



CENTURY PACIFIC FOOD, INC.

NOURISHING THE PEOPLE HELPING BUILD A NATION

2017 Annual Report



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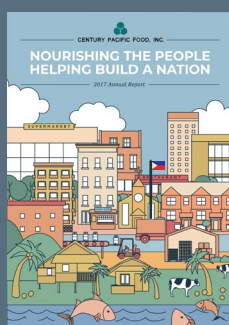
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ABOUT *the* COVER

A nation runs on its stomach. Food as a source of nourishment is essential to the building and growing of a nation.

From the deep seas and farmlands around the world to the grocery aisles and family tables in barangays and cities all over the country, Century Pacific Food has had the privilege of being a part of Filipino sustenance for multiple decades now.

As the Company pursues its mission to nourish and delight, it not only works with and helps feed people from all walks of life but also aims to create sustainable value for its many stakeholders.

WHO WE ARE

Century Pacific Food, Inc. (CNPF) is the largest canned food company in the Philippines.

It is engaged in the development, marketing, and distribution of processed fish, meat, dairy, and coconut under its own brands as well as the brands of others.

It maintains market leadership locally in the canned fish and canned meat segments and is actively growing its presence in canned and powdered milk.

The Company is also the Philippines' leading exporter of original equipment manufacturer (OEM) tuna, its legacy business which started 40 years ago. The OEM export segment has since expanded to include one of the Philippines' largest manufacturing facilities for high-value coconut products, both conventional and organic-certified.

HOW WE GOT HERE

CNPF was born in 1978 as a small tuna facility in Taguig City, Philippines. Fast forward to today, it is now the country's largest canned food company - a multi-billion peso business with a 40 year track record in food manufacturing and brand development.

What used to primarily be an export business serving the brands of others is now a brand-building powerhouse in its own right, with a roster of household names and a distribution network and marketing platform ready for further growth.

1978



First started in the Philippines as a family business focused on processing, manufacturing, then **exporting tuna products** to leading international brands

1986



Broadened its branded portfolio by introducing to the sardine-loving Filipinos the healthy goodness of tuna with the launch of flagship brand **Century Tuna**

2001



Added to its growing tuna enterprise with the acquisition of **Blue Bay Tuna**, the number 2 tuna brand at that time

1983

Entered the growing Philippine sardine market with the launch of **555 Sardines**, the Company's first-ever branded product, which captured the local taste profile



2002

Entered into canned liquid milk with the launch of the **Angel** brand. Also acquired the heritage brand **Birch Tree** & re-launched the **Birch Tree Full Cream Milk Powder** a year later



1995

Entered the meat processing business with the launch of **Argentina Corned Beef**, providing for the first time an affordable option for what was once a strictly premium product





2014

Conducted an **initial public offering (IPO)**, allowing the company to raise fresh funds for expansion and creating a platform to further grow the business



2008

Further expanded its meat category with the launch of **Wow! Ulam**, an innovative canned meat product which is tasty, filling, and affordable at the same time



2016

Diversified its legacy private label export business by acquiring an integrated coconut producer; First entered the condiments business by acquiring the North American license for the leading Filipino shrimp paste brand, **Kamay**; Further gained control over its branded export business via the consolidation of the **Century International (China) Group of Companies** which had been distributing Century Tuna into China



2012

Expanded into the premium corned beef segment with the acquisition of **Swift**



2015

Further built on Birch Tree's position as a high quality milk brand for kids with the launch of **Birch Tree Fortified** Milk Drink Powder, entering a more affordable subsegment of milk



2017

Grew its branded portfolio with the acquisition of the **Hunt's** license for the Philippines, whose products include canned pork and beans, where it maintains dominant market leadership, as well as spaghetti, tomato, and marinade sauce

WHAT DRIVES US



VISION

Our common purpose is to **nourish** and **delight** everyone, everyday, everywhere.

MISSION

Guided by Divine Providence, we will be the company of choice of every household and trade partner, valued for our brands and trusted for products that deliver quality, taste, convenience, and affordability.

We will be respected as a team of passionate, consumer-oriented, professional entrepreneurs committed to lead in delighting families in the Philippines, the region, and the world.

CORE VALUES

RESPECT FOR THE INDIVIDUAL

We show respect for and value all individuals as we set aside differences and leverage on each other's strengths. We respect every individual's commitments and take personal accountability for delivering on our own.



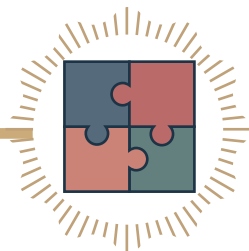
PASSION FOR EXCELLENCE

We have the will to win, to do better, and to do the best. Our persistence constantly raises the bar and challenges the status quo. We are not satisfied with mediocrity and work on constant improvement to achieve the highest standards and "best in class."



UNITY

We put the team above division, function, and personal interests. We maximize our unified strength by involving others, combining resources, and consulting each one for his or her expertise.



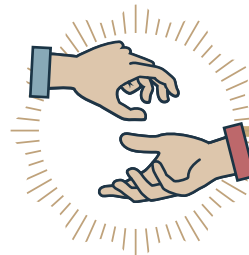
TEAMWORK

We have the mindset of "we" rather than "I," sharing common ideals and embracing common goals. As a team, we have the confidence to accomplish results. As individuals, we know when it is appropriate to lead and when to follow.



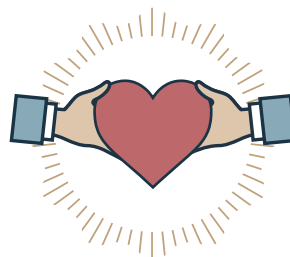
HUMILITY

We demonstrate openness by listening to others' ideas, including those that are dissenting to our own. We actively seek feedback and know when to ask for help, recognizing that failures are important learning opportunities for us.



MALASAKIT

We are responsible not just for ourselves but for others as well. We act in a manner that manifests deep concern, care, and appreciation. At the same time, we champion the next generation of leaders who will carry on these same purpose and values.



FAST FACTS TO GET YOU GOING

5 BUSINESS SEGMENTS



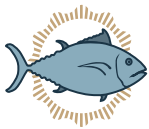
MARINE



MEAT



MILK & MIXES



TUNA OEM EXPORTS

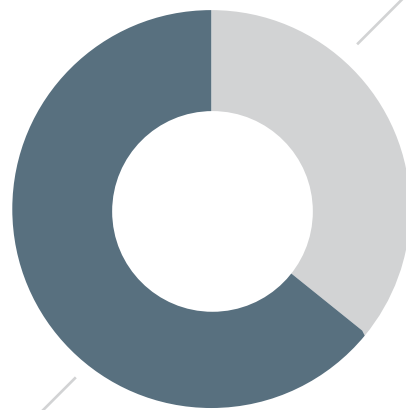


COCONUT OEM EXPORTS

PHP34.5B

in FY17 Revenue

28% of sales
2 OEM SEGMENTS



72% of sales
3 BRANDED SEGMENTS

In 2017, each Filipino bought an average of **11.5** tins of CNPF products.



17 BRANDS

Our brands are the **BRANDS OF CHOICE** of the FILIPINO consumer.



REVENUE BREAKDOWN

We are primarily a Philippine-based company with a growing presence abroad.



PHP2.6B in FY17 Net Income

PHP59B Market Capitalization as of June 2018



NOW IF YOU HAVE A BIT MORE TIME...

1 MARKET LEADERSHIP



- We dominate the canned fish and canned meat categories locally and are gaining considerable presence in milk.
- Affordability, convenience, cultural affinity, and wide distribution reach are some key factors as to why the Company's brands are the brands of choice for Filipino consumers.
- Our established position locally provides us a strong platform to grow market size and expand our market share through new product extensions.

2 MULTIPLE BRANDS & PRODUCTS



- We have an extensive portfolio of products, brands, variants, and pack sizes that cater to the varying preferences, family size, and socioeconomic status of the Filipino consumer.
- By catering to both the price-conscious and premium-seekers, we are able to capture a larger share of Filipino wallets.
- This kind of portfolio further provide benefits against concentration risk and input price exposures.

3 STRONG FOCUS ON HIGH-QUALITY MANUFACTURING, R&D-DRIVEN INNOVATION, & MARKETING



- We have an established track record of introducing products that address the needs of Filipinos.
- With the input of technical and food industry experts, product concepts are made into reality then are extensively tested prior to commercial production.
- The Company's distinct R&D process is what allows us to have steady streams of profitability and enables the intuitive and outstanding marketing campaigns that grab the attention of Filipinos.

- These marketing campaigns allow us to create must-have and aspirational brands.
- Our marketing strategies capitalize on developing trends such as the increase in health consciousness among Filipino consumers, establishing our products as constant essentials in changing times.

4 EXTENSIVE MARKET PENETRATION & DISTRIBUTION



- We operate and manage one of the most encompassing distribution networks across the Philippines.
- With our products available in approximately 885,000 outlets, we are effectively available in 76% of all points of sale in the Philippines.
Source: Nielsen 2017
- We have a growing international distribution infrastructure that allows us to offer the same quality products to more consumers around the world.

5 TRUSTED PARTNER FOR INTERNATIONAL CUSTOMERS



- We have long-standing relationships with large international food players.
- Initially just for tuna, we now work hand-in-hand with other large international brands for our various coconut products.
- Having a diversified OEM export business allows us to respond to raw material fluctuations and balance our portfolio growth.
- Our world-renowned reputation in the global community as reliable and of highest quality is a testament to our stringent product quality and manufacturing standards.

1

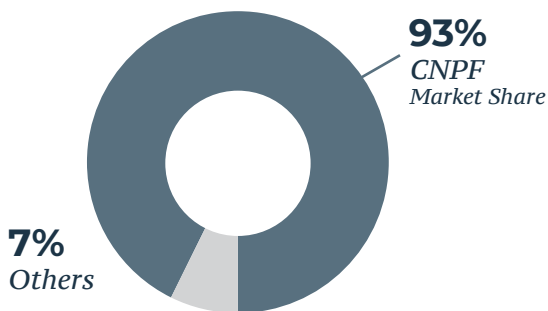


Dominant MARKET LEADERSHIP in ambient FOOD in the PHILIPPINES

Largest Producer of SHELF-STABLE PRODUCTS

SHELF-STABLE MEAT & SEAFOOD

We have dominance in key segments with presence in most shelf-stable categories locally.



Source: Euromonitor 2017

Primary Driver of CANNED TUNA Consumption DOMESTICALLY

CANNED TUNA

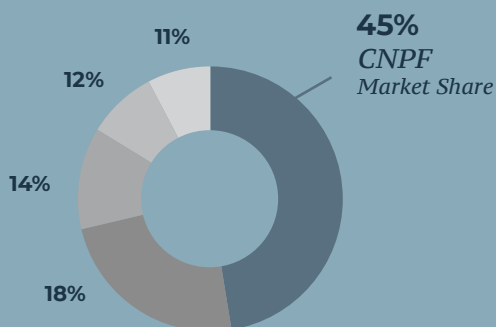
Our flagship brand Century Tuna is now a champion for health and wellness in the Philippines.



Source: Nielsen 2017

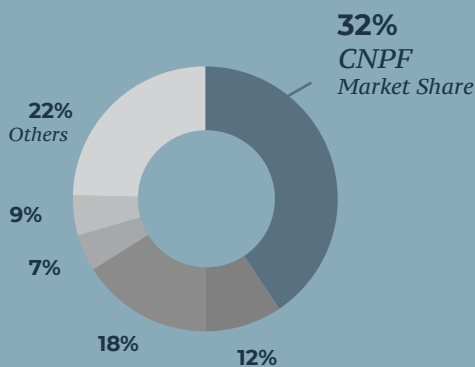
MARKET LEADER in other PHILIPPINE STAPLES

CORNED BEEF



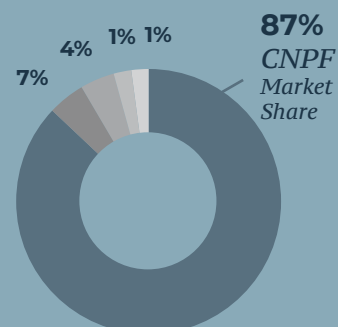
Source: Nielsen 2017

EMULSIFIED LOAVES



Source: Nielsen 2017

READY-TO-EAT BEANS



Source: Nielsen June 2017

2



MULTIPLE BRANDS *and* PRODUCTS *catering to all consumers*

We have a diverse product portfolio catering to a broad customer base and different customer tastes and needs.

POSITIONING

VALUE FOR MONEY

MASS MARKET

AFFORDABLE PREMIUM

Canned and Processed Fish



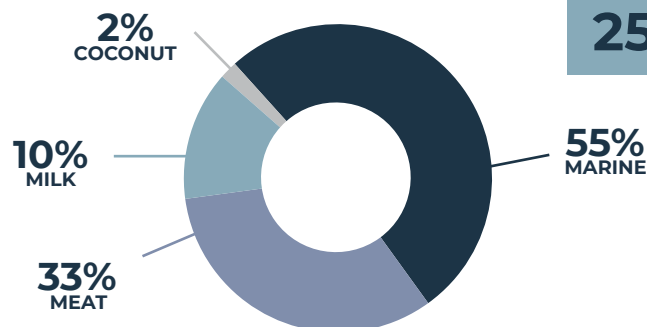
Canned and Processed Meat



Canned and Drinking Milk; Mixes



COMPANY PORTFOLIO *as of End 2017*



253 SKUs



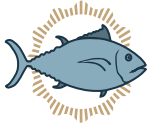
A STRONG FOCUS *on* HIGH-QUALITY MANUFACTURING, R&D-DRIVEN INNOVATION, *and* MARKETING

CNPF is committed to provide safe and quality products that consistently meet or exceed customer expectations. CNPF conforms to relevant regulations and statutory requirements and updates policies and procedures in line with new legislation as necessary.

The standards and principles set forth by Hazard Analysis and Critical Control Points (HACCP) are implemented in all of CNPF's manufacturing facilities. HACCP is a management system in which food safety is addressed through the analysis and control of biological,

chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution & consumption of the finished product.

Internal Quality Audits are also conducted to measure the effectiveness of the Quality Management System. CNPF has earned international accreditations for GMP, HACCP, BRC, Halal and Kosher. Listed below are CNPF's Food Safety and Quality Accreditations:



TUNA

- Philippine Food and Drug Administration Registered Company
- Accredited with Hazard Analysis Critical Control Points (HACCP) by the Philippine Bureau of Fisheries and Aquatic Resources
- Accredited by the US Food and Drug Administration
- Accredited by the Canadian Food Inspection Agency
- BRC Global Standard for Food Safety Issue 7 Accredited by DNV-GL Business Assurance Italia IFS Food Standard Version 6 Accredited by DNV-GL Business Assurance Italia
- Dolphin Safe Accredited by Earth Island Institute International Monitoring Program
- Accredited Halal Company by Islamic Da'wah Council of the Philippines
- Kosher Certified Company Accredited by Orthodox Union
- Certified Sustainable -Seafood Marine Steward Council Accredited by ASI and Control



SARDINES

- Philippine Food and Drug Administration Registered Company
- Accredited with Hazard Analysis Critical Control Points (HACCP) by the Philippine Bureau of Fisheries and Aquatic Resources
- Accredited by the US Food and Drug Administration
- Accredited by the Canadian Food Inspection Agency
- Accredited with BRC Global Standard for Food Safety by TUV SUD Rheinland
- Accredited Halal Company by Islamic Da'wah Council of the Philippines



MEAT

- Philippine Food and Drug Administration Registered Company
- Accredited with Hazard Analysis Critical Control Points (HACCP) by the Philippine Food and Drug Administration
- Accredited Halal Company by Islamic Da'wah Council of the Philippines



MILK

- Philippine Food and Drug Administration Registered Company
- Accredited with Hazard Analysis Critical Control Points (HACCP) by the Philippine Food and Drug Administration
- Accredited by the US Food and Drug Administration
- Accredited by the Canadian Food Inspection Agency
- Accredited Halal Company by Islamic Da'wah Council of the Philippines



COCONUT

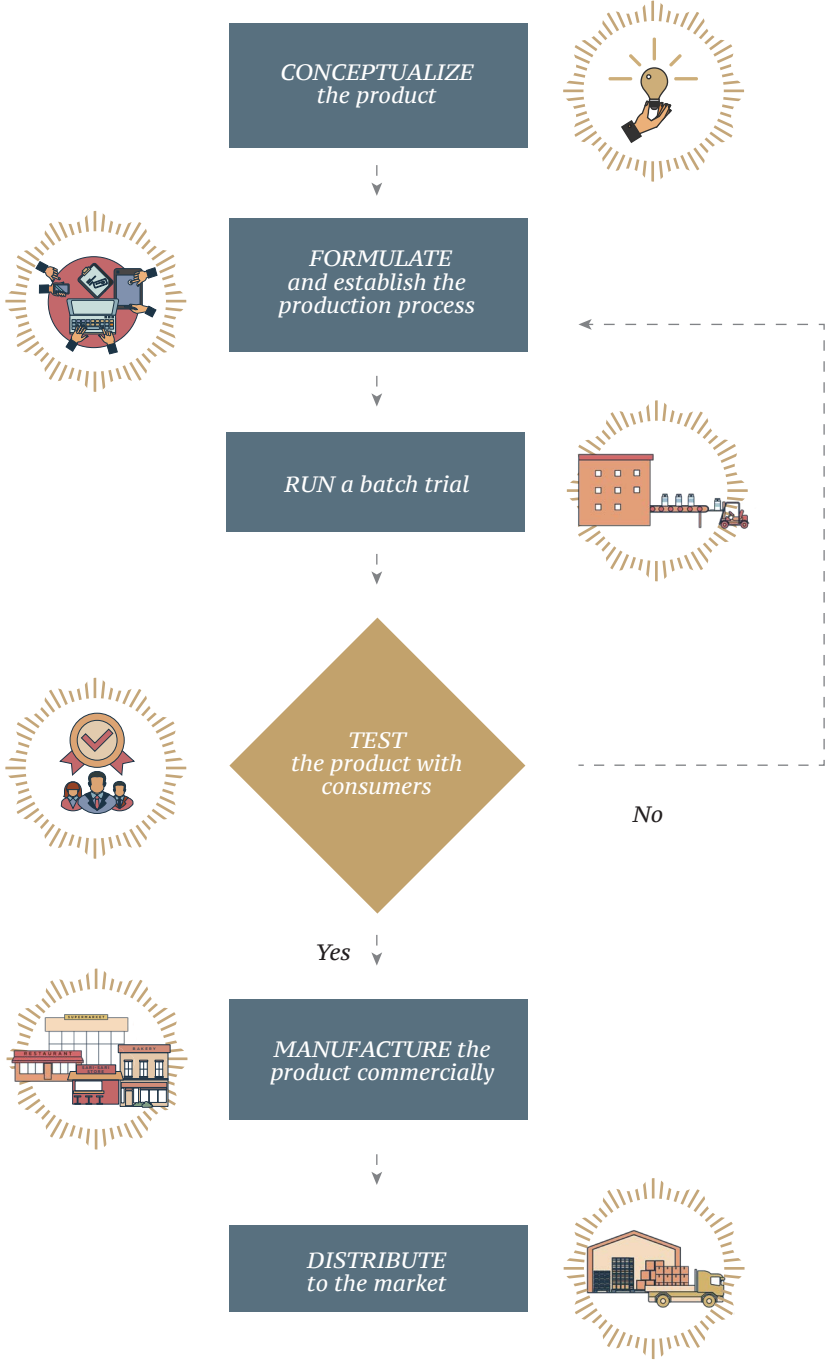
- Philippine Food and Drug Administration Registered Company
- Accredited with Hazard Analysis Critical Control Points (HACCP) by SGS Philippines
- Accredited by the US Food and Drug Administration
- Accredited with BRC Global Standard for Food Safety by SGS Philippines
- Accredited Organic Operation under US National Organic Program by ECOCERT
- Accredited with SEDEX – SMETA by SGS Philippines
- Accredited Halal Company by Islamic Da'wah Council of the Philippines
- Accredited Kosher Certified Company by Star-K



A STRONG FOCUS *on* HIGH-QUALITY MANUFACTURING, R&D-DRIVEN INNOVATION, *and* MARKETING

R&D Process Flow

R&D is an integral part of launching new products & improving profitability.



INNOVATIVE MARKETING CAMPAIGNS

We enhance brand recognition through active and targeted marketing and promotional campaigns.

We employ celebrity endorsers for these intuitive and appealing ad-campaigns to create must-have and aspirational brands.



4



Extensive MARKET PENETRATION and DISTRIBUTION NETWORK

GLOBAL SALES and DISTRIBUTION NETWORK

Globally Investing in a Worldwide Sales and Distribution Infrastructure

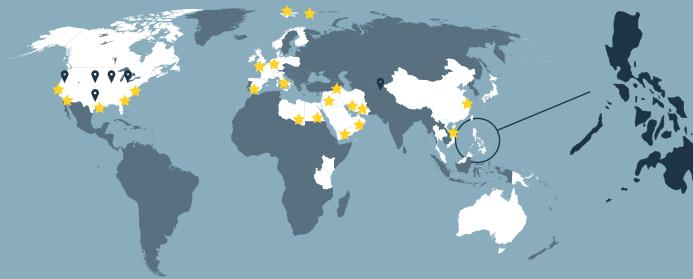
- Export preference
- ★ Distributor
- 📍 Toll Manufacturer

60

Countries where CNPF Products are available

14

Offshore Toll Manufacturers for CNPF Products



147k

Total Philippine Outlets Served by CNPF

885k

Total Philippine Outlets CNPF Products are available

Source: Nielsen 2017

Availability Equivalent to

76%

of All Points of Sale in the Philippines

AVAILABILITY of BRANDED PRODUCTS



5



TRUSTED PARTNER for customers around the world

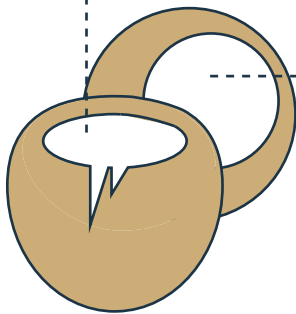
COCONUT MEAT

Virgin Coconut Oil, 2015

Desiccated Coconut, 2017

Coconut Flour, 2017

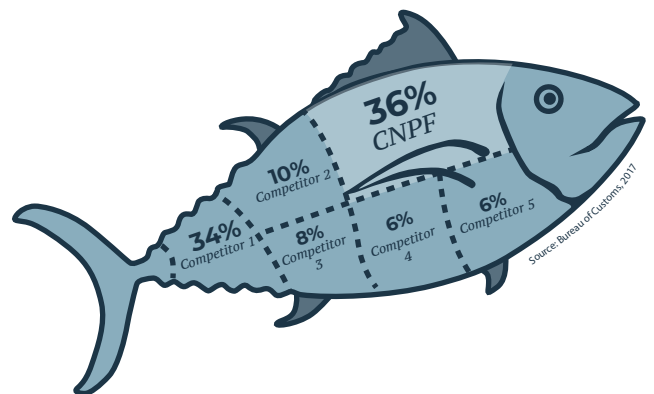
Coconut Milk/Cream, 2018



COCONUT WATER, 2013

Coconut Production Diversification

The coconut segment first entered into the coconut business in 2013 as an OEM manufacturer for retail packaged coconut water. It has since expanded into coconut meat in order to fully utilize the raw material, take advantage of the Philippines' abundant supply of coconuts, and maximize the global trend towards healthy and organic products.



Tuna OEM Market Share

We work closely with long-standing int'l partners to produce private label and branded products for sale in overseas markets.

HOW WE DO THINGS

1 RESEARCH & DEVELOPMENT

CNPF continuously expands its existing product lineup by developing, reformulating, and testing new product recipes and formulations.

By helping strengthen brand power through new products and product extensions, R&D is able to assist in maintaining market share.

Aside from this, CNPF also searches for new processes and equipment while identifying cost improvements to boost food product quality and enhance production process efficiencies.



2A SOURCING

CNPF maintains a wide network of suppliers for its most vital raw materials, enabling sourcing flexibility.

It also actively monitors the availability and prices of all its raw materials.

To secure consistency of supply, CNPF has a policy of maintaining sufficient inventory of its key materials.

Additionally, it works with a network of specialty ingredient suppliers in developing new ingredient substitutes in order to manage the possibility of disruption.

3 MANUFACTURING

CNPF has six manufacturing facilities strategically located adjacent to supply sources. All are in compliance with International Food Safety Standards on top of the local regulations set by the Philippine Food and Drug Administration.

The company adopts industry best practices and continually reviews and implements improvements to the Food Safety and Quality Management System where necessary.

It makes sure to enforce food safety, regulatory, and quality requirements in every step of the supply chain.

CNPF has earned international accreditations for food safety and quality from the USFDA, Canadian Food Inspection Agency, British Retail Consortium, European Union, USDA Orthodox Union, and Islamic Da'wah Council of the Philippines, the Halal certifying body.



2B TUNA SUSTAINABILITY

CNPF abides by global regulations to safeguard the sustainability and conservation of resources, especially for seafood.

It continues to be a dedicated member of global initiatives addressing issues on sustainability.

4 DISTRIBUTION

4A DOMESTIC

CNPF's domestic distribution network reaches two channels - modern trade and general trade.

For modern trade channels such as supermarkets and groceries, it makes use of its direct distribution network.

For general trade channels such as wet markets and sari-sari stores, CNPF engages exclusive third-party distributors.

Additionally, some of its products are distributed to food service customers directly and via third-parties for use as ingredients in some restaurants.

5 MARKETING

CNPF utilizes brand differentiation to create numerous brand images for various consumer profiles.

Marketing strategies are tailored per product, optimizing their brand positioning.

Nonetheless, they communicate mostly an aspirational message; and this is done with the help of many celebrity endorsers to enhance brand recognition.

CNPF's messages are publicized through traditional media such as billboards, newspapers, radio, and television and also through the internet

via blog sites and social media among others.

These are supplemented by in-store promotional activities such as product bundling and sampling.

As a result of its strong focus on marketing, CNPF continues to hold market leadership in its key categories and is growing its presence in other emerging markets.

6A CONSUMERS

Several CNPF products are long-heritage brands that are well-recognized and trusted in the Philippines.

These brands are commonly associated with health and quality.

CNPF aims to continuously enhance brand recognition by consistently maintaining high product quality and pushing active and targeted marketing and promotional campaigns.

This allows for strong consumer loyalty, resulting in repeat purchases that give CNPF greater pricing power compared to competitors.

Its established reputation and market-leading position provide a strong platform to maintain and grow market share not only within existing categories but also in other newer ones as well.



4B EXPORT

CNPF's export business consists of private label processed tuna and coconut and branded products, increasing scale and competitiveness while reducing costs.

This added scale allows it to focus on quality and attain higher margins.

This business is also able to ensure that the Company's products match up to international quality standards.

6B CUSTOMERS

CNPF is known as a long-trusted partner in the international food manufacturing community, supplying quality private label products to some of the largest food manufacturers around the world.

A selection of branded products are also exported to offshore markets through a growing international distribution network.

It exports both private label and branded products to major overseas markets such as North America, Europe, Asia, Australia, and the Middle East.

YES WE CAN!

Our Marine, Meat, and Milk segments each contain a portfolio of brands and a number of SKUs aimed to meet various customer needs and drive profitable growth for our business.

Our current line-up is a result of organic product development as well as opportunistic mergers and acquisitions.

We actively manage our existing portfolio by regularly reviewing

each product's contribution to total sales, recent growth rates, and profitability margins.

Some categories, brands, and SKUs will score better than others; but nonetheless, all should have a strategically important role in overall business plans.

We feature here some of our most popular SKUs:

MARINE



CENTURY TUNA FLAKES IN OIL

CENTURY TUNA LITE

CENTURY TUNA RED LABEL

CENTURY CORNED TUNA

555 SARDINES

555 FRIED SARDINES

The classic all-time favorite - the original healthy meat with Omega 3 DHA that is good for both mind & body. Definitely a delicious indulgence!

50% less fat, 50% less salt, 100% less guilt. Deliciously healthy, naturally wholesome, an incredibly guilt-less pleasure.

Luscious choice chunks of the freshest tuna, as premium and as healthy as it can get. Simply delightful in water or vegetable oil or incredibly scrumptious in gourmet flavors like spanish style.

Made with delicious, Century-quality tuna seasoned with a distinct smoked flavor for that corned beefy taste! Super packed with Omega3 DHA, low in cholesterol, and contains no preservatives.

The "Super Ulam Pinoy" rich in calcium for stronger bones, protein for muscle building, lycopene for cancer prevention, iodine, and vitamin D.

A unique way of preparing deep-fried to bring out that crispier and tastier flavor, seasoned with special spices for a delectable sardines indulgence.



KAMAYAN BAGOONG SAUTEED SHRIMP PASTE

Shrimp paste, popularly known in the Philippines as bagoong, is made from fermented small shrimp and salt. A spoonful of this flavorful product gives any savory dish that remarkable umami taste. Best used as a stir-fry starter with garlic and onion or as an additional flavor to Filipino classics like oxtail stews and green mango or turnip servings.

MEAT



**ARGENTINA
CORNEE BEEF**

**SWIFT PREMIUM
CORNEE BEEF**

**555
CARNE NORTE**

WOW! ULAM

**HUNT'S
PORK & BEANS**

The only local healthy corned beef, fortified with Zinc "na tumutulong sa mabilis na paglaki at iron na pampatalas ng isipan."

Slow-cooked and cured to perfection that allows the beef flavors and juices to gradually seep into the sumptuous premium corned beef.

Real beefy goodness, meaty chunks, and the perfect "timpla" with a delightful range of variants such as Regular, Chunky, Garlic Tostado, Hot and Spicy, Bistek Style, and Con Patatas - each one a scrumptious meal any time of the day.

"Wow Maraming Sarap, Busog Saya ang Pamilya, Shoot na Shoot sa Budget!" Chopped luncheon meat and sausages in popular sauces.

Made from high quality Great Northern Beans and real pork bits covered in rich, thick, sweet tomato sauce. Packed with nutritious beans, which are a good source of fiber for digestion, and delicious tomato sauce, a natural source of lycopene, for a healthy heart!

MILK

Made from 100% pure cow's milk with no added sugar. As such, kids can enjoy 100% of milk's taste and creaminess. Will you settle for anything less? Birch Tree - it's everybody's milk!

The only milk drink with FibroBoost, a unique combination of nutrients and Inulin Fiber that help the body absorb up to 18% more calcium, leading to better growth and development of children and coming at an affordable price. "Bilib magpalaki, bilib sa sarap, bilib sa sulit!"

Create Kremadelicious dishes using Angel Kremdensada! Combines the goodness of Cream and Condensed Milk in one can! "Tama ang Tamis at Mas Tastier than Cream! Sakto ang timpla kaya perfect for your salad and other dishes!" Try it to believe it! Just Chill and Mix!



**BIRCH TREE FULL
CREAM MILK POWDER**

**BIRCH TREE
FORTIFIED**

**ANGEL
KREMDENSADA**

FOUNDER'S MESSAGE



Dear Friends of Century Pacific Food –

I am pleased to have this opportunity to write to you on the special occasion of Century Pacific's 40th birthday.

When we started in 1978, we were just a small tuna manufacturing company - a supplier to some international brands.

Today, I am proud to say that we are now not only the Philippines' largest canned food company but also one of the leading food companies in Asia. I am amazed and humbled by this and the fact that we have come so far and grown so much.

There are many people who work hard, but only a few succeed.

Yet, I know that we did not do this alone. Because of this, I have many reasons to be thankful; and there are many people to whom I owe my immense gratitude.

First and foremost is Divine Providence.

Everything we have is a gift from Him. He allowed me to build this business from nothing, and the least I can do is to dedicate our company's mission back to Him.

Second are our OEM customers. Thank you for trusting us to serve your brands. You gave me my start, and many of you whom I supplied tuna to in my early days remain to be our partners to this day. I value these lifetime relationships, and I look forward to continuing this work with you.

Third are our new OEM partners who now include those in the coconut space. Thank you because your steady business and your own growth prospects have propelled us into this new global industry. As we build scale and expertise, we will become better supporters and enablers of your expansion.

“We have established a number of iconic and market-leading brands. We are also investing in and building on newer ones that can add to this growing roster.”

To the Filipinos here and around the world, thank you for patronizing our products. You make that conscious effort to choose our brands, and we will always be grateful for your loyalty. You have several choices, and spending your hard-earned money on us is not something we will take for granted.

To our many employees all over the the Philippines and around the world, thank you for your dedication. Take pride in the fact that we are all working hard together to turn a mission of nourishing and delighting everyone into a reality.

Today, more than 100 million of our countrymen purchase close to 12 tins of our products every year. This is because of you and your efforts! I am

your biggest supporter in this journey, and I wish for us to continue to grow with this business together.

Finally, to my fellow shareholders, thank you for your trust. Because of your confidence, we have become stronger and better than we were before. We are also working harder and smarter, helping us achieve many milestones that we could not have done alone.

On the occasion of our 40th anniversary, I look back at the several changes we've gone through over our more recent years. I write here some of those that I am most proud of.

One, we have established a number of iconic and market-leading brands. We are also investing in and building on newer ones that can add to this growing roster.

Two, we have built what is today a world-class sales and distribution infrastructure that is efficient, competitive, and cost-effective, allowing us to participate in various food markets here and around the world.

To the Filipinos here and around the world, thank you for patronizing our products.

Three, we have built out our supply chain capabilities to serve the growing needs of our market. This now is not only here in the Philippines but also abroad.

Fourth, we have also strengthened our product research and development capabilities. This will allow us to continue being a reliable source of good quality yet affordable food items.

Five, we've expanded our product portfolio, moving beyond our core tuna products. We are continuing to look for ways to expand our reach of the Filipinos' dining tables.

And finally, we have transitioned our leadership from my generation to the next, building a robust organization. Now, we are further empowering our professionals who are experienced, capable, and driven to succeed. This will allow us to build on the sustainability of our business and deliver on our many goals.

Amidst all of these changes, what has stayed the same is our company spirit and DNA.

Yes, we are preparing for the future, but still never forgetting our roots as well as the core values that have worked for us in the past. Teamwork, a passion for excellence, and hard work are what have propelled us forward from very humble beginnings; and it is my belief that these same things are what will continue to bring us forward.

Moreover, as we grow in size and scale, it is even more important that we focus on **humility and the ability to learn from our mistakes.** These are what will allow us to stay teachable regardless of how much we already know.

It is my hope that these founding principles will continue to stand the test of time. This year is a milestone, and we've come a long way. I am confident and excited that even better days lie ahead.



Ricardo S. Po

Founder and Chairman Emeritus

When we take a step back, the sea and the sky expand. When we give way a step, the winds and the waves become calm.



“Our direction as a company is to grow the business 10% to 15% a year, year-on-year, for the next 10 years.”

LETTER FROM THE EXECUTIVE CHAIRMAN

Dear Fellow Shareholders,

Our direction as a company is to grow the business 10% to 15% a year, year-on-year, for the next 10 years. We think this is a stretching but an attainable target given that the Philippine economy is expanding at around 6% to 7%.

Measuring ourselves against these performance indicators, we can say that the years 2014 to 2016 were outstanding years as revenues increased at a compounded annual rate of 18%. During this period, our earnings compounded at an annual rate of 29%.

The year 2017 that just ended saw our revenues accelerate 22%, thanks to buoyant high teens branded sales growth and surging OEM revenues. However, earnings did not follow suit and instead decreased by 4%.

At the start of that year, with cyclically low commodity prices in the rear view mirror, we thought delivering double-digit earnings growth against the high base of 2016 would be a challenge, but definitely not an impossible one. We were banking on the fact that over the years, we had diversified our business enough that major price pressure on one raw material can be dampened by favorable price movements in others.

Or so we thought.

As Murphy would have it, prices of all key raw materials we buy - tuna, sardines, meat, milk, tin plate, and coconut - increased between 10% to 40%. The synchronized strengthening of the economies in the U.S., Europe, China, Japan, and emerging markets had created a reflationary environment that saw most commodity indices spike. The El Niño in 2016 that led to poor tuna catch and coconut harvests also did not help.

Moreover, the past few years saw healthy growth in our key categories which understandably attracted new entrants to the party as well as intensified competition among existing players. In this kind of competitive environment, we opted to absorb some of the higher costs. The decision to be conservative on price adjustments was also rooted in our desire to ensure continued increase in consumption by keeping our products affordable. The magnitude of the price increase to offset the higher raw material costs would have driven consumers away to find substitutes, and we took the view that it would have been more expensive to win them back.

Under these extraordinary circumstances, I believe our team did a commendable job delivering nearly flat earnings growth year-on-year.

We kept a tight rein on costs and reaped the benefits of recent investments that delivered operating efficiencies. As a result, operating expenses only grew 5%, a much slower pace relative to our 22% revenue growth.

The good news is that now, in this first quarter of 2018, commodity prices are no longer moving in sync; and we are seeing some key raw materials like tuna and coconut come off

“The decision to be conservative on price adjustments was also rooted in our desire to ensure continued increase in consumption.”

their highs. It will take a couple more quarters before we see our margins in these businesses improve again as we still need to digest high-cost inventory and consume open forward contracts. Even with inflation beginning to creep up, we are looking forward to sequential improvement in our margins this year.

Now setting aside these transitory factors, let me highlight the many positives that have contributed to our structural growth.

First and foremost, our branded revenues continue to grow at a vigorous pace, growing 18% last year with all 3 main categories of marine, meat, and milk exhibiting positive business gains. Our mainstay brands in the marine and meat segments maintained their leadership positions, while the milk brands played the role of active challenger in emerging categories.

Second, in our coconut business, we continue to see sustained demand for coconut water and have increased volumes of higher-value products derived from coconut meat such as desiccated coconut and organic virgin coconut oil. As of late last year, we started commercial production of coconut milk and cream. There continues to be unsatisfied demand for this “superfood” in markets like the U.S., Europe, and other first world countries.

We also completed the acquisition of the Hunt’s brand in August last year. And now, having run this new business for a couple of quarters, we are pleased with our progress and have confirmed our investment thesis.

We continue to bolster our distribution infrastructure, expanding both our direct and indirect reach to around 885,000 points of sale. We continue to equip our sales force and distributors with new skills and enabling technology to sharpen our distribution capabilities and squeeze out more efficiency.

Our international branded footprint is also expanding. Last year, we established new partnerships with mainstream accounts, niche ethnic retailers, and e-commerce platforms in the U.S. We also planted our flag in new markets like Israel, Germany, the Netherlands, and Australia.

Finally, our balance sheet metrics show that our company is on stable footing. Our company is very liquid with a current ratio of 2.06x, and our net debt levels show we have the resources to fund future expansion needs - a net gearing ratio of 0.15x and a net interest-bearing debt to earnings before interest, tax, depreciation and amortization ratio of 0.55x. In 2017, our return on equity

continues to be an attractive 19%, above the average of listed Philippine companies.

With our brands healthy, a set of new and growing businesses, an improved domestic and global distribution, and a solid balance sheet set against a robust economy, I’m proud to say that the fundamentals of our business are sound and we are equipped with the resources to pursue our growth aspirations.

In the area of environmental sustainability, most of our efforts are towards preserving the marine resources we rely on through our continuing work with groups like the International Seafood Sustainability Foundation (ISSF), Earth Island, World Wildlife Fund (WWF) Philippines, and others. In the case of WWF, our latest project is the collaboration to set up a simulation marine lab at Kidzania edu-tainment park in Manila that teaches marine conservation through interactive play. I am told it is one of the most popular attractions at the park. We hope to be able to create an awareness towards conservation among the more than 100 children, mostly between ages 4 to 10, who visit the marine lab daily.

We also recently partnered with Friends of Hope, a non-profit, and several of our customers to develop a 20 hectare coconut seedling farm. Once fully operational, this farm will produce around 130,000 high-quality seedlings per year. Over the next 25 years, we expect these seedlings to replace 90% of the senile trees in the vicinity of our plant in Tumbler, General Santos. This will help ensure the continuity and stability of the coconut supply chain, benefiting over 20,000 farmers and their families.

For social responsibility, we continue to support the feeding programs of the Century Pacific Group RSPo Foundation program of nutrition and hunger alleviation through its Kain Po feeding program. Kain Po last year served more than 5 million meals to over 100,000 beneficiaries.

Before ending, I would also like to flag a recent change in our company’s organization structure which is meant to support our long-term plans and ensure sustainable business growth and longevity.

“I’m proud to say that the fundamentals of our business are sound and we are equipped with the resources to pursue our growth aspirations.”

As President and CEO, I have always seen myself co-running this business with Ted Po, my brother and our COO, together with our very capable professional team. As our business expands in scale and complexity, day-to-day operating responsibilities have become more demanding. We decided that it was time to evolve our structure in order to create increased bandwidth for a more focused search of new business opportunities.

Therefore, I will be turning over CEO responsibilities to Ted effective this March 2018. In my new role as Executive Chairman, I will now have more time to pursue strategic initiatives and various business development activities even as I continue to chair the weekly management meetings, the Board, as well as retain a portfolio of finance and newer business units.

This change also entails further empowering our professional managers. Greg Banzon is promoted to Executive Vice President and COO and Edwin Africa to Senior Vice President and General Manager. Greg has been with us since 2011, while Edwin joined in 2014.

As for Ted, he has been with the company for 28 years. He personally spearheaded the launch of many of the company's mainstay SKUs and brands. A manufacturing engineer, his technical breadth and institutional knowledge is unmatched within the company.

Ted is a "product guy" in much the same way Steve Jobs of Apple and Akio Toyoda, the new CEO of Toyota, who is also an amateur race car driver, are product guys. I do not know anyone else who is more passionate about coming up with value-for-money food products targeted towards the mass market.

I believe that the new structure fits with our expansionary ambition of achieving double-digit mid-teens growth over the medium to long term. Ted, Greg, Edwin, and I, together with the Century team, look forward to working closely together to realize this vision.

Thank you for your trust and continued support.



Christopher T. Po

Executive Chairman
March 2018

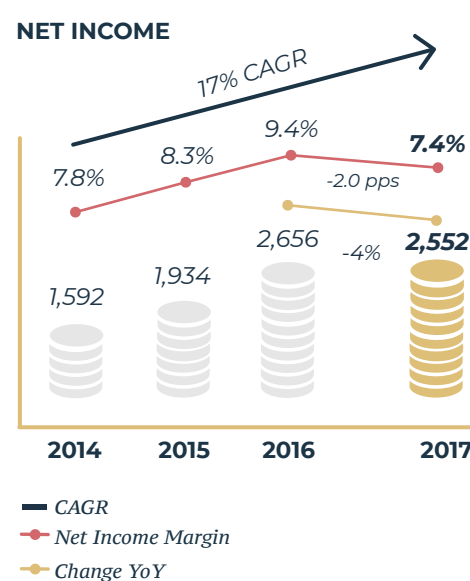
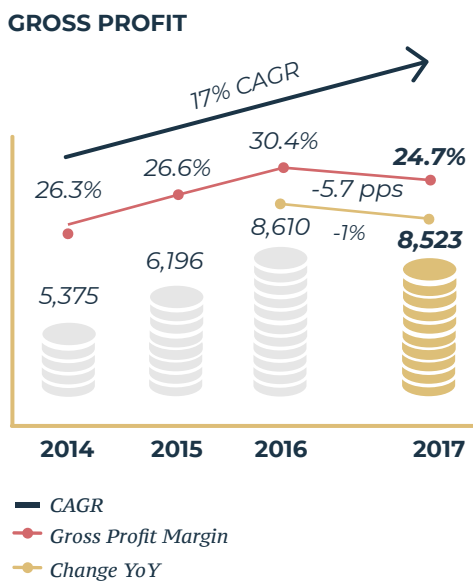
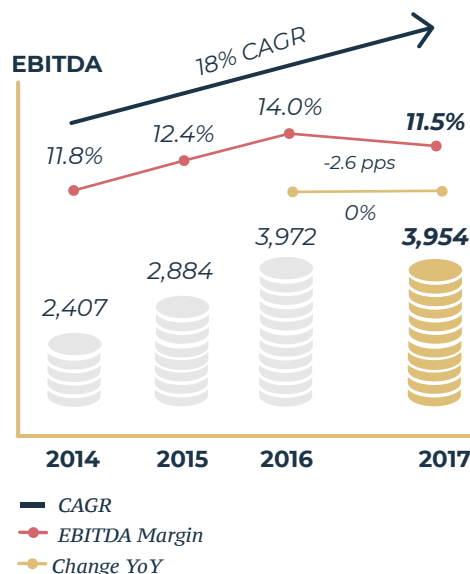
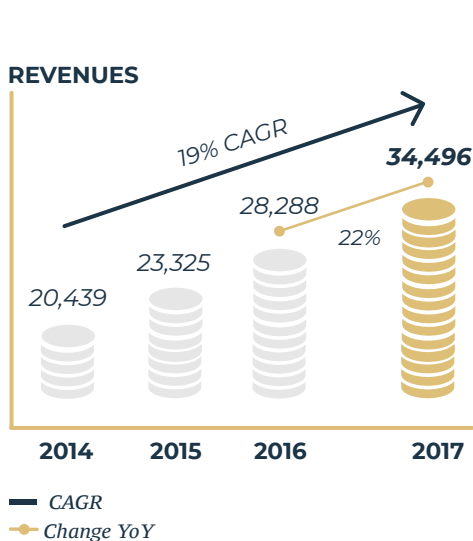
As President and CEO, I have always seen myself co-running this business with Ted Po, together with our professional team. In my new role, I will now have more time to pursue strategic initiatives and business development activities.

Both are consummate professionals having been with multinational FMCG companies, taking leadership positions in both Philippine and regional roles. The new positions entail both of them assuming more responsibilities overseeing businesses and corporate functions. I am confident that they will add significant value in their new roles.

2017: The Year that was IN NUMBERS

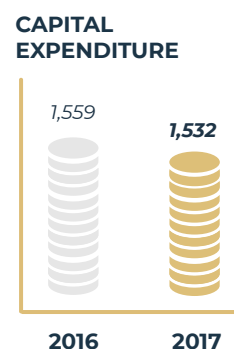
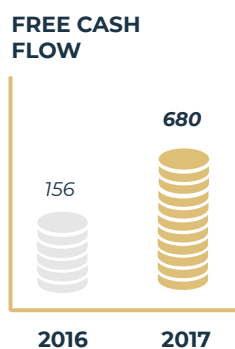
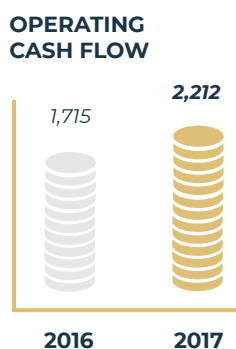
P&L Highlights

In PHP Mill



Cash Flow Highlights

In PHP Mill



Other Highlights



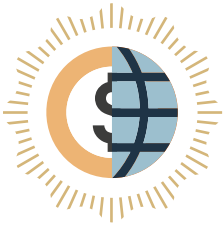
PHP **4.09**
BVPS



PHP **0.72**
EPS



19%
Return
on Equity



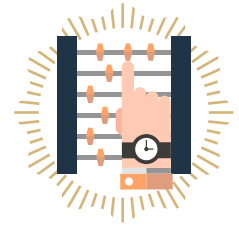
2.06x
Current Ratio



0.51x
Net Debt to
Equity Ratio



0.15x
Net Gearing
Ratio



0.55x
Net Interest-bearing
Debt to EBITDA Ratio



PHP **23,359M**
Total Assets



PHP **8,876M**
Total Liabilities



PHP **14,483M**
Total Equity

2017: The Year that was BY SEGMENT

MARINE



The marine segment is CNPF's largest business segment. Canned tuna, canned sardines, and other fish and seafood-based products are sold under our highly popular and trusted brands with Century Tuna as the flagship.

2017 Revenue **PHP 12,071M**



Location of facility General Santos & Zamboanga City, Southern Mindanao

List of brands

- Century Tuna
- Century Quality
- 555
- Blue Bay Tuna
- Fresca Tuna
- Lucky 7
- Kamayan



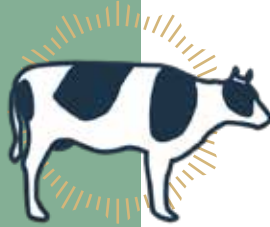
Despite the entry of aggressive new players in canned tuna and the continued efforts of existing competition in the category, our segment continued to enjoy double-digit growth in terms of volume and revenue and a solidifying of our already dominant market share in the domestic market. Export sales of our branded products also saw a significant increase as we expanded our presence in the Middle East and continued our push into North America. A key challenge in 2017, however, was a dramatic spike in the cost of the raw material which persisted for almost half the year. However, since then, prices have softened to a manageable level beginning November 2017.

Gregory Banzon

EVP-COO (formerly General Manager - Marine)

MEAT

Flagship brands in the meat segment offer tasteful and affordable corned beef, luncheon meat, and Vienna sausage in numerous variants and sizes and at varying price points to cater to different markets.



2017 Revenue **PHP 8,692M**



Location of facility Laguna, Calabarzon

List of brands

Argentina
Swift
Shanghai
555
Wow! Ulam
Lucky 7
Hunt's



Canned meat had a strong year with double-digit revenue growth and share gains across our key Corned Beef and Emulsified Loaves lines. This was driven by continued consumer trust, primarily in our Argentina and Lucky 7 brands, as we continued to provide good value and expanded availability across the country.

We did experience some raw material cost pressures driven by tightening global supplies and the weakening exchange rate. We were, however, able to mitigate some of these with selective price increases. But more importantly, we are quite pleased that brand support continued to increase demand.

Edwin Africa

SVP-GM (formerly General Manager - Meat)

MILK & MIXES

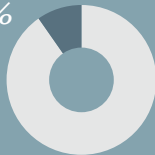
The milk and mixes segment provides basic household necessities such as powdered drinking milk, condensed milk, evaporated milk, and all-purpose cream and is expected to benefit from the anticipated growth in the Philippines' dairy market.



2017 Revenue **PHP 4,136M**

% contribution
to total revenue

12%



Location
of facility

Taguig, Metro Manila

List of brands

Birch Tree Full Cream Milk Powder

Birch Tree Fortified Milk Drink Powder

Angel

Kaffe de Oro

Home Pride



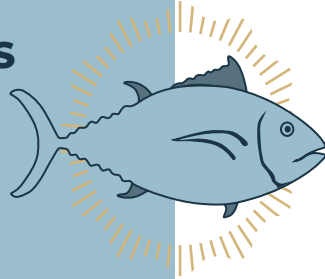
We started the year with some challenges; but thanks to the support of our internal and external partners, we were able to recover any deficit in our first half and ended the year actually exceeding our full-year targets.

As we listen, learn, and connect with our customers, we will continue this growth momentum by providing high-quality dairy products that will challenge and improve the way consumers eat, drink, and live.

Ronald Agoncillo

VP & General Manager - Milk & Mixes

TUNA OEM EXPORTS



Many leading tuna brands in the world use products manufactured by our tuna OEM segment. This segment aids the Marine segment through scale, cost efficiencies, and compliance to international food regulatory standards, allowing for increased domestic competitiveness and becoming a critical contributor to overall business performance.

2017 Revenue **PHP 6,169M**



Location of facility General Santos, Southern Mindanao

List of products

- Frozen tuna loins
- Pouched tuna
- Canned tuna
- Fish meal



Last year was a great year for tuna OEM as we achieved an all-time high for both top and bottom line. The full-year operation of our company-owned cold storage facility allowed the business to accommodate more fish inventory when fish prices were up and conducive to good sales. It was the first time that we supplied tuna products to the European Union that were qualified by the Marine Stewardship Council (MSC), an international non-profit organization that certifies compliance with sustainable fishing practices.

Teddy Kho

VP & General Manager - Tuna OEM Exports

COCONUT OEM EXPORTS



The coconut segment produces high-value coconut products primarily for export markets. It capitalizes on the global trend in organic and healthy products.

2017 Revenue **PHP 3,427M**



**Location
of facility** General Santos,
Southern Mindanao

List of products

- Coconut water
- Desiccated coconut
- Virgin coconut oil
- Coconut flour
- Coconut milk



In 2017, we continued to build our coconut business as a platform for the future growth of the company.

We continued to harness the potential of the 'tree of life,' creating more value as we diversified from our core coconut water business into virgin coconut oil, desiccated coconut (with the first full-year of operations of our state-of-the-art production line), and our newly-entered category, coconut milk, backed by long-term agreements with global clients.

While we experienced headwinds primarily in the form of lingering higher coconut prices and had to go through the learning curve as we entered into these new categories, we are confident that we are now well-positioned to reap the benefits of these investments in the next five years and beyond.

Noel Tempongko

VP & General Manager - Coconut OEM Exports

2017: The Year that was IN MARKETING CAMPAIGNS



MARINE

The consumption of canned tuna in the Philippines was spearheaded by CNPF and bolstered through our integrated marketing communication efforts. Century Tuna continues to lead the category as an aspirational brand for a healthy lifestyle, with numerous fit celebrity endorsers promoting its benefits in obtaining and maintaining a healthy body. The various flavors of the 555 brand are featured as a more convenient alternative compared to their home-made counterparts. Our 555 fried sardines were also pushed into the market through engaging showbiz personalities highlighting their affordability as a more premium alternative to the basic canned sardines.



MEAT

From corned beef all the way to Vienna sausage, the meat segment offers various products for different markets while always remaining affordable. Our Argentina brand endorsers show how these products add up to a full and satisfying meal and are able to fuel consumers and help them make the most of the day.



MILK & MIXES

The milk segment offers an array of products such as full cream milk, powdered milk drink, evaporated and condensed milk, and many more as it continues to grow. Our brands are featured for their affordable nutrition (Birch Tree Fortified) or the convenience they bring (2-in-1 cream and condensed milk Angel Kremdensada).



WHERE WE GO FROM HERE

Participating in nourishing a nation, while at the same time driving value creation for our shareholders, requires a strong focus on several key areas.

Our five strategic priorities, alongside a high calibre team striving to execute them, are the keys to achieving this vision.

Here, we outline these company guideposts and how we stack up so far in 2017.

1



Solidify our market dominance in key categories by investing in brands and strengthening the products' selling proposition, at the same time driving up the markets' overall per capita consumption

In MARINE, we saw double-digit sales growth on sustained category demand driven by successful brand building and product positioning. Positioning canned tuna as a wellness product has proven to be effective, providing an affordable way for consumers to begin leading a healthy lifestyle.

We have also maintained our market leadership at 82% share as of year-end 2017. This was despite the entrance of new players who naturally wanted to participate in the category's growth prospects. Nonetheless, we believe there is still quite a bit of runway for the entire category to grow, with all players benefiting from increased consumption.

In MEAT, revenues were also up double-digits last year. Although this includes some impact from the consolidation of the Hunt's business in the third quarter of 2017, organic growth at the double-digit rate still reflects healthy demand for the category.

2



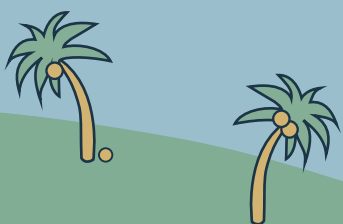
Explore new categories via in-house innovation and an active search for undervalued brands that can leverage on our existing sales and manufacturing infrastructure

We continue to make inroads in powdered MILK via improved distribution, increased availability, and sustained brand activation for the iconic Birch Tree brand.

The HUNT'S Philippine business has also successfully transitioned into our distribution network, and thus, visibility in retail channels has significantly improved.

It maintains dominant market leadership in the ready-to-eat beans category. At the same time, its expanded portfolio officially gives us a line-up of tomato-based spaghetti, tomato, and marinade sauce.

Finally, it was a busy year for our COCONUT business as it achieved several key product diversification milestones. Expanded offerings that maximize the use of the coconut raw material will allow us to take greater advantage of the global trend towards healthy and organic products, which remains on the rise especially among more developed economies.



3



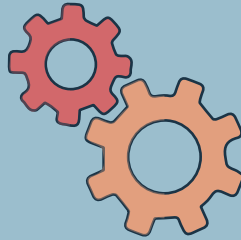
Establish an international presence by pursuing foreign markets with a sizable Filipino base that recognize our products and building up our world-class export capabilities that can help us build scale

Apart from diversifying our coconut business into other product types, we remain one of the Philippines' leading exporter of packaged coconut water to the world.

Similarly, our OEM tuna export business saw one of its best years in 2017, growing revenues over 40% year-on-year. This was driven by increased volumes given the recovery of the global tuna market and higher average selling prices which rose in tandem with the increase in the tuna commodity prices.

Our branded exports business has been making strides into new international territories, leveraging on the international presence of Filipinos who have come to see our brands as a link to home. Historically focused solely on where these large overseas Filipinos reside – the US, Middle East, and Canada – we have now set our sights on expanding distribution into a bigger array of markets which include countries such as China, Israel, and Russia.

4

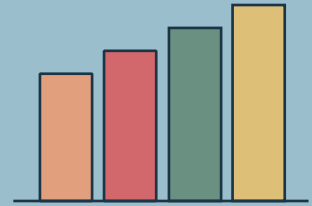


Increase operational productivity and manufacturing efficiencies, at the same time improve the depth and quality of our distribution and sales coverage

Despite the more challenging short-term environment, we have continued investments in high-return capital expenditure projects which allowed us to (1) increase capacities across our different segments, (2) establish new product lines, and (3) realize savings via efficiencies which lead to mid-teen type of returns or better.

We continue to have one of the largest distribution networks in the Philippines, which allows our products to be available in 76% of all points of sale in the Philippines.

5



Embed a company mindset that delivers on short-term results yet prioritizes long-term and sustainable growth that will benefit all our stakeholders

Given a backdrop of rising costs, the challenge of maintaining a long-term focus becomes all the more acute. This is what happened at the start of 2017, with cyclically low commodity prices the year before, causing earnings growth to be a challenge.

The good news was, considering the environment our management team had to deal with, we were able to maintain similar full-year earnings relative to the prior year.

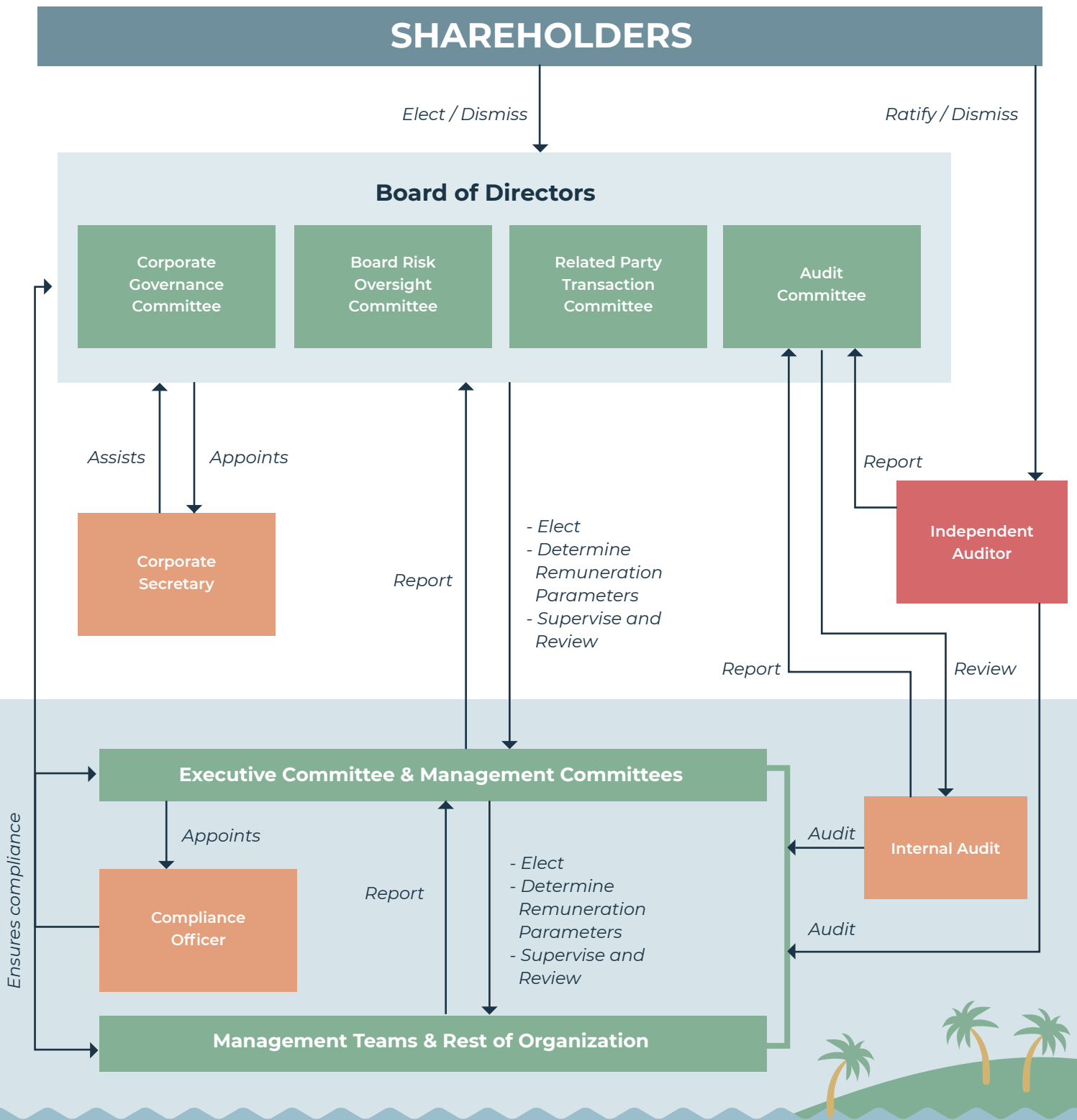
More important, however, were the decisions we made in terms of investing in brands, maintaining market shares, and building categories that have positioned us for better and sustainable long-term growth.

Despite the short-term headwinds in 2017, our record since 2014 shows that we remain on track against our long-term earnings growth target of 10 to 15%. Earnings CAGR from 2014 to 2017 was 17% against a revenue CAGR of 19%. Extending this to 2013, earnings CAGR jumps to 36% versus revenue CAGR of 16%.



CORPORATE GOVERNANCE

The Company recognizes the importance of good governance in creating sustainable value for shareholders in order to achieve long-term success. It believes that good corporate governance, along with the best business practices and value-based decision making, is vital in fulfilling the Company's multiple economic, moral, legal, and social obligations towards stakeholders.





SHAREHOLDERS

SHAREHOLDERS are encouraged to actively participate by exercising their rights.

Such rights include the following among others:

- Participating and voting during stockholders' meetings
- Voting and being voted as director or officer of the Company
- Inspecting records of all the Company's business transactions and minutes of any meeting
- Exercising the appraisal right on instances stated in Section 81 of the Corporation Code
- Receiving dividends declared by the Board of Directors
- Sharing in the distribution of the Company's remaining assets after its dissolution and liquidation

Shareholder rights can be found in the Company's By-Laws and Manual on Corporate Governance available in the CNPF website.

BOARD OF DIRECTORS

The **BOARD OF DIRECTORS** (the Board) is to act in the best interest of the Company and all its shareholders.

The following are some of the roles and responsibilities of the Board. Further details regarding the Board may be found in the Board Charter available in the Company website.

TO THE COMPANY

- Oversee the development of and approve business objectives and strategies and monitor their implementation
- Approve the selection and assess the performance of Senior Management and other control functions
- Ensure an effective performance management framework is in place to certify Management and personnel performance are at par with set standards
- Assure the Company has an appropriate internal control system, including a mechanism for managing potential conflicts of interest of the Board, Management, and shareholders
- Make certain there is a sound enterprise risk management framework for key business risks
- Supervise the proper implementation of and compliance to the Code of Business Conduct and Ethics, including standards for professional and ethical behavior for internal and external dealings
- Attend and actively participate in all meetings of the Board and its respective committees

TO SHAREHOLDERS

- Encourage active shareholder participation and minimize costs and administrative impediments to said participation
- Be transparent about and fairly promote shareholders' rights, and provide processes and procedures for them to follow
- Establish corporate disclosure policies and procedures to ensure the comprehensive, accurate, reliable, and timely report of relevant and material information, including non-financial information
- Attend and actively participate in all shareholders' meetings
- Have a formal and transparent board nomination and election policy





COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors is to have a collective working expertise that is relevant to the Company's industry or sector.

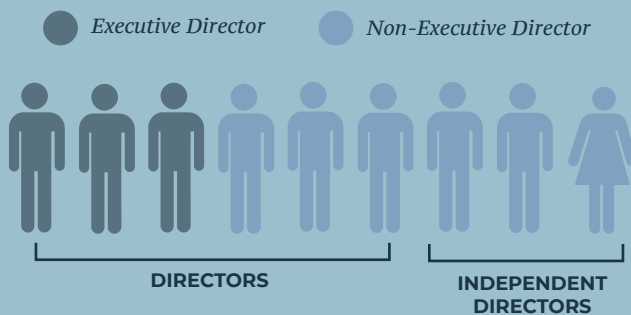
Majority of the Board should consist of non-executive directors in order to secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances.

Additionally, at least three or one-third of the Board, whichever is higher, must be independent directors.

This ensures that no director or group of directors can dominate the decision making process, protecting the Company's interest over the interest of individual shareholders.

A lead independent director is designated should the Chairman of the Board not be independent and is authorized to lead the Board in cases where management has clear conflicts of interest.

CURRENT COMPOSITION



9 BOARD MEMBERS	
56 AVERAGE AGE	3 AVE NO. OF BOARD SEATS HELD IN PUBLICLY LISTED COMPANIES

QUALIFICATIONS

The Board ensures that it has an appropriate mix of competence and expertise. Its members should also remain qualified for their positions individually and collectively in order to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.

The qualifications of directors, among others, include

- *College education or equivalent academic degree*
- *Practical understanding of the business of the Company*
- *Good standing in the relevant industry, business, or professional organization*
- *Relevant previous business experience*

In addition to the above, non-executive directors can only concurrently serve as directors in a maximum of five publicly listed companies to ensure he or she can allot sufficient time for Company matters.

TRAINING

The Company has set guidelines and procedures concerning the orientation program for first time directors.

Its directors attended corporate governance seminars conducted by the Institute of Corporate Directors (ICD) in 2016. The Company has sought the services of the ICD to conduct a series of trainings in August 2018.

SUCCESSION PLAN

The Board ensures that an effective succession planning program for directors and key officers are in place. This is to help secure the continuous growth of the Company.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board Committees are to support the effective performance of the Board's functions. Their purpose, memberships, structures, and responsibilities are further discussed in the Committee Charters available in the Company website.

1. AUDIT COMMITTEE

The Audit Committee is tasked to oversee Senior Management in maintaining an effective internal control framework which is able to provide assurance in areas including reporting, monitoring compliance with laws, regulations, and internal policies, and the efficiency and effectiveness of operations.

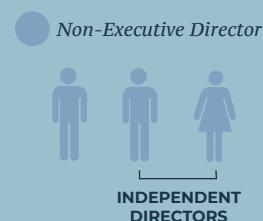
It ensures that both internal and independent auditors are to have unrestricted access to all records, properties, and personnel to enable them to perform their audit functions independently from one another.

It is composed of at least three non-executive directors, majority of whom, including the

Chairman (who should not be Chairman of the Board or of any other committee), should be independent. All must be experienced in the areas of accounting, auditing, and finance.

The Audit Committee meets with the Board at least every quarter without the presence of the Chief Executive Officer or any other member of the management team.

CURRENT COMPOSITION



INTERNAL AUDIT

The Audit Committee has an independent Internal Audit function that provides objective assurance and consulting services, monitoring and guiding the implementation of company policies and bringing a systematic approach to evaluating and improving the effectiveness of the Company's governance, risk management, and control functions.

The Committee oversees Internal Audit, recommending the approval of the Internal Audit Charter which contains the function's responsibilities and plans.

It ensures the independence of the Internal Auditor and reviews and monitors Management's responsiveness to Internal Audit.

Additionally, the Audit Committee periodically meets with the Chief Audit Executive, whose appointment is recommended by the Committee.

Samuel V. Santillan was appointed as the Company's Chief Audit Executive and has 24 years of experience in auditing, finance, and accounting management roles in various companies prior to joining CNPF in 2008.

Internal Audit is to render an annual report on its responsibilities, activities, and performance relative to the audit plans and strategies approved by the Audit Committee.

It is also to provide a statement declaring whether it is compliant with the International Standards for the Professional Practice of Internal Auditing.

Internal Audit assists the Audit Committee to ensure

- *Reliability and integrity of financial and operating information*
- *Compliance with policies, plans, procedures, laws, and regulations*
- *Safeguard of assets*
- *Resources are economically and efficiently used*
- *Results of operations and programs are consistent with established objectives, goals, and plans*

INDEPENDENT AUDITOR

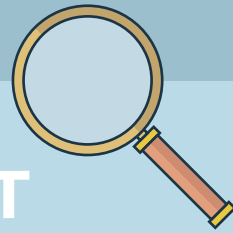
The Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the independent auditor. It should be alerted for any situation that may potentially rise due to conflicts of interest which could impair the independent auditor's objectivity.

Navarro Amper & Co. was re-appointed as the Company's independent auditor for 2017 during the Annual Stockholders' Meeting last June 30, 2017, with Bonifacio F. Lumacang, Jr. as the engagement partner. It is to assess the Company's audited financial statements and

provide its judgment on the compliance of said statements with the Philippine Financial Reporting Standards.

The Audit Committee met with the Independent Auditor in 2017 without the presence of anyone from the Management team.

In 2017, Navarro Amper & Co was paid Php4.29 million for their audit services. Navarro Amper & Co is the local practice of the Deloitte Touche Tohmatsu Limited Global Network.



2. BOARD RISK OVERSIGHT COMMITTEE

The Board Risk Oversight Committee is to oversee the Company's enterprise risk management system to ensure its functionality and effectiveness. Its responsibility is to supervise Management's activities in managing credit, market liquidity, and operational, legal, and other risk exposures.

It comprises of at least three members, of whom majority are independent, including the Chairman (who should not be Chairman of the Board or of any other committee). At least one

member should be knowledgeable in risk and risk management.

The Committee should always have clear communication with the Chief Risk Officer. Oscar A. Pobre, the Company's Chief Finance Officer, was appointed as Chief Risk Officer.

CURRENT COMPOSITION

● Non-Executive Director



INDEPENDENT DIRECTORS

3. CORPORATE GOVERNANCE COMMITTEE



The Corporate Governance Committee is responsible for ensuring the Company's compliance with corporate governance principles and practices. It periodically reviews the Company's corporate governance framework to ensure it remains appropriate given material changes in the corporation's size, complexity, strategy, and business and regulatory environments.

The Committee is also to function as a Nomination and Remuneration Committee, determining the nomination and election process and establishing a formal and transparent procedure in developing a policy for determining remuneration.

It composes of at least three members, all of whom should be independent, including the Chairman.

CURRENT COMPOSITION

● Non-Executive Director



INDEPENDENT DIRECTORS

4. RELATED PARTY TRANSACTION COMMITTEE

The Related Party Transaction Committee is tasked to review all material related party transactions of the Company. It also informs regulating and supervising authorities relating to the Company's related party transaction exposures and ensure appropriate disclosures are accomplished.

The Committee is comprised of at least three non-executive directors, two of whom should be independent, including the Chairman.



CURRENT COMPOSITION



CORPORATE SECRETARY

The Corporate Secretary is to keep abreast on relevant laws, regulations, governance issuances, industry developments, and operations of the Company and advise the Board on all relevant issues as they arise.

Atty. Manuel Z. Gonzales was appointed as the Company's Corporate Secretary. He has been a Senior Partner in the Martinez Vergara Gonzalez & Serrano Law Office since 2006. Atty. Gonzales attended an eight-hour corporate governance seminar conducted by the ICD on March 7, 2018.

Atty. Gwyneth S. Ong was appointed as the Company's Assistant Corporate Secretary. She has been a Partner at the Martinez Vergara Gonzalez & Serrano Law Office since 2015, having extensive experience in a broad range of securities and capital market transactions.

COMPLIANCE OFFICER

The Compliance Officer is responsible for determining and measuring the Company's adherence with its Manual on Corporate Governance, relevant laws, the Code of Corporate Governance for publicly listed companies, SEC rules and regulations, and all governance issuances of regulatory agencies.

Atty. Maria Rosario L. Ybanez was appointed as the Company's new Compliance Officer on May 21, 2018, and has been involved in the practice of

corporate, civil, criminal, labor, and intellectual property law since 2001. She is scheduled to attend her training on corporate governance conducted by the ICD in August 2018.



EXECUTIVE TEAM

The Executive Team, along with the rest of the Management team, answers to the Board of Directors and is responsible for the operations and performance of the Company. It concretizes the Company's objectives and targets by executing its strategies and attaining set targets. The Team is spearheaded by the Chief Executive Officer (CEO).

The positions of CEO and Executive Chairman are held by separate individuals. Their roles in the organization are distinguished below:



CHIEF EXECUTIVE OFFICER

- *Supervise, monitor, and control operational activities and performance*
- *Oversee operational alignment and operating structures*
- *Determine the Company's strategic direction and implement its short and long-term strategic plans*
- *Oversee operations and all day-to-day management decisions of the Company*
- *Manage the Company's resources prudently*



EXECUTIVE CHAIRMAN

- *Maintain qualitative and timely lines of communication and information between the Board and Management*
- *Preside Board meetings and ensure its focus on strategic matters such as the Company's overall risk appetite, key governance concerns, and contentious issues that will significantly affect operations*
- *Chair weekly Executive Committee meetings, with the option to join Management Committee meetings*
- *Focus on strategic development of newer business units, new growth initiatives, and special projects*
- *Serve as the link between internal and external stakeholders and provide stockholders with a balanced and comprehensible assessment of the Company's performance, position, and prospects*

REST OF ORGANIZATION

The rest of the organization completes the Company and supports its strategies in order to achieve its ever-growing targets. With competent professionals who embody the core values, CNPF is able to fulfill its purpose of nourishing and delighting everyone, everyday, everywhere. As such, attracting, developing, and retaining talent across the organization is of key importance.

The Company maintains strict policies on Health & Safety in all business lines, Anti-Sexual Harassment, Anti-Tuberculosis, Drug Free Workplace, and Executive Medical Check-Ups.

Moreover, it has policies on annual merit increases and salary adjustments that are tied up to the employees' performance assessments. CNPF proudly promotes a culture of recognition and value for key and high-performing employees who demonstrate excellence at the workplace. Performance is the main driver for total rewards. Rewards programs are therefore differentiated across businesses and among employees according to their contributions and levels of performance, with a significant share given to those that are high-performing.



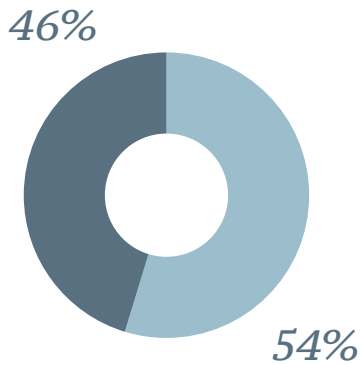
DIVERSITY & INCLUSION

CNPF acknowledges the importance of fostering a diverse and inclusive work environment. With this, no director, key officer, personnel, or applicant shall be discriminated against by reason of gender, age, ethnicity, culture, skills, competence, and knowledge.

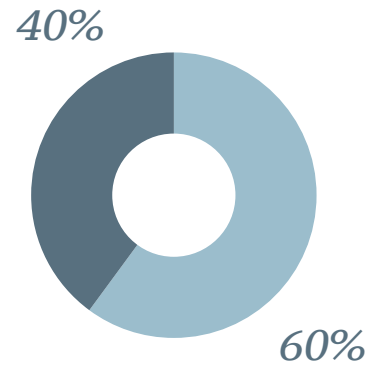
Organization Split by Gender



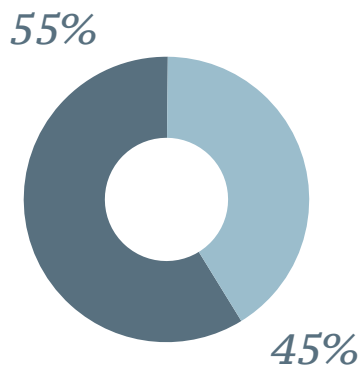
Senior Management



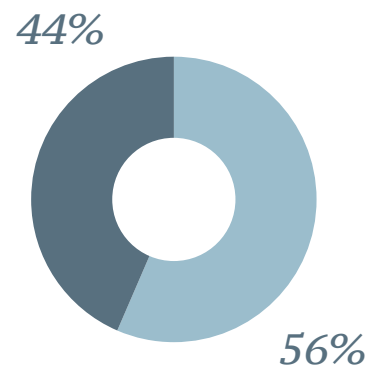
Rank & File



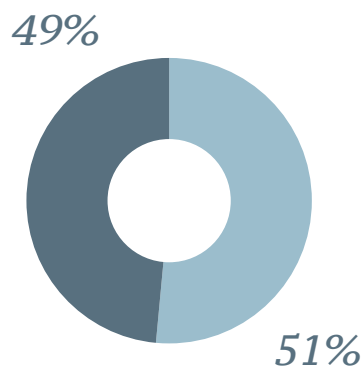
Middle Management



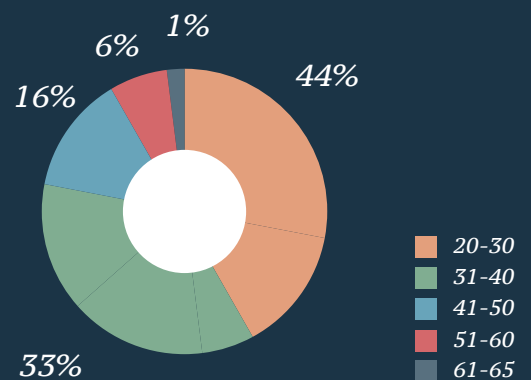
Total Organization



Supervisory Level



Organization Split by Age



Leaders of the **ORGANIZATION**

In line with the Company's long-term orientation and the need to build an organization that will deliver targets that will be set for decades to come, Century Pacific Food announced last March 2018 a number of organizational changes.

Mr. Christopher "Chris" T. Po officially takes on the role of Executive Chairman, with Mr. Teodoro "Ted" T. Po succeeding him as President and CEO.

Mr. Chris Po previously served as the Company's Chairman, President & CEO, while Mr. Ted Po previously served as the Company's Executive Vice President and Chief Operating Officer.

The company's Board of Directors also promoted Mr. Gregory "Greg" H. Banzon and Mr. Edwin C. Africa to the positions of Executive Vice President-Chief Operating Officer and Senior Vice President-General Manager respectively.

"Our entire management team has been working closely and effectively over the last several years with Ted, Greg, and Edwin as major pillars. Greg and Edwin are exceptional professional executives who have proven their ability to drive performance and grow their respective businesses," Chris said.

He added, "These organizational changes improve as well our corporate governance structure and further reinforce the important roles our professional managers play in executing the Company's goals. This will then allow me and the Board to focus even more on our top priorities which include pursuing strategic initiatives, ensuring sustainable business growth and longevity, and strengthening our organization and management teams."

In anticipation of these organizational changes, Mr. Ronald M. Agoncillo was appointed as Vice President and General Manager of the Company's milk business in August 2017, and Mr. Wilhelmino D. Nicolasora, Jr. was appointed as Vice President of Domestic Sales in January 2018.

Additionally, the Company increased its number of Board seats from seven to nine members.

In June 2017, Mr. Enrique A. Gomez, Jr. was first elected as Director, and Ms. Maria Leah Peachy T. Pacquing was first elected as Independent Director. Mr. Gomez and Ms. Pacquing have assumed positions in the Company's different committees in compliance with SEC regulations.

BOARD OF DIRECTORS

Founder and Chairman Emeritus of Century Pacific Food, Inc. (CNPF). A self-made entrepreneur, he started his professional career as a journalist then moved on to advertising where he started and managed Cathprom Advertising Co. and later became a stock broker. He founded CNPF in 1978 and grew it to become one of the largest canned food companies in the Philippines. Mr. Po, Sr. was awarded Masters in Business Administration by the University of Santo Tomas in 2006. He is the father of Ricardo Gabriel T. Po, Teodoro Alexander T. Po, Christopher T. Po, and Leonardo Arthur T. Po.

Ricardo S. Po, Sr.
Founder and Chairman Emeritus



Re-elected as Chairman, President, and Chief Executive Officer of the Company on June 30, 2017. He now serves as Executive Chairman effective March 15, 2018. He concurrently serves as the Chairman of Shakey's Pizza Asia Ventures, Inc. (PIZZA). Prior to joining the Company, he was Managing Director for Guggenheim Partners, a U.S. financial services firm, where he was in charge of the firm's Hong Kong office. Previously, he was a Management Consultant at McKinsey and Company working with companies in the Asian region. He also



Christopher T. Po
Executive Chairman

worked as the Head of Corporate Planning for JG Summit Holdings, a Philippine-based conglomerate with interests in food, real estate, telecom, airlines, and retail. He graduated summa cum laude from Wharton School and College of Engineering of the University of Pennsylvania with dual degrees in Economics (finance concentration) and applied science (systems engineering) in 1991. He holds a Masters degree in Business Administration from the Harvard University Graduate School of Business Administration. Mr. Christopher Po is a member of the Board of Directors of Arthaland Corporation (ALCO), a property developer listed on the PSE, and is a member of the Board of Trustees of WWF-Philippines as well as the Wharton Penn Alumni Club of the Philippines. He is also the President of the CPG-RSPo Foundation, the socio-civic arm of CNPF.

Re-elected Vice Chairman, Executive Vice President, and Chief Operating Officer of the Company on June 30, 2017. He now serves as President and Chief Executive Officer effective March 15, 2018. He is also the Vice Chairman of PIZZA. Since 1990, Mr. Teodoro Po has held various positions in CNPF. He graduated summa cum laude from Boston University with a Bachelor of Science degree in Manufacturing Engineering in 1990. He also completed the Executive Education Program (Owner-President Management Program) at Harvard Business School.



Teodoro Alexander T. Po
Vice Chairman,
President & CEO

Re-elected Vice Chairman of the Company on June 30, 2017. He served as the Executive Vice President and Chief Operating Officer of CNPF from 1990 to 2006 and became the Vice Chairman of its Board of Directors in 2006. He graduated magna cum laude from Boston University with a Bachelor of Science degree in Business Management in 1990. He also took the Executive Program (Owner-President Management Program) at Harvard Business School in 2000. He is also a member of the Board of Directors and is in the Executive Committee of ALCO and serves as the Vice Chairman of PIZZA.



Ricardo Gabriel T. Po
Vice Chairman

- *Audit Committee Member*
- *Board Risk Oversight Committee Member*
- *Related Party Transaction Committee Member*

First elected as Director on June 30, 2017. He is currently Chairman of IdeaForma Asia Pacific Group, Inc., a management consultancy company, and a Director of PIZZA. He was President of San Miguel Food and Beverage International, Inc. from 2004 to 2005. From 2001 to 2004, he was President of San Miguel Purefoods Company and Chairman/Director of all food group subsidiaries. He was President of La Tondena Distillers, Inc. (now Ginebra San Miguel, Inc.) from March 2000 to April 2001 and also served as San Miguel Packaging Products President and Chairman of all packaging group subsidiaries from June 1998 to February 2000.



Enrique A. Gomez, Jr.
Director

Re-elected as Director and Treasurer of the Company on June 30, 2017. He is concurrently Executive Vice President and Treasurer of ALCO and Director and Treasurer of PIZZA. Mr. Leonardo Po graduated magna cum laude from Boston University with a degree in Business Administration and has extensive and solid business development experience in the consumer marketing, finance and operations of fast-moving consumer goods, food service, quick-serve restaurants, and real estate development.



Leonardo Arthur T. Po
Director and Treasurer

Re-elected as Lead Independent Director of the Company on June 30, 2017. He is a well-recognized consultant in family business, strategy, entrepreneurship, and governance. Mr. Lukban holds undergraduate degrees in Engineering (Mechanical and Industrial from De La Salle University, Manila) and graduate degrees in Economics (MSc in Industrial Economics from the Center for Research & Communication, now University of Asia & the Pacific) and in business (MBA from IESE, Barcelona, Spain). He spent much of his early professional years in academia, helping establish the University of Asia & the Pacific where he currently participates as a consultant, mentor, and guest lecturer. He is a founding fellow of the Institute of Corporate Directors and an International Fellow of the Australian Institute of Company Directors. He also serves as a Director of Central Azucarera de Tarlac and as an Independent Director of PIZZA.



Fernan Victor P. Lukban
Lead Independent Director

- *Audit Committee Chairman*
- *Board Risk Oversight Committee Member*
- *Corporate Governance Committee Member*
- *Related Party Transaction Committee Member*

Re-elected as Independent Director of the Company on June 30, 2017, and has extensive experience in the consumer goods and marketing industries. Mr. Cua served as the President and General Manager of Procter & Gamble Philippines from 1995 to 2006. Prior to that, Mr. Cua held a number of positions at Procter & Gamble, including Manager of Product Development and Project Supply at Procter & Gamble Taiwan and Category Manager of Procter &



Johnip G. Cua
Independent Director

Gamble Philippines. Mr. Cua currently serves as the Chairman of Xavier School, Inc., as Chairman and President of Taibrews Corporation, and as a member of the Board of Directors of various corporations including BDO Private Bank, PAL Holdings, Inc., MacroAsia Corporation, and STI Education Systems Holdings, Inc. among others. Mr. Cua has received a number of awards, including the Agora Awards' Outstanding Achievement in Marketing Management (1998) and Procter & Gamble Global Marketing Organization's Passionate Leadership Award (2006). Mr. Cua holds a Bachelor of Science degree in Chemical Engineering from the University of the Philippines.

- *Corporate Governance Committee Chairman*
- *Related Party Transaction Committee Chairman*

First elected as Independent Director on June 30, 2017. Ms. Pacquing has extensive experience in business strategy, consumer marketing, communications, business development, and operations, providing consultancy services to several organizations. She served as the Chief Executive Officer of Ogilvy & Mather Philippines from 2012-2013. Prior to this, she has held various creative, strategic planning and management positions in Ogilvy & Mather Philippines since 1994, providing expertise in online and offline advertising, customer relationship management, and public



Maria Leah Peachy T. Pacquing
Independent Director

relations. She currently serves as a Senior Lecturer at the College of Fine Arts of the University of the Philippines and formerly was a Senior Industry Fellow at the School for Design and Arts of the College of Saint Benilde. She has recently finished her Masters in Digital Media Management granted by Teeside University in United Kingdom through Hyper Island in Singapore. She also holds a Bachelor of Fine Arts degree in Visual Communication from the University of the Philippines.

- *Audit Committee Member*
- *Board Risk Oversight Committee Chairman*
- *Corporate Governance Committee Member*

EXECUTIVE OFFICERS

Re-appointed as Chief Financial Officer of the Company on June 30, 2017. He is also the Company's Chief Information Officer and Chief Risk Officer. He first joined CNPF as Director for Finance and Controllership Group in August 1994. Prior to CNPF, Mr. Pobre had 17 years of experience in finance, starting as Assistant Analyst with the Manila Electric Company. He progressed with his career to be Division Chief for Subsidiary Operations Comptrollership Group for Human Settlements Development Corporation, Finance Manager for Commander



Oscar A. Pobre
Chief Financial Officer,
Chief Information Officer
& Chief Risk Officer

Drug Corporation, Budget & Cost Department Manager for Dole Philippines, Inc., Corporate Planning Manager for RFM Corporation, and Corporate Controller for Cosmos Bottling Corporation. Mr. Pobre graduated from the Ateneo de Manila University with a Bachelor of Science degree in Business Management and holds a Master in Business Management degree from the Asian Institute of Management.

Re-appointed as the Vice President – General Manager (Canned and Processed Fish, Tuna Division) of the Company on June 30, 2017. Mr. Banzon now serves as the Executive Vice President and Chief Operating Officer effective March 15, 2018. He served seven years as the General Manager and Business Unit Head at CNPF. He is an Agora Awardee for Marketing Excellence (2014) and was recently conferred a CEO Excel Award for Marketing Communications (2017). Prior to CNPF, Mr. Banzon had 22 years of experience in various general management, marketing, and sales roles including Vice President – Marketing of Johnson & Johnson ASEAN, Managing Director of Johnson & Johnson Indonesia, and General Manager at RFM. Mr. Banzon graduated from De La Salle University with a Bachelor's degree in Commerce (Marketing).



Gregory H. Banzon
Executive Vice President
& Chief Operating Officer

Re-appointed as Vice President – General Manager (Dairy and Mixes) on June 30, 2017. Mr. Africa now serves as Senior Vice President and General Manager of Canned Meat and Corporate Business Services effective March 15, 2018. Prior to joining the Company, Mr. Africa had 23 years of experience in various marketing, commercial, and general management roles at PepsiCo from 2004 to 2012, Nippon Paint from 2001 to 2004, and Procter & Gamble Asia from 1991 to 2001. Mr. Africa graduated from Ateneo de Manila University in 1991 with a degree in Bachelor of Science in Management Engineering.



Edwin C. Africa
Senior Vice President &
General Manager

Re-appointed as Vice President – General Manager (Canned and Processed Fish, Sardines Division) of the Company on June 30, 2017. He was appointed as Vice President and General Manager of the Sardines Plant, Food Service Group, and Corporate Engineering on March 15, 2018. He joined CNPF in 2006 and served 3 years as Business Development Manager for the Fishmeal Operation of the Company and thereafter taking on the VP-General Manager position for the Sardine Division in 2010. Prior to CNPF, he had 29 years of experience in various technical, operations, and business development roles at San Miguel and RFM. He currently serves as the President of the Sardine Association of the Philippines. Mr. Cruz Jr. graduated from the University of the Philippines with a Bachelor of Science in Electrical Engineering and is a Licensed Professional Electrical Engineer.



Cezar D. Cruz, Jr.
Vice President &
General Manager

Re-appointed as Vice President – Head of Sales, Trade Marketing, and Demand Planning of the Company on June 30, 2017. Mr. Agoncillo now serves as Vice President - General Manager of the Milk and Mixes Division. He joined CNPF in 2009 as Vice President for Sales, Trade Marketing, and Demand Planning. Prior to CNPF, he had 10 years experience in various national sales management, systems engineering, and logistics roles in Unilever Philippines and Indonesia, 3M, Shell,



Ronald M. Agoncillo
Vice President & General Manager

Cadbury, and San Miguel. Mr. Agoncillo graduated from De La Salle University with a Bachelor of Science degree in Industrial Management Engineering minor in Mechanical Engineering and is an Alumni of Harvard Business School from his Executive Education Advanced Management Program.

Re-appointed as Vice President - General Manager (Coconut OEM Exports). He served as the General Manager of The Pacific Meat Company, Inc. for two years. Prior to that, he had over 25 years of experience in various general management and sales management roles in both fast-moving consumer goods companies (The Purefoods -Hormel Company Inc., Frabelle Corporation, and Magnolia, Inc.) and business-to-business companies such as San Miguel Pure Foods - Great Food Solutions and San Miguel



Noel M. Tempongko, Jr.
Vice President & General Manager

Packaging Products. He graduated with a B.S. Industrial Engineering degree from the University of the Philippines and is a recipient of the distinguished alumnus award from the UP Alumni Engineers. He also took up advanced management courses from the Asian Institute of Management and has MBA units from UP. He is currently a member of the Management Association of the Philippines.

Re-elected as Vice President - General Manager (Tuna OEM Exports) of the Company on June 30, 2017. Prior to CNPF, Mr. Kho had 21 years of experience in various management, operations, and technical roles including President and General Manager of San Miguel Foods Vietnam and Plant Manager of San Miguel Hoecheong. Mr. Kho graduated from Adamson University with a Bachelor of Science in Chemical Engineering and completed the Management Development Program from the Asian Institute of Management.



Teddy C. Kho
Vice President & General Manager

First elected as Vice President of Domestic Sales on January 19, 2018. He started his career at CNPF in 2011 as National Sales Development Manager and eventually became Assistant Vice President of Trade Marketing and Sales Development prior to his current role. Before joining CNPF, he spent nine years working in various sales management roles and developmental stints in the Philippines and South Asia with multinational companies such as Unilever Philippines, PepsiCo International, Kimberly-Clark Philippines, Inc., and Kimberly-Clark Thailand Ltd.



Wilhelmino D. Nicolasora, Jr.
Vice President

Re-appointed as Vice President of Human Resources and Corporate Affairs of the Company on June 30, 2017. He first joined CNPF in July 2007 and served seven years as Head of Human Resources and Organizational Development. Prior to CNPF, he held various roles in human resources management and development and operations including Vice President of Human Resources for Bechtel Engineering and Alan Packaging Asia. Mr. Villarante graduated from the University of Santo Tomas with a Bachelor of Arts in



Emerson C. Villarante
Vice President

Behavioral Science and holds a Masters in Management from the Asian Institute of Management.

Code of Business CONDUCT AND ETHICS

Compliance with Laws

All employees, in the conduct of business, are obliged to comply with all relevant laws and regulations.

Corruption, Extortion, and Bribery

The company prohibits all forms of corruption, extortion and bribery such as borrowing or receiving money, commissions, offer of promises or soliciting material favours from supplier or customers/clients with which the company has business relationships for his/her own personal benefit.

Conflicts of Interest

The Company respects the rights of its employees to manage their affairs and investments and does not wish to impinge upon their personal lives. At the same time, employees should avoid situations that present a potential conflict between their interests and interests of the company. Also, any activities that create even just the appearance of a conflict of interest should be avoided.

No Gift Policy

All employees are not allowed to solicit or receive gifts from suppliers, clients/ customers, service providers, business partners, and other similar entities for whatever purpose.

Specifically, gifts sent by parties above or received from these parties must be reported to the immediate superior and forwarded to Human Resource Department for action.

Use of Non-public Information

All employees upon joining the company are required to sign and adhere to a confidentiality agreement.

All information about the company should be obtained legitimately and will be used only for legitimate purposes in compliance with internal policies and relevant anti-trust laws and regulations.

Insider Trading

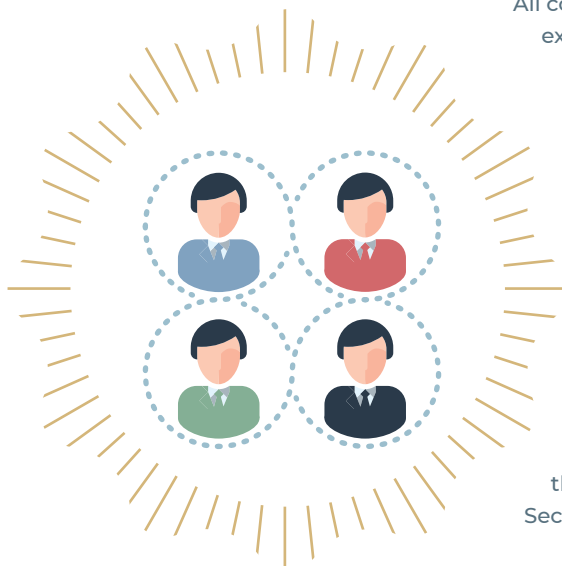
The Company's Insider Trading Policy states that all managers and up are strictly prohibited from buying or selling CNPF shares for five trading days prior to the release of and up to three trading after the disclosure of reports containing material information.

Notices of said trading blackouts are issued to covered persons by email.

Reporting of Personal Transactions

All controlling shareholders, directors, and executive officers, must report any of their dealings in the company's shares, as well as any changes in their beneficial shareholdings in the company to the Compliance Officer.

Said persons are required to report these transactions within three business days from transaction date, after which the Compliance Officer will promptly disclose, according to relevant rules and regulations, the buy or sell details to the Philippine Stock Exchange and Securities Exchange Commission.



Use of Company Assets

The Company as a matter of policy entrusts company assets to employees because of the nature of their job. For this reason, it shall be the duty of the employee to act as responsible custodians, to exercise due care and diligence, and to comply with recording/documentary requirements of the assets.

Conflict Resolution

The Company provides a work environment that is conducive to friendly resolution of disagreement. Superiors are responsible for promoting amicable settlement of conflicts amongst members of their team with the support of Human Resources.

Disciplinary Action

Disciplinary actions are meted only after due process. The Company has a Code of Conduct that serves as a guide for the employees' behavior.

Whistleblower Policy

The whistleblower policy provides an avenue for employees to report misconduct of fellow employees, including their superiors, while protecting the employee's identity and welfare. Good faith reporters are encouraged and empowered to report their concerns, and are protected from adverse consequences, victimization, harassment, or inappropriate disciplinary action as a result of any disclosure.

The whistleblower may submit in writing directly to the Head of Corporate HR, or via email to cpgethics@centurypacific.com.ph.

Fair Trade

Business is dictated by free competition with price dictated by supply and demand. Employees are required to comply with fair trade practices.

Product Quality and Responsible Innovation

Products and services are delivered to meet the specifications, quality and safety criteria specified in the relevant contract documents and are safe for their intended use. Research and Development are conducted responsibly and are based on good clinical practice and generally accepted scientific, technological and ethical principles.

Data Privacy

The company has appointed Charles David P. Ramos as its Data Privacy Officer to address corporate compliance with the Data Privacy Act of 2012, its Implementing Rules and Regulations, and other relevant policies, including issuances of the National Privacy Commission.

The company has also codified the privacy and data protection protocols that need to be observed and carried out, primarily by all department heads who are fully accountable in ensuring that their units' private information as defined are processed in a secure manner.

Employment & Labor Laws & Policies

The company is committed to upholding the rule of law and respect for the rights of labor.

Our fundamental employment principles are based on Philippine regulations and include the following:

1. Business is conducted lawfully and with integrity.
2. Work is conducted on the basis of freely agreed and documented terms of employment with legal compliance.
3. All workers are treated with respect and dignity.
4. Work is conducted on a voluntary basis with no forced or compulsory labor.
5. All workers are of an appropriate age.
6. All workers are paid fair remuneration.
7. Working hours for all workers are reasonable.
8. Our company ensures a healthy and safe working environment, assessing risk and taking all necessary measures to eliminate or reduce it to protect the workers at work. Safety is our main priority.
9. Workers have access to procedures
10. Business is conducted in a manner that embraces sustainability and reduces environmental impact.
11. Progress and compliance are monitored via an internal audit and inspection process





RISK MANAGEMENT

Here we identify the Company's key risk exposures, their potential impact, as well as some of the current processes and procedures that help mitigate them. The risks outlined below are not exhaustive and instead identify only those that are high impact and high probability to the Company.

Moreover, the Company regularly reviews this list and is in the process of refining the way it identifies, understands, quantifies, and manages the effect of risk throughout the organization.

Risk Description	Potential Impact	Mitigation
Fluctuations in prices of key raw materials and other input or operating costs	<ul style="list-style-type: none"> - Lower profitability metrics - Volatility in earnings performance 	<ul style="list-style-type: none"> - Active study and monitoring of raw material availability, prices, and trends - Maintaining a wide network of suppliers - Maximizing scale in order in order to negotiate costs - Developing new ingredient substitutes - Investing in brand name and reputation in order to pass on costs - Product diversification targeting different price points and serving different consumer segments
Actual or alleged contamination; safety concerns	<ul style="list-style-type: none"> - Weakened brand and reputation - Loss of revenue streams 	<ul style="list-style-type: none"> - Continuous investment in quality control systems and procedures - Strong quality conscious culture and organization that spans the entire supply chain - Regular audits that ensure compliance with internationally recognized systems of food safety and contamination prevention.
New entrants or increased competition in various food categories	<ul style="list-style-type: none"> - Loss of market share - Loss of revenue streams 	<ul style="list-style-type: none"> - Regular engagement with customers and market intelligence exercises - Investing in brand name and reputation - Strict management of cost at all levels to ensure products' cost competitiveness
Natural or man-made disasters that may cause failure of normal operations	<ul style="list-style-type: none"> - Loss of revenue streams - Damage to assets 	<ul style="list-style-type: none"> - Ensuring insurable assets are adequately covered at the right valuation - Risk management review and disaster training, especially at the plant and operating levels - Establish a network of potential toll manufacturers
Credit risk of customers, and delays or defaults in payment	<ul style="list-style-type: none"> - Loss of cash - Destabilized liquidity position 	<ul style="list-style-type: none"> - Systematic credit investigation of its customers - Security or collateral requirements in the form of bank guarantees and letters of credit from certain customers - Monitor and manage liquidity ratios - Ensure availability of sufficient working capital credit lines
Trademark infringement or failure to protect proprietary rights	<ul style="list-style-type: none"> - Lost opportunities - Higher legal costs 	<ul style="list-style-type: none"> - Regular upkeep of registration to keep current in all applicable jurisdictions - Active prosecution of any cases of trademark infringement

Risk Description	Potential Impact	Mitigation
Labor unrest and slowdowns	<ul style="list-style-type: none"> - Higher cost of doing business - Higher employee attrition rate 	<ul style="list-style-type: none"> - Establishing a healthy and safe working environment, where work is conducted voluntarily on the basis of freely agreed and documented terms - Providing fair remuneration and reasonable working hours - Engaging employees and ensuring they have access to procedures
Dependence on key executives	<ul style="list-style-type: none"> - Delayed or ineffective operational execution - Medium to long term business objectives at risk 	<ul style="list-style-type: none"> - Active process of succession planning at all levels - Regular benchmarking of compensation - Investing in corporate brand in order to become a destination for top talent
Volatility in macroeconomic and political factors such as foreign exchange, interest rates, availability of funding, rule of law, among others	<ul style="list-style-type: none"> - Lower profitability metrics - Difficulty to fund expansion - Higher cost of doing business 	<ul style="list-style-type: none"> - Limiting gearing ratios and ensuring healthy liquidity and cash generation - Optimizing currency and geographic sales mix to minimize foreign exchange exposure - Selectively engaging in hedging as approved by the Board - Regular review of funding mix by currency, tenor, and manner of pricing (fixed/floating) - Actively engaging key stakeholders and keeping current in all applicable laws and regulation
Interests of the majority shareholders may differ from that of other minority shareholders	<ul style="list-style-type: none"> - Eroded public confidence and higher cost of capital - Difficulty in maximizing value for shareholders 	<ul style="list-style-type: none"> - Regular meetings of Related Party Transaction (RPT) committee to review RPTs at the board level - System to ensure all RPTs are covered by individual agreements that ensure they are arms-length - Regular disclosures and engagement with minority shareholders
Limited new products and product extensions, or new products fail to meet consumer preferences	<ul style="list-style-type: none"> - Disrupted sales growth - Decreased brand relevance 	<ul style="list-style-type: none"> - A focused research and development capability per category - Diligent procurement of consumer insights through focus groups and quantitative as well as qualitative studies - Establishing an active inorganic opportunities program to widen scope for potential new products and brands
General decline in consumer confidence	<ul style="list-style-type: none"> - Lost opportunities - Loss of revenue streams 	<ul style="list-style-type: none"> - Maintaining a broad product portfolio that caters to both the “premiumizing” consumer, as well as the cost and value conscious - Continuously leveraging scale to bring down costs and create more affordable products - Investing in “must have” brands - Maintaining a balanced domestic and export business which diversifies exposure to various consumer markets globally
Change in consumers’ media habits	<ul style="list-style-type: none"> - Ineffective marketing campaigns - Decreased brand relevance 	<ul style="list-style-type: none"> - Ensuring innovation, particularly in marketing and communication methods - Including a digital component in marketing campaigns - Exploring and building on e-commerce as a potential sales channel

STOCK HIGHLIGHTS

STOCK EXCHANGE

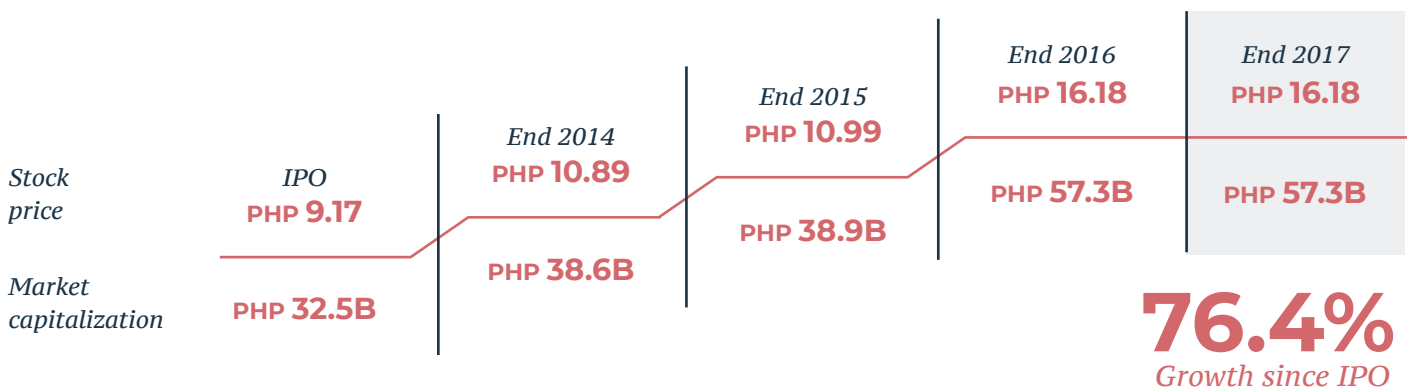
Century Pacific Food, Inc. is listed on the Philippines Stock Exchange (PSE) with the ticker symbol "CNPFI," having a 100-share minimum board lot and no foreign ownership limit. Its Initial Public Offering (IPO) date was May 6, 2014.

INDICES

As of 2017, CNPF forms part of the following indices:

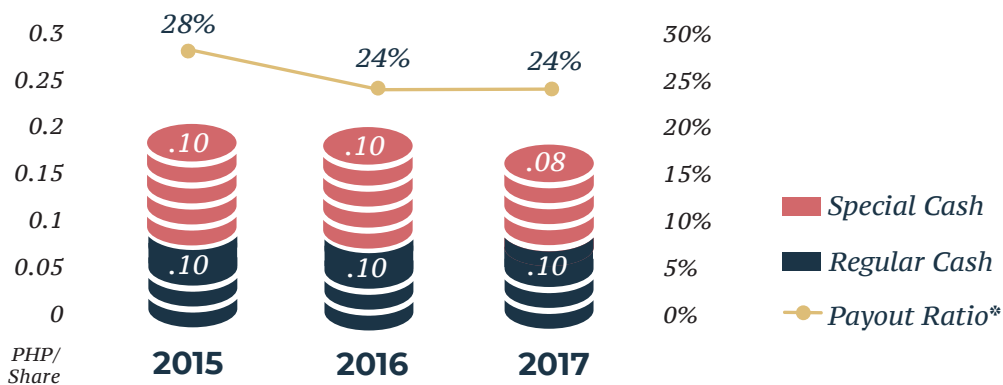
- FTSE Small Cap - Asia Pacific
- FTSE All Cap - Asia Pacific
- MSCI Philippine Small Cap

STOCK PERFORMANCE



Note: A 50% stock dividend had been paid out on August 10, 2016, and stock prices have been adjusted accordingly.

DIVIDEND HISTORY



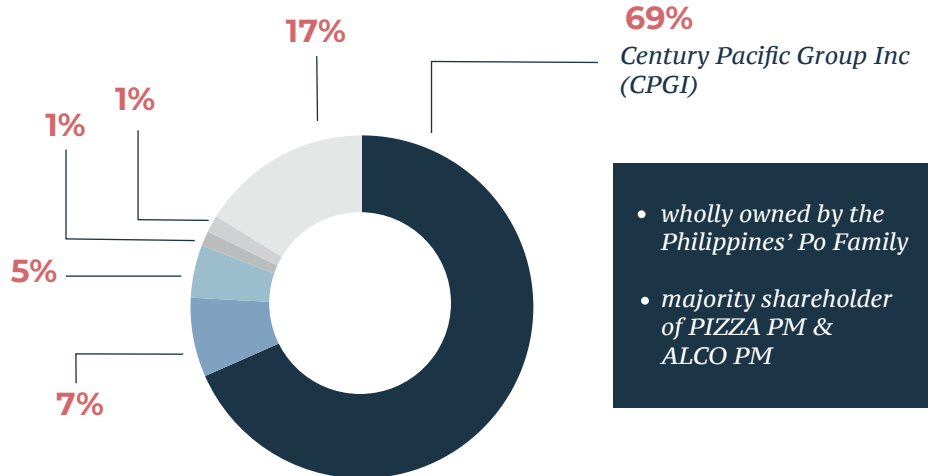
*Of previous year's net income

SHAREHOLDERS

Source: IPREO April 2018

FREE FLOAT LEVEL

31%



- wholly owned by the Philippines' Po Family
- majority shareholder of PIZZA PM & ALCO PM

ANNUAL STOCKHOLDERS' MEETING



CNPF's Annual Stockholders' Meeting takes place every June 30th.

SHARE CAPITAL

CNPF's authorized capital was PHP6 billion, comprising of 6 billion common shares with PHP1.00 par value as of end 2017. As of the same period, there were **3,542,258,595** listed, issued, and outstanding shares. All issued and outstanding shares are listed on the PSE.

Based on the PHP16.18 closing price as of December 31, 2017, the Company ended with a PHP57,313,744,067.10 market capitalization.

OTHER STOCK ISSUANCES



CNPF has issued **4,056,100** common shares following its Employee Stock Purchase Plan (ESPP).

There were no new shares issued in 2018.

A total of **8,269,245** are available for subscription under the ESPP, leaving **4,213,145** shares still unissued.

INFORMATION DISCLOSURES



CNPF discloses and files information in compliance with the requisites put forward by the Philippines Securities and Exchange Commission and the PSE.

Such information are immediately made public in the Company's

corporate website and its official PSE online portal page and may be viewed as follows:

www.centurypacific.com.ph

<http://edge.pse.com.ph>

INVESTOR RELATIONS HIGHLIGHTS

WHY WE ENGAGE



to build a full and fair valuation of the securities' price of publicly listed companies under the group in order to reduce cost of capital and create value for shareholders.



to ensure the companies' continued access to capital markets in order to provide the necessary support for long-term growth.

HOW WE ENGAGE



facilitating effective two-way communication between our companies and the financial community.



building confidence in our companies' strategic plans and gaining trust in management teams' ability to execute them.

The Investor Relations (IR) team is the financial market's main point of contact.

We provide the appropriate information to investors and analysts in a manner that is timely and easy to understand. Said communication program is meant to be clear and consistent, focusing on the key metrics that drive business performance. We facilitate as well all required disclosures to the regulatory authorities, primarily the Philippine Stock Exchange and the Securities and Exchange Commission.

As a trusted source of information, we pride ourselves in freeing up C-suite time, allowing them greater flexibility to focus on operating and building the business.

The primary subject of IR communication is our companies' ability to create shareholder value.

We focus primarily on conveying managements' long-term vision and the many interim key milestones necessary to achieve these goals.

Through this exercise, we hope to build the trust and confidence of long-term shareholders whose objectives most closely align with that of our companies'.

Analysts and investors are also a valuable source of feedback on both the IR program and the broader corporate strategy.

We actively engage third parties to comment on the quality of our work and for their views and expectations of our companies.

Building these productive relationships with financial market participants provide valuable insights that may help support the companies' fundamentals. We use this information flow as an opportunity to obtain new ideas and identify global practices, analyzing them then sharing these with the management team when appropriate.

Giovanna M. Vera
Head – Investor Relations
investorrelations@centurypacific.com.ph

FY 2017 Investor Relations Activities

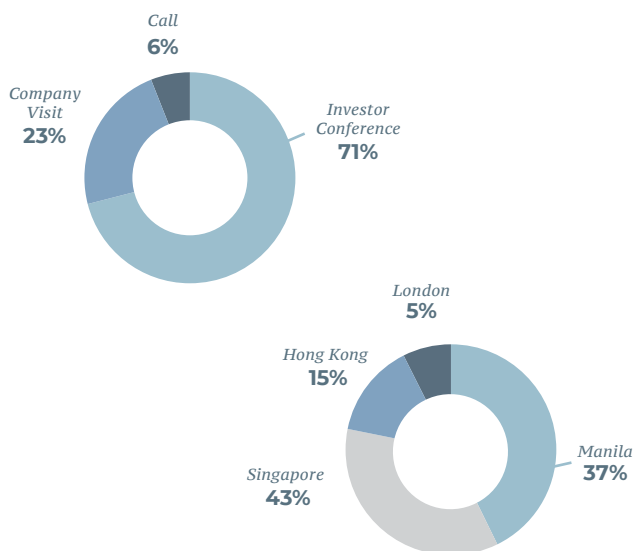
One-on-one meetings with investors;
Onshore and offshore investor conferences

284

Total Number of
Investor Meetings

11

Total Number of
Investor Conferences



Press releases;
Selected manufacturing site visits

10

Total Number of
Press Releases

6

Total Number of
Investor Site Visits



- 1**
Binan, Laguna
Meat Plant
- 1**
Taguig, Metro Manila
Milk & Mixes Plant
- 3**
General Santos
Tuna Processing Plant
- 1**
General Santos
Coconut Processing
Plant

Conference calls on quarterly financial results;
Attainment of sell-side coverage from brokerages

Date	Period (2017)	Presenters
May 10, 2017	First Quarter Earnings Call	CEO, CFO, IR Head
August 7, 2017	First Half Earnings Call	CEO, CFO, IR Head
November 6, 2017	First Nine Months Earnings Call	CEO, CFO, IR Head

Active Sell-Side Coverage

INSTITUTION	ANALYST
Abacus Securities	Frederick Chua
BDO Nomura	Angelo Torres
BPI Jefferies	Javier Consunji
CLSA	Joyce Ramos
COL Financial	Andy Dela Cruz
Credit Suisse	Hazel Tanedo
Deutsche Bank	Carissa Mangubat
First Metro DBS Vickers	Reuben Angeles
Macquarie	Karisa Magpayo
Regina Capital	Patricia Pascual

Use of corporate website

The official corporate website,

www.centurypacific.com.ph



is easily accessible across different platforms and devices. It contains all pertinent and updated company information such as business segments, financial highlights, financial calendar, and more.

Use of glossy annual report

Century Pacific produces a glossy annual report containing a comprehensive overview and performance of the company for the year. Highlights include company milestones, business infographics, feature articles, sustainability report, financial statements, and other useful information to shareholders, potential investors, customers, and the general public.



As part of its sustainable and responsible environmental practices, this year's glossy annual report is printed using 100% recycled eco-friendly paper.

SUSTAINABILITY HIGHLIGHTS

STOCK HEALTH FOR TUNA

in the WESTERN PACIFIC OCEAN



What we use for most of our marine products:

Skipjack Tuna



Abundant and can reproduce year-round in tropical and subtropical waters



Far from being overfished even in the future



Being measured to limit catching of non-skipjack species

Source: ISSF, "Status of the World Fisheries for Tuna: November 2017"



Century Tuna Handline's production employs a sustainable fishing method ("handline") that eliminates by-catch and juveniles, contributing to the conservation of marine life. Moreover, in partnership with the World Wildlife Fund, P1.00 from the sale of each Century Tuna Handline product will support the development of a small-scale tuna sustainability program in the Philippines.

For details, log on to wwf.org.ph

Fully Compliant with 20 of 20 Applicable ISSF Conservation Measures

Century Pacific remains a committed member of global initiatives that address sustainability issues, particularly those involving tuna supply. Its ongoing membership in the International Seafood Sustainability Foundation (ISSF), through wholly-owned subsidiary General Tuna Corporation, requires strict annual compliance to all ISSF conservation measures. ISSF engages MRAG Americas to conduct an audit of this performance against conservation measures and commitments in force since 2015. CNPF also works closely with responsible Regional Fisheries Management Organizations, Government Agencies, environmental advocates, and peers in the industry to ensure compliance with global policies and consequently protect the ocean stocks for future generations.

1. Tuna Regional Fisheries Management Organizations (RFMO) Authorized Vessel Record

All purchases must be from vessels listed on the authorized vessel record of the RFMO governing the ocean area in which the tuna was caught, at the time of the fishing trip, so long as the vessel is of a size subject to listing in the RFMO authorized vessel record.

2. RFMO Participation

All purchases must be from vessels flagged to a member or cooperating non-member of RFMO relevant to fishing area.

3. Product Traceability

Demonstrate ability to trace products from can code or sales invoice to vessel and trip.

4. Quarterly Data Submission to RFMO

Send quarterly information to RFMO scientific bodies on the last day of the immediately following calendar quarter

5. Shark-Finching Policy

Company establishes and publishes policy prohibiting shark finning.

6. Prohibition of Transactions with Shark-Finching Vessels

Refrain from transactions with vessels that have shark finned within two years of the product purchase date.

7. Prohibition of Transactions with Companies without a Public Policy Prohibiting Shark Finning

No transactions with companies that do not have a public policy prohibiting shark finning.

8. Large-Scale Pelagic Driftnets Prohibition

No transactions in vessels using large-scale pelagic driftnets.

9. Full Retention of Tunas

All purse seine caught tuna retained onboard, except those unfit for human consumption as defined, or when in the final set of a trip, there is insufficient well space to accommodate all fish caught in that set.

10. Skipper Best Practices

Unless exempt, skipper has attended an ISSF Skippers Workshop in person, has viewed the Skippers Workshop video online, or has reviewed the Skippers Guidebook.

11. Transactions with Vessels that Use Only Non-Entangling Fish Aggregating Devices (FADs)

Processors, traders, importers, transporters, marketers and others involved in the seafood industry shall conduct transactions only with those

purse seine vessels whose owners have a public policy regarding the use of only non-entangling (NE) FADs.

12. Unique Vessel Identifiers (UVI) – International Maritime Organization (IMO)

All purchases must be from vessels with an IMO UVI number if the vessel is capable of being registered by IMO.

13. Purse Seine Unique Vessel Identifiers

All purse seine vessels with which the company transacts in tuna, and which are not able to receive an IMO UVI number, must have a TUVI issued by CLAV or ISSF.

14. Observer Coverage

Evidence of 100% observer coverage (human or electronic) on large-scale purse seine vessels unless exempt or prevented by force majeure.

15. Transshipments

Unless exempt, no transactions in tuna where transportation included transshipment.

16. Illegal, Unreported and Unregulated (IUU) Fishing

No transactions with vessels on any tuna RFMO IUU vessel list.

17. Illegal, Unreported and Unregulated (IUU) Product Response

No IUU purchases. If IUU found, company must withdraw these products from the marketplace.

18. Transaction Ban for Large-Scale Purse-Seine Vessels not Actively Fishing for Tuna as of December 31, 2012

Demonstrate that all purchases of large-scale purse seine vessels are from vessels actively fishing for tuna as of December 31, 2012 and listed on the ISSF Record of Large-Scale Purse Seine Vessels.

19. Registration of Controlled Vessels

Register all controlled purse seine vessels on the PVR.

20. Purchases from PVR Vessels

For fishing trips beginning on or after January 1, 2016, source 100% of skipjack, yellowfin and bigeye tuna caught by large-scale purse seine vessels from vessels registered in the PVR.

The Company's full compliance audit results as reported by MRAG are available on the ISSF website (<http://issf-foundation.org/>) and on CNPF's website (<http://www.centurypacific.com.ph/>).

GIVING BACK



KALUSUGAN AT ISIPAN NAALAGAAN

Since its conception in 2010, the “KAIN Po” program (which translates in English to “let’s please eat”) has continued to provide feeding programs to the poorest districts and provinces in the country with the goal of improving the health of the resident children and consequently, increase their enthusiasm in attending schools. For 2017, the KAIN Po programs were held in Laguna and Taguig in partnership with the Department of Education Taguig-Pateros.

In the five schools the KAIN Po team visited in Taguig, over 100 recipients in a span of 120 feeding days were served in the feeding program. In San Pablo, Laguna, over 500 recipients in a span of 120 feeding days were served. The launch of the event was made special by having a Century Cook fest where the products of CNPF were creatively made into different dishes incorporating local vegetables found in Laguna and given to the school children. Both programs culminated in a pledge from both school and CNPF parties to continue to implement and monitor the growing initiative.

To date, the KAIN Po program has served over 15 million meals and continues to grow with over 81 partners nationwide. With a special focus on alleviating malnutrition among school children, CNPF hopes to nourish children by not just feeding the body but also the mind.



PARTNERING TO INSPIRE MARINE CONSERVATION

Century Tuna, the country’s number one tuna, opened the first-ever KidZania Marine Conservation Lab at KidZania Manila last November 2016. The facility was established by the leading tuna brand in collaboration with the World Wildlife Fund for Nature (WWF) Philippines.

On hand to welcome guests were CNPF Executive Chairman Christopher Po and EVP-COO Gregory Banzon, KidZania Philippines State Governor Maricel Arenas, and WWF President Joel Palma. They emphasized the crucial role that the facility can play in raising awareness and interest among kids on the value of marine research and conservation. Given the country’s dependence on marine resources, it is important to protect our gift of biodiversity.

The KidZania Marine Conservation Lab is an indoor play city where kids can learn about marine ecosystems, sustainability, and the need to care for our seas through a mock underwater facility that houses models of marine ecosystems and research workstations. As marine conservationists, kids are tasked to study marine ecosystems and come up with solutions to problems they face.

Visitors such as Senator Kiko Pangilinan, former Century Tuna celebrity ambassador James Reid, and WWF celebrity ambassadors Iza Calzado and Marc Nelson also attended the opening to support the mission of sparking children’s curiosity on marine sustainability.



EMPLOYEES’ CHILDREN SCHOLARSHIP PROGRAM

Every start of the academic year, CNPF gives back to its employees by rewarding scholarship grants to selected children who academically excel in either grade school, high school, or college, and are in need of financial assistance. Alongside an advocacy of promoting and encouraging education, this also comes as another way of the



company to show appreciation to its many loyal and dedicated employees around the country.

8 SECURE WORK AND ECONOMIC GROWTH
REACHING OUT TO TRIBAL COMMUNITIES

Since its inception in 2015, CNPF's Job Caravan Program in General Santos, Mindanao has been helping tribal communities increase their income source by providing job opportunities to their indigenous inhabitants. The Job Caravan Program continues to this day with six major recruitment hubs among the tribal communities in different municipalities and districts.

Those who are qualified and wish to take the opportunity are brought down to the city and are first oriented on basics such as good manufacturing procedures, sanitation standard operating procedures, safety and health standards, security procedures, core values, medical orientation, and production parameters. They are then deployed to the company's manufacturing plant where they undergo three sets of training on CNPF's fish cleaning parameters, then are assigned to different sections of the production area.

With the help of municipal mayors, district captains, Philippine Employment Services Office managers, tribal leaders, and company service providers, CNPF has been able to provide jobs to a total of 1,450 indigenous workers since 2015. Currently, there are around 600 of these workers active in the tuna plant under the program, providing invaluable assistance to CNPF's tuna business in reaching its ever increasing targets.

16 PEACE AND JUSTICE THROUGH RECOVERY
KAPATID FOR MARAWI

Last June 2017, CNPF was quick to react to the distress caused by acts of terror and violence in Marawi City through involvement with relief operations and humanitarian assistance. In partnership with Go Negosyo and the #KapatidForMarawi project, CNPF was able to help alleviate the hunger of over 50,000 locals evacuated across the city. Donations included coconut water and packed tuna rice, along with further contributions of clothes, slippers, mats, gas stoves, and mobile phone cards. Letters of support were also sent as part of the efforts of #KapatidForMarawi to

bring hope for peace and harmony to the people of Marawi.

15 LIFE ON LAND
EMPLOYEE ENGAGEMENT ACTIVITIES

CNPF gives opportunities for its subsidiaries to have independent projects that let them give back to the communities and causes they are passionate about.

Representatives from the tuna OEM exports segment and packaging division joined the June 5, 2017 tree growing activity at the Upper Labay, General Santos City as part of their social responsibility in protecting the environment. Furthermore, in coordination with EMB-DENR REGION 12, they also participated in the Environment Month Orchestrated Clean Up. This drive is in line with the celebration of June as the Philippine Environment Month & June 5 as the World Environment Day. A total of 46 participants were armed with trowels, brooms, and gloves. Everybody showed excitement and fun as they picked debris at the shoreline.

CNPF in partnership with the Environmental Management Bureau



EMD-DENR XI let the sardines group extend its arm to spend a half day clean-up at the river. Selected employees participate during the clean-up session with a total of more than 40 sacks of garbage collected quarterly.

The milk division, through its Corporate Social Responsibility arm, gave back to the community in Taguig via Adopt and Paint a School Building, Milk Feeding, Lunchbox and School Supplies Giving at Taguig Integrated School (TIS). They were able to donate around 200 lunchboxes, 200 tumblers, and 200 soup bowls for the students. Furthermore, they were able to raise cash donations of Php 13,600 which was used to buy 50 sets of reading materials.



With the help of the Vita Coco brand, CNPF was able to partner with Friends of Hope, a social enterprise that aims to create sustainable social impact. The partnership began in 2016 with the objective of providing assistance to coconut farmers in certain regions

in Mindanao through four different areas of engagement.

Coconut farmers will be receiving high quality seedlings with which they can either grow into trees or breed more seeds, having more potential sources of income. These skills will be enhanced through their training on agricultural fundamentals, land planning, seed breeding and distribution, and the like. The partnership will then assist the farmers in gaining market access and improving their market linkage for when their products are ready for purchasing. To further ease the end-to-end process for the farmers, a technology-enabled extension is in the works to improve information flow to farmers such as an early-warning system for the weather or pests. Assistance in market prices, access requirements, governments services, and others are also provided.

As of 2017, more than 3,700 seedlings have been distributed to almost 2,800 farmers with now over 50 market linkages. Ultimately, the partnership hopes to be able to train the coconut farmers as self-sustaining workers, applying what they have learned and

optimizing the resources given to them.

In addition, PHP5.00 from every purchase of Vita Coco products goes directly to supporting these programs. Through this, everyone is able to lend a helping hand in giving, growing, and guiding the coconut farming communities.



PROTECTING THE DAVAO GULF

CNPF has renewed its partnership with the World Wildlife Fund (WWF) to promote sustainable tuna fishing practices in the Davao Gulf. According to a study presented to the Bureau of Fisheries and Aquatic Resources (BFAR) in 2008, the Davao Gulf is among the Philippines' most overfished sites. It recently absorbed the bulk of displaced tuna fishers from General Santos.

Initiatives range from strengthening local tuna fishers' associations to creating a science-based tuna fisheries management plan. The project with CNPF shall improve local fisheries' governance and meat-handling practices, maximizing economic benefits by bridging



fishers with preferential foreign markets, and establish external support sources.



SUSTAINABLE FISHING AND GIVING BACK TO OUR PARTNERS

To conserve marine life and to provide a ready market for local fisherfolk have been the core of CNPF's business model since its establishment in 1978 as a pioneering tuna canning facility in the Philippines. The company's partner fishermen and fishing companies supply an estimated 200 to 250 tons of sardines a day to CNPF, and one way of giving back is to support the daily operation of these hundreds of fisherfolk.

Hassan is just one of the many fisherfolk that fish in the vast sea surrounding the Sardines Capital of the Philippines. His daily catch reaches up to some 500 tubs of sardines. With CNPF's help, Hassan now owns a fishing boat, a step up from his small, rented boat, and is

more confident that he'll be able to provide well for the needs of his 10 kids. "Fishing is much better now as we already have a guaranteed buyer of our catch. We also need not tap a middleman to market our fish," he says in Filipino. CNPF, in return, is committed to buying his and other fishermen's produce at a fair market price as a way of, not only improving the lives of less privileged Filipinos from the countryside, but also maintaining its high quality operations which can only be as good as the marine environment and fisherfolk that support it.



THE LINKSFARM PROJECT

For years, CNPF has continuously sought avenues to help partner farmers by letting them engage in business and become self-sufficient to sustain their livelihood. Recently, CNPF's Tuna division partnered with the Department of Agrarian Reform to help farmers from General Santos City gain access to fair and consistent buyers for their vegetables.

Many times these farmers fail to sell their produce at market price. To prevent this from occurring, LinkSFarM, which stands for "Linking Smallholder Farmers to the Market", organizes them into barangay-based small groups, and coordinates production programs and collective marketing of the products. The project is being implemented in 10 regions, 21 provinces and 31 project sites, and helps supply CNPF's various vegetable requirements.

Including being able to help support CNPF's requirements, these partner farmers have seen a 120% increase in income for eggplant, 16% increase in income for sweet pepper, and 40% increase in income for carrots in 2017.



SUPPORTING FILIPINA MOVERS AND SHAKERS

Last March 2018, CNPF helped sponsor the biggest women event of the year organized by Go Negosyo in partnership with the ASEAN Business Advisory Council



Philippines — the 10th Filipina Entrepreneurship Summit.

In line with its commitment to gender diversity in the workplace, CNPF supported this celebration of women and their capacity to be agents of economic change and progress. With a special focus on the modern-day Filipina as a prime driver of the local entrepreneurial scene, the summit provided a platform for stories of hope and inspiration to be shared.

emissions, the equivalent of more or less 170,000 car miles that would have required planting 3,000 full-grown trees to offset. This solar installation is a pilot project for CNPF, which will continue to explore other means of utilizing renewable energy in various parts of the production process, as a way to improve the quality of life of customers, employees, communities, and the planet.



GIVING BACK... TO THE ENVIRONMENT

Building on CNPF's current efforts in sustainable practices, the company made its first step into renewable energy with solar power now running its cold storage facility in General Santos City. In day time, more than 20% of the storage facility's power requirements are provided by solar energy, reducing its overall grid dependency. In a year, it mitigates production of over 68,000 kilograms of carbon

MANAGEMENT DISCUSSION AND ANALYSIS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2017, the Company's total assets increased to PHP23.36 billion compared to PHP19.93 billion as of end 2016. Net property, plant, and equipment registered at PHP4.94 billion. Capital expenditures totaled to PHP1.53 billion, consisting mainly of new equipment and additional plant capacity at the different manufacturing facilities of the Company.

Total equity grew to PHP14.48 billion from PHP12.54 billion at the end of 2016, coming mainly from the Company's generated net income during the year. Book value per share (BVPS) increased by 15% to PHP4.09 compared to PHP3.54 as of end 2016.

Total liabilities also increased to PHP8.88 billion from PHP7.39 billion, mainly driven by the increase in interest-bearing debt to PHP3.71 billion. The increase was used to partially fund capital expenditures and the acquisition of the Philippine license for Hunt's. All of the Company's debt is denominated in Philippine pesos, with 56% revolving and 44% long-term with fixed interest rates.

Nevertheless, the Company retained its strong and healthy balance sheet with current ratio at 2.06x and debt-to-equity ratio at 0.61x. Total debt-to-equity net of cash and interest-bearing debt over equity were likewise stable at 0.51x and 0.26x respectively.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Consolidated net revenue totaled PHP34.50 billion which represents a 22% growth from PHP28.29 billion a year ago. This likewise brings the Company's three-year compounded annual growth rate to 19% since 2014.

Revenue performance in 2017 can be attributed to an 18% increase in the sales from the Company's branded business as well as the global market recovery for private label tuna and key product diversifications in coconut. Both the improvement in tuna prices and the expansion in coconut lines resulted to revenues from the Company's original equipment manufacturer (OEM) business surging by 34%.

CNPF's cost of sales, consisting mainly of raw material and packaging costs, grew by 32% or higher than the increase in revenues. The steep rise is mainly attributable to elevated raw material prices throughout the year compared to 2016.

As a result, CNPF's consolidated gross profit for the twelve months ending 2017 totaled PHP8.52 billion, yielding a gross profit margin of 24.7%.

The Company's total operating expense, which is comprised of selling, distribution, marketing, and administrative expenses, amounted to PHP5.48 billion for the full-year ending December 31, 2017. This represents a 15.9% cost-to-sales ratio, lower than the previous year's 18.4%.

CNPF's consolidated operating income for 2017 reached PHP3.43 billion, translating to an operating income-to-sales ratio of 9.9%. All in all, consolidated net income after tax totaled PHP2.55 billion for the full-year ending December 31, 2017. This is 4% lower than the reported net income in 2016 of PHP2.66 billion due primarily to higher raw material prices relative to their cyclical lows the year before.

Despite these challenges, the Company has nonetheless achieved a three-year compounded annual net income growth rate of 17% since 2014 - above its target sustainable growth of 10 to 15%. CNPF's overall resilience during this period is attributable to a diversified product base, robust sales, efficient operations, and a management team that is committed to delivering long-term earnings growth.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Cash as of end 2017 stood at PHP1.55 billion. Operating activities registered a PHP2.21 billion total inflow with operating cash more than enough to cover changes in working capital. Net cash used in investing activities amounted to PHP2.04 billion, while net cash generated by financing activities amounted to PHP679 million.

The cash conversion cycle significantly improved to 83 days from 103 in the previous year, owing mainly to a normalized inventory level. As of end 2017, accounts receivable, inventory, and payable days stood at 56, 98, and 71 respectively. As a result, working capital increased slightly to PHP7.29 billion from PHP6.75 billion during the previous year.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Century Pacific Food, Inc. (the "Company") is responsible for the preparation and fair presentation of the financial statements, including the additional schedules attached therein, for the years ended December 31, 2017, 2016, and 2015, in accordance with the Philippine Financial Reporting Standards. This includes implementing internal controls as Management deems necessary to enable the preparation of financial statements free from material misstatement whether due to fraud or error.

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

The Board of Directors is to oversee the Company's process of financial reporting. The Board reviews and approves the financial statements, including the additional schedules attached therein, and submits the same to the shareholders.

Navarro Amper & Co., the independent auditor appointed by the shareholders, has verified the Company's financial statements in accordance with the Philippine Standards on Auditing and has conveyed its judgment on the fairness of presentation, upon completion of such audit, in its report to the shareholders.



Christopher T. Po
Chairman of the Board / Chief Executive Officer



Oscar A. Pobre
Chief Financial Officer

Signed this 19th day of March 2018.

INDEPENDENT AUDITORS' REPORT

To the Stockholders and the Board of Directors
CENTURY PACIFIC FOOD, INC.
(A Subsidiary of Century Pacific Group, Inc.)
7TH Floor, Centerpoint Building, Julia Vargas St., Ortigas Center
Pasig City, Metro Manila

Opinion

We have audited the consolidated financial statements of Century Pacific Food, Inc. and Subsidiaries (the "Group") which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2017, 2016 and 2015, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2017 and 2016, and of its financial performance, and cash flows for the years ended December 31, 2017, 2016 and 2015, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matters

Goodwill Impairment

Goodwill has been recognized in the consolidated statements of financial position resulting from acquisitions of the Group. Under PFRS, the Group is required to annually test the goodwill for impairment. This annual impairment test was significant to our audit because the aggregate balance of goodwill amounting to P2.95 billion is material to the consolidated financial statements and represents 12.64% of the consolidated total assets of the Group as at December 31, 2017.

Under PFRS 3 and PAS 36, the Group is required to annually test the goodwill for impairment. Management conducts annual impairment test to assess the recoverability of the carrying values of goodwill. This annual impairment test involves a number of key sensitive judgments made in determining the inputs used in the assessment process.

The carrying values of goodwill as at December 31, 2017 are disclosed in Note 13 to the consolidated financial statements.

Our audit performed and responses thereon

Our audit procedures were focused on performing a detailed understanding of the Management's assessment process and challenging the key sensitive judgments applied as follows:

- We reviewed the Group's position on the impairment of goodwill, including information about the Group's project plan, current year developments, current risk evaluations business outlook, revenue potential and market penetration assessment of the subsidiaries to which the goodwill relates to; and
- We assessed and challenged the reasonableness of the projected revenue and profit in the next five years and the present value of future cash flows, including the assumptions used in estimating the weighted average cost of capital (WACC).

Based on our audit procedures, we have noted that the Group's assessment and the judgments used are reasonable.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2017, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2017 are expected to be available to us after the date of this auditors' report.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or with our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Bonifacio F. Lamacang, Jr.

Navarro Amper & Co.

BOA Registration No. 0004, valid from December 4, 2015 to December 31, 2018

SEC Accreditation No. 0001-FR-4, issued on January 7, 2016; effective until January 6, 2019, Group A

TIN 005299331

By:



Bonifacio F. Lamacang, Jr.

Partner

CPA License No. 0098090

SEC A.N. 0526-AR-3, issued on April 21, 2016; effective until April 21, 2019, Group A

TIN 170035681

BIR A.N. 08-002552-18-2018, issued on January 26, 2018; effective until January 26, 2021

PTR No. A-3745362, issued on January 5, 2018, Taguig City

Taguig City, Philippines

March 26, 2018

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31

	Notes	2017	2016
ASSETS			
Current Assets			
Cash and cash equivalents	8	P 1,548,564,038	P 695,627,006
Trade and other receivables - net	9	5,329,148,100	3,954,507,265
Due from related parties	27	185,761,559	91,119,638
Held-to-maturity investments	10	-	12,890,266
Inventories - net	11	6,995,169,800	7,528,824,781
Biological assets	14	22,723,872	34,817,782
Prepayments and other current assets - net	12	476,669,793	439,785,766
Prepaid income tax		125,956,986	
Total Current Assets		14,683,994,148	12,757,572,504
Non-current Assets			
Property, plant and equipment - net	15	4,935,811,422	3,945,425,348
Intangible assets	13	3,584,481,536	3,053,757,483
Deferred tax assets	33	95,250,778	118,001,892
Other non-current assets	16	59,925,720	57,435,661
Total Non-current Assets		8,675,469,456	7,174,620,384
		P23,359,463,604	P19,932,192,888
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	18	P 5,031,476,188	P 4,729,866,256
Borrowings	17	2,088,500,000	670,500,000
Income tax payable		-	148,631,288
Due to related parties	27	21,814,442	89,994,184
Total Current Liabilities		7,141,790,630	5,638,991,728
Non-Current Liabilities			
Borrowings - net of current portion	17	1,619,500,000	1,633,500,000
Retirement benefit obligation	19	107,501,371	118,327,684
Deferred tax liability	33	7,555,760	2,547,668
Total Non-current Liabilities		1,734,557,131	1,754,375,352
		8,876,347,761	7,393,367,080
Equity			
Share capital	20	3,542,258,595	3,541,028,895
Share premium	20	4,928,095,509	4,911,986,439
Share-based compensation reserve	28	8,324,313	5,262,360
Other reserves		30,628,942	30,628,942
Currency translation adjustment		39,742,739	34,922,860
Retained earnings		5,934,065,745	4,014,996,312
		14,483,115,843	12,538,825,808
		P23,359,463,604	P19,932,192,888

See Notes to Consolidated Financial Statements.

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES
(A Subsidiary of Century Pacific Group, Inc.)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31

	Notes	2017	2016	2015
Net Revenues	21	P34,495,703,425	P28,287,788,370	P23,324,528,579
Cost of Goods Sold	22	25,972,795,962	19,677,984,326	17,128,162,072
Gross Profit		8,522,907,463	8,609,804,044	6,196,366,507
Other Income	23	428,078,385	272,039,674	100,151,771
		8,950,985,848	8,881,843,718	6,296,518,278
Operating Expenses	24	5,481,880,817	5,217,647,358	3,529,030,226
Finance Costs	17	106,978,129	77,427,650	1,158,333
Other Expenses	25	39,991,707	51,334,489	35,942,100
		5,628,850,653	5,346,409,497	3,566,130,659
Profit Before Tax		3,322,135,195	3,535,434,221	2,730,387,619
Income Tax Expense	32	770,238,525	879,838,159	796,712,841
Profit for the Year		2,551,896,670	2,655,596,062	1,933,674,778
Other Comprehensive Income (Loss)				
Item that will be reclassified subsequently to profit or loss				
Currency translation adjustment		4,819,879	(13,583,867)	29,029,136
Item that will not be reclassified subsequently to profit or loss				
Remeasurement gains (losses) on retirement benefit obligation - net of tax	19	4,779,310	22,118,897	(24,203,701)
		9,599,189	8,535,030	4,825,435
Total Comprehensive Income		P 2,561,495,859	P 2,664,131,092	P 1,938,500,213
Basic and Diluted Earnings Per Share	30	P0.7204	P0.7500	P0.8664

See Notes to Consolidated Financial Statements.

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES
(A Subsidiary of Century Pacific Group, Inc.)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2017, 2016 and 2015

	Notes	Share Capital (Note 20)	Share Premium (Note 20)	Share-based Compensation Reserve (Note 28)	Other Reserves	Currency Translation Adjustment	Retained Earnings	Total
Balance, January 1, 2015		P2,231,021,604	P2,769,337,410	P3,376,984	P30,628,942	P19,477,591	P1,526,494,752	P 6,580,337,283
Profit for the year		-	-	-	-	-	1,933,674,778	1,933,674,778
Other comprehensive income (loss):								
Currency translation adjustment		-	-	-	-	29,029,136	-	29,029,136
Remeasurement of retirement benefit obligation - net of tax	19	-	-	-	-	-	(24,203,701)	(24,203,701)
Total Comprehensive Income		-	-	-	-	29,029,136	1,909,471,077	1,938,500,213
Transactions with owners:								
Issuance of share capital		P129,664,329	2,142,649,029	-	-	-	-	2,272,313,358
Cash dividends	29	-	-	-	-	-	(446,204,321)	(446,204,321)
Equity-settled share-based compensation - net of tax	28	-	-	1,885,376	-	-	-	1,885,376
Balance, December 31, 2015		2,360,685,933	4,911,986,439	5,262,360	30,628,942	48,506,727	2,989,761,508	10,346,831,909
Profit for the year		-	-	-	-	-	2,655,596,062	2,655,596,062
Other comprehensive income (loss):								
Currency translation adjustment		-	-	-	-	(13,583,867)	-	(13,583,867)
Equity-settled share-based compensation	19	-	-	-	-	-	22,118,897	22,118,897
Total Comprehensive Income		-	-	-	-	(13,583,867)	2,677,714,959	2,664,131,092
Transactions with owners:								
Stock dividends	29	1,180,342,962	-	-	-	-	(1,180,342,962)	-
Cash dividends	29	-	-	-	-	-	(472,137,193)	(472,137,193)
Balance, December 31, 2016		3,541,028,895	4,911,986,439	5,262,360	30,628,942	34,922,860	4,014,996,312	12,538,825,808
Profit for the year		-	-	-	-	-	2,551,896,670	2,551,896,670
Other comprehensive income:								
Currency translation adjustment		-	-	-	-	4,819,879	-	4,819,879
Remeasurement of retirement benefit obligation - net of tax	19	-	-	-	-	-	4,779,310	4,779,310
Total Comprehensive Income		-	-	-	-	4,819,879	2,556,675,980	2,561,495,859
Transactions with owners:								
Issuance of share capital		1,229,700	16,109,070	-	-	-	-	17,338,770
Cash dividends	29	-	-	-	-	-	(637,606,547)	(637,606,547)
Equity-settled share-based compensation	28	-	-	3,061,953	-	-	-	3,061,953
Balance, December 31, 2017		P3,542,258,595	P4,928,095,509	P8,324,313	P30,628,942	P39,742,739	P5,934,065,745	P14,483,115,843

See Notes to Consolidated Financial Statements.

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES
(A Subsidiary of Century Pacific Group, Inc.)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31

	Notes	2017	2016	2015
Cash Flows from Operating Activities				
Profit before tax		P3,322,135,195	P3,535,434,221	P2,730,387,619
Adjustments for:				
Depreciation and amortization	13, 15	525,324,463	359,353,532	152,384,578
Finance costs	17	106,978,129	77,427,650	1,158,333
Retirement benefit expense	19	40,285,134	34,255,249	57,822,016
Loss on inventory obsolescence	11	11,956,952	18,970,008	17,913,363
Loss on decline in value of inventories	11	10,796,525	6,841,777	3,715,224
Doubtful accounts expense	9	5,501,642	94,097,956	5,587,422
Share based compensation expense	28	3,061,953	-	1,885,376
Provisions	24	2,936,341	-	7,848,982
Loss on impairment of PPE	15	2,006,445	-	-
Loss on impairment of input VAT	12	1,444,836	5,418,732	13,024,320
Loss (Gain) on disposal of property, plant and equipment - net	15	(3,276,212)	(5,211,839)	3,553,569
Interest income	23	(4,911,950)	(5,854,099)	(7,629,931)
Reversal of allowance for doubtful accounts	9	(33,463,059)	-	-
Reversal of accruals	18	(54,401,233)	(70,256,049)	-
Reversal of allowance of inventory	11	(56,387,327)	(6,183,465)	-
Unrealized foreign exchange loss (gain) - net		(130,357,623)	(5,081,326)	11,108,137
Loss (Gain) from sale of scrap - net	23	(157,750,288)	(4,177,398)	-
Operating cash flows before working capital changes		3,591,879,923	4,035,034,949	2,998,759,008
Decrease (Increase) in:				
Trade and other receivables		(1,213,283,827)	(313,388,493)	(780,105,806)
Due from related parties		(94,641,921)	(49,750,163)	171,287,279
Inventories		725,039,119	(1,547,872,103)	(536,715,353)
Biological assets		12,093,910	(3,388,647)	6,049,054
Prepayments and other current assets		(32,640,321)	(225,333,538)	1,076,670
Other non-current assets		(2,490,059)	(6,593,224)	98,540,100
Increase (Decrease) in:				
Trade and other payables		353,226,551	807,943,333	(404,642,243)
Due to related parties		(68,179,742)	(20,959,272)	(1,378,295,461)
Exchange differences on translating operating assets and liabilities		-	-	(65,863,032)
Cash generated from operations		3,271,003,633	2,675,692,842	110,090,216
Contribution to the retirement fund	19	(44,283,861)	(41,368,897)	(30,621,903)
Income tax paid		(1,019,115,869)	(924,302,005)	(783,033,128)
Interest received		4,332,120	5,248,905	6,057,020
Net cash from (used in) operating activities		2,211,936,023	1,715,270,845	(697,507,795)
Cash Flows from Investing Activities				
Acquisitions of property, plant and equipment	15	(1,531,804,883)	(1,558,923,826)	(1,067,965,095)
Acquisitions of intangible assets	13	(537,896,000)	(61,474,788)	-
Proceeds from sale of property, plant and equipment		18,847,518	357,931,434	364,478,128
Maturities of HTM investments	10	12,798,425	14,300,000	151,410,000
Interest income received	10	91,841	605,194	2,825,759
Acquisitions of subsidiaries (net of cash acquired)	13	-	(11,176,770)	(3,371,395,587)
Net cash used in investing activities		(2,037,963,099)	(1,258,738,756)	(3,920,646,795)
Cash Flows from Financing Activities				
Proceeds from issuance of share capital	20	17,338,770	-	2,272,313,358
Proceeds from borrowings	17	2,665,000,000	1,544,000,000	2,250,000,000
Repayments of borrowings	17	(1,261,000,000)	(1,490,000,000)	-
Dividends paid	29	(637,606,547)	(472,137,193)	(446,204,321)
Finance costs paid		(104,768,115)	(64,932,233)	-
Net cash from (used in) financing activities		678,964,108	(483,069,426)	4,076,109,037
Net Increase (Decrease) in Cash and Cash Equivalents		852,937,032	(26,537,337)	(542,045,553)
Cash and Cash Equivalents, Beginning	8	695,627,006	722,164,343	1,264,209,896
Cash and Cash Equivalents, Ending	8	P1,548,564,038	P 695,627,006	P 722,164,343

See Notes to Consolidated Financial Statements.

Disclaimer: Notes to the Company's financial statements are not presented here. The complete set of financial statements, including the notes, are covered by the independent auditor's report and are made available to all shareholders through the definitive information statement for the annual stockholders' meeting on July 3, 2018. A copy of the full set of financial statements may be downloaded through the Company's website (www.centurypacific.com.ph)

AWARD HIGHLIGHTS



Century Tuna and Argentina
awarded as
Trusted Brands
by *Reader's Digest*



Awarded
Philippines' Best Mid Cap Company
by *Finance Asia*



Awarded
Marketing Company of the Year
by *Agora Awards*



Awarded for
Gregory Banzon
Communication Excellence
by *Communication Excellence in Organizations Excel Awards*



Former VP-GM for Canned Tuna
now EVP-COO Gregory Banzon
awarded for
Marketing Excellence
by *Agora Awards*



Debuted on the
FTSE Small Cap and All Cap Indices - Asia Pacific



Initial Public Offering
named
Best Deal in the Philippines
by *Asset Publishing and Research Ltd.*



Awarded
Philippines' Best Mid Cap Company
by *Finance Asia*



Awarded
Asia's Marketing Company of the Year
by *Asia Marketing Federation*



Awarded
Philippines' Third Best at Investor Relations
by *Finance Asia*



Awarded
Philippines' Best Managed Small Cap Company
by *Asia Money*



Awarded
1000 High-Growth Companies - Asia Pacific
by *Financial Times*



Debuted on the
MSCI Philippine Small Cap Index

CONTACT INFORMATION

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Century Pacific Food, Inc. is committed to sustainable and responsible environmental practices. This 2017 glossy annual report is printed using 100% recycled eco-friendly paper.