand. These stations are designed to accommodate two-wheeled and light vehicles, which is a fast-growing niche in the region. These stations are located in major thoroughfares and in secondary and interior roads in the Central Visayas region.

The first retail station, located in Mandaue City, was opened in February 18, 2023. As of the date of this Prospectus, the Company has opened two (2) additional fuel stations in Jagobiao and North Reclamation Area, all in Mandaue City, with seven (7) additional fuel stations in various stages of construction and development. By the end of 2024, the Company envisions to have ten (10) stations, of which two (2) will be Tier 1 Stations, two (2) Light Fuels Express, and six (6) Tier 2 Stations. Light Fuels sources most of its liquid fuel supply requirements from Top Line.

At the Light Fuels service stations, customers have access to a range of options, ensuring that they can find the right fuel for their vehicles and equipment. Beyond fuel offerings, these service stations are equipped with modern amenities and facilities such as food stations, convenience store, vehicle service shop, etc., depending on the station's tier format. Furthermore, the Company's commitment to customer satisfaction extends beyond the dispensing pump. The Company trains its staff to provide exceptional service, assisting customers with fueling procedures, addressing inquiries, and striving to provide a safe and pleasant experience.

Photos of the A.C. Cortes Light Fuels Station

Marketing and Sales

Top Line believes that its dedication to customer service provides a key competitive advantage, as the human-to-human interaction enhances customer retention. As such, the Company fosters a culture of customer centricity throughout all its client-facing roles in commercial fuel trade and Light Fuels.

The Company employs a dedicated sales team for its commercial fuel trade segment. Comprised of 39 employees, this sales team manages the Company's relationships with its customers. Additionally, TOP has an established a tiered pricing matrix based on volume, which allows greater volume discounts for large customers.

Leveraging the power of digital media, Top Line maintains active online presences, fostering direct communication channels with customers through various social media platforms. This approach not only enhances brand visibility but also facilitates real-time engagement, allowing the Company to promptly address customer inquiries, gather feedback, and tailor its offerings to meet evolving consumer preferences.

Promotional campaigns are also systematically executed across Top Line's companies/brands, prioritizing customer satisfaction and the delivery of high-quality products and services. This includes Light Rewards, the Group's loyalty rewards program.

Credit and Collection

The bulk of the Company's sales are done on a cash basis. As of the financial year ended December 31, 2021, 2022, and 2023, as well as the six (6) months ended June 30, 2024, cash sales accounted for 80.3%, 93.0%, 89.6%, and 75.9%, respectively. However, to expand its customer base, the Company offers short-term credit accommodations of up to 14 days to select and creditworthy customers. These customers undergo rigorous credit checks, including an analysis of their financial standing over the last two (2) years, assessment of their business activities and size, verification with their depository banks, creditors and suppliers, as well as a physical confirmation of their business premises. Upon approval, customers receive a credit line with limits on total receivables. They can initiate purchases by issuing Purchase Orders. All accounts with extended payment terms are charged with a premium on their selling prices.

Financing

The Company maintains a prudent mix of debt and equity to maximize shareholder returns while maintaining a sustainable capital structure. The Management team has determined an internal threshold of 2.3x D/E ratio, along with a level of debt-service coverage ratio which is acceptable to all of its lenders.

The table below highlights the outstanding debt facilities of the Company as of June 30, 2024:

<table>
<tr><th></th><th>Lender</th><th>Facility Size</th><th>Interest Rate (per annum)</th><th>Payment Structure</th><th>Security/ Collateral</th></tr>
<tr><td colspan="6">Working Capital Lines</td></tr>
<tr><td>1</td><td>PNB</td><td>Php400 million</td><td rowspan="7">7.0% - 9.0%</td><td rowspan="7">90 – 180 days</td><td>JSS, cross corporate suretyship</td></tr>
<tr><td>2</td><td>Land Bank</td><td>Php320 million</td><td>various REM; JSS; corporate suretyship</td></tr>
<tr><td>3</td><td>Security Bank</td><td>Php300 million</td><td>Continuing suretyship and Cross Corporate Suretyship</td></tr>
<tr><td>4</td><td>Veterans Bank</td><td>Php205 million</td><td>Continuing suretyship and Cross Corporate Suretyship</td></tr>
<tr><td>5</td><td>BPI</td><td>Php100 million</td><td>Continuing suretyship and Cross Corporate Suretyship</td></tr>
<tr><td>6</td><td>DBP</td><td>Php100 million</td><td>Continuing suretyship, assignment of receivables</td></tr>
<tr><td>7</td><td>Robinsons Bank</td><td>Php70 million</td><td>REM; JSS, cross corporate suretyship</td></tr>
<tr><td colspan="6">Term Loans</td></tr>
<tr><td>1</td><td>BDO Unibank</td><td>Php20 million</td><td rowspan="2">6.75%-8.75%</td><td>10 years</td><td>REM on office condo units</td></tr>
<tr><td>2</td><td>DBP</td><td>Php194 million</td><td>15 years</td><td>Assignment of leasehold rights, suretyship by shareholders</td></tr>
</table>

Suppliers

The Company has several fuel suppliers but has been sourcing a significant portion of its fuel supply from Petron. The Company periodically enters into short term supply agreements with Petron (which agreements usually expires on June 30). Hence, the Company's the most recent agreement has expired and is currently up for renewal. In the meantime, negotiations with respect to pricing and volumes are ongoing while the formal contract is being processed and the Company's fuel supply continue uninterrupted.

Customers

The Company maintains groups of customers to support its volume through the years. Considering the volatility in pricing, customers tend to shop for the most favorable price offers. At this level, service and payment arrangements become the differentiating factor to maintain the customers and attract new ones. The key industries that TOP caters to is broken down below:

Industry	Total Sales %
Transport	28%
Shipping	20%
Marketing and distribution	18%
Construction	11%
Mining	3%

Employees

As of June 30, 2024, the Company's manpower complement is as follows:

Department / Division	As of June 30, 2024
Senior Officers	3
HR	4
Procurement	4
IT	2
Engineering	4
Corporate Admin	12
Treasury	7
Accounting	9
Compliance	5
Strategic Planning and Business Development	2
Investor Relations and Corporate Communications	2
Internal Audit	5
Commercial Fuel Trade (CFT)	39
TOTAL	**98**

The Company intends to hire seventy (70) to eighty (80) additional employees in the next twelve (12) months to handle the expansion.

The Company diligently adheres to occupational laws, rules and regulations, ensuring compliance with minimum compensation and benefits standards, as well as maintaining practices that prioritize ethical employment standards.

The Company provides various benefits and perks to its employees, including free shuttle services, bonuses and allowances, cash assistance, as well as health and fitness perks.

Its employees are not covered by any collective bargaining agreement nor are they part of any labor union. There have been no instances of employee strikes or work stoppages since its incorporation.

COMPETITION

In the competitive landscape of the fuel industry, Top Line considers the leading fuel brands with extensive nationwide reach to be its main competition. Based on the study by CRC[32], as of June 2023, the "Big Three" major oil companies such as Petron Corporation, Pilipinas Shell Petroleum Corporation, and Chevron (Caltex) Philippines, Inc. accounted for 43.1% of the total demand, while other players in the oil industry, such as Seaoil, Insular, and Unioil, collectively held 51.6% of the market.

To compete in the industry, the Company is positioned as follows:

- Its pricing strategy is carefully calibrated to offer competitive rates without compromising product quality. By striking a balance between affordability and value, it aims to attract and retain customers while remaining financially sustainable in a competitive market environment.

- The Company's business model is designed to cater to the needs and preferences of its target market segments, particularly focusing on less saturated markets like the Visayas region.

- Its key focus areas encompass various facets of our operations, ranging from customer experience enhancement to sustainability initiatives.

By prioritizing areas such as customer-centricity, operational efficiency, and environmental stewardship, Top Line aims to carve out a distinct identity in the market and create value for our stakeholders beyond mere product offerings.

MATERIAL CONTRACTS AND AGREEMENTS

Over the course of its operations, the Company entered into various contracts in relation to its business operations. Material contracts it has entered into over the past two years are listed below:

Lease Contract

The Company leases storage fuel tanks from Arctura Corporation to store its supply of liquid fuels:

Date	Storage Tank No	Capacity	Lease Term
July 12, 2024	104	680,000 liters	July 1, 2024 to June 30, 2025,
December 12, 2023	106 103	680,000 liters 810,000 liters	January 1, 2024 to December 31, 2024

Under the contract, the leases are renewable for another period, under the same terms and conditions, at the exclusive option of the lessee. The Company has a good relationship with its lessor and has not had, nor does it expect to, have any issues with respect to the lease renewal.

[32] Center for Research and Communication Foundation, Inc. (2024, June). The Philippine Fuel Distribution Industry: Prospects, Risks, and Critical Success Factors

In line with its expansion plans, the Company, on July 12, 2024, has executed a Reservation Contract with Arctura Corporation expressing its intention lease an additional 2 fuel tanks located in Opao, Mandaue City with a total capacity of 2.7 million liters.

Retail Stations

On November 4, 2021, LFC entered into a lease contract with J. King & Sons Company, Incorporated for the lease of 2000sqm vacant lot located at A.C. Cortes, Mandaue City for period of 10 years, from February 1, 2022 until January 31, 2031 with a monthly rental rate of Php 200,000.00 subject to yearly escalation. The lease contract was subsequently amended on October 12, 2022 to reduce leased premises to 1,534 sqm and the monthly rental rate to Php 153,400.00 subject to yearly escalation. On May 9, 2023, an addendum to the lease contract included the lease cover an additional 500 sqm for an additional P50,000.00 per month, subject to yearly rental rate escalation. The lease contract is renewable by mutual agreement of the parties. The lease contract was subsequently assigned to the Company's affiliate, TPDC.

On January 3, 2024, LFC entered into a sub-lease agreement with TPDC for 789 sqm of a commercial property located in AC Cortes Mandaue valid from January 1, 2024 to January 31, 2032 for a rental rate equivalent to 110% of the amount paayble charged by the lessor, payable to TPDC.

Following the A.C. Cortes Mandaue Station structure, LFC subleases the retail station sites from the Company's affiliate, TPDC, who entered into lease contracts with the respective lot owners. Pertinent terms of the lease contracts are as follows:

Location	Date Executed/ Notarized	Property Owner	Lease Area	Lease Term	Renewal Provision
Barangay Jagobiao, Mandaue City	9 October 2023	Berlinfront Realty, Inc.	1,200 sq.m.	15 years (18 January 2024 to 17 January 2039)	Renewable for another 10 years subject to mutual agreement of the parties
Brgy. Yati, Liloan, Cebu	19 March 2024	Fe Juliana Lucob	802 sq.m.	15 years (16 October 2024 to 15 October 2039)	Renewable for another 10 years subject to mutual agreement of the parties
Barrio of Lo-oc, Municipality of Opon, Cebu	22 April 2024	Bill Chuang Ong	1,000 sq.m.	20 years (1 February 2025 to 31 January 2045)	Renewable for another 10 years subject to mutual agreement of the parties
Lot E2.7 and Lot E2.8, Gate 4, Mactan Economic Zone ("MEZ")	26 January 2023	Philippine* Economic Zone Authority	1,365 sq.m.	50 years	Renewable at the option of lessee for a period not more than 25 years
Lot No. 43 (formerly Lot No. E.2.9), MEZ	30 January 2024	Philippine* Economic Zone Authority	314 sq.m.	50 years	Renewable at the option of lessee for a period not more than 25 years
Brgy. Tulay, Minglanilla, Cebu	27 June 2024	Aralyn L. Leys, married to Eric Eugeen Alice Leys	447 sq.m.	15 years (1 April 2025 to 31 March 2040)	Lease contract to be executed

Location	Date Executed/ Notarized	Property Owner	Lease Area	Lease Term	Renewal Provision
Ouano Avenue, North Reclamation Area, Brgy. Subangdaku, Mandaue City	21 February 2024	Roxcinco Holdings, Inc.	2,500 sq.m.	15 years (1 July 2024 to 30 June 2039)	Renewable for another 10 years at the option of the lessee
National Highway, Brgy. Isidro, Municipality of San Fernando, Cebu	12 January 2024	Ma. Teresa C. Umbay	1,900 sq.m.	*Not provided*	Option to lease. Lease contract to be executed.
Gov. M. Cuenco Ave., Talamban, Cebu City	3 June 2024	MJJM Realty and Development Corp.	974 sq.m.	15 years (9 September 2024 to 8 September 2039)	Renewable for another 10 years upon mutual agreement of the parties

* *Lease is still under Topline Properties and Development Corporation and have not been sub-leased to LFC*

Loan Agreements

In addition to the debt facilities specified on the Business – Financing section of this Prospectus, the Company entered into the following term loan agreements:

Development Bank of the Philippines

15-year loan agreement with the Development Bank of the Philippines on January 19, 2019, for the principal amount of Php194,000,000.00 for the development of the port in Liloan, Cebu City. The loan is secured by the assignment of leasehold rights or right of perpetual use of the road network or access to the project site with the consent of LGU-Liloan; a deed of negative pledge over 2 marine vessels owned by the an affiliate and undertaking to mortgage the same within a period of 2 years from initial release; the marine hull Insurance over 2 marine vessels, the Continuing Suretyship Agreement from by Eugene Erik C. Lapasaran Lim, the Continuing Suretyship Agreement from the Sps. Eugene Lapasaran Lim and Ma. Constancia C. Lim As of June 30,2024, the loan has an outstanding balance of Php177,833,333.32.

BDO Unibank, Inc.

On March 15, 2021, the Company executed two (2) real estate loans for a loan amount of Php8,787,646.55 and Php11,212,353.46, to finance its purchase of its office condominium units.

Philippine National Bank

On June 3, 2024, LFC also executed a 5-year loan agreement with Philippine National Bank for the principal amount of Php50,000,000.00 to partially re/finance construction of 2 gasoline refilling stations including equipment up to 70% of the validated construction cost. Said loan is secured by a corporate guarantee from LFC, TLBDC, and TPDC, and joint and solidary surety from Eugene Erik C. Lapasaran Lim, Brigitte Carmel L. Mueller, Eugene L. Lapasaran Lim, and Ma. Constancia C. Lim.

Suretyship Agreement

On March 3, 2022, the Company, together with Topline Hi Tech and Synergy Corporation, executed a suretyship agreement in favor of Security Bank Corporation to secure the any and all types of credit accommodation granted by the bank obligations of Topline Transport and Services Corporation, an affiliate which has ceased operations.

On Dec 5, 2022, the Company and Topline Transport and Services Corporation executed a cross suretyship agreement in favor of Bank of the Philippines Islands to secure the obligations their respective obligations in favor of BPI.

Insurance Contracts

The Company has secured the following insurance for its business operations:

Policy No.	Type	Insured	Insurer	Mortgagee	Amount of Coverage	Policy Period
FI-G-HO-0085912	Fire – General (Unit 19A)	TOP	Visayan Surety & Insurance Corp.	BDO Unibank Inc.	9,373,489.65	April 12, 2024 - April 12, 2025
FI-G-HO-0085962	Fire – General (Unit 19B)	TOP	Visayan Surety & Insurance Corp.	BDO Unibank Inc.	13,303.495.47	April 12, 2024 - April 12, 2025
FI-G-HO-0085993	Fire – General (Light Fuel Station AC Cortes)	Light Fuels Station	Visayan Surety & Insurance Corp.	Philippine National Bank	42,000,000.00	February 13, 2024 - February 13, 2025
FI-REG-HQ-24-0007506-00	Fire – Regular Fire Policy (Fuel Depot – Opao Mandaue)	TOP	AlliedBankers Insurance Corporation	-	100,600,000.00	May 30, 2024 - May 9, 2025
P-CBU-21-1-40-4004-000007	Contractors All Risk	Top Line Business Development Corp. / SWC Construction	Philippine British Assurance Company, Inc.	-		August 6, 2023 - August 6, 2024
EN-CAR-HO-0003926	Contractor All Risk (Construction of Light Fuels Gasoline Station - Mandaue)	Bukidpro Construction	Visayan Surety & Insurance Corp.	-	8,669,444.00	April 12, 2024 – August 12, 2024
EN-CAR-HO-0003765	Contractor All Risk (Construction of Light Fuels Service Station)	Debarrios Engineering Constructions (Contractor) and Light Petroleum Corporation (Principal)	Visayan Surety & Insurance Corp.	-	8,800,000.00	November 15, 2023 - November 15, 2024

The Company and LFC have secured the following insurance for its tanker trucks:

Policy No.	Type	Insured	Insurer	Mortgagee	Amount of Coverage/ Limit of Liability (PHP)	Policy Period
CB-CMH-401429471	Sinotruk Fuel Tanker Howo A7	Topline Transport and Services Corporation	Standard Insurance Co., Inc.	Orix Metro Leasing & Finance Corp.	3,631,000.00	September 13, 2023 – September 13, 2024
CB-CMH-401429476	Sinotruk Fuel Tanker Howo A7	Topline Transport and Services Corporation	Standard Insurance Co., Inc.	Orix Metro Leasing & Finance Corp.	3,631,000.00	September 13, 2023 – September 13, 2024
MC-MCV-CD-22-0000272-01	2016 Sinotruk Howo	Topline Transport and Services Corporation	Philippine Axa Life Insurance Corporation	-	2,210,000.00	October 18, 2023 – October 18 2024
CB-CMH-401317441	2021 Foton Tornado	Topline Transport and Services Corporation	Standard Insurance Co., Inc.	Orix Metro Leasing & Finance Corp.	1,528,400.00	December 21, 2023 – December 21, 2024
CB-CMH-401317473	2021 Foton Tornado	Topline Transport and Services Corporation	Standard Insurance Co., Inc.	Orix Metro Leasing & Finance Corp.	1,528,400.00	December 21, 2023 – December 21, 2024
CB-CMH-401317478	2021 Foton Tornado	Topline Transport and Services Corporation	Standard Insurance Co., Inc.	Orix Metro Leasing & Finance Corp.	1,528,400.00	December 21, 2023 – December 21, 2024
MC-CV-HO-0158237	2021 Sinotruk Howo A7	Topline Transport and Services Corporation	Visayan Surety & Insurance Corp.	Orix Metro Leasing & Finance Corp.	3,666,000.00	January 31, 2024 – January 31, 2025
MC-CV-HO-0158238	Sinotruk Howo A7	Topline Transport and Services Corporation	Visayan Surety & Insurance Corp.	Orix Metro Leasing & Finance Corp.	3,666,000.00	January 31, 2024 – January 31, 2025
MC-CV-HO-0158239	2021 Sinotruk Howo A7	Topline Transport and Services Corporation	Visayan Surety & Insurance Corp.	Orix Metro Leasing & Finance Corp.	3,666,000.00	January 31, 2024 – January 31, 2025
CB-CMH-401530681	Sinotruk Fuel Tanker Howo A7	Topline Transport and Services Corporation	Standard Insurance Co., Inc.	Orix Metro Leasing & Finance Corp.	3,865,000.00	April 28, 2024 – April 28, 2025
CB-CMH-401530671	Sinotruk Fuel Tanker Howo A7	Topline Transport and Services Corporation	Standard Insurance Co., Inc.	Orix Metro Leasing & Finance Corp.	3,865,000.00	April 28, 2024 – April 28, 2025
CB-CMH-401715094	Howo A7/T7	Topline Transport and Services Corporation	Standard Insurance Co., Inc.	Orix Metro Leasing & Finance Corp.	4,150,000.00	April 29, 2024 – April 29, 2025
CB-CMH-401715063	Howo A7/T7	Top Line Business	Standard Insurance Co., Inc.	Orix Metro Leasing &	4,150,000.00	April 29, 2024 – April 29, 2025

Policy No.	Type	Insured	Insurer	Mortgagee	Amount of Coverage/ Limit of Liability (PHP)	Policy Period
		Development Corporation		Finance Corp.		
CB-CMH-401715091	Howo A7/T7	Top Line Business Development Corporation	Standard Insurance Co., Inc.	Orix Metro Leasing & Finance Corp.	4,150,000.00	April 29, 2024 – April 29, 2025
MC-MCV-CD-21-0000154-03	2021 Howo A7	Topline Transport and Services Corporation	Axa Philippines Life and General Insurance Corporation	Orix Metro Leasing & Finance Corp.	3,557,000.00	May 12, 2024 – May 12, 2025
MC-MCV-CD-21-0000153-03	2021 Howo A7	Topline Transport and Services Corporation	Axa Philippines Life and General Insurance Corporation	Orix Metro Leasing & Finance Corp.	3,557,000.00	May 12, 2024 – May 12, 2025
MC-MCV-CD-21-0000230-03	2021 Howo A7	Topline Transport and Services Corporation	Axa Philippines Life and General Insurance Corporation	Orix Metro Leasing & Finance Corp.	3,054,000.00	July 8, 2024 – July 8, 2025
MC-MCV-CD-21-0000231-03	2021 Howo A7	Topline Transport and Services Corporation	Axa Philippines Life and General Insurance Corporation	Orix Metro Leasing & Finance Corp.	3,054,000.00	July 8, 2024 – July 8, 2025

Construction Agreements

LFC, in the ordinary course of its business enters into contracts for the construction of its Light Fuel stations. Contracts cover structural works, architectural finishes, an electrical, plumbing and mechanical works, installation of signages, among others.

Other Agreements

On October 1, 2023, the Company and P88VI entered into Memorandum of Agreement on the Construction, Development, and Lease of Pier88 (the "**Pier88 MOA**"). Under the Pier 88 MOA, the Company was engaged to construct and develop the port, terminal, and commercial building improvements, and put up the equipment and machineries necessary for the operation and management of PIER 88. Thereafter, P88VI leased the port and building improvements and machineries/equipment from the Company for a period of 10 years, until October 1, 2033 and for monthly rental of Php5,000,000.00 on the first year, subject to annual escalation.

On November 10, 2023, as part of its corporation reorganization and rationalization plan, the Company assigned all its rights, privileges, interests and obligations in relation to its franchised restaurant, Gerry's Grill, its affiliate, Topline Services and Development Corporation.

The Company owned three parcels of land with improvements ((i) 271 sqm parcel of land located in Cebu City; (ii) 120 sqm lot located in Brgy. Tamiao, Municipality of Compostela and (iii) 150 sqm parcel of land located in Brgy. Tayud, Municipality of Consolacion) but these were transferred to Topline Equity Corporation pursuant to a Deed of Sale of Land, Building and Improvements on June 30, 2024. The parties are processing the transfer of title in the name of TEC with the relevant Registry of Deeds.

CORPORATE SOCIAL RESPONSIBILITY

Top Line aims to continuously develop CSR initiatives that reflect its broader commitment to creating shared value for all stakeholders and giving back to its community. TOP has established an internal "adopt-a-school" program, wherein each Light Fuels gas station is intended to support a local school. This aims to help provide resources to nearby schools and promote better education for the community.

The Company also continues to place a strong emphasis on safety in its operations. This is achieved by developing through protocols that remains compliant with industry standards. TOP also invests in its workforce by providing routine training sessions for its employees through Topline Academy. Finally, Top Line conducts disaster preparedness seminars and road safety presentations throughout its Light Fuels service station network.

REGULATORY COMPLIANCE

The Company has obtained, or are in the process of obtaining, all material permits, licenses and/or certificates of compliance from the relevant and appropriate local government units and regulatory agencies in relation to their continued business, as confirmed by CASE Law in his opinion dated [●].

Material Permits/Licenses

Detailed below are all the major permits and licenses necessary for the Company and its Subsidiaries to operate their businesses, the failure to possess any of which would have a material adverse effect on its business and operations. The Company believes that it has all the applicable and material permits and licenses necessary to operate its business as currently conducted and such permits and licenses are valid, subsisting, or pending renewal.

Top Line Business Development Corp.

Permits/License Issued	Issuing Agency	Date Issued	Date of Expiry	Permit / License No.
Certificate of Incorporation	Securities and Exchange Commission	July 12, 2013	N/A	CS201330638
Certificate of Registration	Bureau of Internal Revenue	October 11, 2016	N/A	2RC0001637807

Permits/License Issued	Issuing Agency	Date Issued	Date of Expiry	Permit / License No.
Business Permit	Cebu City	October 26, 2023	December 31, 2024	146497
Business Permit	Mandaue City	January 16, 2024	December 31, 2024	2024-072230000-08479
Business Permit	Mandaue City	January 16, 2024	September 30, 2024	2024-072230000-03946
Business Permit	Ozamiz City, Misamis Oriental	March 12, 2024	December 31, 2024	2024-1004210000-2607
Business Permit	Lilo-an, Cebu	February 5, 2024	August 8, 2024	LIL-2024-003511
Barangay Clearance	Brgy. Opao, Mandaue City	January 16, 2024	Not specified in document	Not provided in document
Fire Safety Inspection Certificate	Bureau of Fire Protection	February 6, 2024	February 5, 2025	R07-944631
Fire Safety Inspection Certificate	Bureau of Fire Protection	August 7, 2023	August 6, 2024	R07-939343
Fire Safety Inspection Certificate	Bureau of Fire Protection	February 6, 2024	February 5, 2025	R07-944631
Permit to Operate Storage Facility	Bureau of Internal Revenue	March 12, 2024	December 31, 2024	SF-(P)-03-24-00584
Acknowledgment as Downstream Oil Industry Participant	Department of Energy	September 27, 2024	N/A	NTEB-LPP-Bulk Distributor and Hauling Services-2023-09-25-061

Light Fuels Corporation (Formerly, Light Petroleum Corporation)

Permits/License Issued	Issuing Agency	Date Issued	Date of Expiry	Permit / License No.
Certificate of Incorporation	Securities and Exchange Commission	July 13, 2020	N/A	CS202061540
Certificate of Registration	Bureau of Internal Revenue	August 3, 2020	N/A	2RC0001815128
Business Permit (Cebu City)	Cebu City	March 25, 2024	December 31, 2024	173359
Business Permit (A.C. Cortes, Mandaue City) - for the sale of LPG retail	Mandaue City	January 16, 2024	December 31, 2024	2024-072230000-03941

Permits/License Issued	Issuing Agency	Date Issued	Date of Expiry	Permit / License No.
License to Operate (A.C. Cortes, Mandaue City) - for the sale of LPG fuel	Department of Energy	September 26, 2023	September 25, 2028	VFO-RO-LightPetroleumCorporation-001-09-2023-0132
Certificate of Compliance (A.C. Cortes, Mandaue City)	Department of Energy	May 17, 2023	May 16, 2028	VFO-COC-LFRO-1889-125-2023-05-Ind082.
Environmental Compliance Certificate (A.C. Cortes, Mandaue City)	Department of Environment and Natural Resources	April 19, 2023	April 19, 2028	ECC-0L-R07-2023-0071
Environmental Compliance Certificate (Talamban, Cebu City)	Department of Environment and Natural Resources	November 28, 2023	November 28, 2028	ECC-OL-R07-2023-0200
Environmental Compliance Certificate (Jagobiao, Mandaue City)	Department of Environment and Natural Resources	October 6, 2023	October 6, 2028	ECC-OL-R07-2023-0167
Environmental Compliance Certificate (Cambaro, Mandaue City)	Department of Environment and Natural Resources	April 19, 2023	April 19, 2028	ECC-OL-R07-2023-0071
Environmental Compliance Certificate (NRA, Mandaue City)	Department of Environment and Natural Resources	January 18, 2024	January 19, 2029	ECC-OL-R07-2024-0014
Environmental Compliance Certificate (Looc, Lapu-Lapu City)	Department of Environment and Natural Resources	June 12, 2024	June 12, 2029	ECC-OL-R07-2024-0111
Environmental Compliance Certificate (MEPZ, Lapu-Lapu City)	Department of Environment and Natural Resources	April 21, 2024	April 21, 2029	ECC-OL-R07-2024-0086
Environmental Compliance Certificate (San Fernando Cebu)	Department of Environment	February 1, 2024	February 1, 2029	ECC-OL-R07-2024-0032

Permits/License Issued	Issuing Agency	Date Issued	Date of Expiry	Permit / License No.
	and Natural Resources			
Environmental Compliance Certificate (Lilo-an)	Department of Environment and Natural Resources	April 21, 2024	April 21, 2029	ECC-OL-R07-2024-0087

As of the date of this Prospectus, LFC has submitted applications for the following permits pending with the relevant government agencies:

Permits/Licenses Applied For	Agency	Date Processed
Discharge Permit (A.C. Cortes, Mandaue City)	Department of Environment and Natural Resources	July 18, 2024
Permit to Operate (A.C. Cortes, Mandaue City)	Department of Environment and Natural Resources	July 10, 2024
Business Permit (Jagobiao, Mandaue City)	Mandaue City	July 9, 2024
Business Permit (NRA, Mandaue City)	Mandaue City	July 9, 2024
Certificate of Non-Coverage (Minglanilla, Cebu)	Department of Environment and Natural Resources	June 25, 2024

Topline Logistics and Development Corp.,

Permits/License Issued	Issuing Agency	Date Issued	Date of Expiry	Permit / License No.
Certificate of Incorporation	Securities and Exchange Commission	October 26, 2021	N/A	2021100030408-31
Certificate of Registration	Bureau of Internal Revenue	February 10, 2022	N/A	081RC20220000000439
Business Permit (Cebu City)	Cebu City	June 24, 2024	December 31, 2025	181407
Barangay Permit	Barangay Luz	February 2, 2024	Not specified in document	5876337
Fire Safety Inspection Certificate	Bureau of Fire Protection	June 24, 2024	June 24, 2025	R07-946399

The Company is not aware of any pending legislation or governmental regulation that is expected to materially affect its business. The costs for the material permits (i.e. Incorporation process, Business Permits, Licenses to Sell) as well as the cost for compliance with environmental laws (i.e. obtaining an

Environmental Compliance Certificate) only includes the requisite processing and filing fees amounting to Php [●].

Permits for the Tanker Trucks

The Company and LFC utilized a total of 18 units fuel tankers in its operations. The following tank trucks, each with a 20 kiloliter capacity, have a Department of Science and Technology Calibration Certificate as required by Section 24 of DOE Department Circular No. 2017-11-0011 and Conveyance Permit as required by the Fire Code and its Implementing Rules and Regulations:

		DOST Calibration		Bureau of Fire Protection Conveyance Permit		
	Plate Number	Date Calibrated	Sample No.	Clearance No.	Date Issued	Valid Until
1	NKB 9442	15 May 2024	MET-1522	R711524060107	3 June 2024	3 June 2025
2	NKB 9443	17 May 2024	MET-1554	R711524060108	3 June 2024	3 June 2025
3	NKB 9454	13 May 2024	MET-1498	R711524060108	3 June 2024	3 June 2025
4	NDE 3056	9 January 2024	MET-0019	R711524010017	19 January 2024	19 January 2025
5	NFD 3060	8 February 2024	MET-0261	R711524020039	19 February 2024	19 February 2025
6	NER 4115	27 February 2024	MET-0501	R711524030059	4 March 2024	4 March 2025
7	NER 4116	5 March 2024	MET-0612	R711524030076	11 March 2024	11 March 2025
8	NEO 2388	9 July 2024	MET-2082	Pending application		
9	NEO 2389	16 July 2024	MET-2154	Pending application		
10	NII 6479	17 July 2024	MET-2160	Pending application		
11	NIN 5207	18 July 2024	MET-2193	Pending application		
12	NEW 1453	4 August 2023	MET-2387	RCON-CBP-2023-138	24 August 2023	24 August 2024
13	NEW 1454	11 August 2023	MET-2440	RCON-CBP-2023-139	24 August 2023	24 August 2024
14	NID 4448	24 August 2023	MET-2564	RCON-CBP-2023-149	21 September 2023	21 September 2024
15	NID 4449	30 August 2023	MET-2648	RCON-CBP-2023-148	21 September 2023	21 September 2024
16	NFG 6259	28 November 2023	MET-3391	R711523100186	18 December 2023	18 December 2024
17	NFG 6261	12 December 2023	MET-3506	R711523100187	18 December 2023	18 December 2024

		DOST Calibration		Bureau of Fire Protection Conveyance Permit		
	Plate Number	Date Calibrated	Sample No.	Clearance No.	Date Issued	Valid Until
18	NFG 6262	12 December 2023	MET-3505	R711523100185	18 December 2023	18 December 2024

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BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Company is ultimately managed and supervised by its Board of Directors. The Company's executive officers provide the Company's Board of Directors the appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review and decision for short term and long-term plan of action. Pursuant to the Company's Amended Articles of Incorporation, the Board shall consist of seven (7) members of which three (3) are independent directors.

DIRECTORS & EXECUTIVE OFFICERS OF THE COMPANY

All of the directors were elected at the Company's annual shareholders' meeting on July 12 and will hold office until their successors have been duly elected and qualified.

The Directors shall hold office for one (1) year or until their successors are elected and qualified. The annual meeting of the stockholders shall be held every July 12.

The Board is responsible for the direction and control of the business affairs and management of the Company, and the preservation of its assets and properties.

Directors and Principal Officers of the Company				
Name	**Age**	**Nationality**	**Position**	**Director**
Eugene Erik C. Lapasaran Lim	37	Filipino	Chairman, President and CEO	Executive Director
Brigitte Carmel L. Mueller	42	Filipino	Vice Chairman, Senior Vice President, COO and Corporate Secretary	Executive Director
Atty. Constance Marie C. Lim, CPA	31	Filipino	First Vice President, CFO and Treasurer	Executive Director
Dr. Suzanne Dorothy C. Lapasaran Lim	35	Filipino	N/A	Non-Executive Director
Atty. Maria Iolanda B. Abella	57	Filipino	N/A	Independent Director
Atty. Leonido J. Pulido III	46	Filipino	N/A	Independent Director
Luis A. Cañete	85	Filipino	N/A	Independent Director
Atty. Tara Tsarina B. Perez-Retuya	40	Filipino	Chief Compliance Officer	N/A

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The following is a brief write-up of the business experience of the Board of Directors and Executive Officers of the Company:

Eugene Erik C. Lapasaran Lim
Chairman, President and CEO

Mr. Lapasaran Lim has served as the Chairman, President, and CEO of Top Line since 2013. He is also the President and CEO of its subsidiaries: TLDC and LFC; as well as its affiliate companies: P88VI, TPDC, Topline Energy and Power Development Corporation ("**TEPDC**"), Topline Marina Wharf Development Corporation ("**TMWDC**"), Topline Hi Tech, and Topline Services and Development Corporation ("**TSDC**").

He earned his Bachelor's Degree in Business Administration from USC in 2007, and also completed the General Management Programme at NUS in 2023, further enriching his expertise in business management.

Mr. Lapasaran Lim is affiliated with the Cebu Chamber of Commerce and Industry ("**CCCI**"), American Chamber of Commerce of the Philippines ("**AmCham**"), Association for Philippines-China Understanding ("**APCU**"), and the Rotary Club of Cebu ("**RCC**").

Brigitte Carmel L. Mueller
Vice Chairman, Senior Vice President and COO

Ms. Mueller is the Senior Vice President and COO of Top Line, overseeing its subsidiaries and affiliates with a focus on port operations and commercial fuel trade. She also sits at the Board as Executive Director of Top Line's subsidiaries: TLDC and LFC as well as its affiliate companies: P88VI, TPDC, TEPDC, TMWDC, Topline Hi Tech, and TSDC.

Ms. Mueller achieved her Bachelor's Degree in Political Science at the University of the Philippines (UP) – Cebu in 2002. She is affiliated with the Junior Chamber International (JCI) Zugbuana, AmCham, and CCCI. Her influential presence in the business community was further highlighted by her appointment as Chairperson of CCCI's Cebu Business Month 2022. She was also Tourism Chairperson and Co-Chairperson for CCCI's Cebu Business Month 2021 and 2020, respectively.

Atty. Constance Marie C. Lim, CPA
First Vice President, CFO and Treasurer

Atty. Lim is the First Vice President, CFO, and Treasurer of Top Line, where she spearheads the Company's Financial Services and Corporate Affairs Units. She also sits at the Board as Executive Director of Top Line's subsidiaries: TLDC and LFC as well as its affiliate companies: P88VI, TPDC, TEPDC, TMWDC, Topline Hi Tech, and TSDC.

She completed her Management Accounting Degree in 2013 and her Accountancy Degree in 2014 at USC and University of Cebu (UC), respectively. She first launched her professional career as an Audit Associate for Reyes Tacandong & Co. after passing the Certified Public Accountant Licensure Examinations in 2014. She further pursued a Juris Doctor degree at USC and, after passing the 2019 Bar Examinations, worked as a Legal Associate at the Angara Abello Concepcion Regal & Cruz Law Firm. Atty. Lim also completed the General Management Programme NUS in 2023. She is a member of the Financial Executives Institute of Cebu, Inc. (FINEX-Cebu).

Dr. Suzanne Dorothy C. Lapasaran Lim
Director

Dr. Lapasaran Lim currently serves as a Non-Executive Director of Top Line. In addition to her corporate responsibilities, Dr. Lapasaran Lim is actively engaged in her medical practice as a Resident Trainee in the Department of Ophthalmology at the Cebu Doctor's University Hospital since 2021. Prior to this, she was a Resident Trainee in the Department of Neurosurgery at the Vicente Sotto Memorial Center in 2018.

She graduated with a Bachelor of Science in Nursing degree at the Cebu Doctors' University in 2010 and completed higher education as Doctor of Medicine at the Cebu Institute of Medicine in 2016.

Atty. Maria Iolanda B. Abella

Atty. Abella is an Independent Director of Top Line. She is also a director in AMCS Group Ph, Inc., Technology Recruiters, Inc. and a Director and Corporate Secretary for IFF Nutrition Philippines, Inc., Cebu Shinsei Corporation, Best Machinery Traders International, Inc., JTEKT PKBC, Inc., Mercedess-Benz Group Services Phils., Inc. and a Trustee for The Lingap Children's Development Center.

She is also a Senior Partner at Angara Abello Concepcion Regala and Cruz Law Offices, where she also acts the Branch Head for the ACCRALAW Cebu Branch and is the Supervising Partner of the ACCRALAW Davao Branch.

She received her Bachelor of Science in Biology with Magna Cum Laude honors from the University of San Carlos in 1983 and her Bachelor of Laws with Cum Laude honors from the same university in 1990. She also received her Master of Laws from University of Sydney, in 2000.

Atty. Leonilo J. Pulido III

Atty. Pulido is an Independent Director of Top Line. He is currently the Assistant Secretary of the Department of Budget and Management, as well as a Name Partner with the Pulido, Villaroman, and Delafuente Law Group. He is also a Professor with the Philippine Law School.

Prior to his role with the Department of Budget and Management, he was the President of the Philippine Electricity Market Corporation between July 2021 and October 2022 and a member of its Board of Directors from July 2021 to 2023. He was also the Assistant Secretary of the Department of Energy from 2016 until 2021.

He obtained his Bachelor of Science in Special Education, Minor in Math, from the University of the Philippines Diliman in 1999 and his Bachelor of Laws from the same university in 2004.

Luis A. Cañete, CPA

Mr. Cañete is an Independent Director of Top Line Business Development Corp. He is also a Partner of Luis Cañete and Co., CPAs, the Philippine member firm of Morison Global, a U.K. based multinational association of independent accounting practices and a former correspondent firm of KPMG/Fernandez, Santos, and Lopez. He was also a member of the Board of Accountancy from March 2010 to December 2013.

He obtained his Bachelor of Science in Commerce with Magna Cum Laude honors from the University of Southern Philippines in 1960.

Atty. Tara Tsarina B. Perez-Retuya

Atty. Perez-Retuya is the Chief Compliance Officer of Top Line. Prior to her role in TOP, she was the Compliance Officer and Assistant Corporate Secretary of Metro Retail Stores Group, Inc. from 2017 – 2022, and the Legal Counsel of Vicsal Development Corporation over the same period of time. She was also a Securities Counsel II with the Securities and Exchange Commission – Cebu Extension Office from 2012 to 2017.

She obtained her Bachelor's Degree in Psychology from USC in 2005, and her Juris Doctor from the same university in 2010.

FAMILY RELATIONSHIPS

Mr. Eugene Erik C. Lapasaran Lim, Ms. Brigitte Carmel L. Mueller, Atty. Constance Marie C. Lim, CPA, and Dr. Suzanne Dorothy C. Lapasaran Lim are siblings. Other than the foregoing, there are no other family relationships between Directors and Principal Officers as of the date of this Prospectus.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

As of the date of this Prospectus, the Company is not aware of the occurrence of any of the following events that are material to the evaluation of the ability or integrity of any director or executive officer:

- Any bankruptcy petition filed by or against any director, or any business of a director, nominee for election as director, or executive officer who was a director, general partner or executive officer of said business either at the time of the bankruptcy or within 2 years prior to that time;
- Any director, nominee for election as director, or executive officer being convicted by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- Any director, nominee for election as director, or executive officer being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- Any director, nominee for election as director, or executive officer being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

COMPENSATION OF DIRECTORS

Under the By-Laws of the Company, by resolution of the Board, each director, shall receive a reasonable per diem allowance for his attendance at each Board meeting. As compensation, the Board shall receive and allocate an amount of not more than 10% of the net income before income tax of the Company during the preceding year. Such compensation shall be determined and apportioned among directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least majority of the outstanding capital stock at a regular or special meeting of the stockholders.

COMMITTEES OF THE BOARD

To aid in complying with the principles of good governance, the Manual provides that the Board shall create and appoint Board members to each of the committees set forth below. Each member of the respective committees named below holds office as of the date of this Prospectus and will serve until his successor is elected and qualified.

Audit Committee

The Audit Committee shall enhance the Board's oversight capability over the Company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. It shall be responsible for the setting up of the Internal Audit Department and for the appointment of the Internal Auditor as well as the independent external auditor who shall both report directly to the Audit Committee. It shall monitor and evaluate the adequacy and effectiveness of the internal control system. Further, the Audit Committee shall have explicit authority to investigate any matter within its terms of reference, full access to and cooperation by management and full discretion to invite any director or executive officer to attend meetings, and adequate resources to enable it to effectively discharge its functions.

The Audit Committee shall be composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairperson, should be independent directors. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The Chairperson of the Audit Committee should not be the Chairperson of the Board or of any other committees. Preferably, the members shall have accounting and finance backgrounds, and at least one (1) member shall have audit experience. Each member shall have adequate understanding at least, or competence at most, of the Company's financial management systems and environment.

The Audit Committee shall have the following duties and responsibilities:

- Provide oversight over management's activities in managing credit, market, liquidity, operational, legal, and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
- Recommends the approval of the Internal Audit (IA) Charter, which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- Through the IA Department, monitors and evaluates the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to i) safeguard the Company's resources and ensure their effective utilization, ii) prevent occurrence of fraud and other irregularities, iii) protect the accuracy and reliability of the Company's financial data and information technology security, and iv) ensure compliance with applicable laws and regulations;
- Oversees the IA Department and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;
- Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, the Internal Auditor should directly report to the Audit Committee;
- Reviews and monitors management's responsiveness to the Internal Auditor's findings and recommendations;

- Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources, and budget necessary to implement it;
- Prior to the commencement of the audit, discusses with the external auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- Evaluates and determines the non-audit work, if any, of the external auditor, and periodically reviews the non-audit fees paid to the external auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's Annual Report and Annual Corporate Governance Report;
- Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
- Any change/s in accounting policies and practices
- Areas where a significant amount of judgment has been exercised
- Significant adjustments resulting from the audit
- Going concern assumptions
- Compliance with accounting standards
- Compliance with tax, legal and regulatory requirements
- Reviews the disposition of the recommendations in the external auditor's management letter;
- Performs oversight functions over the Company's internal and external auditors, including the review of reports submitted by them. It ensures the independence of internal and external auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- Coordinates, monitors and facilitates compliance with laws, rules and regulations;
- Recommends to the Board the appointment, reappointment, removal and fees of the external auditor, duly accredited by the Commission, who undertakes an independent audit of the Company, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.

The Audit Committee meets with the Board without the presence of the CEO and periodically meets with the head of the internal audit.

The Audit Committee is chaired by Mr. Luis A. Cañete and has Atty. Leonilo J. Pulido, Atty. Iolanda B. Abella, and Dr. Suzanne Dorothy C. Lapasaran Lim as members.

Board Risk Oversight Committee

The Board Risk Oversight Committee is responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.

It should be composed of at least three members, at least two of whom shall be independent directors including the chairman of the committee.

The committee is chaired by Atty. Leonido J. Pulido III and has Atty. Maria Iolanda Abella and Mr. Eugene Erik C. Lapasaran Lim as members.

Corporate Governance Committee

The Corporate Governance Committee is tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to the nomination and remuneration committee. It should be composed of at least three (3) directors, majority of whom should be independent directors, including the Chairperson.

The Committee's members are Atty. Leonido J. Pulido III, Mr. Luis A. Canete while Atty. Iolanda Abella serves as Chairman.

Related Parties Transactions Committee

The Related Party Transactions Committee is tasked with reviewing all material related party transactions of the Company.

It should be composed of at least three (3) members, at least two (2) of whom shall be Independent Directors including the Chairman of the Committee.

The Committee's members are Atty. Leonido J. Pulido III, Mr. Luis A. Canete, while Atty. Maria Iolanda B. Abella serves as chairman.

Environmental, Social, Governance (ESG) Committee

The ESG Committee is responsible for ensuring that the Company's operations align with principles of sustainability, social responsibility, and corproate governance. The committee evaluates the environmental impact of the Company's business activities, assesses social initiatives such as community engagement and employee welfare programs, and oversees corporate governance practices to promote transparency and accountability.

The Committee's members are Dr. Suzanne Dorothy C. Lapasaran Lim, and Atty. Maria Iolanda B. Abella, while Ms. Brigitte Carmel L. Mueller serves as Chairman.

Nomination Committee

The Nomination Committee is tasked with identifying and recommending individuals for positions on the Company's board of directors. Drawing upon a diverse range of skills, experiences, and perspectives, the Committee carefully assesses candidates to ensure that the board is comprised of individuals equipped with the expertise, integrity, and commitment to effectively oversee the Company's affairs.

The Committee's members are Ms. Brigitte Carmel L. Mueller, and Atty. Constance Marie C. Lim, CPA, while Mr. Eugene Erik C. Lapasaran Lim serves as Chairman.

Compensation and Remuneration Committee

The Compensation and Remuneration Committee is responsible for designing and overseeing executive compensation packages to attract, motivate, and retain top talent. Additionally, the Committee ensures that such packages are fair, competitive, and reflective of the Company's financial health and objectives, as well as shareholder interests.

The Committee's members are Atty. Constance Marie C. Lim, CPA, Dr. Suzanne Dorothy C. Lapasaran Lim, Mr. Eugene Erik C. Lapasaran Lim, and Ms. Brigitte Carmel L. Mueller serves as Chairman.

SIGNIFICANT EMPLOYEES

No single person is expected to make a significant contribution to the business since the Company considers the collective efforts of all its employees as instrumental to the overall success of its performance.

COMPENSATION OF DIRECTORS AND OFFICERS

The Company's most highly compensated executive officers as of the date of this Prospectus are indicated in the table below.

	Name	Position
1	Eugene Erik C. Lapasaran Lim	Chairman, President and CEO
2	Brigitte Carmel L. Mueller	Vice Chairman, Senior Vice President and COO
3	Atty. Constance Marie C. Lim, CPA	First Vice President and CFO

The compensation of directors and senior officers is included in the compensation table below (in Philippine Peso, in thousands).

Summary compensation table

	Year	Salary (in Php thousands)	Allowances	Other Annual Compensation
Top 4 most highly compensated executive officers as a group	2021	1,075	635	1,710
	2022	700	460	1,160
	2023	1,382	598	1,980
All officers and directors as a group	2021	3.036	1,527	4,562
	2022	3,211	1,352	4,563
	2023	4,620	1,652	6,183

STANDARD ARRANGEMENTS AND OTHER ARRANGEMENTS

There are no other arrangements for compensation either by way of payments for committee participation or special assignments other than reasonable per diem. There are also no outstanding warrants or options held by the Company's CEO, other officers and/or directors.

EMPLOYMENT CONTRACTS, TERMINATION OF EMPLOYMENT, CHANGE-IN-CONTROL ARRANGEMENTS

There are no special employment contracts between the Company and Senior Management.

WARRANTS AND OPTIONS

There are no outstanding warrants and options held by any of the Company's directors and executive officers.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL STOCKHOLDERS

The following are the stockholders of the Company as of as of the date of this Prospectus.

	Name	Number of Shares	% Ownership
1	Topline Equity Corporation	6,618,750,000	77.02%
2	Eugene Erik C. Lapasaran Lim	790,000,000	9.19%
3	Brigette Carmel L. Mueller	197,500,000	2.30%
4	Constance Marie C. Lim	197,500,000	2.30%
5	Suzanne Dorothy C. Lapasaran Lim	197,500,000	2.30%
6	Ma. Alice L. Ingles	197,500,000	2.30%
7	Eugene L. Lapasaran Lim	197,500,000	2.30%
8	Ma. Constancia C. Lim	197,500,000	2.30%
9	Iolanda B. Abella	1,000	0%
10	Leonilo J. Pulido III	1,000	0%
11	Luis A. Cañete	1,000	0%
	GRAND TOTAL	**8,593,753,000**	**100%**

SECURITY OWNERSHIP OF THE COMPANY'S DIRECTORS AND MANAGEMENT

The following table shows the security ownership of directors and principal officers in the common shares of the Company as of [●]:

Title of Class	Name, address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Position	Citizenship	No. of Shares Held	% Owner - Ship
Common	Eugene Erik C. Lapasaran Lim	Record Owner	Chairman, President & CEO	Filipino	790,000,000	9.19%
Common	Brigette Carmel L. Mueller	Record Owner	Vice Chairman, Senior Vice President & COO	Filipino	197,500,000	2.30%
Common	Constance Marie C. Lim	Record Owner	First Vice President, CFO & Treasurer	Filipino	197,500,000	2.30%
Common	Suzanne Dorothy C. Lapasaran Lim	Record Owner	Director	Filipino	197,500,000	2.30%
N/A	Atty. Maria Iolanda B. Abella	Record Owner	Independent Director	Filipino	1,000	0%

Title of Class	Name, address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Position	Citizenship	No. of Shares Held	% Owner-Ship
N/A	Atty. Leonido J. Pulido III	Record Owner	Independent Director	Filipino	1,000	0%
N/A	Luis A. Cañete	Record Owner	Independent Director	Filipino	1,000	0%
N/A	Tara Tsarina Perez-Retuya	N/A	Chief Compliance Officer	Filipino	0	0
	TOTAL				**1,382,503,000**	**16.0%**

VOTING TRUST

The Company is unaware of any person holding more than five (5) per cent of shares under a voting trust or similar agreement.

CHANGE IN CONTROL

There are no arrangements which may result in a change in control of the Company or its Subsidiaries. For information on Changes in Control, see the section "*Description of Shares*" of this Prospectus.

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DESCRIPTION OF PROPERTY

The Company and its Subsidiaries own or possess the right to use properties and assets that are needed in the course of operating the businesses. These assets include real estate properties, right of use assets, machineries as well as delivery and transport equipment.

OWNED REAL PROPERTIES

TOP owns two (2) office condominium units with a total area of 156.32 sq.m. located at Latitude Corporate Tower along Mindanao Avenue in Cebu Business Park covered by the following Condominium Certificate of Titles:

Unit	CCT No.	Area (sqm)
Unit 19A	107-2023005764	78.16
Unit 19B	107-2023006779	105.93

Units 19A and 19B are used as offices by the Company and its Subsidiaries and are mortgaged in favor of BDO Unibank, Inc.

The Company likewise owns the port, terminal, and commercial building improvements, and the equipment and machineries of Pier88, a smart port located in Poblacion, Liloan in the Northern part of Cebu Island. Pier 88 is a port facility complete with docking bays for roll-on-rill off vessels, cargo and passenger vessels, fast crafts and other types of vessels. Pier Eighty-Eight Ventures Inc., an affiliate, operates the port and owns fleet of heavy equipment for cargo handling, cargo truck weighing, passenger terminal and commercial spaces intended for customer support.

For the operation of its core business in commercial fuel distribution, the Group maintains a fleet of fuel tank trucks and delivery equipment. The fleet of fuel tank trucks and delivery equipment are stationed in one of the properties leased by the Company for the purpose. Its subsidiary, Light Fuels also owns its first fuel service station in Mandaue City.

The Company owned three parcels of land with improvements (i) 271 sqm parcel of land located in Cebu City; (ii) 120 sqm lot located in Brgy. Tamiao, Municipality of Compostela and (iii) 150 sqm parcel of land located in Brgy. Tayud, Municipality of Consolacion) but these were transferred to Topline Equity Corporation pursuant to a Deed of Sale of Land, Building and Improvements on June 30, 2024. The parties are processing the transfer of title in the name of TEC with the relevant Registry of Deeds.

LEASED REAL PROPERTIES

The Company and its subsidiary, LFC, leases some properties for the operation of its business. Kindly refer to Material Contracts – Lease Contracts of this Prospectus. Further, the Company intends to lease the site for its fuel depot in Bohol and the fuel terminal in Mactan.

PERSONAL PROPERTY

Tankers / Tank Trucks

The Company and LFC utilize a total of 18 units fuel tankers in its operations. The following tank trucks, each with a 20 kiloliter capacity, have a Department of Science and Technology Calibration Certificate as required by Section 24 of DOE Department Circular No. 2017-11-0011 and Conveyance Permit as required by the Fire Code and its Implementing Rules and Regulations:

		DOST Calibration		Bureau of Fire Protection Conveyance Permit		
	Plate Number	Date Calibrated	Sample No.	Clearance No.	Date Issued	Valid Until
1	NKB 9442	15 May 2024	MET-1522	R711524060107	3 June 2024	3 June 2025
2	NKB 9443	17 May 2024	MET-1554	R711524060108	3 June 2024	3 June 2025
3	NKB 9454	13 May 2024	MET-1498	R711524060108	3 June 2024	3 June 2025
4	NDE 3056	9 January 2024	MET-0019	R711524010017	19 January 2024	19 January 2025
5	NFD 3060	8 February 2024	MET-0261	R711524020039	19 February 2024	19 February 2025
6	NER 4115	27 February 2024	MET-0501	R711524030059	4 March 2024	4 March 2025
7	NER 4116	5 March 2024	MET-0612	R711524030076	11 March 2024	11 March 2025
8	NEO 2388	9 July 2024	MET-2082	Pending application		
9	NEO 2389	16 July 2024	MET-2154	Pending application		
10	NII 6479	17 July 2024	MET-2160	Pending application		
11	NIN 5207	18 July 2024	MET-2193	Pending application		
12	NEW 1453	4 August 2023	MET-2387	RCON-CBP-2023-138	24 August 2023	24 August 2024
13	NEW 1454	11 August 2023	MET-2440	RCON-CBP-2023-139	24 August 2023	24 August 2024
14	NID 4448	24 August 2023	MET-2564	RCON-CBP-2023-149	21 September 2023	21 September 2024
15	NID 4449	30 August 2023	MET-2648	RCON-CBP-2023-148	21 September 2023	21 September 2024
16	NFG 6259	28 November 2023	MET-3391	R711523100186	18 December 2023	18 December 2024
17	NFG 6261	12 December 2023	MET-3506	R711523100187	18 December 2023	18 December 2024
18	NFG 6262	12 December 2023	MET-3505	R711523100185	18 December 2023	18 December 2024

Regular Motor Vehicles

Subline	Registered Owner	Vehicle Details
Commercial Use	TLBDC	2020 Isuzu Travis with Plate No. GAT 3819
Private Use	TLBDC	2020 Toyota Alphard with Plate No. GAO 8658
Private Use	TLBDC	2018 Isuzu DMAX with Plate No. GAO 6338
Private Use	TLBDC	2018 Isuzu DMAX with Plate No. GAQ 6337
Private Use	TLBDC	2021 Suzuki Multicab with Plate No. KAM 2989
Private Use	TLBDC	2023 Mercedes Benz V220 D Avantgarde with Plate No. MOG 872
Private Use	TLBDC	2019 Toyota Hiace Grandia with Plate No. GAJ 3909

Club Shares

The Company also have club shares registered in its name – Casino Espanol de Cebu Inc and City Sports Club of Cebu, Inc.

INTELLECTUAL PROPERTY

As of the date of this Prospectus, the following trademarks are registered/being applied for registration in the Philippines in name of the Company's Chairman, President and CEO, Eugene Erik C. Lapasaran Lim:

No.	Trademark	Logo	Registration / Application No.	Date of Registration	Date of Filing	Date of Expiry
1	Top Line Business Development Corporation		42024509335	Pending	04-05-2024	Pending
2	Light Fuels Corporation		4/2021/00506902	03-05-2022	03-22-2021 Declaration of Actual Use (3rd Year) filed on 03-22-2024	03-05-2032
3	Topline Logistics and Development Corporation		42024509337	Pending	04-05-2024	Pending

LEGAL PROCEEDINGS ON PROPERTIES

There is no pending litigation or arbitration proceedings where the Issuer or any of its subsidiaries is a party, and no litigation or claim of material importance is known to the Directors to be pending or threatened against its properties.

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DESCRIPTION OF THE OFFER SHARES

Information relating to the Common Shares is set forth below. The description is only a summary and is qualified by reference to Philippine law and the Company's Articles of Incorporation ("**Articles**") and By-Laws ("**By-Laws**"), both as amended, copies of which are available at the SEC.

SHARE CAPITAL

A Philippine corporation may issue common or preferred shares, or such other classes of shares with such rights, privileges or restrictions as may be provided for in its articles of incorporation and by-laws. A corporation may increase or decrease its authorized capital stock upon approval by a majority of the board of directors and by shareholders representing at least two-thirds of the outstanding capital stock at a shareholders' meeting duly called for that purpose and is duly approved by the SEC.

All of the Company's shares that are currently issued or authorized to be issued are common shares and have a par value of Php0.10 per share. If shares are issued at a price above par, whether for cash or otherwise, the amount by which the subscription price exceed the par value is credited to an account designated as paid-in surplus.

A corporation may acquire its own shares for a legitimate corporate purpose, provided that it has sufficient unrestricted retained earnings in its books to pay for the acquisition and it complies with the other conditions for the purchase. A corporation may acquire its own shares to:

- Eliminate fractional shares arising out of stock dividends;
- Collect or compromise a debt to the corporation arising out of the unpaid subscription in a delinquency sale or to purchase delinquent shares during such sale; and
- Pay dissenting shareholders exercising their appraisal right.

The purchased shares form part of the corporation's treasury shares upon the corporation's acquisition. A corporation may re-issue or sell the treasury shares at a price to be fixed by the board of directors.

RIGHTS RELATING TO THE COMMON SHARES

Voting Rights

Each Common Share entitles the holder to one (1) vote.

At each meeting of the stockholders, every stockholder entitled to vote on a particular question or matter involved shall be entitled to one (1) vote for each share of stock standing in his name in the books of the Company at the time of the closing of the transfer books for such meeting.

In the election of Directors, each stockholder, in person or by proxy, is entitled to such number of votes as is equivalent to the product of the number of Common Shares owned by him multiplied by the number of Directors to be elected. The stockholder may cumulate his votes in favor of one (1) or more candidates as he may see fit. A Director may also be removed by the vote of stockholders representing two-thirds ($^2/_3$) of the outstanding voting shares, in accordance with the provisions of Section 27 of the Revised Corporation Code.

Voting rights cannot be exercised with respect to shares declared delinquent or treasury shares, or with respect to shares upon which its appraisal right has been exercised.

Pre-emptive Rights

Section 38 of the Revised Corporation Code provides that all stockholders of a stock corporation will enjoy pre-emptive right to subscribe to all issues or disposition of shares of any class, in proportion to their respective shareholdings, unless such right is denied by the Articles of Incorporation or an amendment thereto. Under the Company's Articles of Incorporation, no stockholders of any class shall be entitled to any pre-emptive right to purchase, subscribe for, or receive any part of the shares of the corporation, whether issued from its unissued capital, increase in its authorized capital or its treasury stock.

Dividend Rights

Dividends may be declared from the unrestricted retained earnings of the Company at such time and in such percentage or amount as the Board of Directors may deem proper. No dividend shall be declared that will impair the capital stock of the Company.

Under Philippine law, a corporation can only declare dividends to the extent that it has unrestricted retained earnings that represent the undistributed earnings of the corporation that have not been allocated for any purpose. A corporation may pay dividends in cash, in property, or by the issuance of shares (stock dividend). Stock dividends may only be declared and paid with the approval of stockholders representing at least two-thirds of the issued and outstanding capital stock of the corporation voting at a stockholders' meeting duly called for the purpose.

The Revised Corporation Code requires, as a general rule, that a corporation with retained earnings in excess of 100.00% of its paid-in capital declare and distribute as dividends the amount of such surplus. Notwithstanding this requirement, a corporation may retain all or any portion of such surplus in the following cases: (a) when justified by definite expansion plans approved by the board of directors of the corporation; (b) when the required consent of any financing institution or creditor to such distribution has not been secured; or (c) when retention is necessary under special circumstances, such as when there is a need for special reserves for probable contingencies.

Please see further discussion under "*Dividends and Dividend Policy*" of this Prospectus.

Appraisal Rights

The Revised Corporation Code grants a shareholder a right of appraisal in certain circumstances where he has dissented and voted against a proposed corporate action, including:

- An amendment of the Articles of Incorporation that has the effect of adversely affecting the rights attached to his shares or of authorizing preferences in any respect superior to those of outstanding shares of any class or of extending or shortening the term of corporate existence;
- The sale, lease, exchange, transfer, mortgage, pledge or other disposal of all or substantially all the assets of the corporation;
- A merger or consolidation; and
- Investment of corporate funds for any purpose other than the primary purpose of the corporation.

In any of these circumstances, the dissenting shareholder may require the Company to purchase its shares at a fair value, which in default of agreement is determined by three disinterested persons, one of whom shall be named by the shareholder, one by the Company, and the third by the two thus chosen. In the event of a dispute, the SEC will determine any question about whether a dissenting shareholder is entitled to this right of appraisal. This remedy will only be available if the Company has unrestricted retained earnings sufficient to support the purchase of the shares of the dissenting stockholders. From the time the shareholder makes a demand for payment until the Company purchases such shares, all rights accruing on the shares, including voting and dividend rights, shall be suspended, except the right of the shareholder to receive the fair value of the share.

Access to Corporate Books and Records

Stockholders have the right to inspect the books and records of the Company, including the minutes of all Board and stockholders' meetings, and records of business transactions of the Company. However, the right of inspection may be denied if the shareholder seeking to examine the corporate records is not acting in good faith or for a legitimate purpose in making the demand for inspection or has improperly used any information secured through any prior examination of the records of such corporation or any other corporation.

Liquidation Rights

Each shareholder is entitled to a pro rata share in the assets of the Company available for distribution to the stockholders in the event of dissolution, liquidation and winding up, subject to the superior rights of the creditors of the Company.

Derivative Rights

Philippine law recognizes the right of a shareholder to institute proceedings on behalf of the Company in a derivative action in circumstances where the Company itself is unable or unwilling to institute necessary proceedings to redress wrongs committed against the Company or to vindicate corporate rights such as, for example, where the directors themselves are the malefactors.

TREASURY SHARES

The Company may acquire its own Common Shares, provided that, it has unrestricted retained earnings to pay for the Common Shares to be acquired or purchased and only for a legitimate corporate purpose/s, including, but not limited to: (a) to eliminate fractional shares arising out of stock dividends, (b) to collect or compromise an indebtedness to the Company, arising out of unpaid subscription, in a delinquency sale, and to purchase delinquent shares sold during said sale; and (c) to pay dissenting or withdrawing stockholders entitled to payment for their shares under the provisions of the Revised Corporation Code.

The Common Shares repurchased by the Company shall become treasury shares that may again be disposed of at a reasonable price as may be fixed by the Board of Directors. These treasury shares have neither voting rights nor dividend rights as long as they remain as treasury shares.

As of the date of this Prospectus, the Company does not hold any treasury shares.

STOCK TRANSFER AGENT

The Company's stock and transfer book is maintained at the principal office of the Company's stock transfer agent, Stock Transfer Service, Inc.

CHANGES IN CONTROL

There are no existing provisions in the amended Articles of Incorporation and amended By-Laws of the Company, which may cause delay, deferment, or in any manner prevent a change in control of the Company.

BOARD OF DIRECTORS

Unless otherwise provided by law, the Company's corporate powers are exercised, business conducted, and all of its property are controlled and held, by the Board of Directors. The Company has 7 directors, 3 of whom are independent directors. They shall be elected by the Company's shareholders who are entitled to vote at the annual meeting and shall hold office for one (1) year until their successors are elected and qualified in accordance with the Company's by-laws.

Any vacancy by reason of death, resignation, or removal of a director prior to the expiration of the director's term, may be filled by the vote of at least a majority of the remaining members of the Board, if still constituting a quorum; otherwise, the vacancy must be filled by the shareholders at a regular or at any special meeting of the shareholders called for that purpose. A director so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office.

SHAREHOLDERS' MEETING

Annual or Regular Shareholders' Meetings

Philippine corporations are required to hold an annual meeting of shareholders. Under the Company's by-laws, the annual shareholders' meeting shall be held on July 12 of each year if a legal holiday, then on the day following.

Special Shareholders' Meeting

Special meetings of shareholders, for any purpose or purposes, may at any time be called by any of the following: (a) majority members of the Board of Directors, at its own instance; (b) the President; or (c) by stockholders owning at least ten percent (10%) of the total issued and outstanding capital stock of the corporation; provided that such stockholders have continuously held such shares for at least one (1) year prior to the Corporate Secretary's receipt of such stockholders' written call for a special meeting and provided further that such call complies with the procedures and requirements set forth in relevant regulations. Such call shall state the purpose or purposes of the meeting, which must affect the legitimate interest of the stockholders, is germane to the stockholders' interest, and should not include the removal of any director.

Notice of Shareholders' Meeting

Whenever shareholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and time of the meeting, and the purpose or purposes for which the meeting is called. Notices for the meetings shall be sent by the Secretary by personal delivery, by mail telegraph, cable, facsimile, electronic-mail or other electronic means to each stockholder of record entitled to vote thereat at the address and/or facsimile, telegraph number or electronic mail address last known to the Secretary at least twenty-one (21) days before the date of the meeting. Notice for special meetings of stockholders may be sent at least one (1) week before the date of the meeting, or such other period as may be allowed by applicable regulations. Except where expressly required by law, no publication of any notice of a meeting of stockholders shall be required.

Each stockholder shall provide his current residential or office address and electronic mail address to the Secretary not later than thirty (30) days after the regular meeting of the stockholders, and shall notify the Secretary of any change in his residential or office address or electronic mail address within five (5) days from the said change. The Secretary shall maintain a record of the current residential or office address, and the electronic mail address of each stockholder of the corporation. Any notice of any regular or special meeting sent by electronic mail to the last known electronic mail address of a stockholder shall be considered a valid service of the notice upon said stockholder. The notice shall state the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called. Such requirements aforesaid and notice of any meetings may be waived, expressly or impliedly, by any stockholder.

When the meeting of the shareholders is adjourned to another time or place, notice of the adjourned meeting need not be provided so long as the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is decided. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

Quorum

A majority of the issued capital stock of the Company, either in person or by proxy, shall constitute a quorum, and a majority of the quorum shall decide any question before the meeting except as otherwise provided by law. If there is no quorum for the meeting, the meeting shall be adjourned until the required number of Shares shall be present or represented.

Voting

Shareholders may vote at all meetings the number of shares registered in their respective names, either in person or by a duly appointed proxy. Except in cases otherwise provided by law, a majority of the votes cast by the shareholders present in person or by proxy at any meetings is sufficient to approve any resolution.

Fixing Record Dates

For purposes of determining the stockholders entitled to notice of, or to vote or be voted at any meeting of stockholders or any adjournments thereof, or entitled to receive payment of any dividends or other distribution or allotment of any rights, or for the purpose of any other lawful action, or for making any other determination of stockholders, the Board of Directors may provide that the stock and transfer book be closed at least 20 days for regular meeting and 7 days for special meetings before the scheduled date of meeting. In lieu of closing the stock and transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of stockholders. A determination of stockholders of record entitled to notice of or to vote or be voted at a meeting of stockholders shall apply to any adjournment of meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting

Proxies

Shareholders may vote in person or by proxy. Proxies shall in writing, signed by the stockholder and filed at least five (5) business days before the scheduled meeting with the Corporate Secretary. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary prior to a scheduled meeting or by their personal presences at the meeting.

A forum for the validation of chaired by the Corporate Secretary or Assistant Corporate and attended by the transfer agent shall be convened before the meeting. Any questions and issues relating to the validity and sufficiency, both as to form and substance, of proxies shall only be raised during said forum and resolved by the Corporate Secretary. The Corporate Secretary's decision shall be final and binding upon the shareholders, and those not settled at such forum shall be deemed waived and may no longer be raised during the stockholders' meeting.

Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Corporate Secretary.

Voting in Absentia
Stockholders may also vote through remote communication or in absentia, in which case, they shall be deemed present for purposes of quorum. Provided, however, that the votes are received by the Secretary before the Corporation finishes the tally of votes.

Transfer of Common Shares

All transfer of shares on the PSE shall be effected by means of a book-entry system. Under this system of trading and settlement, a registered shareholder transfers legal title over the shares to such nominee but retains beneficial ownership over the shares. A shareholder transfers legal title by surrendering the stock certificate representing his shares to participants of the PDTC system (i.e., brokers and custodian banks) that, in turn, lodge the same with the PCD Nominee. A shareholder may request his shares to be uplifted from the PDTC, in which case a certificate of stock is issued to the shareholder and the shares are registered in the shareholder's name. See "*The Philippine Stock Market*" section of this Prospectus.

Philippine law does not require transfers of shares to be effected on the PSE, but any off-exchange transfers will subject the transferor to a capital gains tax that may be significantly greater than the stock transfer tax applicable to transfers effected on an exchange, and documentary stamp tax. See "*Philippine Taxation*" section of this Prospectus. All transfers of shares on the PSE must be effected through a licensed stockbroker in the Philippines.

Issuance of Shares

Subject to otherwise applicable limitations, the Company may issue additional shares to any person for consideration that the Board deems fair, provided that such consideration shall not be less than the par value of the shares. Share certificates may only be issued to a subscriber upon full payment of the subscription together with interest and expenses (in case of delinquent shares). Under PSE rules, only fully paid-up shares may be listed on the PSE.

Share Certificates

Certificates representing the Shares will be issued in such denominations as shareholders may request, except that certificate will not be issued for fractional shares. Shareholders may request the Company's stock transfer agent to split their certificates. Shares may also be lodged and maintained under the book-entry system of the PDTC. See "*the Philippine Stock Market*" section of this Prospectus.

Mandatory Tender Offer

It is mandatory for any person or group of persons acting in concert to make a tender offer to all the shareholders of the target corporation before the intended acquisition of:

- At least 35% of the outstanding voting shares of such outstanding voting shares that are sufficient to gain control of the board in a public company, in one or more transactions within a period of 12 months; such intention should be disclosed and the tender offer shall be made for the percentage sough to all holders of such securities within the said period; or

- At least 35% of the outstanding voting shares or such outstanding voting shares that are sufficient to gain control of the board in a public company directly from one or more stockholders; the tender offer shall be made for all outstanding voting shares; or
- Less than 35% of such equity that will result in ownership of over 51% of the total outstanding equity securities in a public company.

The term "public company" refers to: (i) a corporation with a class of securities listed on an exchange, such as the PSE; or (ii) a corporation with assets of at least Php 50 million and having 200 or more shareholders with at least 100 shares each.

When the securities tendered pursuant to such an offer exceed the number of shares that the acquiring person or group of persons is willing to acquire, the securities shall be purchased from each tendering shareholder on a pro rata basis according to the number of securities tendered by each security holder. In the event that the tender offer is oversubscribed, the aggregate number of securities to be acquired at the close of such tender offer shall be proportionately distributed to both the selling shareholders with whom the acquirer may have been in private negotiations with and the minority shareholders.

In a mandatory tender offer, the acquirer must offer the highest price paid by him for such shares during the past six months. Where the offer involves payment by transfer or allotment of securities, such securities must be valued on an equitable basis. However, if any acquisitions of even less than 35% would result in ownership of 51% of the total outstanding equity, the acquirer shall make a tender offer for all the outstanding equity securities to all remaining shareholders of the said corporation at a price supported by a fairness opinion provided by an independent financial adviser or equivalent third party. The acquirer in such tender offer shall accept any and all securities thus tendered.

No mandatory tender offer is required in:

- Purchases of shares from unissued capital shares unless it will result in a 50% or more ownership of shares by the purchaser;
- Purchases from an increase in the authorized capital shares of the target company;
- Purchases in connection with a foreclosure proceeding involving a pledge or security where the acquisition is made by a debtor or creditor;
- Purchases in connection with a privatization undertaken by the government of the Philippines;
- Purchases in connection with corporate rehabilitation under court supervision;
- Purchases through an open market at the prevailing market price; or
- Purchases resulting from a merger or consolidation.

FUNDAMENTAL MATTERS

The Revised Corporation Code considers certain matters as significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the articles of incorporation. These acts, which require board of directors' approval and the approval of shareholders representing at least two-thirds of the issued and outstanding capital stock of the corporation (except for the amendment of by-laws and approval of management contracts in general, which require approval of shareholders representing a majority of the corporation's outstanding capital stock), include:

- Amendment of the articles of incorporation;
- An increase or decrease of capital stock and incurring, creating or increasing bonded indebtedness;

- Delegation to the board of directors of the power to amend or repeal or to adopt new by-laws;
- Sale, lease, exchange, mortgage, pledge or other disposition of all or a substantial part of the corporation's assets;
- Merger or consolidation;
- Investment of corporate funds in any other corporation or for a purpose other than the primary purpose for which the corporation was organized;
- Dissolution of the corporation;
- Denial of pre-emptive rights to shares to be issued in good faith in exchange for property needed for corporate purposes or in payment of a previously contracted debt;
- Declaration or issuance of stock dividends;
- Ratification of a contract between the corporation and a director or officer where the vote of such director or officer was necessary for approval;
- Execution of a management contract where (a) a majority of directors of the managing corporation constitutes the majority of the board of the managed company or (b) shareholders of both the managing and managed corporations represent the same interest and own or control more than one third of the outstanding capital stock entitled to vote;
- Removal of directors; and
- Ratification of contracts with corporations in which a director is also a member of the board, where the interest of the director is substantial in one corporation and nominal in the other.

The approval of shareholders holding a majority of the outstanding capital shares of a Philippine corporation, including non-voting preferred shares, is required for the adoption or amendment of the by-laws of such corporation.

OTHER FEATURES OF THE OFFER SHARES

The Offer Shares are neither convertible nor subject to redemption. All of the Company's issued shares are fully paid and non-assessable and are free and clear of all liens, claims, and encumbrances. All documentary stamp taxes due on the issuance of all issued shares have been fully paid.

ACCOUNTING AND AUDITING REQUIREMENT

Philippine corporations are required to file copies of their annual consolidated financial statements with the Philippine SEC. Companies listed on the PSE must also file their quarterly consolidated financial statements with the Philippine SEC and the PSE.

Shareholders are entitled to be furnished with the most recent financial statements of a Philippine corporation, which include a balance sheet as of the end of the most recent tax year and a profit and loss statement for that year.

The Board is required to present to shareholders at every annual meeting a financial report of the operations of the Company for the preceding year.

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REGULATORY AND ENVIRONMENTAL MATTERS

GENERAL BUSINESS REGULATORY FRAMEWORK

Revised Corporation Code

The Revised Corporation Code was signed into law on 20 February 2019, and became effective on 08 March 2019. The salient features, among others, of the Revised Corporation Code are as follows:

- Corporations are granted perpetual existence, unless the Articles of Incorporation provide otherwise. Perpetual existence shall also benefit corporations whose certificates of incorporation were issued before the effectivity of the Code, unless a corporation, upon a vote of majority of the stockholders of the outstanding capital stock notifies the Commission that it elects to retain its specific corporate term under its current Articles of Incorporation;
- Material contracts between the Corporation and its own directors, trustees, officers, or their spouses and relatives within the fourth civil degree of consanguinity or affinity must be approved by at least two-thirds (2/3) of the entire membership of the Board, with at least a majority of the independent directors voting to approve the same;
- The right of stockholders to vote in the election of directors or trustees, or in stockholders' meetings, may now be done through remote communication or in absentia if authorized by the corporation's by-laws. However, as to corporations vested with public interest, voting through remote communication or in absentia are deemed allowed, even if not expressly stated in the by-laws. The stockholders who participate through such means are deemed present for purposes of quorum. When attendance, participation, and voting are allowed by remote communication or in absentia, the notice of meetings to the stockholders must state the requirements and procedures to be followed when a stockholder or member elects either option; and
- In case of transfer of shares of listed companies, the Commission may require that these corporations whose securities are traded in trading markets and which can reasonably demonstrate their capability to do so, to issue their securities or shares of stock in uncertificated or scripless form in accordance with the Rules of the Commission.
- As to the filing of the by-laws and any amendments made to the by-laws of any corporation governed by special laws, the Revised Corporation Code requires that a prior certificate of the appropriate government agency to the effect that such bylaws or amendments are in accordance with law, must be submitted.
- A favorable recommendation by the appropriate government agency is likewise required for corporations governed by special laws, before the Philippine SEC approves any merger or consolidation; or any voluntary dissolution.
- The Revised Corporation Code refers to the Philippine Competition Act in case of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring, creating or increasing bonded indebtedness; or mergers or consolidations covered by the Philippine Competition Act thresholds.

Philippine Competition Act and its Implementing Rules and Regulations. Republic Act No. 10667 or the Philippine Competition Act ("**PCA**") came into effect August 5, 2015 and is the primary competition law in the Philippines.

Any person, whether natural or juridical, Joint Lead Underwriters proprietorship, partnership, or a combination or association in any form, whether incorporated or not, domestic or foreign, including those owned or controlled by the government, shall be covered by the Republic Act No. 10667 or the PCA as long as they are engaged directly or indirectly in any economic activity. This extends to those engaged in industry or commerce that has a direct, substantial, and reasonably foreseeable effect in the Philippines, including those that result from acts done outside the territory of the Philippines.

The Philippine Competition Commission ("**PCC**"), either on its own action or upon notification by the parties, shall have the power to review mergers and acquisitions, including joint venture agreements, having a direct, substantial, and reasonably foreseeable effect on trade, industry, or commerce in the Philippines. Merger or acquisition agreements that substantially prevent, restrict, or lessen competition in the relevant market are prohibited.

The PCA prohibits and imposes sanctions on:

(a) anti-competitive agreements between or amongst competitors that restrict competition as to price or other terms of trade and those fixing price at an auction or in any form of bidding including cover bidding, bid suppression, bid rotation and market allocation and other analogous practices of bid manipulation; and those which have the object or effect of substantially preventing, restricting or lessening competition;

(b) practices which are regarded as abuse of dominant position by engaging in conduct that would substantially prevent, restrict or lessen competition; and committee) mergers or acquisitions which substantially prevent, restrict or lessen competition in the relevant market or in the market for goods or services.

Effective March 1, 2024, parties to a merger or acquisition agreement are required to provide notification to the PCC when (a) the *Size of Party* or the aggregate annual gross revenues in, into, or from the Philippines, or value of the assets in the Philippines of the ultimate parent entity (**"UPE"**) (i.e., the juridical entity that, directly or indirectly, controls a party to the transaction, and is not controlled by any other entity) of at least one of the acquiring or acquired entities, including that of all entities that the UPE controls, directly or indirectly, exceeds Seven Billion Eight Hundred Thousand Pesos (Php7,800,000,000.00; and (b) the *Size of Transaction* or the value of the transaction, as determined under Rule 4, Section 3(b) of the PCA IRR, exceeds Three Billion Two Hundred Million Pesos (Php3,200,000,000.00). Parties to a merger or acquisition that satisfy the thresholds above are prohibited from consummating their agreement until thirty (30) days after providing the required notification to the PCC. They are required to notify the PCC before the execution of the definitive agreements relating to the transaction.

In the formation of a joint venture (other than in connection with a merger or consolidation), the contributing entities shall be deemed acquiring entities, and the joint venture shall be deemed the acquired entity.

In a notifiable joint venture transaction, an acquiring entity shall be subject to the notification requirements if either the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed joint venture exceeds Two Billion Four Nine Million Pesos (Php2,900,000.00) or the gross revenues generated in the Philippines by assets to be combined in the Philippines or contributed into the proposed joint venture exceeds Two Billion Nine Hundred Million Pesos (Php2,900,000.00). In determining the assets of the joint venture, the following shall be included:

a) All assets which any entity contributing to the formation of the joint venture has agreed to transfer, or for which agreements have been secured for the joint venture to obtain at any time, whether or not such entity is subject to the requirements of the PCA; and
b) Any amount of credit or any obligations of the joint venture which any entity contributing to the formation has agreed to extend or guarantee, at any time.

If the PCC determines that an agreement is prohibited under the PCA and does not qualify for exemption, the PCC is given the power to:

a) Prohibit the implementation of the agreement;
b) Prohibit the implementation of the agreement unless and until it is modified by changes specified by the PCC; and
c) Prohibit the implementation of the agreement unless and until the pertinent party or parties enter into legally enforceable agreements specified by the PCC.

A transaction that meets the thresholds and does not comply with the notification requirements shall be considered void and will subject the parties to an administrative fine of a maximum of Php110 million for cartels, prohibited mergers and abuse of dominance, and Php2.2 million for belated merger notification.

Prohibited merger or acquisition agreements may be exempt from prohibition by the PCC when the parties establish either of the following:

a) The concentration has brought about or is likely to bring about gains in efficiencies that are greater than the effects of any limitation on competition that result or likely to result from the merger or acquisition agreement; or
b) A party to the merger or acquisition agreement is faced with actual or imminent financial failure, and the agreement represents the least anti-competitive arrangement among the known alternative uses for the failing entity's assets.

An entity shall not be prohibited from continuing to own and hold the stock or other share capital or assets of another corporation which it acquired prior to the approval of the PCA or acquiring or maintaining its market share in a relevant market through such means without violating the provisions of the PCA.

Furthermore, the acquisition of the stock or other share capital of one or more corporations Joint Lead Underwriters for investment and not used for voting or exercising control and not to otherwise bring about, or attempt to bring about the prevention, restriction, or lessening of competition in the relevant market shall not be prohibited.

On November 22, 2017, the PCC published the 2017 Rules on Merger Procedures ("**Merger Rules**") which provides the procedure for the review or investigation of mergers and acquisition pursuant to the PCA. The Merger Rules provides, among others, that parties to a merger that meet the thresholds in Section 3 of Rule 4 of the IRR are required to notify the PCC within 30 days from the signing of definitive agreements relating to the notifiable merger.

In the event that transactions imbued with high public interest do not meet the thresholds, the PCC may still launch a *motu proprio* investigation in the interest of consumer protection. Parties may not consummate a notifiable transaction prior to receiving PCC approval or the lapse of the period stated in the Merger Rules. Under the PCA and the IRR, a transaction that meets the thresholds and does not comply with the notification requirements and waiting periods shall be considered void and will subject the parties to an administrative fine of 1% to 5% of the value of the transaction.

Merger or acquisition agreements that substantially prevent, restrict or lessen competition in the relevant market or in the market for goods or services as may be determined by the PCC are prohibited. Parties and their ultimate parent entities found to have entered into prohibited mergers may be imposed fines of up to Php110 million to Php275 million.

Criminal penalties for entities that enter into these defined anti-competitive agreements include: (i) a fine of not less than Php50 million but not more than Php250 million; and (ii) imprisonment for two to seven years for directors and management personnel who knowingly and willfully participate in such criminal offenses. Administrative fines of Php110 million to Php275 million may be imposed on entities found

violating prohibitions against anti-competitive agreements and abuse of dominant position. Treble damages may be imposed by the PCC or the courts, as the case may be, where the violation involves the trade or movement of basic necessities and prime commodities.
On January 19, 2021, the PCC issued Memorandum Circular No. 21-001 adjusting the schedule of fines for violations of the Merger Rules. Administrative fines may now amount to up to Php275 million. Commitment of acts such as, failure to comply with a ruling, order, or decision of the PCC or the disclosure, publication, transfer, copying or dissemination of confidential information may amount to a fine of Php55,000 up to Php2.2 million.

Republic Act No. 10173 (Data Privacy Act of 2012)

Republic Act No. 10173, otherwise known as the Data Privacy Act, protects all forms of information, be it private, personal, or sensitive. It covers all natural and juridical persons involved in the processing of information whether in the government or private sector, and whether in or outside the Philippines.

Under the Data Privacy Act, personal information is defined as any information, whether recorded in a material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information, would directly and certainly identify an individual. The processing of information is defined as any operation or any set of operations performed upon personal data including, but not limited to, the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure, or destruction of data.

The processing of personal information shall be allowed, subject to compliance with the requirements under the Data Privacy Act, and other laws allowing disclosure of information to the public and adherence to the principles of transparency, legitimate purpose and proportionality. The guidelines for the processing of personal information are as follows:

- Collected for specified and legitimate purposes determined and declared before, or as soon as reasonably practicable after collection, and later processed in a way compatible with such declared, specified and legitimate purposes only;
- Processed fairly and lawfully;
- Accurate, relevant and, where necessary for purposes for which it is to be used the processing of personal information, kept up to date; inaccurate or incomplete data must be rectified, supplemented, destroyed or their further processing restricted;
- Adequate and not excessive in relation to the purposes for which they are collected and processed;
- Retained only for as long as necessary for the fulfillment of the purposes for which the data was obtained or for the establishment, exercise or defense of legal claims, or for legitimate business purposes, or as provided by law; and
- Kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the data were collected and processed.

As a general rule, the processing of personal information is permitted, unless otherwise prohibited by law, and when at least one of the following conditions exist:

- The data subject has given his or her consent;
- The processing of personal information is necessary and is related to the fulfillment of a contract with the data subject or in order to take steps at the request of the data subject prior to entering into a contract;
- The processing is necessary for compliance with a legal obligation to which the personal information controller is subject;

- The processing is necessary to protect vitally important interests of the data subject, including life and health;
- The processing is necessary in order to respond to national emergency, to comply with the requirements of public order and safety, or to fulfill functions of public authority which necessarily includes the processing of personal data for the fulfillment of its mandate; or
- The processing is necessary for the purposes of the legitimate interests pursued by the personal information controller or by a third party or parties to whom the data is disclosed, except where such interests are overridden by fundamental rights and freedoms of the data subject which require protection under the Philippine Constitution.

The Data Privacy Act further requires the appointment of a Data Protection Officer (DPO) for all personal information controllers (PICs) and personal information processors (PIPs). The DPO is accountable for ensuring the Company's compliance with all data privacy and security laws and regulations. A PIC may be a natural or juridical person who exercises control over the processing of personal data and furnishes instructions to another person or entity to process personal data on its behalf. A PIP on the other hand, refers to a person or body instructed or outsourced by a PIC to engage in the processing of the personal data of a data subject. The PIC or PIP that employs fewer than 250 persons shall not be required to register unless the processing it carries out is likely to pose a risk to the rights and freedoms of data subjects, the processing is not occasional, or the processing includes sensitive personal information of at least 1,000 individuals.

Republic Act No. 9160 (Anti-Money Laundering Act)

Republic Act No. 9160, otherwise known as the Anti-Money Laundering Act or AMLA, is a special law which aims to investigate and criminalize money laundering and other financial crimes, protects financial institutions and other covered entities under the act, and ensures that the Philippines will not be used as a money laundering site for the proceeds of any unlawful activity.

In so doing, the AMLA serves the following functions: (1) creates the financial intelligence unit known as the "Anti-Money Laundering Council" or ("**AMLC**"); (2) imposes to Covered Entities specific obligations such as customer identification, record keeping, and reporting of covered and suspicious transactions; (3) relaxes strict bank deposit secrecy laws; and (4) provides for remedies, such as bank inquiry and freeze orders, and *ex parte* petitions, seizure, forfeiture, and recovery of dirty money or property.

Money Laundering is defined under the AMLA as a crime whereby the proceeds of an unlawful activity are transacted, thereby making them appear to have originated from legitimate sources. It is committed by any person:

- Knowingly transacting or attempting to transact any money/property which represents, involves or relates to the proceeds of an unlawful activity;
- Knowingly performing or failing to perform an act in relation to any money/property involving the proceeds of any unlawful activity as a result of which he facilitated the offense of money laundering; and
- Knowingly failing to disclose and file with the AMLC any report required to be disclosed and filed.

In addition, the AMLA also considers the failure to keep records, malicious reporting, and breach of confidentiality as punishable acts.

The AMLA requires all covered entities, the exhaustive list is provided in the law, to register with the AMLC. Obligations of reporting or covered institutions include Customer Identification, Recordkeeping, and the Reporting of Covered and Suspicious Transactions.

Covered transactions are defined as single transactions in cash or other equivalent monetary instrument involving a total amount in excess of Five Hundred Thousand (Php 500,000) Pesos within one (1) banking day. Suspicious Transactions, on the other hand, are defined as transactions with covered institutions, regardless of the amounts involved, where any of the following circumstances exist:

- There is no underlying legal/trade obligation, purpose or economic justification or the client is not properly identified;
- The amount involved is not commensurate with the business or financial capacity of the client;
- The transaction is structured to avoid being the subject of reporting requirements under the AMLA;
- There is a deviation from the client's profile/past transactions;
- The transaction is related to an unlawful activity/offense under the AMLA; and
- Transactions similar or analogous to the above

In 2018, the AMLC Regulatory Issuance (ARI) A, B, C, No. 2 was issued, on the Guidelines on Digitization of Customer Records. Under said issuance, covered persons are required to digitize all customer records that are within the 5-year retention period for recordkeeping as provided by the AMLA. It also requires all covered persons to develop a central database where the customer records can be easily uploaded and retrieved, accessible at any time by their compliance officer or any other duly authorized officer.

On January 29, 2021, Republic Act No. 11521 was enacted, amending certain provisions of AMLA. The necessary changes were likewise incorporated in the 2018 Implementing Rules and Regulations through the AMLA. In particular, R.A. No. 11521 revised the list of "Covered Persons" under the AMLA to include real estate brokers and developers. As such, real estate brokers and developers are now required to submit a covered transaction report involving any single cash transaction exceeding Php7,500,000 or its equivalent in any other currency.

Further, R.A. No. 11521 provides the following suspicious transactions with Covered Persons, regardless of the amounts involved, where any of the following circumstances exist:

- there is no underlying legal or trade obligation, purpose or economic justification;
- the client is not properly identified;
- the amount involved is not commensurate with the business or financial capacity of the client;
- taking into account all known circumstances, it may be perceived that the client's transaction is structured in order to avoid being the subject of reporting requirements under the Act;
- any circumstance relating to the transaction which is observed to deviate from the profile of the client and/or the client's past transactions with the covered person;
- the transaction is in any way related to an unlawful activity or offense under this Act that is about to be, is being or has been committed; or
- any transaction that is similar or analogous to any of the foregoing.

Under the AMLA, Covered Persons shall subject covered transaction and suspicious transaction reports to the AMLC, and shall identify and record the true identity of their customers, whether permanent or occasional, and whether natural or juridical persons, or legal arrangements based on official documents. To comply with this, such Covered Persons are obligated to implement appropriate systems of collecting and recording identification information and identification documents, and shall implement and maintain a system of verifying the true identity of their clients, including validating the truthfulness of the information and confirming the authenticity of the identification documents presented, submitted, and provided by the customer, using reliable and independent sources, documents, data, or information. All records of transactions and records of closed accounts are required to be maintained and stored for five years from the date of a transaction or after their closure, respectively.

Republic Act No. 1161, as amended (Social Security Law)

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under Republic Act No. 8282 to ensure coverage of employees following procedures set out by the law and the Social Security System ("**SSS**"). Under the said law, social security coverage is compulsory for all employees under 60 years of age. An employer must deduct and withhold from its compulsorily covered employees their monthly contributions based on a given schedule, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations.

Republic Act No. 9679 (Home Development Mutual Fund Law)

Under the Home Development Mutual Fund Law of 2009, all employees who are covered by the Social Security Act of 1997 must also be registered with and covered by the Home Development Mutual Fund, more commonly referred to as the Pag-IBIG Fund. It is a national savings program as well as a fund to provide affordable shelter financing to Filipino employees. The employer is likewise mandated to deduct and withhold, pay and remit to the Pag-IBIG Fund the respective contributions of the employees under the prescribed schedule.

Republic Act No. 7875, as amended (National Health Insurance Act of 1995)

Under Republic Act No. 7875, Employers are likewise required to ensure enrollment of its employees in a National Health Program administered by the Philippine Health Insurance Corporation, a government corporation attached to the Department of Health, tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of the National Health Insurance Act of 1995, as amended by the Republic Act No. 11223, otherwise known as the Universal Health Care Act. The registration, accurate and timely deductions, and remittance of contributions to the Philippine Health Insurance Corporation is mandatory as long as there is an employer-employee relationship.

Republic Act No. 8479 (Downstream Oil Industry Deregulation Act of 1998)

Under R.A. 8479, the DOE is mandated to promote fair trade practices, monitor the marketing processes and quality of liquid fuels sold to the general public. The DOE is also mandated to regulate the industrial and retail fuel market and stop the operation of businesses which do not comply with the national standards on quality. The same law empowers the DOE to implement measures for the safe sale and consumption of fuels and impose restrictions on who are qualified to engage in the same.

DC2017-11-001 (Revised Rules and Regulations Governing the Business of Retailing Liquid Fuels)

Pursuant to the mandate given to it by R.A. 8479, the DOE issued Department Circular No. DC2017-11-0011 which requires those who are engaged in retail fuel stations to obtain a Certificate of Compliance ("COC") before the station is allowed to operate. The COC ensures and vouches that a specific service station is in compliance with DOE's standards of storing, hauling, and selling fuel. DC2017-11-0011 also requires proper calibration of tank trucks which transport fuel which is done by the Department of Science and Technology, and the individual fuel dispensing pumps found in service stations which is done by the Local Government Unit having jurisdiction over the service station. DC2017-11-001 is a combination of DC2003-11-010 (Rules and Regulations Governing the Business of Retailing Liquid Fuels) and DC2013-09-0021 (Implementing New Standard Specifications for Gasoline).

Republic Act No. 11592 (LPG Industry Regulation Act)

R.A. 11592 is the primary regulatory framework for the production importation, refining, transportation, sale, and distribution of Liquefied Petroleum Gas ("LPG"). The same law also covers standards for manufacture and repair of pressure vessels of LPG. This law is the primary basis for DC2022-11-0037 which requires a License to Operate for the sale of LPG.

DC2022-11-0037 (Guidelines on the Registration and Issuance of License to Operate to Qualified DOE-Regulated LPG Industry Participants and Penalizing Certain Prohibited Acts)

DC2022-11-0037 requires that all establishments that will engage in the sale and distribution of LPG shall first obtain a License to Operate from the DOE. This establishments include service stations that sell and distribute LPG as part of its business.

DC2021-09-0029 (Guidelines on Notices and Reportorial Requirements Pursuant to the Downstream Oil Industry Deregulation Act)

Pursuant to R.A. 8479, the DOE issued DC2021-09-0029 which require all acknowledged participants of the Downstream Oil Industry, including bulk distributors, to comply with certain notice and reportorial requirements using prescribed templates of the DOE. An Acknowledgment Letter to a corporation is issued to companies covered by the circular.

Republic Act No. 9154 (Fire Code of the Philippines)

R.A. 9154 provides rules and measures to ensure fire prevention and the safety of business establishments and consumers alike with regard to the sale and trade of fuel. As specified in its IRR, an establishment must obtain a permit which states that a Fire Safety Inspection has been done and the establishment has met the standards of the law for fire safety and prevention. Under the same law and IRR, tank trucks which haul fuel from one place to another are required to have a Conveyance Permit which serves as the clearance which allows these trucks to transport such volatile and hazardous liquids.

ENVIRONMENTAL LAWS

Philippine Environmental Impact Statement System

The Philippine Environmental Impact Statement System ("**EISS Law**") established under Presidential Decree No. 1586, which is implemented by the DENR, is the general regulatory framework for any project or undertaking that is either (i) classified as environmentally critical or (ii) is situated in an environmentally critical area. The DENR, through its regional offices or through the Environmental Management Bureau ("**EMB**"), determines whether a project is environmentally critical or located in an environmentally critical area, and processes all applications for an Environmental Compliance Certificate ("**ECC**"). An ECC is a government certification that, among others: (i) the proposed project or undertaking will not cause significant negative environmental impact; (ii) the proponent has complied with all the requirements of the EISS Law in connection with the project; and (iii) the proponent is committed to implement its approved Environmental Management Plan ("**EMP**") in the EIS. The EMP details the prevention, mitigation, compensation, contingency and monitoring measures to enhance positive impacts and minimize negative impacts and risks of a proposed project or undertaking. On the other hand, a Certificate of Non-Coverage ("**CNC**") is a government certification that, based on the submitted project description, the project is not covered by the EIS System and is not required to secure an ECC.

A requisite for the issuance of an ECC for an environmentally critical project, an Environmental Impact Statement ("**EIS**") must be submitted to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination ("**IEE**") to the proper DENR regional office. In case of an environmentally critical project located in an environmentally critical area, an EIS is likewise required. The EIS refers to both the documentary requirements and the study of a project's environmental impact, including a discussion of the scoping agreement identifying critical issues and concerns as validated by the EMB, environmental risk assessment if determined necessary by EMB during the scoping, environmental management program, direct and indirect consequences to human welfare and ecological as well as environmental integrity. The IEE refers to the documentary requirements and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the EIS or an IEE may vary from project to project, it still contains all relevant information regarding the projects' environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System results in the issuance of an ECC. The ECC is a government certification certifying that the proposed project or undertaking will not cause a significant negative environmental impact; that the applicant has complied with all the requirements of the EIS System and has committed to implement its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the project's abandonment phase. The ECC also provides for other terms and conditions, any violation of which would result in a fine or the cancellation of the ECC.

Applicants that prepare an EIS are required to establish an Environmental Guarantee Fund ("EGF") when the ECC is issued to projects determined by the DENR to pose a significant public risk to life, health, property and the environment. The EGF answers for damages caused by such a project as well as any rehabilitation and restoration measures. Applicants that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund ("EMF") when an ECC is eventually issued. The EMF will support the activities of a multi-partite monitoring team which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations. Aside from EIS and IEE, engineering, geological, and geo-hazard assessments are also required for ECC applications covering subdivisions, housing, and other development and infrastructure projects

All development projects, installations and activities that discharge liquid waste into and pose a threat to the environment of the Laguna de Bay Region are also required to obtain a discharge permit from the Laguna Lake Development Authority.

The Clean Water Act

Republic Act No. 9275, otherwise known as the Clean Water Act and its Implementing Rules and Regulations (the "**Clean Water Act and its IRR**"), provide for water quality standards and regulations for the prevention, control, and abatement of pollution of the water resources of the country. The Clean Water Act and its IRR require owners or operators of facilities that discharge regulated effluents (such as wastewater from manufacturing plants or other commercial facilities) to secure a discharge permit from the DENR which authorizes the owners and operators to discharge waste and/or pollutants of specified concentration and volumes from their facilities into a body of water or land resource for a specified period of time. The discharge permit specifies the quantity and quality of effluents that the holder of the permit is allowed to discharge as well as the validity of the permit. The discharge permit is valid for a maximum period of five years from the date of its issuance, renewable for five-year periods thereafter. The Department may, however, renew the discharge permit and keep it valid for a longer period if the applicant has adopted waste minimization and waste treatment technologies, consistent with incentives currently provided, and has been paying the permit fees on time. The DENR, together with other Government agencies and the different local Government units, is tasked with implementing the Clean Water Act and its IRR, and with identifying existing sources of water pollutants, as well as strictly monitoring pollution sources which are not in compliance with the effluent standards provided in the law.

The Water Code

Presidential Decree No. 1067, or The Water Code of the Philippines (the "**Water Code**") requires a water permit for the appropriation or use of natural bodies of water. Use or appropriation of water includes, among others, the utilization of water in factories, industrial plants and mines, including the use of water as an ingredient of a finished product. Appropriation of water without a water permit, when one is required, is subject to the imposition of the corresponding penalties imposed by the Water Code and its implementing rules and regulations.

The Clean Air Act

Pursuant to Republic Act No. 8749 or the Clean Air Act of 1999 and its Implementing Rules and Regulations (the "**Clean Air Act and its IRR**"), enterprises that operate or utilize air pollution sources are required to obtain a Permit to Operate from the DENR with respect to the construction or the use of air pollutants. Said permit shall cover emission limitations for the regulated air pollutants to help maintain and attain the ambient air quality standards. A permit duly issued shall be valid for the period specified therein but not beyond one year from the date of issuance unless sooner suspended or revoked. It may be renewed by filing an application for renewal at least thirty days before the expiration date and upon payment of the required fees and compliance with requirements. The issuance of the permit does not, however, relieve the permittee from complying with the requirements of the Clean Air Act and its IRR.

Other Environmental Laws

Other regulatory environmental laws and regulations applicable to the business operations of the Company include the following:

- Republic Act No. 6969 or the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990, which regulates, restricts or prohibits the (i) importation, manufacture, processing, handling, storage, transportation, sale, distribution, use and disposal of chemical substances and mixtures that present unreasonable risk or injury to health or the environment, and (ii) entry as well as transit into the Philippines, or the keeping or storage and disposal of hazardous wastes which include by-products, side-products, process residue, contaminated plant or equipment or other substances from manufacturing operations. Under this law, before any new chemical substance or mixture can be manufactured, processed or imported for the first time, the manufacturer, processor, or importer shall first submit information pertaining to the: (i) name of chemical substance or mixture; (ii) its chemical identity and molecular structure; (iii) proposed categories of use; (iv) estimate of the amount to be manufactured, processed or imported; (v) processing and disposal thereof; and (vi) any test date related to health and environmental effects which the manufacturer, processor or importer has. The said law is implemented by the DENR.
- Republic Act No. 9003 or the Ecological Solid Waste Management Act of 2000, which provides for the proper management of solid waste which includes discarded commercial waste and non-hazardous institutional and industrial waste. The said law prohibits, among others, the transporting and dumping of collected solid wastes in areas other than prescribed centers and facilities. The National Solid Waste Management Commission, together with other Government agencies and the different local Government units, are responsible for the implementation and enforcement of the said law.

PROPERTY REGISTRATION

The Philippines has adopted a system of land registration which conclusively confirms land ownership binding on all persons, including the Government. Once registered, title to registered land can no longer be challenged except with respect to claims noted on the certificate of title. Title to registered lands cannot be lost through adverse possession or prescription. Presidential Decree No. 1529, as amended, codified the laws relative to land registration and is based on the generally accepted principles underlying the Torrens System.

After proper surveying, application, publication and service of notice and hearing, unregistered land may be brought under the system by virtue of judicial or administrative proceedings. In a judicial proceeding, the Regional Trial Court who has jurisdiction over the land confirms title to the same. Persons opposing the registration may appeal the judgment within 15 days to the Court of Appeals or the Supreme Court. After the lapse of the period of appeal, the Register of Deeds may issue an Original Certificate of Title. The decree of registration may be annulled on the ground of actual fraud within one year from the date of entry of the decree of registration. Similarly, in an administrative proceeding, the land is granted to the applicant by the DENR by issuance of a patent and the patent becomes the basis for issuance of the Original Certificate of Title by the Register of Deeds. All land patents such as homestead, sales and free patents, must be registered with the appropriate registry of deeds since the conveyance of the title to the land covered thereby takes effect only upon such registration.

Any subsequent transfer of encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and a new Transfer Certificate of Title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes with the Registry of Deeds.

All documents evidencing conveyances of subdivision and condominium units should also be registered with the Registry of Deeds. Title to the subdivision must be delivered to the purchaser upon full payment of the purchase price.

On 16 July 2021, Republic Act No. 11573, otherwise known as “An Act Improving the Confirmation Process for Imperfect Land Titles, amending for the purpose Commonwealth Act No. 141, as amended, otherwise known as ‘The Public Land Act’ and Presidential Decree No. 1529, as amended, otherwise known as the ‘Property Registration Decree” was signed into law. It aims to address the difficulties and complications in needing to prove ownership of land since 1945 and the strict standards set by the Supreme Court in the judicial confirmation of imperfect titles by simplifying the procedure and requirements for granting of land deeds. This is to help rural farmers and individuals who are unable to afford legal representation to secure land title.

Republic Act No. 11573 allows individuals who (i) own tract or tracts of land, not exceeding 12 hectares; (ii) prior to the filing of an application for agricultural free patent, have continuously occupied and cultivated the tract or tracts of alienable and disposable agricultural public lands, either personally or through predecessors-in-interest, for at least 20 years; and (iii) have paid the real estate tax therein, to have a free patent issued for such tract or tracts of land not exceeding 12 hectares.

The law also directs all applications for agricultural free patents to be filed before the DENR’s Community Environment and Natural Resources Office (CENRO), or the Provincial Environment and Natural Resources Office (PENRO) for provinces without CENRO. Further, it requires the CENRO or PENRO to act on applications for agricultural free patents within a period of 120 days from filing.

Republic Act No. 11573 allows individuals who have been in an open, continuous, exclusive and notorious possession and occupation of alienable and disposable agricultural land of public domain for a period of 20 years, or who have acquired ownership of private lands or abandoned riverbed by right of accession or accretion may file their petition for perfection of their claims with Regional Trial Courts. It also provides that to prove that the tract of land subject of the application for agricultural free patent is alienable and disposable, a duly signed certification by the duly designated DENR Geodetic Engineer is sufficient. This certification must be imprinted in the approved survey plan submitted by the applicant to the land registration court.

Lastly, Republic Act No. 11573 repealed the provision under Republic Act No. 9176 providing for the fixed term for filing of application of agricultural free patent, which was only up to 31 December 2020. In effect, with the passage of this new law, qualified beneficiaries may apply for agricultural free patent at any time.

NATIONALITY RESTRICTIONS

Article XII, Section 7 of the 1987 Philippine Constitution provides that private lands shall only be transferred or conveyed to individuals, corporations, or associations qualified to acquire or hold lands of public domain. Only Filipino citizens and corporations whose outstanding capital stock is 60% Filipino-owned are qualified to own land in the Philippines. While the law prescribes restrictions on land ownership, there is nothing under the law which prohibits foreigners to own buildings and other permanent structures.

In addition, Republic Act No. 7042, otherwise known as the Foreign Investments Act of 1991, and the Ninth Regular Foreign Investment Negative List, provide for certain activities which are nationalized or partly- nationalized, such that the operation and/or ownership thereof are wholly or partially reserved for Filipinos. Under these regulations, and in accordance with the Philippine Constitution, ownership of private lands is partly- nationalized and thus, landholding companies may only have a maximum of 40.0% foreign equity.

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RELATED PARTY TRANSACTIONS

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless of whether a price is charged. Transactions between the Company and related parties are conducted at estimated market rates and on an arm's length basis and in accordance with the Company's Related Party Transactions Policy.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates and joint ventures; (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual; and, (d) the Company's funded retirement plan.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

All material related party transactions and related party transactions involving directors and/or officers shall be approved by at least two-thirds vote of the BOD, with at least a majority of the independent directors voting to approve the material related party transactions and related party transactions involving directors and/or officers. In case that a majority of the independent directors' vote is not secured, the material related party transactions and related party transactions involving directors and/or officers may be ratified by the vote of the stockholders representing at least two-third of the outstanding capital stock. For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 1% of the Company's total consolidated assets, the same BOD approval would be required for the transaction/s that meet and exceeds the materiality threshold covering the same related party. Under SEC Memorandum Circular No. 10, Series of 2019, Rules on Material Related Party Transactions for Publicly-listed Companies, the minimum threshold to be considered as a material related party transaction is 10% of the total assets based on the latest audited consolidated financial statements.

Directors with personal interest in a certain related party transaction should abstain from participating in the discussions and voting on the same. In case they refuse to abstain, their attendance shall not be counted for the purposes of assessing the quorum and their votes shall not be counted for purposes of determining approval.

The Company's transactions with related parties pertain to acquisitions of property and cash advances which are unsecured, noninterest-bearing, and due and payable upon demand. The Company's transactions with related parties as of the financial year ended December 31, 2023, and six months ended June 30, 2024 is as follows:

	Movements	June 30, 2024	December 31,2023	Terms and Conditions
Other receivable (Note 6):				
TSDC	Beginning	10,000,000	₱-	Unsecured, non-interest,
	Net Movement	-	10,000,000	bearing, payable on demand
		10,000,000	**10,000,000**	
TPDC	Beginning	3,000,000	-	Unsecured, non-interest,
	Net Movement	(2,949,728)	3,000,000	bearing, payable on demand
		50,272	**3,000,000**	
P88VI	Beginning	13,391,727	-	Unsecured, non-interest,
	Net Movement	42,858,273	13,391,727	bearing, payable on demand

	Movements	June 30, 2024	December 31,2023	Terms and Conditions
		56,250,000	**13,391,727**	
TEC	Beginning	-	-	Unsecured, non-interest,
	Net Movement	73,000,000	-	bearing, payable on demand
		73,000,000	**-**	
		139,300,272	**26,391,727**	
Due from:				
TEPDC	Beginning	12,655,595	100,555,451	Unsecured, non-interest,
	Net Movement	2,107,175	(87,899,856)	bearing, payable on demand
		14,762,770	**12,655,595**	
TMWDC	Beginning	14,094,681	49,718,010	Unsecured, non-interest,
	Net Movement	-	(35,623,329)	bearing, payable on demand
		14,094,681	**14,094,681**	
Vikingland Corp.	Beginning	10,964,890	11,600,000	Unsecured, non-interest, bearing, payable on demand
	Net Movement	111,020,575	(635,110)	
		121,985,465	**10,964,890**	
THTSC	Beginning	33,842,277	28,370,464	Unsecured, non-interest,
	Net Movement	(3,793,295)	5,471,813	bearing, payable on demand
		30,048,982	**33,842,277**	
TPDC	Beginning	18,890,000	-	Unsecured, non-interest,
	Net Movement	3,000,000	18,890,000	bearing, payable on demand
		21,890,000	**18,890,000**	
P88VI	Beginning	-	300,000,000	Unsecured, non-interest,
	Net Movement	-	(300,000,000)	bearing, payable on demand
		202,781,898	**90,447,443**	
Deposit for future stock subscription				
Shareholders	Beginning	367,500,000	441,158,600	Unsecured, non-interest,
	Net Movement	(367,500,000)	(73,658,600)	bearing, payable on demand
		-	**367,500,000**	

The details of TOP's significant transactions with related parties are set out in Note 16 of the audited financial statements for the years ended December 31, 2023, 2022, and 2021 and the Note 15 of the audited financial statements for the six months ended June 30, 2024.

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THE PHILIPPINE STOCK MARKET

BRIEF HISTORY

The Philippines initially had two stock exchanges, the Manila Stock Exchange, which was organized in 1927, and the Makati Stock Exchange, which began operations in 1963. Each exchange was self-regulatory, governed by its respective Board of Governors elected annually by its members.

Several steps initiated by the Government have resulted in the unification of the two bourses into the PSE. The PSE was incorporated on July 24, 1992 as a non-stock corporation by officers of both the Makati and the Manila Stock Exchanges. In March 1994, the licenses of the two exchanges were revoked. The PSE previously maintained two trading floors, one in Makati City and the other in Pasig City, which were linked by an automated trading system that integrated all bid and ask quotations from the bourses. In February 2018, the PSE transferred to its new office located at the PSE Tower, Bonifacio Global City, Taguig City. The PSE Tower houses the PSE corporate offices and a single, unified trading floor. On June 24, 2022, the PSE closed its trading floor at the PSE Tower, Bonifacio Global City to embrace digital trading. Traders are to conduct activities off-site instead of their trading booths, embracing remote setup. While the PSE shifted to "floorless trading," bell ringing ceremonies for new listings would still be conducted in the PSE headquarters.

In June 1998, the SEC granted the PSE "Self-Regulatory Organization" status, allowing it to impose rules as well as implement penalties on erring trading participants and listed companies. On August 8, 2001, the PSE completed its demutualization, converting from a non-stock member-governed institution into a stock corporation in compliance with the requirements of the SRC. Each of the 184 member-brokers was granted 50,000 shares of the new PSE at a par value of Php 1.00 per share. In addition, a trading right evidenced by a "Trading Participant Certificate" was immediately conferred on each member-broker allowing the use of the PSE's trading facilities. As a result of the demutualization, the composition of the PSE Board of Governors was changed, requiring the inclusion of seven brokers and eight non-brokers, one of whom is the President. On December 15, 2003, the PSE listed its shares by way of introduction at its own bourse as part of a series of reforms aimed at strengthening the Philippine securities industry. As of March 6, 2020, the PSE has an authorized capital stock of Php 120 million, of which Php 85.2 million are issued and Php 81.6 million are outstanding. As of October 31, 2022, the PSE has Php 85.5 million issued shares of which Php 81.6 million are outstanding and fully paid while Php 387,683.00 are outstanding and subscribed.

Classified into financial, industrial, holding firms, property, services, and mining and oil sectors, companies are listed either on the PSE's Main Board or the Small, Medium and Emerging Board. In 2013, the PSE issued Rules on Exchange Traded Funds ("**ETF**") which provides for the listing of ETFs on an ETF Board separate from the PSE's existing boards.

The PSE has a benchmark index, referred to as the PSEi, which reflects the price movements of the 30 largest and most active stocks at the PSE. The PSEi is a free float market capitalization-weighted index.

The PSE launched its Corporate Governance Guidebook in November 2010 as another initiative of the PSE to promote good governance among listed companies. It is composed of ten guidelines embodying principles of good business practice and based on internationally recognized corporate governance codes and best practices. With the increasing calls for good corporate governance and the need to consistently provide full, fair, accurate and timely information, the PSE adopted a new online disclosure system to support the provision of material information coming from listed companies and enhance access to such reports by the investing public. In December 2013, the PSE Electronic Disclosure Generation Technology ("**PSE EDGE**"), a new disclosure system co-developed with the Korea Exchange, went live. The PSE

EDGE system provided a dedicated portal for listed company disclosures and also offered a free-to download mobile application for easy access by investors.

In June 2015, the PSE shifted to a new trading system, the PSEtrade XTS, which utilizes NASDAQ's X-stream Technology. The PSEtrade XTS, which replaced the NSC trading platform provided by NYSE Euronext Technologies SAS, is equipped to handle large trading volumes. It is also capable of supporting the future requirements of the PSE should more products and services be introduced.

In November 2016, PSE received regulatory approvals to introduce new products in the stock market – the Dollar Denominated Securities and the Listing of PPP Companies.

In June 2018, the PSE received approval from the SEC to introduce short selling in the equities market.

The PSE issued Memorandum LA No. 2011-0032 dated September 1, 2011, regarding the Supplemental Listing and Disclosure Requirements for Petroleum and Renewable Energy (RE) Companies (PRE Rules). In addition to the general listing requirements, Petroleum and RE Companies are required to submit the documentary requirements set forth in the Checklist of Documentary Requirements for Petroleum and RE Companies in case of an IPO or Listing by way of Introduction. Moreover, existing listed companies and Petroleum and RE Companies that will apply for initial listing with the PSE shall comply with the supplemental disclosure requires specified in the Supplemental Disclosure Guidelines and Requirements for Petroleum and Renewable Energy Companies.

The PSE Rules provide that an applicant Petroleum or RE company must, at a minimum, demonstrate to the PSE that it is an operator or a co-venturer of a valid and subsisting Service/Operating Contract duly approved and awarded by the DOE. Moreover, an applicant Petroleum or RE company should prove that it has the right to participate actively in the exploration for and/or extraction of natural resources through adequate control over the assets, or through adequate rights which give it sufficient influence in decisions over the exploration for and/or extraction of natural resources.

On March 22, 2018, the PSE completed a stock rights offering of 11,500,000 Common Shares which were offered at the price of Php252.00 per share, or a total of Php2,898,000,000. The proceeds of the stock rights offering will be used to fund the acquisition of PDS and capital expenditure requirements of the PSE. As of the date of this Prospectus, the PSE has an authorized capital stock of Php120 million, of which 85,477,846 shares are issued. Out of this total, 81,963,894 shares are outstanding, and 3,901,635 are treasury shares.

The table below sets out movements in the composite index from 2005 to 2023, and shows the number of listed companies, market capitalization, and value of shares traded for the same period:

Year	Composite Index at Closing	Number of Listed Companies	Aggregate Market Capitalization (Php)	Combined Value of Turnover (Php)
2005	2,096.0	237	5.984.4	383.5
2006	2,982.5	240	7,172.8	572.6
2007	3,621.6	244	7,978.5	1,338.3
2008	1,872.9	246	4,0692	763.9
2009	3,052.7	248	6,029.1	994.2
2010	4,201.1	253	8,866.1	1,207.4
2011	4,372.0	253	8,697.0	1,422.6
2012	5,812.7	254	10,930.1	1,771.7

Year	Composite Index at Closing	Number of Listed Companies	Aggregate Market Capitalization (Php)	Combined Value of Turnover (Php)
2013	5,889.8	257	11,931.3	2,546.2
2014	7,230.6	263	14,251.7	2,130.1
2015	6,952.1	265	13,465.2	2,151.4
2016	7,629.7	268	14,438.8	1,929.5
2017	8,558.4	267	17,538.1	1,958.4
2018	7,466.0	267	16,146.7	1,736.8
2019	7,815.3	271	16,710.0	1,770.0
2020	7,139.7	274	15,888.9	1,770.9
2021	7,122.6	280	18,081.1	2,233.1
2022	6,566.4	286	16,558.5	1,788.7
2023	6,450.0	283	16,740.6	1475,7

Source: PSE Annual Reports

TRADING

The PSE is a double auction market. Buyers and sellers are each represented by stockbrokers. To trade, bid or ask prices are posted on the PSE's electronic trading system. A buy (or sell) order that matches the lowest asked (or highest bid) price is automatically executed. Buy and sell orders received by one broker at the same price are crossed at the PSE at the indicated price. Transactions are generally invoiced through a confirmation slip sent to customers on the trade date (or the following trading day). Payment of purchases of listed securities must be made by the buyer on or before the third trading day (the settlement date) after the trade.

Equities trading on the PSE starts at 9:30 a.m. and ends at 12:00 p.m. for the morning session, and resumes at 1:30 pm and ends at 3:30 pm for the afternoon session, with a ten-minute extension during which transactions may be conducted, provided that they are executed at the last traded price and are only for the purpose of completing unfinished orders. Trading days are Monday to Friday, except legal and special holidays and days when the BSP clearing house is closed. From March 19, 2020 to December 3, 2021, on account of the COVID-19 pandemic, trading in the PSE was held as a continuous session from 9:30 a.m. to 1:00 p.m. daily. Beginning on 6 December 2021, trading in the PSE resumes to regular trading hours.

Minimum trading lots range from 5 to 1,000,000 shares depending on the price range and nature of the security traded. The minimum trading lot for the Issuer's Shares is 10 shares. Odd-sized lots are traded by brokers on a board specifically designed for odd-lot trading.

To maintain stability in the stock market, daily price swings are monitored and regulated. Under current PSE regulations, whenever an order will result in a breach of the trading threshold of a security within a trading day, the trading of that security will be frozen. Orders cannot be posted, modified or cancelled for a security that is frozen. In cases where an order has been partially matched, only the portion of the order that will result in a breach of the trading threshold will be frozen. Where the order results in a breach of the trading threshold, the following procedures shall apply:

- In case the static threshold is breached, the PSE will accept the order, provided the price is within the allowable percentage price difference under the implementing guidelines of the revised trading rules (i.e., 30% above and 50% below the previous day's reference or closing price, or the last adjusted closing price); otherwise, such order will be rejected. In cases where the order is accepted, the PSE will adjust the static threshold to 60%. All orders breaching the 60% static threshold will be rejected by the PSE.

- In case the dynamic threshold is breached, the PSE will accept the order if the price is within the allowable percentage price difference under the existing regulations (i.e., 20% for security cluster A and newly-listed securities, 15% for security cluster B and 10% for security cluster C); otherwise, such order will be rejected by the PSE.

NON-RESIDENT TRANSACTIONS

When the purchase/sale of Philippine shares involves a non-resident, whether the transaction is effected in the domestic or foreign market, it will be the responsibility of the securities dealer/broker to register the transaction with the BSP. The local securities dealer/broker shall file with the BSP, within three (3) business days from the transaction date, an application in the prescribed registration form. After compliance with other required undertakings, the BSP shall issue a Certificate of Registration. Under BSP rules, all registered foreign investments in Philippine securities including profits and dividends, net of taxes and charges, may be repatriated.

SETTLEMENT

The Securities Clearing Corporation of the Philippines ("**SCCP**") is a wholly-owned subsidiary of the PSE, and was organized primarily as a clearance and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. SCCP received its permanent license to operate on January 17, 2002. It is responsible for: (1) synchronizing the settlement of funds and the transfer of securities through delivery versus payment, as well as clearing and settlement of transactions of clearing members, who are also PSE Trading Participants; (2) guaranteeing the settlement of trades in the event of a PSE Trading Participant's default through the implementation of its "Fails Management System" and administration of the Clearing and Trade Guaranty Fund, and; (3) performance of risk management and monitoring to ensure final and irrevocable settlement.

SCCP settles PSE trades on a three-day rolling settlement environment, which means that settlement of trades takes place three days after transaction date (T+3). The deadline for settlement of trades is 12:00 noon of T+3. Securities sold should be in scripless form and lodged under the book entry system of the PDTC. Each PSE Trading Participant maintains a Cash Settlement Account with one of the eight existing Settlement Banks of SCCP which are Banco De Oro Unibank, Inc. ("**BDO Unibank**"), Rizal Commercial Banking Corporation ("**RCBC**"), Metropolitan Bank & Trust Company ("**Metrobank**"), Deutsche Bank ("**DB**"), Union Bank of the Philippines ("**Unionbank**"), The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**"), Maybank Philippines, Inc. ("Maybank") and Asia United Bank Corporation ("**AUB**"). Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

SCCP implemented its Central Clearing and Central Settlement ("**CCCS**") system in May 29, 2006. CCCS employs multilateral netting, whereby the system automatically offsets "buy" and "sell" transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each clearing member. All cash debits and credits are also netted into a single net cash position for each clearing member. Novation of the original PSE trade contracts occurs, and SCCP stands between the original trading parties and becomes the Central Counterparty to each PSE-eligible trade cleared through it.

SCRIPLESS TRADING

In 1995, the PDTC, was organized to establish a central depository in the Philippines and introduce scripless book entry trading in the Philippines. On December 16, 1996, the PDTC was granted a provisional license by the SEC to act as a central securities depository.

All listed securities at the PSE have been converted into book-entry settlement in the PDTC. The depository service of the PDTC provides the infrastructure for lodgment (deposit) and upliftment (withdrawal) of securities, pledge of securities, securities lending and borrowing and corporate actions including shareholders' meetings, dividend declarations and rights offerings. The PDTC also provides depository and settlement services for non-PSE trades of listed equity securities. For transactions on the PSE, the security element of the trade will be settled through the book entry system, while the cash element will be settled through the current settlement banks, BDO Unibank, RCBC, Metrobank, DB, Unionbank, HSBC, Maybank and AUB.

In order to benefit from the book-entry system, securities must be immobilized into the PDTC system through a process called lodgment. Lodgment is the process by which shareholders transfer legal title (but not beneficial title) over their shares of stock in favor of PCD Nominee Corporation ("**PCD Nominee**"), a corporation wholly owned by the PDTC whose Joint Lead Underwriters purpose is to act as nominee and legal title holder of all shares of stock lodged into the PDTC. ("**Immobilization**") is the process by which the warrant or share certificates of lodging holders are cancelled by the transfer agent and the corresponding transfer of beneficial ownership of the immobilized shares to PCD Nominee will be recorded in the Issuer's registry. This trust arrangement between the participants and PDTC through PCD Nominee is established by and explained in the PDTC Rules and Operating Procedures approved by the SEC. No consideration is paid for the transfer of legal title to PCD Nominee. Once lodged, transfers of beneficial title of the securities are accomplished via book-entry settlement.

Under the current PDTC system, only participants (e.g., brokers and custodians) will be recognized by the PDTC as the beneficial owners of the lodged equity securities. Thus, each beneficial owner of shares, through his participant, will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. All lodgments, trades and uplifts on these shares will have to be coursed through a participant. Ownership and transfers of beneficial interests in the shares will be reflected, with respect to the participant's aggregate holdings, in the PDTC system, and with respect to each beneficial owner's holdings, in the records of the participants. Beneficial owners are thus advised that in order to exercise their rights as beneficial owners of the lodged shares, they must rely on their participant-brokers and/or participant custodians.

Any beneficial owner of shares who wishes to trade his interests in the shares must execute the trade through a participant. The participant can execute PSE trades and non-PSE trades of lodged equity securities through the PDTC system. All matched transactions in the PSE trading system will be fed through the SCCP and into the PDTC system. Once it is determined on the settlement date (T+3) that there are adequate securities in the securities settlement account of the participant-seller and adequate cleared funds in the settlement bank account of the participant-buyer, the PSE trades are automatically settled in the CCCS system, in accordance with the SCCP and PDTC Rules and Operating Procedures. Once settled, the beneficial ownership of the securities is transferred from the participant-seller to the participant-buyer without the physical transfer of stock certificates covering the traded securities.

If a shareholder wishes to withdraw his stockholdings from the PDTC System, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedure of the PDTC for the upliftment of shares lodged under the name of PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under PCD Nominee. The expenses for upliftment are generally on the account of the uplifting shareholder.

The difference between the depository and the registry would be on the recording of the shares in the issuing corporations' books. In the depository set-up, shares are simply immobilized, wherein customers' certificates are cancelled and a confirmation advice is issued in the name of PCD Nominee Corp. Transfers among/between broker and/or custodian accounts, as the case may be, will only be made within the book-entry system of PDTC. However, as far as the issuing corporation is concerned, the underlying certificates are in the nominee's name. In the registry set-up, settlement and recording of ownership of traded securities will already be directly made in the corresponding issuing company's transfer agents' books or system. Likewise, recording will already be at the beneficiary level (whether it be a client or a registered custodian holding securities for its clients), thereby removing from the broker its current "de facto" custodianship role.

AMENDED RULE ON LODGMENT OF SECURITIES

On June 24, 2009, the PSE apprised all listed companies and market participants through Memorandum No. 2009- 0320 that commencing on July 1, 2009, as a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the PDTC or any other entity duly authorized by the SEC, without any jumbo or mother certificate, in compliance with the requirements of Section 43 of the SRC. In compliance with the foregoing requirement, actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the documentary requirements stated in Article III, Part A of the PSE's Revised Listing Rules.

For listing applications, the amended rule on lodgment of securities is applicable to:

- The offer shares/securities of the applicant company in the case of an initial public offering;
- The shares/securities that are lodged with the PDTC, or any other entity duly authorized by the SEC in the case of a listing by way of introduction;
- New securities to be offered and applied for listing by an existing listed company; and
- Additional listing of securities of an existing listed company. Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof as follows:
- For new companies to be listed at the PSE as of July 1, 2009 the usual procedure will be observed but the Transfer Agent of the companies shall no longer issue a certificate to PCD Nominee Corp. but shall issue a Registry Confirmation Advice, which shall be the basis for the PDTC to credit the holdings of the Depository Participants on listing date.
- On the other hand, for existing listed companies, the PDTC shall wait for the advice of the Transfer Agents that it is ready to accept surrender of PCNC jumbo certificates and upon such advice the PDTC shall surrender all PCNC jumbo certificates to the Transfer Agents for cancellation. The Transfer Agents shall issue a Registry Confirmation Advice to PCNC evidencing the total number of shares registered in the name of PCNC in the issuer's registry as of confirmation date.

Further, the PSE apprised all listed companies and market participants on May 21, 2010, through Memorandum No. 2010-0246 that the Amended Rule on Lodgment of Securities under Section 16 of Article III, Part A of the Revised Listing Rules of the PSE shall apply to all securities that are lodged with the PDTC or any other entity duly authorized by the PSE.

ISSUANCE OF STOCK CERTIFICATES FOR CERTIFICATED SHARES

On or after the listing of the shares on the PSE, any beneficial owner of the shares may apply with PDTC through his broker or custodian-participant for withdrawal from the book-entry system and return to the conventional paper-based settlement. If a shareholder wishes to withdraw his stockholdings from the PDTC system, the PDTC has a procedure of upliftment under which the PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the uplifting of the shares lodged under the name of the PCD

Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under the PCD Nominee. Upon the issuance of stock certificates for the shares in the name of the person applying for upliftment, such shares shall be deemed to be withdrawn from the PDTC book-entry settlement system, and trading on such shares will follow the normal process for settlement of certificated securities. The expenses for upliftment of the shares into certificated securities will be charged to the person applying for upliftment. Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading and book-entry settlement will be permitted until the relevant stock certificates in the name of the person applying for upliftment shall have been issued by the relevant company's transfer agent.

AMENDED RULE ON MINIMUM PUBLIC OWNERSHIP

On December 1, 2017, the SEC issued SEC Memorandum Circular No. 13, Series of 2017 (SEC MC 13-2017) on the rules and regulations on minimum public ownership ("**MPO**") on initial public offerings. SEC MC 13-2017, companies filing a registration statement pursuant to Sections 8 and 12 of the SRC and with intention to list their shares for trading in an exchange shall apply for registration with a public float of at least 20% of the companies' issued and outstanding shares. It shall, at all times, maintain an MPO of at least 20%. If the MPO of the company falls below 20% at any time after registration, such company shall bring the public float to at least 20% within a maximum period of 12 months from the date of such fall. The determination of whether shareholdings are considered public or non-public is based on: (a) the amount of shareholdings and its significance to the total outstanding shares; (b) the purpose of investment; and (c) the extent of involvement in the management of the company shares held by the following are generally considered as held by the public: (a) individuals whose shares are not of significant size and which are non-strategic in nature; (b) PSE trading participants (such as brokers) whose shareholdings are non-strategic in nature; (c) investment funds and mutual funds; (d) pension funds which hold shares in companies other than the employing company or its affiliates; (e) PCD Nominee provided that none of the beneficial owners of the shares has significant holdings (i.e., shareholdings by an owner of 10% or more are excluded and considered non-public); and (f) Social Security funds.

If an investment in a listed company is meant to partake of sizable shares for the purpose of gaining substantial influence on how the company is being managed, then the shareholdings of such investor are considered nonpublic. Ownership of 10% or more of the total issued and outstanding shares of a listed company is considered significant holding and therefore non-public.

Listed companies which become non-compliant with the minimum public ownership requirement will be suspended from trading for a period of not more than six (6) months and will be automatically delisted if it remains non-compliant with the said requirement after the lapse of the suspension period.

Notwithstanding the quarterly public ownership report requirement of the PSE, listed companies listed on the PSE are required to (a) establish and implement an internal policy and procedure to monitor its MPO levels on a continuous basis; and (b) immediately report to the SEC within the next business day if its MPO level falls below 20%. Listed companies are also required to submit to the SEC a time-bound business plan describing the steps that the company will take to bring the public float to at least 20% within a maximum period of 12 months from, within ten days from knowledge that its MPO has become deficient. Listed companies are also required to submit to the SEC a public ownership report and progress report on any such submitted business plan within 15 days after end of each month until such time that its MPO reaches the required level.

The MPO requirement also forms part of the requirement for the registration of securities. Non-compliance with these MPO requirements subject publicly listed companies to administrative sanctions, including suspension and revocation of their registration with the SEC.

On August 3, 2020, the PSE issued Guidelines on MPO Requirement for Initial and Backdoor Listings, effective immediately. Under the guidelines, companies applying for initial listing through an IPO are required to have a minimum public offer size of 20% to 33% of its outstanding capital stock, as follows:

Market Capitalization	Minimum Public Offer
Not exceeding Php 500 million	33% or Php 50 million, whichever is higher
Over Php 500 million to Php1 billion	25% or Php 100 million, whichever is higher
Over Php 1 billion	20% or Php 250 million, whichever is higher

A company listing through an IPO is required to maintain at least 20% public ownership level at all times, whether the listing is initial or through backdoor listing. For companies doing a backdoor listing, the 20% MPO requirement shall be reckoned from the actual issuance or transfer (as may be applicable) of the securities which triggered the application of the Backdoor Listing Rules or from actual transfer of the business in cases where the Backdoor Listing Rules are triggered by a substantial change in business

AMENDED LISTING RULES FOR REAL ESTATE INVESTMENT TRUSTS ("REITS")

On February 7, 2020, the PSE issued Memorandum CN No. 2020-0005 on the Amended Listing Rules for Real Estate Investment Trusts ("**Amended REIT Listing Rules**"). Under the Amended REIT Listing Rules, a REIT must meet the following criteria in addition to the criteria in the PSE Listing Rules:

- A REIT must be a stock corporation established in accordance with the Revised Corporation Code of the Philippines and the rules and regulations promulgated by the Commission principally for the purpose of owning income-generating real estate assets.
- A REIT must have a dividend policy of distributing annually at least ninety percent (90%) of its distributable income as dividends to its shareholders in accordance with the REIT Act of 2009 and its IRR.
- A REIT must be a public company upon and after listing, and to be considered as such, a REIT must have at least one thousand (1,000) public shareholders each owning at least fifty (50) shares of any class of shares who in the aggregate own at least one-third (1/3) of the outstanding capital stock.
- A REIT must have a minimum paid-up capital of Php 300 million.
- At least seventy-five percent (75%) of the deposited property of the REIT must be invested in, or consist of, income-generating real estate; provided, that a REIT shall not invest in real estate located outside the Philippines which exceeds more than forty percent (40%) of its deposited property and, provided further, that the REIT shall at all times secure a special authority from the securities and exchange commission in making such investment outside the Philippines.
- At least 1/3 of the board of directors of a REIT must be independent directors, which in no case shall be less than two (2).
- A REIT must appoint a qualified fund manager and property manager in accordance with the REIT Act of 2009 and its IRR, as may be amended.
- Directors or officers of the REIT, fund manager, property manager, distributor and other REIT participants are subjected to the fit and proper rule under the REIT Act of 2009 and its IRR.
- A newly formed REIT which invokes the frack record or operating history of its income generating real estate assets shall submit audited financial statements and any other supporting documents that reflect the back record or operating history of the REIT's income-generating real estate assets for the applicable period.
- The Articles of Incorporation and By-Laws of the REIT shall provide that all of the shares of stock of the REIT shall be issued in the form of uncertificated securities and an investor may not require the REIT to issue a certificate in respect of any share recorded in their name.

- Pursuant to Section 8 of these Rules, the REIT shall submit a firm undertaking on the part of its sponsors/promoters which transferred income-generating real estate to the REIT to reinvest in real estate or infrastructure projects in the Philippines any monies realized by such sponsors/promoters from (a) the subsequent sale of REIT shares or other securities issued in exchange of income generating real estate transferred by such sponsors/promoters to the REIT; or (b) the sale of any income-generating real estate to the REIT. The firm undertaking shall also state the firm commitment to regularly report to the REIT the status of implementation of the Reinvestment Plan.
- The submission of a Reinvestment Plan by the sponsors/ promoters which transferred income-generating real estate to the REIT.
- The REIT and its sponsors/promoters which transferred income-generating real estate to the REIT shall be parties to a listing agreement with the Exchange which contains, among others, their undertaking to comply with these Rules.

The Amended REIT Listing Rules also set out the special and regular reports required for REITs and the guidelines to observed in the reinvestment by the sponsors/promoters which transferred income generating real estate to the REIT.

On June 13, 2022, PSE issued Memorandum MEA No. 2022-0001 amending the Amended REIT Listing Rules relating to Lock-Up Exemption for REIT Sponsors and the Shareholder Equity Requirement. The pertinent amendments under MEA No. 2022-0001 are as follows:

- To enable a secondary offering of REIT shares during the IPO, even in cases where the actual issuance of REIT shares to the sponsors/promoters in exchange for their contributed properties at a price lower than the IPO price may take place within the one hundred eighty (180)-day period before the IPO due to pending regulatory approvals, such shares issued to sponsors/promoters shall be exempted from the application of the Lock-Up Rule, provided that:
- The shares could not have been issued earlier than the 180-day period prior to the IPO because of pending regulatory requirements;
- The sponsors/promoters sell the exempted shares during the IPO, provided that, such sponsors/promoters may only sell shares during IPO to the extent of forty-nine percent (49%) of the REIT's outstanding capital stock; ands
- REIT shares which are covered by this exemption but are not sold during the IPO shall lose their lock-up exemption and be subject to the 365-day lock-up counted from full payment.
- The maximum limit of REIT IPO Lock-Up Exemption is 94% of the outstanding capital stock of the REIT.
- The Php 500 Million minimum stockholder's equity required under the existing PSE Listing and Disclosure
- Rules be present at the time of filing, instead of the fiscal year immediately preceding the filing of the listing application.
- A newly-formed REIT is not prohibited from undertaking a secondary offering of shares during Initial Public Offering.

AMENDMENTS TO THE MANDATORY LOCK-UP RULE FOR SME BOARD LISTING

On August 14, 2020, PSE issued Memorandum Circular No. 2020-0080 ("**C.N. No. 2020-0080**"), revising the Mandatory Lock-Up Rule for Small, Medium and Emerging ("**SME**") Board Listing, effective immediately. Under C.N. No. 2020-0080, the applicant company shall cause its existing non-public stockholders and their related parties to refrain from selling, assigning, encumbering or in any manner disposing of their shares for a period of one (1) year after the listing of such shares. All other stockholders shall not be subject to mandatory lockup. “Non-public stockholders” was defined under C.N. No. 2020-0080 as the applicant company’s:

1. Principal stockholders (i.e., the owner of 10% or more of the issued and outstanding shares);
2. Subsidiaries or affiliates;
3. Directors;
4. Principal officers; and,
5. Any other person who has substantial influence on how the applicant company is being managed.

Meanwhile, “related parties” was defined as the non-public stockholder’s:

- Principal stockholders (i.e., the owner of 10% or more of the issued and outstanding shares);
- Subsidiaries or affiliates;
- Directors;
- Principal officers; and
- Members of the immediate families sharing the same household of any of its principal stockholders, directors, or principal officers.

Amendments to the Lock-up Rule in the Main Board and SME Board

On June 13, 2022, PSE issued Memorandum MEA No. 2022-0003, amending the lock-up rule in the Main Board Listing Rules and SME Board Listing Rules. The amendment allows alternative investment funds (“**AIFs**”) or their investment vehicle with demonstrated track record in private equity investments to sell during IPO the shares that they acquired within 180 days prior to the IPO at a price lower than the IPO price, subject to certain conditions.

AMENDMENTS TO THE VOLUNTARY DELISTING RULES

On December 1, 2020, PSE issued Memorandum Circular No. 2020-0104 (“**C.N. 2020-0104**”) on the amendments to the voluntary delisting rules. Under C.N. 2020-0104, the delisting must be approved by: (i) at least two-thirds (2/3) of the entire membership of the Board, including the majority, but not less than two, of all of its independent directors; and (ii) Stockholders owning at least two-thirds (2/3) of the total outstanding and listed shares of the listed company.

Further, the number of votes cast against the delisting proposal should not be more than ten percent (10%) of the total outstanding and listed shares of the listed company.

As regards the tender offer price, the minimum tender offer price shall be the higher of: (i) the highest valuation based on the fairness opinion or valuation report prepared by an independent valuation provider in accordance with SRC Rule 19.2.6; or (ii) the volume weighted average price of the listed security for one year immediately preceding the date of posting of the disclosure of the approval by the Company’s Board of Directors of the Company’s delisting from the Exchange.

A listed company may also be involuntarily delisted based on the grounds set out in applicable PSE regulations. A decision of the PSE to involuntarily delist a company shall be rendered after the latter has been given the opportunity to be heard and to present evidence and arguments.

REVISED RULES ON BACKDOOR LISTING

On May 26, 2022, PSE issued Memorandum Circular No. 2022-0024 (“**C.N. No. 2022-0024**”), Revised Rules on Backdoor Listing, effective immediately. Under C.N. No. 2022-0024, backdoor listing is deemed to occur if the following elements are present:

- The listed company, directly or indirectly, acquires the shares or assets of an unlisted company or person or group of persons or vice versa; and
- Such transaction or series of transactions results or will result in:
- Change in control or de facto control of the listed company; and/or
- Substantial change in the business of the listed company.

Change in control takes place when the purchaser acquires more than fifty percent (50%) of the voting power of the listed company while de facto control is acquired if the purchaser becomes the single largest substantial shareholder of the listed company after the transaction leading to the backdoor listing. Meanwhile, there is substantial change in business of the listed company if the value of the new business or assets acquired is more than fifty percent (50%) of the total assets of the listed company, based on the audited consolidated financial statements of the listed company as of the end of the fiscal year preceding the backdoor listing or the latest available interim financial statements, as may be applicable.

Some of the notable salient provisions of C.N. No. 2022-0024 are as follows:

- Corporate approvals for primary issuance of shares resulting in backdoor listing are required, as follows:
- At least 2/3 of the entire membership of the Board of Directors, including the majority (but not less than two) of its independent directors; and
- Stockholders owning at least 2/3 of the total issued and outstanding shares of the listed company.
- Where a transaction results in change of control of the listed company but the new controlling stockholder will not conduct a tender offer on the basis of any of the exemptions provided in SRC Rule 19.3, the new controlling stockholder or the listed company must submit to the Exchange a written confirmation from the SEC that the mandatory tender offer requirement is not applicable. Meanwhile, if the transaction results in substantial change in business of the listed company without the listed company effecting a change in its Registration Statement, the listed company must also submit a written confirmation from the SEC that amendment of its Registration Statement is not required. Pending submission of these confirmations, the trading of the shares of the listed company will remain to be suspended.
- A backdoor-listed company shall conduct a public offering of at least ten percent (10%) of its issued and outstanding shares within one (1) year from closing or completion of the transaction giving rise to backdoor listing. A stock rights offering ("**SRO**") shall not be deemed a public offering for purposes of this rule. Prior to the conduct of the public offering, the listed company shall not conduct any private capital-raising activity (except SRO, Employee Stock Option Plan and stock dividend declaration), unless the same is necessary to comply with the 20% MPO requirement. Secondary offering of shares under trading suspension or lock-up shall not be allowed during the public offering. Non-compliance with the public offering requirement within the prescribed 1-year period shall result in trading suspension of the listed shares.

The lock-up rule pursuant to the transaction shall be six (6) months after the conduct of the public offering. Shares held by stockholders owning at least ten percent (10%) of the total issued and outstanding shares shall be locked up for one (1) year from closing or completion of the transaction giving rise to backdoor listing.

Rule on Initial Listing Through a Preferred Shares Offering

On May 24, 2022, PSE issued Memorandum Circular No. 2022-0023 ("**C.N. 2022-0023**"), which provides the Rule on Initial Listing through a Preferred Shares Offering, effective immediately. Under C.N. 2022-0023, the minimum offering to the public shall be at least One Billion Pesos (Php1,000,000,000.00) or twenty percent (20%) of the market capitalization of preferred shares applied for listing, whichever is higher.

Further, upon listing, the applicant company should have at least 1,000 stockholders, each owning at least one (1) board lot, whether it is listing on the Main Board or the SME Board. After listing, the listed company shall be subject to the 20% public float requirement.

As regards the lock-up rule, the 180-day / 365-day lock-up rule shall not apply to the initial listing through a preferred shares offering; however, preferred shares and instruments entitling the holder to issuance of preferred shares (e.g., convertible bonds, warrants) issued and fully paid within 180 days before the initial public offering ("**IPO**") at a price lower than the IPO price shall be locked up for 365 days from full payment. If the applicant company has outstanding common shares which are listed, the same will not be covered by the lock-up rule. Companies mandated by law or regulation to list and/or offer their shares to the public cannot list through this mode of initial listing. A company that lists under C.N. 2022-0023 also cannot list by way of introduction.

Short Selling Rules

On October 2, 2023, the PSE announced that the PSE Guidelines for Short Selling Transactions shall take effect immediately and that it would officially launch its short selling program on October 23, 2023. However, the planned launch and implementation of the PSE Guidelines for Short Selling Transactions was eventually postponed to November 6, 2023.

Under the PSE Guidelines for Short Selling Transactions, as amended, securities that are eligible for short selling are limited to PSEi constituents, MidCap Index constituents, Dividend Yield Index constituents, and exchange traded funds. An eligible security must maintain a ratio of short interest to outstanding shares at less than or equal to 10% or as may be prescribed by the PSE. The "short interest" or the "outstanding short position" refers to the cumulative number of shares of a security sold short that have not yet been closed out, adjusted for corporate actions as may be applicable.

The PSE trading system shall not accept short selling orders for ineligible securities. Only PSE trading participants are allowed to enter short selling orders. Clients who want to place short selling orders must course these orders through their respective trading participants. Prior to entering the short selling order, the trading participant is required to determine that the client has entered into the necessary borrowing arrangements for the eligible securities subject of the short sale. Trading participants must also comply with the uptick rule under Section 3 of SRC Rule 24.2-2 and Section 5.2(b) of the Revised Trading Rules of the Exchange, or relevant revisions thereto.

The requirements of the PSE and the Philippine SEC on securities borrowing and lending should be complied with by the short seller for purposes of complying with the PSE Trading Rules prohibition against "naked short sales."

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PHILIPPINE TAXATION

The following is a general description of certain material Philippine tax aspects of the acquisition, ownership, and disposition of the Common Shares. This discussion is based on laws, regulations, rulings, income tax conventions (tax treaties), administrative practices and judicial decisions in effect at the date of this Prospectus, and is subject to any changes in law occurring after such date. Subsequent legislative, judicial or administrative changes or interpretations may be retroactive and could affect the tax consequences to the prospective investor.

The tax treatment of a prospective investor may vary depending on such investor's particular situation and certain investors may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to an investor, or to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rates

This general description does not purport to be a comprehensive description of the Philippine tax aspects of the investments in shares and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing the shares under applicable tax laws of other applicable jurisdictions and the specific tax consequence in light of particular situations of acquiring, owning, holding and disposing the shares in such other jurisdictions. It does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rates or tax incentives under special laws.

EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF PURCHASING, OWNING AND DISPOSING OF THE COMMON SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL AND NATIONAL TAX LAWS.

As used in this section, the term "resident alien" refers to an individual whose residence is within the Philippines and who is not a citizen thereof; a "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines; a non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien engaged in trade or business in the Philippines"; otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a "non-resident alien not engaged in trade or business in the Philippines". A "resident foreign corporation" is a foreign corporation engaged in trade or business within the Philippines; and a "non-resident foreign corporation" is a non-Philippine corporation not engaged in trade or business within the Philippines.

The term "**non-resident holder**" means a holder of the Common Shares:

- who is an individual who is neither a citizen nor a resident of the Philippines or an entity which is a non-resident foreign corporation; and
- should an income tax treaty be applicable, whose ownership of the Common Shares is not effectively connected with a fixed base or a permanent establishment in the Philippines.

On January 1, 2018, RA No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion ("TRAIN"), took effect. The TRAIN amended various provisions of RA No. 8424 or the National Internal Revenue Code (the "Tax Code"), including those on ordinary income tax of individuals, capital gains tax on the sale and disposition of shares of stock, estate tax, donor's tax, and documentary stamp tax.

On March 26, 2021, the second package of the Comprehensive Tax Reform program, RA No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act ("**CREATE Law**") was signed into law, further amending provisions of the Tax Code relating to, among others, corporate income tax, lowering corporate income taxes and modernizing fiscal incentives in a bid to complement the expected incremental revenues from the first package. The CREATE Law took effect on April 11, 2021.

The objectives of these two laws are as follows:

- TRAIN:
- enhance the progressivity of the tax system through the rationalization of the Philippine internal revenue tax system, thereby promoting sustainable and inclusive economic growth;
- To provide, as much as possible, an equitable relief to a greater number of taxpayers and their families in order to improve levels of disposable income and increase economic activity; and
- To ensure that the Government is able to provide for the needs of those under its jurisdiction and care through the provision of better infrastructure, health, education, jobs, and social protection for the people.
- CREATE Law:
- Improve the equity and efficiency of the corporate tax system by lowering the rate, widening the tax base, and reducing tax distortions and leakages;
- Develop a more responsive and globally competitive tax incentives regime that is performance-based, targeted, time-bound, and transparent;
- Provide support to businesses in their recovery from unforeseen events such as an outbreak of communicable diseases or a global pandemic, and strengthen the nation’s capability for similar circumstances in the future; and
- Create a more equitable tax incentive system that will allow for inclusive growth and generation of jobs and opportunities in all the regions of the country and ensure access and ease in the grant of these incentives especially for applicants in least developed areas.

INDIVIDUAL INCOME TAX

A resident citizen is taxed on income from all sources within and without the Philippines at progressive rates ranging from zero percent (0%) to thirty-five percent (35%) of taxable income (other than certain passive income and capital gains which are subject to final taxes). Taxable income means gross income less allowable deductions. A resident alien, non-resident citizen, or non-resident alien engaged in trade or business in the Philippines is generally subject to an income tax in the same manner and at the same progressive tax rates on taxable income from all sources within the Philippines (other than certain passive income and capital gains which are subject to final taxes). A non-resident alien who comes to the Philippines and stays in the country for an aggregate period of more than 180 days during any calendar year will be deemed a non-resident alien engaged in trade or business in the Philippines.

A non-resident alien not engaged in trade or business in the Philippines is taxed on gross income from Philippine sources such as interest, cash and/or property dividends, rents, salaries, wages, premiums, annuities, compensation, remuneration, emoluments, or other fixed or determinable annual or periodic or casual gains, profits, and income, and capital gains (other than capital gains from the sale of shares of stock in a domestic corporation and real property) at the rate of Twenty-five percent (25.00%) withheld at source.

A "non-resident citizen" is a citizen of the Philippines who (a) establishes to the satisfaction of the Commissioner of Internal Revenue the fact of his physical presence abroad with a definite intention to reside therein, or (b) leaves the Philippines during the taxable year to reside abroad, either as an immigrant or for employment on a permanent basis, or (c) works and derives income from abroad and whose employment thereat requires him to be physically present abroad most of the time during the taxable year. A citizen of the Philippines who has been previously considered as a non-resident citizen and who arrives in the Philippines at any time during the taxable year to reside permanently in the Philippines shall likewise be treated as a non-resident citizen for the taxable year in which he arrives in the Philippines with respect to his income derived from sources abroad until the date of his arrival in the Philippines.

CORPORATE INCOME TAX

The Tax Code generally subjects a domestic corporation to a tax of 25% of its taxable income from all sources within and outside the Philippines except, among others, (i) gross interest income from currency bank deposits and yield from deposit substitutes, trust funds and similar arrangements as well as royalties from sources within the Philippines which are generally taxed at the lower final withholding tax rate of 20% of the gross amount of such income; (ii) interest income from a depository under the expanded foreign currency deposit system which is subject to a final tax rate of 15% of such income, (iii) capital gains tax from sales of shares of stock not traded in the stock exchange which are taxed at a rate of 15% on the net capital gain; and (iv) capital gains realized from the sale, exchange or disposition of lands and buildings, which is subject to a final tax of 6%.

Further, domestic corporations considered as Micro, Small, and Medium Enterprises (MSMEs) (those with net taxable income not exceeding Php5,000,000.00 and with total assets not exceeding Php100,000,000.00 [excluding land on which the particular business entity's office, plant, and equipment are situated during the taxable year for which the tax is imposed]), shall be taxed at 20% on their taxable income. Taxable net income refers to items of income specified under Section 32(A) of the Tax Code less the items of allowable deductions under Section 34 of the Tax Code or those allowed under special laws.

A resident foreign corporation (except certain types of corporations enumerated in the Tax Code) is subject to a tax of twenty-five percent (25%) of its taxable income from all sources within the Philippines except those items of income that are subject to final withholding tax, such as: (a) gross interest income from Philippine currency bank deposits and yield or any other monetary benefit from deposit substitutes, trust funds, and similar arrangements as well as royalties from sources within the Philippines that are generally taxed at the lower final withholding tax rate of twenty percent (20%) of the gross amount of such income; (b) interest income from a depository bank under the expanded foreign currency deposit system that is subject to a final tax at the rate of 15% of such income; and (c) net capital gains from the sale, exchange or other disposition of shares of stock in a domestic corporation not traded in the stock exchange is subject to tax at the rate of 15%.

A minimum corporate income tax (MCIT) of 2% of the gross income as of the end of the taxable year is imposed on a domestic corporation and a resident foreign corporation beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operations, when the minimum corporate income tax is greater than the ordinary income tax for the taxable year.

Nevertheless, any excess of the MCIT over the ordinary corporate income tax shall be carried forward and credited against the latter for the three immediately succeeding taxable years. Further, subject to certain conditions, the MCIT may be suspended with respect to a corporation which suffers losses on account of a prolonged labor dispute, *force majeure* or legitimate business reverses.

TAX ON DIVIDENDS

Cash and property dividends received from a domestic corporation by individual shareholders who are either citizens or residents of the Philippines are subject to a final withholding tax at the rate of ten percent (10%). Cash and property dividends received from a domestic corporation by domestic corporations or resident foreign corporations are not subject to tax.

Cash and property dividends received from a domestic corporation by non-resident aliens engaged in trade or business in the Philippines are subject to a twenty percent (20%) final withholding tax on the gross amount thereof.

Cash and property dividends received from a domestic corporation by non-resident aliens not engaged in trade or business in the Philippines and non-resident foreign corporations are subject to a final withholding tax at twenty-five percent (25%) of the gross amount but may be subject to the applicable preferential tax rates ("Treaty Rates") under tax treaties executed between the Philippines and the country of residence or domicile of such non-resident foreign individuals.

Depending on whether the treaty rates or the regular tax rates have been applied at the onset of the transaction, either the domestic corporation, acting as withholding agent, shall file a request for confirmation ("**RFC**") (in case the treaty rates were applied), or the income recipient shall file a tax treaty relief application with a request for refund ("**TTRA**") (in case the regular tax rates were applied) with the appropriate office of the Philippine tax authorities.

Cash and property dividends received from a domestic corporation by a non-resident foreign corporation are generally subject to a final withholding tax at the rate of twenty-five percent (25%), which may be reduced to fifteen percent (15%) (under the tax sparing rules) when the country in which the non-resident foreign corporation is domiciled (i) imposes no taxes on foreign–sourced dividends or (ii) allows a ten percent (10%) or greater credit against the tax due from the non-resident foreign corporation taxes deemed to have been paid in the Philippines. A non-resident foreign corporation availing of the tax sparing rate is required to file an application with the BIR for a confirmatory ruling on its entitlement to the tax sparing rate within ninety (90) days from the payment of the dividend.

The following table lists some of the countries with which the Philippines has tax treaties and the tax rates currently applicable to non-resident holders who are residents of those countries:

Some Countries with which the Philippines has Tax Treaties			
	Dividends (%)	**Stock transaction tax on sale or disposition effected through the PSE (%)[33]**	**Capital Gains tax due on disposition of shares outside the PSE (%)**
Austria	25[34]	0.6	May be exempt[35]
Canada	25[36]	0.6	May be exempt[12]
China	15[37]	Exempt[38]	May be exempt[12]
France	15[39]	Exempt[40]	May be exempt[12]
Germany	15[41]	Exempt[42]	May be exempt[12]

[33] Exempt if the stock transaction tax is expressly covered by the applicable tax treaty or is deemed by the relevant authorities as an identical or substantially similar tax to the Philippine income tax. In BIR ruling no. ITAD 22-07 dated February 9, 2007, the BIR held that the stock transaction tax cannot be considered as an identical or substantially similar tax on income, and, consequently, ruled that a Singapore resident is not exempt from the stock transaction tax on the sale of its shares in a Philippine corporation through PSE.

[34] 10.00% if the recipient company holds directly at least 10.00% of the voting power of the company paying the dividends.

[35] Capital gains are taxable only in the country where the seller is a resident, provided the shares are not those of a corporation, the assets of which consist principally of real property situated in the Philippines, in which case the sale is subject to Philippine taxes.

[36] 15.00% if recipient company controls at least 10.00% of the voting power of the company paying the dividends.

[37] 10.00% if the recipient company holds directly at least 10.00% of the capital of the company paying the dividends

[38] Exempt under Article 2(b) of the RP-China Tax Treaty

[39] 15.00% if the recipient company holds directly at least 15.00% of the voting shares of the company paying the dividends

[40] Exempt under Article 1 of the Protocol to the Tax Convention between the Government of the Republic of the Philippines and the Government of the French Republic Signed on January 9, 1976 was signed in Paris, France on June 26, 1995.

[41] 15.00% if the recipient company holds directly at least 15.00% of the voting shares of the company paying the dividends

[42] 1. Exempt under Article 2 (3)(a) of Agreement between the Government of the Republic of the Philippines and the Federal Republic of Germany for the Avoidance of Double Taxation with Respect to Taxes on Income and Capital signed on September 9, 2013

Some Countries with which the Philippines has Tax Treaties			
	Dividends (%)	**Stock transaction tax on sale or disposition effected through the PSE (%)**[33]	**Capital Gains tax due on disposition of shares outside the PSE (%)**
Japan	15[43]	0.6	May be exempt[12]
Singapore	25[44]	0.6	May be exempt[12]
United Kingdom	25[45]	[46]	Exempt(15)
USA	25[47]	0.6	May be exempt12

Stock dividends distributed pro-rata to any holder of shares of stock are not subject to Philippine income tax, if the proportional interest of the shareholders after such distribution is essentially the same as was prior to the distribution. A stock dividend constitutes income if it gives the shareholder an interest different from that which his former stockholdings represented. A stock dividend does not constitute income if the new shares confer no different rights or interest than did the old.

Philippine tax authorities have prescribed certain procedures, through an administrative issuance, for availment of Tax Treaty Rates tax treaty relief. The recipient must first submit to the dividend payor an application for tax relief (BIR Form No. 0901), a Tax Residency Certificate (TRC) duly issued by the foreign tax authority, and the relevant provision of the applicable tax treaty. The dividend payor may rely on the documents submitted by the dividend recipient and apply the treaty rate on dividends. and file a RFC with the BIR-ITAD to confirm the propriety of withholding at the preferential tax treaty rate. If the dividend payor did not apply the treaty rate and withheld taxes at the regular rate, the dividend recipient may file a TTRA with the BIR-ITAD. If the BIR-ITAD determines that the requirements for availment of the preferential tax treaty rate were complied with, the BIR-ITAD will approve the RFC or TTRA and issue a Certificate of Entitlement ("COE").

If the Company applies the preferential treaty rate and files an RFC and the BIR eventually determines that the treaty rate is not the applicable rate, the BIR will issue a ruling denying the RFC, and the Company shall be exposed to deficiency tax plus penalties. On the other hand, if the Company applies the regular tax rates, and the income recipient files a TTRA and the BIR eventually determines that the treaty rate is the applicable rate, the BIR will issue a certificate confirming the entitlement to treaty benefits, and the income recipient may apply for a refund of excess withholding tax withholding tax within the two-year period provided in Section 229 of the Tax Code. The claim for refund of the shareholder may also be filed simultaneously with the TTRA. However, because the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information, and may also involve the filing of a judicial appeal, it may be impractical to pursue such a refund.

In either case, documentary requirements must be submitted to support the tax treaty relief, such as the proof of residence and, if applicable, individual or corporate status. Proof of residence for an individual consists of certification from his embassy, consulate, or other equivalent certifications issued by the proper government authority, or any other official document proving residence.

[43] 5% if the recipient company (excluding a partnership) which is the beneficial owner of the dividends holds directly at least 70% of the capital of the company paying the dividends; 10% if the recipient company (excluding a partnership) which is the beneficial owner of the dividends holds directly at least 25% of the capital of the company paying the dividends; 15% in all other cases.

[44] 10.00% if the recipient company owns directly at least 10.00% of either the voting shares of the company paying the dividends or of the total shares issued by that company during the period of six (6) months immediately preceding the date of payment of the dividends

[45] 15.00% if during the part of the paying company's taxable year which precedes the date of payment of dividends and during the whole of its prior taxable year at least 15.00% of the outstanding shares of the voting stock of the paying company were owned by the recipient company.

[46] Under the RP-UK Tax Treaty, capital gains on the sale of the stock of Philippine corporations are subject to tax only in the country where the seller is a resident, irrespective of the nature of the assets of the Philippine corporation.

[47] 15.00% if the recipient company is a company which controls directly or indirectly at least 10.00% if the voting power of the company paying the dividends

Taxpayers who were already issued COEs, the tenor of which allows the ruling to be applied to subsequent or future income payments, are no longer required to file a RFC, TTRA, or tax sparing application every time an income of similar nature is paid to the same nonresident as long as the conditions for the continued enjoyment of treaty benefits or tax sparing rule are present. If the COE mentions tax residency as requisite, the Company need only require the nonresident to submit a TRC for such relevant year before making any payment. There is no need to file a new RFC, TTRA, or tax sparing application unless any of the requisites mentioned in the COE is absent.

The Supreme Court clarified in the case of *Deutsche Bank AG Manila Branch v. Commissioner of Internal Revenue* (G.R. No. 188550, promulgated on August 19, 2013) that as the Philippines is bound to honor its treaty obligations, a prior application for a tax treaty relief within the period provided in the BIR's regulation cannot negate any entitlement to the relief. According to the Supreme Court, such tax treaty application or ruling "should merely operate to confirm the entitlement of the taxpayer to the relief." Thus, failure to file a tax treaty relief application (TTRA) prior to the occurrence of the transaction will not disqualify a person from availing of the relief under the tax treaty.

On March 31, 2021, the BIR issued Revenue Memorandum Order No. 14-2021 which repealed the provisions of Revenue Memorandum Order No. 8-2017 (Procedure for Claiming Tax Treaty Benefits for Dividend, Interest and Royalty Income of Nonresident Income Earners, dated 24 October 2016) insofar as the submission of a Certificate of Residence for Treaty Relief (CORTT) in order to avail of preferential treaty rates. Such submission of a CORTT shall be discontinued, provided that previously submitted CORTT Forms prior to effectivity of Revenue Memorandum Order No. 14-2021 shall still be forwarded to the relevant Revenue District Offices for compliance checks. The said revenue memorandum order streamlined the process in securing tax treaty relief. A withholding agent or income payor may decide whether to apply the preferential tax treaty rates based on the prescribed documents submitted by a non-resident taxpayer prior to payment of income for the first time. Should the withholding agent or income payor decide to apply the preferential tax treaty rate, the said withholding agent or income payor is required to file with the BIR- International Tax Affairs Division (ITAD) at any time after the payment of the withholding tax, but in no case later than the last day of the fourth month following the close of the relevant taxable year, an RFC on the propriety of the withholding tax rates applied. Should the withholding agent or income payor decide not to apply the preferential tax treaty rate, the nonresident taxpayer may at any time after receipt of income file a tax treaty relief application (with a request for refund) with the BIR-International Tax Affairs Division.

SALE, EXCHANGE OR DISPOSITION OF SHARES

Capital Gains Tax, if sale was made outside the PSE

Unless an applicable treaty exempts such gains from tax or provides for preferential rates, the net capital gains realized by a citizen, resident alien, non-resident alien, whether or not engaged in trade or business within the Philippines, or a domestic corporation (other than a dealer in securities) during each taxable year from the sale, exchange or disposition of shares of stock (*i.e.* secondary sale of common shares by the holder to another party) outside the facilities of the PSE are subject to capital gains tax at the rate of 15% of the net capital gains realized during the taxable year. Capital gains tax will also apply if the publicly listed company that issued the shares sold does not comply the MPO requirement, If an applicable tax treaty exempts the gains from tax, an application for tax treaty relief must be properly filed with the Philippine tax authorities and should precede any availment of an exemption under a tax treaty.

The transfer of shares shall not be recorded in the books of a company, unless the BIR issues a CAR which certifies that the capital gains and documentary stamp taxes relating to the sale or transfer have been paid, or where applicable, a tax treaty relief has been confirmed by the ITAD of the BIR or other conditions have been met.

Taxes on Transfer of Shares Listed and Traded at the PSE

Unless an applicable treaty exempts the sale from income and/or percentage tax, a sale or other disposition of shares of stock through the facilities of the PSE by a resident or a non-resident holder (other than a dealer in securities), is subject to a stock transaction tax at the rate of six-tenths of one percent (6/10 of 1%) of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed. This tax is required to be collected by and paid to the BIR by the selling stockbroker on behalf of his client. The stock transaction tax is classified as a percentage tax in lieu of a capital gains tax. Under certain tax treaties, the exemptions from capital gains tax discussed herein may not be applicable to stock transaction tax.

In addition, value added tax ("**VAT**") of 12% is imposed on the commission earned by the PSE-registered broker from services provided in connection with the sale of shares. VAT is generally passed on to the client.

The stock transaction tax is classified as a percentage tax and is paid in lieu of a capital gains tax. Under certain income tax treaties, the exemptions from capital gains tax may not be applicable to stock transaction tax. The stock transaction tax will not apply if the shares are sold outside the facilities of the PSE, including during a trading suspension. PSE Memorandum CN-No. 2012-0046 dated August 22, 2012 provides that immediately after December 31, 2012, the Philippine SEC shall impose a trading suspension for a period of not more than six months, on shares of a listed company who has not complied with the Minimum Public Ownership ("**MPO**") requirement which requires listed companies to maintain a minimum percentage of listed securities held by the public at 10% of the listed companies issued and outstanding shares at all times. In accordance with SEC Memorandum Circular No. 13, Series of 2017 issued on December 1, 2017, the MPO requirement on companies that undertake initial public offerings was increased from 10.0% to 20.0%, while existing publicly listed companies as of December 2017 remain to be subject to the 10.0% MPO. The PSE rule on MPO requires that listed companies shall, at all times, maintain a minimum percentage of listed securities held by the public of 10.0% or 20.0%, as applicable, of the listed companies' issued and outstanding shares, exclusive of any treasury shares. The sale of such listed company's shares during the trading suspension may be effected only outside the trading system of the PSE and shall therefore be subject to taxes on the sale of shares that are not listed or traded at the stock exchange (i.e., capital gains tax, documentary stamp tax, and possibly donor's tax if the fair market value of the shares of stock sold is greater than the consideration or the selling price, as the amount exceeding the selling price shall be deemed a gift subject to donor's tax under Section 100 of the Tax Code.) Companies which do not comply with the MPO after the lapse of the trading suspension shall be automatically delisted.

The stock transaction tax will also not apply if the shares sold are issued by a corporation that does not meet the MPO requirement, even if the sale is done through the facilities of the PSE. Revenue Regulations No. 16-2012 ("**R.R. 16-12**") provides that the sale, barter, transfer, and/or assignment of shares of listed companies that fail to meet the MPO requirement after December 31, 2012 will be subject to capital gains tax and documentary stamp tax. R.R. 16-12 also requires publicly listed companies to submit public ownership reports to the BIR within 15 days after the end of each quarter.

Prospective purchasers of the Common Shares should obtain their own tax advice in respect of their investment in relation to these developments.

DOCUMENTARY STAMP TAX

The original issue of shares of stock is subject to documentary stamp tax ("**DST**") of Two Pesos (Php2.00) for each Two Hundred Pesos (Php200.00), or a fractional part thereof, of the par value of the shares of stock issued. The DST on the issuance of the Common Shares shall be paid by the Company.

The secondary transfer of shares of stock outside the facilities of the PSE (or if the publicly listed company that issued the shares sold does not comply the MPO requirement) is subject to a DST of One Peso and Fifty Centavos (Php1.50) for each Two Hundred Pesos (Php200.00), or a fractional part thereof, of the par value of the share of stock transferred. The DST is imposed on the person making, signing, issuing, accepting or transferring the document and is thus payable by the vendor or the purchaser of the shares. However, the sale, barter or exchange of shares of stock listed and traded at the PSE (provided that publicly listed company that issued the shares sold complies with the MPO requirement) is exempt from DST.

In addition, the borrowing and lending of securities executed under the securities borrowing and lending program of a registered exchange, or in accordance with regulations prescribed by the appropriate regulatory authority, are likewise exempt from DST. However, the securities borrowing and lending agreement should be duly covered by a master securities borrowing and lending agreement acceptable to the appropriate regulatory authority, and should be duly registered and approved by the BIR.

ESTATE AND DONOR'S TAX

Shares issued by a corporation organized under Philippine laws are deemed to have a Philippine *situs*, and any transfer thereof by way succession or donation, even if made by a non-resident decedent or donor outside the Philippines, is subject to Philippine estate and donor's tax, respectively.

The transfer of shares of stock upon the death of an individual holder to his heirs by way of succession, whether such holder was a citizen of the Philippines or an alien, regardless of residence, is subject to Philippine estate taxes at the rate of six percent (6%) of the net value of the estate at the time of death. On the other hand, individual stockholders, whether or not citizens or residents of the Philippines, who transfer shares of stock by way of gift or donation are liable to pay Philippine donor's tax on such transfer of shares a rate of six percent (6%) of the value of the gifts during the calendar year exceeding Two Hundred Fifty Thousand Pesos (Php250,000.00).

The sale, exchange, or transfer of shares outside the facilities of the PSE may also be subject to donor's tax when the fair market value of the shares of stock sold is greater than the amount of money received by the seller as this may qualify as a *transfer for less than adequate and full consideration* under the Tax Code. In this case, the excess of the fair market value of the shares of stock sold over the amount of money received as consideration may be deemed a gift subject to donor's tax. However, there is no *transfer for less than adequate and full consideration* if the transfer (by way of sale, exchange or otherwise) is made in the ordinary course of business, or one that is *bona fide,* at arm's length, and free from any donative intent. In this case, the transfer will be considered as made for an adequate and full consideration in money or money's worth, which is exempt from donor's tax.

Estate and donor's tax, however, shall not be collected in respect of intangible personal property, such as shares of stock: (a) if the decedent at the time of his death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country, or (b) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

TAXATION OUTSIDE THE PHILIPPINES

Shares of stock in a domestic corporation are considered under Philippine law as situated in the Philippines and the gain derived from their sale is entirely from Philippine sources; hence, such gain is subject to Philippine income tax and the transfer of such shares by way of donation (gift) or succession is subject to Philippine donor's or estate taxes, respectively as stated above.

The tax treatment of a non-resident holder of shares of stock in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of domicile or business activities and such holder's particular situation. This Prospectus does not discuss the tax considerations on non-resident holders of shares of stock under laws other than those of the Philippines.

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INTEREST OF EXPERTS AND INDEPENDENT COUNSEL

The financial statements of the Company were audited by MOORE RT&Co. Said external auditors have no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate persons or to subscribe to securities of the Company, in accordance with the professional standards on independence set by the Board of Accountancy and the Professional Regulation Commission.

The validity of the Offer Shares and other matters concerning the Offer were passed upon for the Company by Cayetano Sebastian Ata Dado & Cruz, independent legal and tax counsel of the Company, that all necessary and applicable licenses and permits of the Company and its subsidiaries are valid and existing. The independent legal counsel and tax counsel have no shareholdings or any interest, direct or indirect, in the Company, or any right, whether legally enforceable or not to nominate persons or to subscribe to the securities of the Company in accordance with the standards on independence required in the Code of Professional Responsibility and as prescribed by the Supreme Court of the Philippines.

The named external auditors and the independent and legal and tax counsels have not acted and will not act as promoter, underwriter, voting trustee, officer or employee of the Company.

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PHILIPPINE FOREIGN EXCHANGE AND FOREIGN OWNERSHIP CONTROLS

FOREIGN INVESTMENT

Foreign investors are permitted to invest in the securities of a Philippine corporation unless otherwise limited by restrictions on foreign ownership imposed under the Constitution and Philippine statutes, as provided in the Foreign Investment Negative List.

Registration of Foreign Investment and Exchange Controls

Under current BSP regulations, a foreign investment in listed Philippine securities (such as the Company's Common Shares) must be registered with the BSP if the foreign exchange needed to service the repatriation of capital and the remittance of dividends, profits, and earnings that accrue thereon will be sourced from the Philippine banking system (*i.e.*, from authorized agent banks ("AABs") and AAB-forex corps). AABs refer to all categories of banks (except offshore banking units) duly licensed by the BSP, while AAB forex corps refer to AAB subsidiary or affiliate forex corporations whose business include buying and selling of foreign exchange.

The application for registration of Philippine equity securities listed in the PSE (such as the Offer Shares) may be done with an AAB with authority to operate a foreign currency deposit unit that has been designated by the non-resident investor to register his investments. Applications for registration of such securities are accompanied by: (i) Authority to Disclose Information in BSP-prescribed format covering all investments to be registered with the registering AAB, (ii) purchase invoice or subscription agreement, or equivalent document, and (iii) Certificate of Inward Remittance (CIR) of foreign exchange or equivalent document. Proof of registration of the investment in such securities comes in the form of a *Bangko Sentral* Registration Document ("**BSRD**") to be issued by the registering AAB.

Upon registration of the investment, proceeds of divestments or dividends of registered investments are repatriable or remittable immediately in full through the Philippine commercial banking system, net of applicable tax, without need of BSP approval. Capital repatriation of investments in listed securities is permitted at the exchange rate prevailing at the time of purchase of the foreign exchange from the banking system. Remittance is allowed at the exchange rate applicable on the date of actual remittance. Whenever the repatriation or remittance shall be effected through an AAB other than the registering AAB, or the transaction was made through a stockbroker other than the registering AAB, the registering bank/broker, upon request by the remitting bank or selling broker, shall issue a BSRD Letter Advice ("**BSRDLA**") authorizing the latter to use (in full or partially) the remaining shares covered by the BSRD. The BSRDLA is issued if there is an intended outward remittance or repatriation and has an expiry date (but may applied for renewal or extension).

An AAB or AAB forex corporation may sell foreign exchange to the non-resident investor or his resident agent or authorized representative for purposes of capital repatriation of registered investments in equity securities listed in the PSE, provided the following documents are submitted: (i) duly accomplished Application To Purchase Foreign Exchange, (ii) original BSRD or BSRDLA from the registering bank, and (iii) supporting document/s (e.g., broker's invoice, proof of sale, or redemption) showing settlement amount/amount to be repatriated, number of shares/amount invested, investment identity and settlement date (as applicable). On the other hand, if the sale of foreign exchange is for the purpose of remitting the related earnings on such registered investments, the following documents are required to be submitted: (i) duly accomplished Application To Purchase Foreign Exchange, (ii) original BSRD or BSRDLA from the registering bank, and (iii) supporting document/s showing amount to be remitted (e.g., PSE Notice or

Corporate Disclosure announcing the issuance of cash dividend, secretary's sworn statement on the Board Resolution covering dividend declaration or sworn certification by the authorized officer/representative of the investee firm attesting to the share of the holder in dividends/profits/ earnings); and (iii) original computation of the peso amount to be converted to foreign exchange using the prescribed format. Foreign exchange sold by AABs or AAB forex corporations for repatriation of capital and remittance of related earnings is, as a general rule, directly remitted to the account (whether onshore or offshore) of the non-resident investor or intended beneficiary on the date of the FX sale.

The foregoing is subject to the power of the Monetary Board of the BSP, with the approval of the President of the Philippines, to restrict the availability of foreign exchange during an exchange crisis, when an exchange crisis is imminent or in times of national emergency. Furthermore, there can be no assurance that BSP foreign exchange regulations will not be made more restrictive in the future.

The registration with the BSP of all foreign investments in the Offer Shares shall be the responsibility of the foreign investor.

Restriction on Foreign Ownership

The Offer Shares may be purchased and owned by any person or entity regardless of citizenship, subject to applicable nationality limits under Philippine law.

Among the principal restricted business activities is the ownership of private land where the Constitution, in relation to Commonwealth Act ("CA") No. 141, states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens. TOP does not own land; thus, it is currently not subject to any foreign ownership limits. If and to the extent that the Company acquires land, foreign ownership in its capital stock will be limited to a maximum of 40% of its issued and outstanding capital stock.[48]

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[48] On June 30, 2024, the Company executed a Deed of Sale of Land, Building and Improvements transferring three parcels of land that it owned ((i) 271 sqm parcel of land located in Cebu City; (ii) 120 sqm lot located in Brgy. Tamiao, Municipality of Compostela and (iii) 150 sqm parcel of land located in Brgy. Tayud, Municipality of Consolacion) to Topline Equity Corporation. The parties are processing the transfer of title in the name of TEC with the relevant Registry of Deeds.

PLAN OF DISTRIBUTION

At least up to 2,578,154,000 Offer Shares (or 70% of the Firm Shares) shall be offered by the Company to QIBs and other investors in the Philippines through the Joint Lead Underwriters. Up to 736,636,000 Offer Shares or 20% of the Firm Shares) are being offered to all PSE Trading Participants and up to 368,310,000 Firm Shares (or 10% of the Firm Shares) are being offered to LSIs in the Philippines.

The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as agreed among the Company, the Selling Shareholder and the Joint Lead Underwriters. The Joint Lead Underwriters will underwrite, on a firm commitment basis, the Firm Shares, subject to any reallocation, clawback, clawforward or any other such mechanisms as described below, and pursuant to the terms of the Underwriting Agreement by and between the Company and the Joint Lead Underwriters.

THE ISSUE MANAGER , JOINT LEAD UNDERWRITER AND BOOKRUNNER

ICCP is the Issue Manager, Joint Lead Underwriter, and Bookrunner for the Offer and, as such, manages and coordinates the various workstreams to ensure the successful execution of the Offer.

THE JOINT LEAD UNDERWRITERS

To facilitate the Offer, the Company and the Selling Shareholder has appointed ICCP as the Joint Lead Underwriters, to engage in underwriting and distribution of the Offer Shares. The Company and the Joint Lead Underwriters shall enter into an Underwriting Agreement dated on or about [●] (the "**Underwriting Agreement**"), whereby the Joint Lead Underwriters agrees to underwrite the Firm Offer on a firm commitment basis.

Joint Lead Underwriters	Underwriting Commitment (in No. of Firm Shares)
ICCP	
●	
●	
●	
●	
Total	

The Joint Lead Underwriters is authorized to organize a syndicate of underwriters, soliciting dealers and/or selling agents for the purpose of the Offer. In connection with the foregoing, the Joint Lead Underwriters may enter into agreements, participation agreements, or like agreements with other co-lead managers and managers and/or selling agents, as necessary. There is nothing in such agreements that allow the Joint Lead Underwriters to return to the Company any unsold Institutional Offer Shares and Trading Participants and Retail Offer Shares.

Investment & Capital Corporation of the Philippines

ICCP is a leading independent investment house duly licensed and operating in the Philippines. ICCP was established in 1988. Its major shareholders include DBS Bank of Singapore, and a group of prominent Filipino business leaders in the Philippines led by Mr. Guillermo D. Luchangco, ICCP's founder.

ICCP offers a spectrum of investment banking services including loan syndications and project finance, bond offerings, private placements, public offering of shares, securitization, financial advisory and mergers & acquisitions. ICCP obtained its license from the SEC to operate as an investment house in the Philippines and is licensed to engage in underwriting and distribution of securities to the public.

ICCP is currently engaged by the Company as the Joint Lead Underwriters. The Company may from time to time in the future engage the services of ICCP again. However, all services provided by the Joint Lead Underwriters and including the Offer, have been provided as an independent contractor and not as a fiduciary to ORCA. ICCP does not have any right to designate or nominate a member of the Board. ICCP has no direct relationship with the Company in terms of share ownership and, other than as Joint Lead Underwriters for the Offer, does not have any material relationship with the Company.

[Underwriter]

[Underwriter]

[Underwriter]

[Underwriter]

The Joint Lead Underwriters and their affiliates may have engaged in transactions with, and have performed various investment banking services for the Company and its affiliates in the past, and may do so for the Company and its affiliates from time to time in the future. However, all services provided by the Joint Lead Underwriters, including in connection with the Offer, have been provided as an independent contractor and not as a fiduciary to the Company. The Joint Lead Underwriters do not have any right to designate or nominate a member of the Board. The Joint Lead Underwriters have no direct relationship with the Company in terms of share ownership and, other than as Joint Lead Underwriter for the Offer, does not have any material relationship with the Company or the Selling Shareholder.

There is no arrangement for the Joint Lead Underwriters to return any of the Offer Shares relating to the TP Offer or the Institutional Offer to the Company or the Selling Shareholder. ICCP shall receive from the Company and the Selling Shareholder a fee equivalent of up to [●]% of the gross proceeds of the Offer, inclusive of the amounts to be paid to the PSE Trading Participants, and other institutions as selling agents, where applicable. The underwriting fees shall be withheld by the ICCP from the proceeds of the Offer.

THE INSTITUTIONAL OFFER

At least 70% of the Firm Shares, or 2,578,154,000 Offer Shares, will be offered for subscription or purchase to certain QBs and other investors in the Philippines by the Joint Lead Underwriters.

The allocation of the Offer Shares between the Institutional Offer and the Trading Participants and Retail Offer is subject to further adjustment as may be agreed upon between the Company and the Joint Lead Underwriters. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Offer Shares in the Institutional Offer may be re-allocated to the Trading Participants and Retail Offer. In the event of an under-application in the Trading Participants and Retail Offer, the Offer Shares in the Trading Participants and LSIs may be re-allocated to the Institutional Offer. The re-allocation shall not apply in the event of an over-application or under-application in both the Institutional Offer and the Trading Participants and Retail Offer.

THE TRADING PARTICIPANTS AND RETAIL OFFER SHARES

Trading Participants Offer

Pursuant to the rules of the PSE, the Company will make available up to 736,636,000 Firm Shares (or 20% of the Firm Shares) for distribution to all PSE Trading Participants. The total number of Offer Shares allocated to the PSE Trading Participants will be distributed following the procedures indicated in the TP Guidelines to be posted in the PSE EDGE website after the approval by the PSE. Each PSE Trading Participant will be allocated a total of up to 6,038,000 Offer Shares (computed by dividing the Trading Participants Offer Shares among the [122] PSE Trading Participants) and subject to reallocation as may be determined by the Joint Lead Underwriters.

On or before 11:00 a.m. of October 30, 2024 the PSE Trading Participants shall submit to the Receiving Agent their respective firm undertakings to purchase Offer Shares. On or before 12:00 noon of November 5, 2024, the PSE Trading Participants shall submit their applications to purchase the Offer Shares evidenced by a duly accomplished and completed application form, together with the applicable supporting documents and payment.

PSE Trading Participants who take up the Trading Participants Offer Shares shall be entitled to a selling fee of 1.00%, inclusive of VAT, of the Trading Participants Offer Shares taken up and purchased by the relevant PSE Trading Participant. The selling fee, less a withholding tax which may be 10% or 15% depending on the gross income of the PSE Trading Participant for the current year, will be paid by the Receiving Agent to the PSE Trading Participants within fifteen (15) Business Days after the Listing Date.

LSI Subscriptions through PSE EASY

A total of up to 368,310,000 Firm Shares (or 10% of the Offer Shares), shall be made available nationwide to LSIs through the PSE Electronic Allocation System or "PSE EASy." An LSI is defined as a subscriber to the Offer who is willing to subscribe to a minimum board lot or whose subscription does not exceed Php 100,000.00. In the case of this Offer, the minimum subscription of LSIs shall be up to 13,000 shares or up to Php10,140.00 and thereafter, in multiples of 1,000 Offer Shares, while the maximum subscription shall be up to 128,000 shares or up to Php99,840.00. There will be no discount on the Offer Price.

The procedure in subscribing to Offer Shares via PSE EASy shall be described in our Implementing Guidelines for Local Small Investors to be announced through the PSE EDGE website. Should the total demand for the Offer Shares in the LSI program exceed the maximum allocation, the Joint Lead Underwriters shall prioritize subscriptions of small investors with amounts lower than the maximum subscription.

All Firm Shares not taken up by the QIBs, the PSE Trading Participants, the LSIs, the general public and the Joint Lead Underwriters' clients shall be purchased by the Joint Lead Underwriters on a firm commitment basis pursuant to the terms and conditions of the Underwriting Agreement. Nothing herein or in the Underwriting Agreement shall limit the rights of the Joint Lead Underwriters from purchasing the Offer Shares for its own account.

LOCK-UP

Under the PSE Consolidated Listing and Disclosure Rules, an applicant company shall cause its existing shareholders who own an equivalent of at least ten percent (10%) of the issued and outstanding shares of stock of the company to refrain from selling, assigning, or in any manner disposing of their shares for a period of:

- 180 days after the listing of said shares if the applicant company meets the track record requirements in Section 1, Article III, Part D of the PSE Consolidated Listing and Disclosure Rules; or
- 365 days after the listing of said shares if the applicant company is exempt from the track record and operating history requirements of the PSE Consolidated Listing and Disclosure Rules.

In accordance with the foregoing, the Common Shares held by the following shareholders will be subject to the 180-day lock up period:

Shareholder	No. of Common Shares Held Subject of the 180-Day Lock Up Period	
	If Over-allotment Option is not exercised	If Over-allotment Option is fully exercised
Topline Equity Corporation	5,295,000,000	4,926,690,000

while the Common Shares held by the following shareholders will be subject to the 365-day lock-up requirement, whether or not the Over-Allotment Option is exercised:

Shareholder	No. of Common Shares Held Subject of the 365-day Lock Up Period
Topline Equity Corporation	1,323,750,000
Eugene Erik C. Lapasaran Lim	158,000,000
Brigette Carmel L. Mueller	39,500,000
Constance Marie C. Lim	39,500,000
Suzanne Dorothy C. Lapasaran Lim	39,500,000
Ma. Alice L. Ingles	39,500,000
Eugene L. Lapasaran Lim	39,500,000
Ma. Constancia C. Lim	39,500,000
Atty. Maria Iolanda B. Abella	1,000
Atty. Leonido J. Pulido III	1,000
Luis A. Cañete	1,000
TOTAL	**1,718,753,000**

In addition, if there is any issuance or transfer of shares (i.e. private placement, asset for share swap or a similar transaction) or of instruments which leads to an issuance or transfer of shares (i.e. convertible bonds, warrants, or similar instrument) done and fully paid for within 180 days prior to the start of the offering period, or, prior to the listing date in the case of applicant companies by way of introduction, and the transaction price is lower than that of the offer price in the initial public offering or than that of the listing price in the case of applicant companies listing by way of introduction, all shares availed of shall be subject to a lock-up period of at least 365 days from the full payment of the aforesaid shares.

The following are covered by the 365-day lock-up requirement whether or not the Overallotment Option is exercised:

Shareholder	No. of Common Shares Held Subject of the 365-Day Lock Up Period
Topline Equity Corporation	1,323,750,000
Eugene Erik C. Lapasaran Lim	158,000,000
Brigette Carmel L. Mueller	39,500,000
Constance Marie C. Lim	39,500,000
Suzanne Dorothy C. Lapasaran Lim	39,500,000

Shareholder	No. of Common Shares Held Subject of the 365-Day Lock Up Period
Ma. Alice L. Ingles	39,500,000
Eugene L. Lapasaran Lim	39,500,000
Ma. Constancia C. Lim	39,500,000
Atty. Maria Iolanda B. Abella	1,000
Atty. Leonido J. Pulido III	1,000
Luis A. Cañete	1,000
TOTAL	**1,718,753,000**

The following are covered by the 365-day lock-up requirement, whether or not the Overallotment Option is exercised.

To implement the lock-up requirement, the Company and the foregoing shareholders shall enter into an escrow agreement with [●].

The Company has agreed with the Joint Lead Underwriters that, except in connection with the Overallotment Option, it will not, without the prior written consent of the Joint Lead Underwriters, issue, offer, pledge, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal of) any Common Shares or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Common Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the underlying securities, including equity swaps, forward sales and options for a period of 180 days after the Listing Date.

Lodgment of Shares

All of the Offer Shares shall be lodged with the PDTC and shall be issued to the PSE Trading Participants and LSIs in scripless form. Investors may maintain the Offer Shares in scripless form or opt to have the stock certificates issued to them by requesting an upliftment of the relevant Offer Shares from the PDTC's electronic system after the Listing Date.

Selling Restrictions

The distribution of this Prospectus or any offering material and the offer, sale or delivery of the Offer Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Prospectus or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Prospectus may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

No securities, except for a class exempt under Section 9 of the SRC or unless sold in any transaction exempt under Section 10 thereof, shall be sold or distributed by any person within the Philippines, unless such securities shall have been registered with the SEC on Form 12-1 and the registration statement has been declared effective by the SEC.

The Overallotment Option and Stabilization Activities

In connection with the Offer, and subject to the approval of the SEC, the Selling Shareholder has appointed a Stabilizing Agent, with the Joint Lead Underwriters having an Overallotment Option. To the extent the Overallotment Option is exercised and the Option Shares are purchased pursuant thereto, the Joint Lead Underwriters shall deliver or cause the delivery of the proceeds from the purchase of such Option Shares to the Stabilizing Agent as the Price Stabilization Fund that may be used by the latter to effect Price

Stabilization. Any stabilization activities may begin on or after the Listing Date and, if begun, may be ended at any time, but must end no later than thirty (30) calendar days from and including the Listing Date.

In connection therewith, the Selling Shareholder has entered into a Greenshoe Agreement with the Stabilizing Agent and the Joint Lead Underwriters to utilize up to an additional [●] Option Shares to cover over-allocations under the Institutional Offer. Any Shares that may be delivered to the Stabilizing Agent under the Greenshoe Agreement will be re-delivered to the Selling Shareholder either through the purchase of Shares in the open market by the Stabilizing Agent in the conduct of stabilization activities or through the exercise of the Overallotment Option.

The Stabilizing Agent may purchase Shares in the open market only if the market price of the Shares falls below the Offer Price. The initial stabilization action shall be at a price below the Offer Price. After the initial stabilization action, (i) if there has not been an independent trade (i.e., a trade made by a person other than the Stabilizing Agent for itself or on behalf of its clients) in the market at a price higher than the initial stabilization trade, the subsequent trade shall be below the initial stabilization price, or (ii) if there has been an independent trade in the market at a price higher than the initial stabilization trade, the subsequent trade shall be at the lower of (a) the stabilizing action price or (b) the independent trade price.

Such activities may stabilize, maintain or otherwise affect the market price of the Common Shares, which may have the effect of preventing a decline in the market price of the Common Shares and may also cause the price of the Common Shares to be higher than the price that otherwise would exist in the open market in the absence of these transactions. If the Stabilizing Agent commences any of these transactions (which would include thereafter disposing of or selling the Common Shares purchased), it may discontinue them at any time. However, the Stabilizing Agent has the Joint Lead Underwriters discretion whether to undertake stabilization activities, and there is no assurance that the same will be undertaken. There is also no assurance that the price of the Common Shares will not decline significantly after any such stabilizing activities end.

Once the total number of Shares purchased from the open market pursuant to Price Stabilization is equal to the Option Shares (or when no further Price Stabilization can be made without exceeding the number of Option Shares), the Stabilization Agent will no longer be allowed to conduct Price Stabilization. To the extent the Price Stabilization Fund is not fully exercised by the Stabilizing Agent, the balance thereof shall be redelivered to the Selling Shareholder.

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LEGAL AND OTHER MATTERS

Legal matters in connection with the Offer have been passed upon by Romulo Mabanta Buenaventura Sayoc & de los Angeles, the Legal Counsel to the Joint Lead Underwriters, and Martinez Vergara & Gonzalez Sociedad, Legal Counsel to the Issuer. The required expert opinions (on legality, on taxation and on permits and licenses) from independent counsel have been rendered by Cayetano Sebastian Ata Dado & Cruz.

Except as disclosed in the immediately succeeding paragraph, each of the foregoing counsels have no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate persons or to subscribe to the securities of the Company, in accordance with the standards of independence required in the Code of Professional Responsibility and as prescribed by the Supreme Court of the Philippines.

Each of the foregoing counsels does not have and will not receive any direct or indirect interest in the Company or in any of the Company's securities (including options, warrants or rights thereto) pursuant to, or in connection with the Offer Shares, and have not acted as promoter, underwriter, voting trustee or employee.

Each of the foregoing counsels does not have and will not receive any direct or indirect interest in the Company or in any of the Company's securities (including options, warrants or rights thereto) pursuant to, or in connection with the Offer Shares, and have not acted as promoter, underwriter, or voting trustee.

Brigitte Carmel L. Mueller is the Corporate Secretary of the Company.

Copies of the following documents may be inspected during business hours at the Company's principal office:

- Articles of Incorporation and By-Laws of the Company, as amended;
- Financial Statements and Independent Auditors' Report as at and for the years ended December 31, 2021, 2022, 2023, and three months ended March 31, 2024; and
- Report of Independent Auditors to Accompany Supplementary Information Required by the SEC Filed Separately from the Basic Financial Statements

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INDEPENDENT AUDITORS

The financial statements of the Company were audited by MOORE RT&Co., for the financial year ended December 31, 2021, 2022, 2023 and the six (6) months ending June 30, 2024. Said external auditors have no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate persons or to subscribe to the securities of the Company, in accordance with the professional standard on independence set by the Board of Accountancy and the Professional Regulation Commission.

EXTERNAL AUDIT FEES AND SERVICES

The following table sets out the approximate aggregate fees billed for each of the last three (3) fiscal years for professional services rendered by the Company's external auditors:

Professional service fees rendered by the Company's external auditors				
	2021	**2022**	**2023**	**June 30, 2024**
Audit Fee	800,000.00	421,600.00	450,000.00	1,950,000.00
Other Fees	230,400.00	121,420.00	129,600.00	561,600.00
TOTAL	1,030,400.00	543,020.00	579,600.00	2,511,600.00

The Company did not change accountants and there has been no disagreement with previous and current accountants.

In relation to the audit of the Company's annual financial statements, the Company's Manual on Corporate Governance, which was approved by the Board of Directors on March 30, 2022 provides that the audit committee shall, among other activities (i) ensure that the internal and external auditors act independently of each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions; and (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors.

For the appointment of the external auditor, the Board of Directors approved the appointment of MOORE RT&Co. The external auditor presents the results of the Audited Financial Statements to the Board for approval. For June 30, 2024, the Audited Financial Statements were approved on July 29, 2024.

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INDEX TO FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS AND OTHER EXPERTS

INDEPENDENT AUDITORS

The audited financial statements of the Company as of financial year ended December 31, 2021, 2022, 2023 and the six (6) months ending June 30, 2024 have been audited by Moore Roxas Tabamo & Co., independent auditors. The auditing firm was nominated and recommended to the stockholders for appointment as external auditor for the year 2024.

MOORE Roxas Tabamo & Co.
2nd Floor Multinational Bancorporation Centre
6805 Ayala Avenue, Makati City 1226, Philippines

INDEPENDENT MARKET RESEARCH CONSULTANT
Center for Research and Communication Foundation, Inc.
APEC Communications Building, 6th Floor,
Pearl Dr, Ortigas Center, Pasig

ISSUE MANAGER, JOINT LEAD UNDERWRITER, AND BOOKRUNNER
Investment & Capital Corporation of the Philippines
17th floor Robinsons Summit Center 6783
Ayala Avenue, Makati City

JOINT LEAD UNDERWRITERS
[●]

LEGAL COUNSELS

LEGAL COUNSEL TO THE ISSUER	LEGAL COUNSEL TO THE Joint Lead Underwriters
Martinez Vergara & Gonzalez Sociedad 33rd Floor Orient Square Building F. Ortigas Jr. Road, Ortigas Center Pasig City	Romulo Mabanta Buenaventura Sayoc & de los Angeles 21st Floor AIATower 8767 Paseo de Roxas Makati City 1226

REGISTRAR, RECEIVING AND STOCK TRANSFER AGENT
STOCK TRANSFER SERVICE, INC.
34th Floor, Rufino Plaza,
Ayala Avenue, Makati City