

SECURITIES AND EXCHANGE COMMISSION

**SEC FORM 17-Q QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER**

1. For the quarterly period ended **June 30, 2025**
2. Commission identification number **CS201320778**
3. BIR Tax Identification No. **008-647-589-000**
4. **Century Pacific Food, Inc.**
Exact name of issuer as specified in its charter
5. **Pasig City, Philippines**
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. **7/F Centerpoint Bldg., Julia Vargas Ave. Garnet Rd. Ortigas Center Pasig City, 1605**
Address of issuer's principal office Postal Code
8. **+632 - 8633 - 8555**
Issuer's telephone number, including area code
9. **Not Applicable**
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Common Stock P1 par value
Number of shares of common stock outstanding	3,542,258,595 Shares

11. Are any or all of the securities listed on a Stock Exchange?
Yes ☒ No ☐

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Main Board of the Philippine Stock Exchange, Common Shares

12. Indicate by check mark whether the registrant:
 - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
Yes ☒ No ☐
 - (b) has been subject to such filing requirements for the past ninety (90) days.
Yes ☒ No ☐

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited interim consolidated financial statements of Century Pacific Food, Inc. and its wholly owned subsidiaries General Tuna Corporation, Snow Mountain Dairy Corporation, Allforward Warehousing Inc., Century Pacific Agricultural Ventures Inc., Century Pacific Food Packaging Ventures Inc., Century Pacific Seacrest Inc., General Odyssey Inc., Millennium General Power Corporation., The Pacific Meat Co. Inc., Coco Harvest Inc., Centennial Global Corporation, and Century Pacific North America Enterprise Inc. (collectively, the “Company” or “CNPF”) as of and for the period ended June 30, 2025, and the comparative period in 2024 is attached to this 17-Q report, comprising of the following:

- 1.1 Consolidated Balance Sheets as of June 30, 2025 and December 31, 2024
- 1.2 Consolidated Statement of Income for the period ended June 30, 2025 and June 30, 2024
- 1.3 Consolidated Statement of Cash Flows for the period ended June 30, 2025 and June 30, 2024
- 1.4 Consolidated Statement of Changes in Shareholder’s Equity for the period ended June 30, 2025 and June 30, 2024
- 1.5 Notes to Consolidated Financial Statements for the period ended June 30, 2025

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (Based on the unaudited consolidated financial statements for the period ended June 30, 2025)

Business Overview

Century Pacific Food, Inc. (PSE:CNPF or the Company) is one of the leading food and beverage companies in the Philippines. It owns a portfolio of well-recognized and trusted brands in the canned and processed fish, canned meat, and dairy and mixes, coconut, pet food, and plant-based business segments. These brands include well-established names such as Century Tuna, 555, Ligo, Argentina, and Birch Tree, as well as emerging and challenger names such as Blue Bay, Fresca, Swift, Wow, Lucky Seven, Angel, Coco Mama, unMEAT, and Goodest. CNPF exports its branded products to international markets, particularly where there are huge Filipino communities such as the United States and Middle East. The Company is also among the Philippines’ largest exporters of private label original equipment manufacturer (OEM) tuna and coconut products.

CPFI traces its history from the Century Pacific Group, a consumer-focused branded food company for more than 40 years. Century Pacific Group began in 1978 when Mr. Ricardo S. Po, Sr. established Century Pacific Group, Inc. (formerly Century Canning Corporation) as an exporter of canned tuna. In subsequent years, Century Pacific Group, Inc. then expanded and diversified into other food-related businesses. Establishing market leading positions, it built a multi-brand, multi-product portfolio catering to a broad and diverse customer base and supported this with a distribution infrastructure with nationwide reach, directly serving hundreds of thousands of retail outlets and food service companies.

In October 2013, the Po Family reorganized the Century Pacific Group to maximize business synergies and shareholder value. It incorporated CNPF, carving out the branded canned seafood, meat, dairy, mixes, and OEM tuna export businesses, folding them into CNPF. On January 1, 2014, CNPF commenced business operations under the new corporate set-up.

CNPF manages its food business through operating divisions and wholly-owned subsidiaries.

The canned and processed fish segment is CPFI's largest business segment. It produces and markets a mix of tuna, sardine, and other fish and seafood-based products under the *Century Tuna*, *555*, *Ligo*, *Blue Bay*, *Fresca*, and *Lucky 7* brands. CNPF acquired Ligo, a legacy brand known for its high quality marine products, in 2022.

The canned meat segment, CPFI's second largest segment, produces corned beef, meat loaf, luncheon meat, and other meat-based products, which are sold under the *Argentina*, *Swift*, *555*, *Shanghai*, and *Wow* brands.

The dairy and mixes segment is comprised of products such as evaporated milk, condensed milk, full cream and fortified powdered milk, chocomalt powdered milk drink, and all-purpose creamer under the *Angel*, *Birch Tree*, and *Choco Hero* brands.

The tuna export segment produces OEM canned tuna, pouched tuna, and vacuum-packed frozen tuna loin products for overseas markets including North America, Europe, Asia, Australia, and the Middle East.

The coconut segment, through wholly-owned subsidiary Century Pacific Agricultural Ventures, Inc., produces high value organic-certified and conventional coconut products for both export and domestic markets. These products include retail-packaged coconut water, organic virgin coconut oil, desiccated coconuts, coconut flour, and coconut milk. It currently also has other coconut-based products under development.

At the end of 2015, CPFI acquired a 100% interest in Century Pacific Agricultural Ventures, Inc., an integrated coconut producer of high value organic-certified and conventional coconut products for both export and domestic markets.

During 2016, CPFI also acquired the license to the Kamayan trademark for North America and the Middle East. The brand is one of the top names in the U.S. market for shrimp paste – a popular condiment in Philippine cuisine, locally known as bagoong.

In 2017, CPFI acquired the Philippine license for Hunt's, the country's number one pork & beans brand. The acquisition also included the transfer of manufacturing assets and inventory related to Hunt's product lineup. This lineup includes pork & beans, tomato-based spaghetti sauce, tomato sauce, and marinade sauce.

In 2020, the Company entered the meat-free market with the launch of the unMEAT brand - the first large-scale vegan meat alternative brand in the Philippines. The brand is rolled out in the retail and institutional channels in the Philippines and in key international markets, such as the USA, Singapore, China, the Middle East, and Australia. unMEAT entered Europe in 2024, achieving distribution in more than 13,000 points of sale globally.

CPFI acquired Pacific Meat Company, Inc. (PMCI), an emerging player in the refrigerated food category. PMCI, which was added to CPFI's portfolio on April 1, 2021, came equipped with its own manufacturing facilities, cold chain distribution, and pipeline of refrigerated products.

The Company launched its pet food business in 2021, through a brand called Goodest. As of yearend 2024, CNPF was present in both cat and dog food segments.

In 2024, CNPF acquired 100% interest in Coco Harvest, Inc. (CHI), which owns a fully integrated coconut processing facility located in Misamis Occidental, Mindanao. The facility has the capability to produce higher value coconut-based products such as coconut water, coconut milk, desiccated coconut, and virgin coconut oil. The capacity expansion supports approximately 1,500 quality manufacturing jobs in Mindanao.

Results of Operations

- CNPF's consolidated net income after tax for the six months ended June 30, 2025, totaled P3.9 billion, representing a 7% growth versus the net income after tax of P3.6 billion reported during the same period last year.
- The Branded segment, which comprised the bulk of CNPF sales, clocked in a growth rate of 9% year-on-year for the six-month period, underpinned by double-digit volume growth. Key subcategories – Marine, Meat, and Milk & Other Emerging segments – reported growth from the comparable period last year, supported by an improving consumer landscape amidst easing inflation.
- Meanwhile, CNPF's OEM Tuna and Coconut Exports segment remained soft in this reporting period, lapping a high 2024 base, facing an unfavorable commodity cycle, and influenced by global macroeconomic uncertainty. During the first half of the year, the OEM Exports segment softened by 10% versus the comparable period in 2024.
- For the six-month period, the company's gross margin slightly contracted by 40 basis points (bps) to 25.7%, driven by higher input costs. At the same time, offsetting the impact of gross margin is OPEX-to-sales. Moderated spending led operating expenses as a percentage of sales to decrease by 60bps to 13.9%. As a result, net profit margin modestly improved by 20bps to 9.8%.

Financial Condition

The Company's financial stability and financial position as of June 30, 2025, is as follows:

- Cash and cash equivalents reached P1.7 billion as of June 30, 2025. Operating activities registered a Php 1.8 billion total inflow. Combined with Php 3.2 billion starting cash position, the Company was able to adequately fund capital expenditures and dividend payments for the period. During the quarter, CNPF declared regular cash dividends amounting to Php 0.55 per share, representing a payout ratio of 30% of the previous year's net income. Net cash used in investing activities amounted to Php 1.5 billion, while net cash used in financing activities was Php 1.8 billion.
- Current ratio stood at 2.28 times as of end June 2025, comparing to end-2024's ratio of 2.47 times. The cash conversion cycle was 86 days as of June 2025. As of end June 2025, accounts receivable and inventory days stood at 58 and 131 respectively, while accounts payable came in at 103 days.
- Property, plant and equipment - net registered at Php 10.8 billion as of end June 2025. Capital expenditures for the first half of the year totaled Php 1.5 billion, consisting of the installation of new equipment and machinery at the different manufacturing facilities of the Company.

- As of end June 2025, the Company's total interest-bearing debt amounted to Php 3.8 billion, Php 688 million of which are due in the next 12 months.
- Total stockholders' equity increases by Php2.0 billion to Php 37.8 billion as of end June 2025, representing net income earned less dividends declared during the six-month period.
- Gearing ratio, measured as total interest-bearing debt over total equity, stood at 0.10 times as of end June 2025, higher versus end December 2024. Net of cash available, net gearing is 0.05 times as of end June 2025. Cash is earmarked for planned Capex for the year.

Key Performance Indicators (KPIs)

	Unaudited Six Months Ended June 30, 2025	Unaudited Six Months Ended June 30, 2024
Gross Profit Margin	25.7%	26.1%
Before Tax Return on Sales	11.9%	11.5%
Return on Sales	9.8%	9.6%
Interest-Bearing Debt-to-Equity	0.10X	0.11X
Current Ratio	2.28X	2.53X

Notes:

1 Gross Profit margin = Gross Profit / Net Revenue

2 Before Tax Return on Sales = Net Profit Before Tax / Net Revenue

3 Return on Sales = Net Profit After Tax / Net Revenue

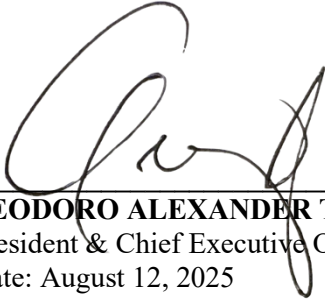
4 Interest-Bearing Debt-to-Equity = Loans Payable / Total Stockholders' Equity

5 Current Ratio = Total Current Assets / Total Current Liabilities

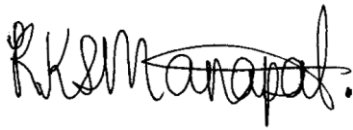
SIGNATURES

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

CENTURY PACIFIC FOOD, INC.



TEODORO ALEXANDER T. PO
President & Chief Executive Officer
Date: August 12, 2025



RICHARD KRISTOFFER S. MANAPAT
Vice President & Chief Finance Officer
Date: August 12, 2025

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group Inc)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in Philippine Peso)

	Unaudited	Audited
	June 30, 2025	December 31, 2024
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	1,703,204,377	3,227,606,273
Trade and Other Receivables - net	12,254,545,043	10,718,133,404
Inventories - net	20,526,392,375	18,593,752,925
Due from Related Parties	230,362,347	249,575,960
Prepayments and other current assets	5,638,650,268	3,195,953,784
Total Current Assets	40,353,154,410	35,985,022,346
Property, plant & equipment - net	10,819,891,766	10,023,483,010
Right of use asset - net	1,532,147,391	1,705,105,396
Intangible Assets	5,999,465,108	6,010,223,027
Deferred Tax assets	1,395,730,731	1,326,450,706
Retirement benefit assets	16,647,808	16,647,808
Other non-current assets	202,975,026	174,295,170
Total Non-current Assets	19,966,857,830	19,256,205,117
Total Assets	60,320,012,240	55,241,227,463

Liabilities & Stockholders' Equity**Liabilities**

Current Liabilities		
Trade and Other Payables	16,152,458,808	13,786,983,036
Due to Related Parties	49,979,746	40,135,878
Income Tax Payable	544,693,927	168,582,580
Finance Lease obligation - current	248,959,010	358,563,283
Current portion of borrowings	24,076,203	24,076,203
Short-term Loans Payable	663,850,000	200,000,000
Total Current Liabilities	17,684,017,694	14,578,340,980
Borrowings - net of current portion	3,083,762,411	3,099,762,411
Retirement Benefit Payable	257,567,899	183,161,042
Finance Lease obligation - non-current	1,522,336,924	1,566,173,197
Total Non Current Liabilities	4,863,667,234	4,849,096,650
Total Liabilities	22,547,684,928	19,427,437,630
Stockholders' Equity		
Share Capital	3,542,258,595	3,542,258,595
Share Premium	4,936,859,146	4,936,859,146
Currency translation adjustments	33,425,184	25,734,786
Retained Earnings	29,220,944,047	27,270,096,966
Share-based compensation reserve	8,211,398	8,211,398
Appraisal Increment / Other Reserves	30,628,942	30,628,942
Total Stockholders' Equity	37,772,327,312	35,813,789,833
Total Liabilities & Stockholders' Equity	60,320,012,240	55,241,227,463

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group Inc)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Philippine Peso)

	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Net Revenue	39,714,918,731	37,741,001,920
Cost of Good Sold	29,515,722,503	27,905,332,054
Gross Profit	10,199,196,228	9,835,669,866
Other Income (Expense)	202,976,323	104,280,221
Operating Expenses	5,505,896,794	5,441,656,185
Operating Income	4,896,275,757	4,498,293,902
Financing Cost	151,238,957	169,990,868
Net Profit before tax	4,745,036,800	4,328,303,034
Income Tax Expense (Benefit)	845,947,493	694,147,870
Net Profit after Tax	3,899,089,307	3,634,155,164
Other Comprehensive Income	7,690,397	(17,737,729)
Total Comprehensive Income	3,906,779,704	3,616,417,435
Basic and Diluted Earnings Per Share	1.10	1.03

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group Inc)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Philippine Peso)

	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2024
Net Revenue	19,778,810,755	19,589,382,321
Cost of Good Sold	14,796,744,302	14,491,219,001
Gross Profit	4,982,066,453	5,098,163,320
Other Income (Expense)	199,121,130	(68,104,653)
Operating Expenses	2,607,586,120	2,672,682,072
Operating Income	2,573,601,463	2,357,376,596
Financing Cost	84,720,388	65,711,879
Net Profit before tax	2,488,881,076	2,291,664,717
Income Tax Expense (Benefit)	494,859,254	379,460,565
Net Profit after Tax	1,994,021,821	1,912,204,152
Other Comprehensive Income	4,283,621	(15,346,594)
Total Comprehensive Income	1,998,305,442	1,896,857,558
Basic and Diluted Earnings Per Share	0.56	0.54

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group Inc)

CONSOLIDATED CHANGES IN EQUITY

(Amounts in Philippine Peso)

	Capital Stock	Additional Paid-in Capital	Deposit on Future Subs	Revaluation Reserves		Foreign Currency Translation Gain	Unappropriated Retained Earnings	Appropriated Retained Earnings	Total
				Shared Based	Reserves				
Balance at January 1, 2025									
As previously reported	3,542,258,596	4,936,859,146	-	8,211,398	30,628,942	25,734,788	10,270,096,965	17,000,000,000	35,813,789,835
As stated	3,542,258,596	4,936,859,146	-	8,211,398	30,628,942	25,734,788	10,270,096,965	17,000,000,000	35,813,789,835
Transactions with owners									
Cash Dividends							(1,948,242,227)		(1,948,242,227)
	-	-	-	-	-	-	(1,948,242,227)	-	(1,948,242,227)
Total comprehensive income									
Net profit for the year							3,899,089,307		3,899,089,307
Foreign currency translation gain						7,690,397			7,690,397
Total other comprehensive income	-	-	-	-	-	7,690,397	3,899,089,307	-	3,906,779,703
Balance as of March 31, 2025	3,542,258,596	4,936,859,146	-	8,211,398	30,628,942	33,425,185	12,220,944,045	17,000,000,000	37,772,327,312
	3,542,258,596	4,936,859,146	-	8,211,398	30,628,942	33,425,185	12,220,944,045	17,000,000,000	37,772,327,312
Balance at January 1, 2024									
As previously reported	3,542,258,595	4,936,859,146	-	8,211,398	30,628,942	38,674,175	7,293,897,104	17,000,000,000	32,850,529,360
As stated	3,542,258,595	4,936,859,146	-	8,211,398	30,628,942	38,674,175	7,293,897,104	17,000,000,000	32,850,529,360
Transactions with owners									
Cash Dividends							(1,700,284,126)		(1,700,284,126)
	-	-	-	-	-	-	(1,700,284,126)	-	(1,700,284,126)
Total comprehensive income									
Net profit for the year							3,634,155,164		3,634,155,164
Foreign currency translation gain						(17,737,729)			(17,737,729)
Total other comprehensive income	-	-	-	-	-	(17,737,729)	3,634,155,164	-	3,616,417,435
Balance as of June 30, 2025	3,542,258,595	4,936,859,146	-	8,211,398	30,628,942	20,936,446	9,227,768,142	17,000,000,000	34,766,662,669

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group Inc)

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in Philippine Peso)

	Unaudited June 30, 2025	Unaudited June 30, 2024
Cash Flows from Operating Activities		
Profit before tax	4,745,036,800	4,328,303,034
Adjustments for :		
Depreciation and amortization	948,776,394	893,452,486
Adjustments on Foreign Currency Translation	7,690,397	(17,737,729)
Finance Costs	151,238,957	169,990,868
Finance Income	-	-
Operating cash flows before working capital changes	5,852,742,548	5,374,008,659
Decrease (increase) in trade and other receivables	(1,536,411,640)	(2,375,735,592)
Decrease (increase) in inventory	(1,932,639,450)	(1,847,953,977)
Decrease (increase) in related party	29,057,481	72,271,699
Decrease (increase) in prepayments and other current assets	(2,442,696,484)	(1,185,938,177)
Decrease (increase) in deferred tax asset	(69,280,026)	(83,364,592)
Decrease (increase) in non current assets	(28,679,855)	82,253,542
Increase (decrease) in trade and other payables	2,365,475,773	2,979,700,210
Increase (decrease) in income tax payables	376,111,348	281,607,869
Increase (decrease) in retirement payable	74,406,857	(29,118,612)
Cash generated from operations	2,688,086,552	3,267,731,029
Income taxes paid	(845,947,493)	(694,147,870)
Net Cash From Operating Activities	1,842,139,059	2,573,583,159
Cash Flows from Investing activities		
Acquisition of property and equipment	(1,525,706,156)	(660,212,892)
Disposal of property and equipment	2,363,901	2,528,481
Net Cash From (Used in) Investing Activities	(1,523,342,255)	(657,684,411)
Cash Flows from Financing Activities		
Proceeds from loan availments	2,891,550,000	1,770,000,000
Repayment of loans	(2,443,700,000)	(3,880,000,000)
Dividends Payment	(1,948,242,227)	(1,700,284,126)
Increase (decrease) in finance lease liability	(191,567,516)	(165,810,610)
Interest paid	(151,238,957)	(169,990,868)
Net Cash From (Used in) Financing Activities	(1,843,198,700)	(4,146,085,604)
Net Increase in cash and Cash Equivalents	(1,524,401,896)	(2,230,186,856)
Cash and Cash Equivalents at Beginning of Period	3,227,606,273	5,050,017,194
Cash and Cash Equivalents at End of Period	1,703,204,377	2,819,830,338

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Century Pacific Food, Inc. (the “Parent Company”) was incorporated and registered with the Philippine Security and Exchange Commission (SEC) on October 25, 2013. The Parent Company is primarily engaged in the business of buying and selling, processing, canning and packaging and manufacturing all kinds of food and food products, such as, but not limited to fish, seafood and other marine products, cattle, hog and other animals and animal products, fruits, vegetables and other agricultural crops and produce of land, including by-products thereof.

The Parent Company’s shares of stocks were listed in the Philippines Stock Exchange (PSE) on May 6, 2014 through initial public offering (IPO) and listing of 229.65 million shares in the PSE at a total value of P3.3 billion.

The Parent Company is 65.5% owned subsidiary of Century Pacific Group, Inc. (CPGI) the ultimate parent, as at June 30, 2025. CPGI is a corporation registered with SEC and is domiciled in the Philippines.

The Parent Company’s registered office and principal place of business, is located at 7th floor, Centerpoint Building, Julia Vargas St., Ortigas Center, Pasig City.

2. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

The consolidated financial statements of the Parent Company and its subsidiaries (the “Group”) have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis of Preparation and Presentation

The consolidated financial statements have been prepared on the historical cost basis, unless otherwise stated. The consolidated financial statements are presented in Philippine peso, the Group’s functional currency.

Subsidiaries

Details of the Company’s subsidiaries as of June 30, 2025, are as follows:

Subsidiary	Business	% Ownership	Country of Residence
Snow Mountain Dairy Corporation (SMDC)	Leasing services	100	Philippines
General Tuna Corporation (GTC)	Manufacturing and exporting of OEM canned, pouched and frozen tuna products.	100	Philippines

Allforward Warehousing Inc. (AWI)	Operating warehouse facilities	100	Philippines
Century Pacific Agricultural Ventures, Inc. (CPAVI)	Manufacturing high value organic-certified and conventional coconut products for both export and domestic markets.	100	Philippines
Century Pacific Seacrest Inc. (CPSI)	Developing, maintaining, licensing and administering marks and all kinds of intellectual property	100	Philippines
Centennial Global Corporation (CGC)	Trademark holding company	100	BVI
Century Pacific Food Packaging Ventures, Inc. (CPFPVI)	Manufacturing tin cans and other packaging materials	100	Philippines
General Odyssey Inc (GOI)	Manufacturing and distribution of feeds	100	Philippines
Millenium General Power Corporation (MGPC)	Development and utilization of renewable energy sources	100	Philippines
The Pacific Meat Co. Inc (PMCI)	Manufacturing and distribution of frozen food products	100	Philippines
Coco Harvest Inc (CHI)	Manufacturing high value organic-certified and conventional coconut products for both export and domestic markets.	100	Philippines
Century Pacific North America Enterprise Inc. (CPNA)	Marketing and distribution of various food products	100	USA

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Changes in Accounting Policies and Disclosures

The Group's accounting policies are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

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

The amendments clarify:

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

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

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

SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and all subsidiaries it controls as at June 30, 2025 and 2024.

The Parent Company's subsidiaries including its ownership interest for each entity is disclosed in Note 2.

Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the noncontrolling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured at cost where cost is the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss and included under "other income (expenses)."

Where goodwill forms part of a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Financial Assets at Amortized Cost

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

The Group's financial assets at amortized cost are subsequently measured using the effective interest (EIR) method. The Group applies the simplified approach in measuring expected credit losses (ECL) for trade receivables which uses a lifetime expected loss allowance for all trade receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information using a provision matrix. The

Group also assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due. Meanwhile, impairment of other financial assets is assessed based on potential liquidity of counterparties based on available financial information.

The Group considers a financial asset in default when contractual payments are over 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual cash flows in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

The Group's financial liabilities are classified as loans and borrowings and payables. These are recognized initially at fair value, net of directly attributable transaction costs, and subsequently measured at amortized cost using the EIR method. A financial liability is derecognized when the obligation under the liability is discharged or canceled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Group's profit or loss.

Inventories

Inventories are initially measured at cost which includes costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Subsequently, inventories are stated at the lower of cost and net realizable value. The costs of inventories are calculated as follows:

Raw materials	Moving average
Work-in-process	Weighted average
Finished goods	Weighted average

Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

Spare parts with useful lives of one year or less are classified as inventories and recognized as expense as they are consumed.

Property, Plant and Equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and amortization and any impairment in value.

Major spare parts qualify as property, plant and equipment when the Group expects to use them for more than one year. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Depreciation is computed on the straight-line method, other than construction in progress, based on the estimated useful lives of the assets as follows:

Asset	Number of years
Land improvements	5-15
Buildings*	5-15
Building improvements*	5-15
Plant machinery and equipment	2-25
Office furniture, fixtures and equipment	2-5
Laboratory tools and equipment	2-14
Transportation and delivery equipment	2-7
Leasehold improvements*	10 years average or term of the lease whichever is shorter

**Presented as buildings and building and leasehold improvements in Note 8.*

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization in the case of licensing agreements with definite useful lives, and any accumulated impairment losses.

Licensing agreements with definite useful lives is amortized over 25 years and assessed for impairment whenever there is an indication that the asset may be impaired.

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Goodwill and intangible assets with indefinite useful lives, such as trademarks, are not amortized, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment of Long-lived Nonfinancial Assets

The Group's investments in property, plant and equipment, right-of-use assets, intangible assets with definite useful lives and other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Provisions

Provisions arising from present obligation are recognized in profit or loss when the timing and amount of settlement can be reliably measured.

Equity-settled share-based payments

Certain benefit-eligible employees of the Company receive an opportunity to purchase the common stock of the Company at a price lower than the fair market value of the stock at grant date.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

Employee Benefits

Defined benefit plan

The Group classifies its retirement benefit as defined benefit plans. Under the defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Retirement benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

Service costs which include current service costs, past service costs, and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

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

Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and return on plan assets (excluding net interest on defined benefit liability or asset) are recognized immediately in the consolidated statements of financial position with a corresponding debit or credit to unappropriated retained earnings through other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Various actuarial assumptions are used in estimating the defined benefit obligation, including discount rates, salary increase rates, employee turnover rates and mortality rates. These assumptions are based on experience, current market conditions, and expert judgment, and they are reviewed and updated regularly to reflect changes in circumstances.

Currency translation adjustment

Currency translation adjustment represents the exchange differences resulting from translating the financial position and results of operations of GTC, CGC, CPNA, CIC, CRL and CST, whose functional currencies differ from the functional currency of the Group.

Revenue from Contracts from Customers

The Group's revenue from contracts with customers primarily consist of revenue from the sale of manufactured goods. Revenue from contracts with customers is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

Sale of goods

The Group contracts to sell goods to the wholesale market and retailers. It identifies each party's rights and payment terms regarding goods to be transferred.

For sales of goods to the wholesale market and retailers, revenue is recognized at a point in time when control of the goods has transferred, either when the goods have been delivered to the wholesalers' and retailers' specific location or when the goods have been shipped out of the Company's warehouse.

Transaction price

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

The transaction price is also adjusted for any consideration payable to the customer. Consideration payable to a customer includes cash amounts that the Group pays, or expects to pay, to the customer

(or to other parties that purchase the Group's goods from the customer). Consideration payable to a customer also includes credit or other items that can be applied against amounts owed to the Group (or to other parties that purchase the Group's goods or services from the customer).

Variable consideration

The amount of consideration can vary because of discounts, rebates, refunds, credits, incentives, penalties or other similar items.

The Group includes in the transaction price some or all of an amount of variable consideration estimated only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group estimated the value of the variable consideration by obtaining the most likely amount in a range of possible consideration amounts.

In assessing whether it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur once the uncertainty related to the variable consideration is subsequently resolved, the Group considers both the likelihood and the magnitude of the revenue reversal. Factors that could increase the likelihood or the magnitude of a revenue reversal include, but are not limited to, any of the following:

- The amount of consideration is highly susceptible to factors outside the Group's influence. Those factors may include volatility in a market, the judgment or actions of third parties, weather conditions and a high risk of obsolescence of the promised goods.
- The uncertainty about the amount of consideration is not expected to be resolved for a long period of time.
- The Group's experience (or other evidence) with similar types of contracts is limited, or that experience (or other evidence) has limited predictive value.
- The Group has a practice of either offering a broad range of price concessions or changing the payment terms and conditions of similar contracts in similar circumstances.
- The contract has a large number and broad range of possible consideration amounts.

The Group re-assessed the variable considerations based on their evaluation of actual trade promotional activities.

Service income

Service income pertains to management fees and is recognized over time as the services are rendered.

Other income

Other income is income generated outside the normal course of business and is recognized at a point in time when control of the goods and services have been transferred to the customer.

Revenue outside the scope of PFRS 15

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Leases

The Group as lessee

Subsequent to initial recognition, the Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms which are from five (5) to 20 years.

Short-term leases and leases of low-value assets

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

Taxes

Income tax expense represents the sum of the current income tax and deferred income tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the financial reporting date.

CPSI and CPFPVI use Optional Standard Deduction (OSD), while other subsidiaries use itemized deductions in the computation of their respective taxable income.

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

CPFI is registered with the Board of Investments (BOI), pursuant to Executive Order No. 226 or the Omnibus Investments Code of 1987, as amended by Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act entitled for income tax holiday for canned tuna and its by-product from January 1, 2021 to December 31, 2024 and frozen loins from

June 16, 2022 to December 2024. On December 6, 2023, another entitlement for income tax holiday was granted for the expansion of corned beef from January 1, 2024 to December 31, 2026.

AWI registered its Cold Storage Facilities (Panda 1 and 2) with BOI for Income Tax Holiday (ITH) provided under Article 39(a) of Executive Order No. 226, otherwise known as the Omnibus Investments Code of 1987, as amended by R.A 7918. AWI operations under Panda 1 and 2 are entitled for ITH up to February 28, 2020 and June 30, 2023, respectively. Other income that arises outside from the registered activities of the AWI and local services in excess of 30% is subject to the statutory rate of 25%.

CPAVI is registered with Philippine Economic Zone Authority (PEZA) on June 1, 2021 entitled for gross income tax (GIT) incentive and other PEZA incentives. Registered activity is limited to engage in the manufacturing, processing, including toll manufacturing of coconut products and by-products and the importation of raw materials, machinery, equipment, goods, or merchandise directly used in its registered operations at the MIEZ. CPAVI also have an existing ITH for coco milk and coco water expansion project from July 1, 2022 to June 30 2025 and will be entitled to GIT incentive after the expiration of ITH.

GTC is registered with PEZA on December 23, 2020 entitled for GIT incentive and other PEZA incentives. Registered activity shall be limited to engage in the manufacturing, processing, including toll manufacturing of canned tuna, tuna in pouch, frozen loin and by-products such as fishmeal and fish oil and the importation of raw materials, machinery, equipment, goods, or merchandise directly used in its registered operations at the Millennium Industrial Economic Zone.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the financial reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at financial reporting date.

Value-added Tax (VAT)

Revenues, expenses and assets are recognized net of the amount of VAT except:

- when the VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included.

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the consolidated statement of financial position.

Significant Judgments in Applying Accounting Policies

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant Judgments

The following are the significant judgments, apart from those involving estimations, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Determination of functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the separate financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

The presentation currency of the Group is the Philippine Peso, which is the Parent Company's functional currency. The functional currency of each of the Group's subsidiaries to the consolidated financial statements, is determined based on the economic substance of the underlying circumstances relevant to each subsidiary.

The results of operations and financial position of GTC, CPNA and CGC, which are measured using US Dollar were translated into Philippine Peso using the accounting policies.

Acquisition of CHI qualified as a business combination. In applying the requirements of PFRS 3, *Business Combinations*, an entity or an asset being acquired has to be assessed whether it constitutes a business. The assessment requires identification of inputs and processes applied to these inputs to generate outputs or economic benefits. To be capable of being conducted and managed for the purposes defined, an integrated set of activities and assets requires two essential elements - inputs and processes applied to those inputs, which together are or will be used to create outputs.

The acquisition of CHI in 2024 was considered a business since the Group acquired a set of assets including the operational processes of CHI's coconut business. This transaction was accounted for as a business combination.

Determination of lease term of contracts with renewal option - Group as a lessee. The Group has lease contracts that includes extension option. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in

circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group included the renewal period as part of the lease term for leases of land and buildings. The Group typically exercises its option to renew for these leases because of significant improvements on the leased assets and these assets including the underlying assets are critical to the business of the Group. As such, there will be a significant negative effect on production if a replacement asset is not readily available. The Group has determined that the lease term of these lease contracts ranges from 3 to 20 years.

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment assessment of goodwill and trademarks with indefinite lives. The Group performs recoverability testing annually or more frequently when there are indications of impairment for goodwill and trademarks with indefinite lives. Goodwill acquired through business combination has been allocated to one CGU related to the Group's coco business which is also the operating entity acquired through business combination and to which the goodwill relates. Trademarks with indefinite lives have been allocated separately to the Group's CGU related to the Group's meat, marine, milk and emerging businesses. Recoverability testing requires an estimation of the value in use or fair value less cost of disposal of the CGU to which goodwill and trademarks with indefinite lives are allocated. Estimating the recoverable amount of the CGU involves significant assumptions about the future results of the business such as long-term revenue growth rate, operating expenses, gross margin and discount rate which were applied to cash flow forecasts. The cash flow forecasts were based on financial budgets approved by the BOD covering a five-year period.

The impairment on goodwill and trademark is determined by comparing: (a) the carrying amount of the CGU; and (b) the present value of the annual projected cash flows for five years and the present value of the terminal value computed under the discounted cash flow method for goodwill and value in use computed using the five-year cash flow forecasts under the relief from royalty method for trademark.

Determining method to estimate the variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled to in exchange for transferring the promised goods to customer.

The Group determined that the most likely amount method is appropriate to use in estimating the variable consideration for the incentives given to the customers based on evaluation of actual trade promotional activities. The most likely amount is the single most likely amount in a range of possible consideration amounts.

The Group includes in the transaction price some or all of an amount of variable consideration estimated only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Estimating the incremental borrowing rate on leases. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liability. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Determination of fair value of financial instruments. Where the fair value of financial assets and liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial assets at amortized costs. The Group applied the following judgements and estimates that significantly affect the computation of ECL under PFRS 9.

Definition of Default and Credit-Impaired Financial Assets. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative Criteria.* The borrower is more than 120 days past due on its contractual payments, which is consistent with the Group’s definition of default.
- *Qualitative Criteria.* The borrower meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
 - a. The borrower is experiencing financial difficulty or is insolvent;
 - b. Concessions have been granted by the Group, for economic or contractual reasons relating to the borrower’s financial difficulty; or
 - c. It is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes, unless otherwise stated. The default definition has been applied consistently to model the probability of default, loss given default and expected actual default throughout the Group’s ECL calculation.

- *General approach for cash and cash equivalents, other receivables, due from related parties, security deposits and deposits on utilities.* Under the general approach, at each reporting date, the Group recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial

instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss. The Group has leveraged on available market data for cash in banks to calculate the ECL.

- *Simplified approach for trade receivables.* The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.
- *Grouping of instruments for losses measured on collective basis.* For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. The characteristic used to determine groupings is based on the type of customer.
- *Macro-economic forecasts and forward-looking information.* Macro-economic forecasts are determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group takes into consideration using different macro-economic variables to ensure linear relationship between internal rates and outside factors. Regression analysis was used to objectively determine which variables to use.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past three (3) years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Evaluation of net realizable value of inventories. The Group writes down the cost of inventories whenever net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence or changes in prices level. The lower of cost and net realizable value of inventories is reviewed at each reporting date. Inventory items identified to be obsolete and unusable are also written off and charged as expense in net income in the consolidated statement of comprehensive income.

Estimation of useful lives of long-lived nonfinancial assets. The useful lives of long-lived nonfinancial assets are estimated based on the economic lives of the assets and on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of the long-lived nonfinancial assets are reviewed at reporting date and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the long-lived nonfinancial assets. It is possible, however, that future financial performance could be materially affected by changes in the estimates brought about by changes in factors mentioned above.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Determination of impairment of nonfinancial assets. Impairment review is performed when certain impairment indicators are present.

Determining the value in use of the nonfinancial assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements.

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

The discount rate is derived by discounting all expected benefit payments using interest rates of government bonds that correspond to the timing of benefit payments, after which, a single discount rate is computed considering the aggregate amount of all discounted values.

The mortality rate is based on publicly available mortality tables in the Philippines and is modified accordingly with estimates of mortality improvements. Future salary and pension increases are based on expected future inflation rates in the Philippines.

Recoverability of deferred tax assets. The Group performs an annual evaluation of the realizability of deferred tax assets in determining the portion of deferred tax assets which should be recognized. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the following period. This forecast is based on the Group's past results and future expectations on revenue and expenses. However, there is no assurance that the Group will generate sufficient taxable income to allow all or part of its deferred tax assets to be utilized.

3. SEGMENT INFORMATION

Business segments

For management purposes, the Group is organized into four major business segments: Marine, Meat, Milk and emerging and Corporate and others. These divisions, that focuses on the types of goods or services delivered or provided, are the basis on which the Group reports its primary segment information to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance.

The principal products and services of each of these divisions are as follows:

Business Segment	Products and Services
Marine	Tuna Sardines Other seafood-based products

Business Segment	Products and Services
Meat	Corned beef Meatloaf Refrigerated meat Other meat-based product
Milk and emerging	Distribution of other products Canned milk Powdered milk Coconut beverages Coconut milk Coconut oil Other emerging products
Corporate and others	Shared services Warehousing Packaging Other services

4. CASH AND CASH EQUIVALENTS

	Amount in Php	
	As of June 30, 2025	As of December 31, 2024
Cash on hand	7,384,798	4,675,766
Cash in bank	1,502,469,484	2,729,470,700
Cash equivalents	193,350,095	493,459,806
	1,703,204,377	3,227,606,273

Cash on hand includes petty cash fund.

Cash in banks earn an average interest at rates based on daily bank deposit rates. These are unrestricted and immediately available for use in the current operations of the Group.

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. The Group classifies an investment as cash equivalent if that investment has a maturity of three months or less from the date of acquisition. Cash equivalents represent short-term fund placements with local banks maturing on various dates. These placements are from excess cash and can be withdrawn anytime for operations.

5. TRADE AND OTHER RECEIVABLES

The Group's trade and other receivables consist of:

	As of June 30, 2025	As of December 31, 2024
Trade receivables from third parties	12,131,936,712	10,565,685,376
Advances to officers & employees	78,380,795	72,864,078
Other receivables	516,323,831	539,271,126
	12,726,641,338	11,177,820,581
Less : Allowance for doubtful accounts	472,096,295	459,687,177
	12,254,545,043	10,718,133,404

Trade receivables represent short-term, non-interest bearing receivables from various customers and generally have 60 day terms or less.

Advances to suppliers pertain to the Group's deposits on purchases.

6. INVENTORIES – net

Details of the Group's inventories are as follows:

	Amount in Php	
	As of June 30, 2025	As of December 31, 2024
Finished goods	10,873,172,755	10,562,042,762
Raw and packaging materials	9,405,272,009	7,789,877,348
Work in process	342,332,652	101,617,688
Spare parts and supplies	989,633,195	1,190,836,323
	21,610,410,611	19,644,374,121
Less: Allowance for inventory obsolescence	1,084,018,236	1,050,621,197
	20,526,392,375	18,593,752,925

No inventories are pledged as security for any liability as of June 30, 2025.

7. PREPAYMENTS AND OTHER CURRENT ASSETS

The account consists of:

	Amount in Php	
	As of June 30, 2025	As of December 31, 2024
Advances to suppliers	4,742,598,448	2,178,165,670
Tax credits	646,446,793	513,046,046
Input value added tax (VAT) - net	20,319,525	381,285,548
Prepaid goods and services	-	-
Prepaid insurance	21,379,821	16,343,000
Prepaid rent	26,310,099	19,862,341
Other prepayments	181,595,581	87,251,179
	5,638,650,268	3,195,953,784

Tax credits include creditable withholding taxes withheld by the Group's customers and tax credit certificates (TCC) issued by the Bureau of Customs (BOC). TCCs from BOC are granted to Board of Investment (BOI) registered companies and are given for taxes and duties paid on raw materials used for the manufacture of their export products. The Group can apply its TCC against tax liabilities other than withholding tax or can be refunded as cash.

8. PROPERTY, PLANT AND EQUIPMENT – net

Movements in the carrying amounts of the Group's property plant and equipment are as follows:

	Land and Land Improvements	Building and building and leasehold Improvements	Plant Machinery and Equipment	Transportation and Delivery Equipment	Office Furniture, Fixtures and Equipment	EDP Equipments	Laboratory, Tools and Equipment	Construction in Progress	Total
Cost									
January 1, 2025	63,257,027	4,576,278,868	11,495,234,472	226,031,381	123,265,985	360,868,139	393,256,761	1,651,369,908	18,889,562,541
Acquisition	-	147,969,528	331,819,224	11,389,862	8,519,551	26,353,376	22,825,822	976,828,792	1,525,706,156
Reclassification	-	51,065,450	64,437,932	225,268	1,899,721	789,383	180,732	(118,598,486)	-
Disposal	-	(66,922,677)	(1,259,637)	(8,573,871)	(1,641,147)	(5,860,702)	(14,868,343)	1,010,141	(98,116,235)
	63,257,027	4,708,391,170	11,890,231,991	229,072,639	132,044,109	382,150,197	401,394,973	2,510,610,355	20,317,152,460
Accumulated Depreciation									
January 1, 2025	56,165,255	1,863,898,728	6,101,491,880	143,810,833	99,609,503	273,663,909	327,439,421	-	8,866,079,530
Depreciation and amortization	749,658	151,717,353	522,115,861	14,399,152	5,384,524	16,402,948	16,160,703	-	726,930,199
Disposal	-	(64,570,599)	(639,821)	(8,530,929)	(1,640,902)	(5,499,061)	(14,867,722)	-	(95,749,034)
	56,914,913	1,951,045,482	6,622,967,921	149,679,057	103,353,124	284,567,796	328,732,402	-	9,497,260,694
Carrying Value									
As of June 30, 2025	6,342,114	2,757,345,687	5,267,264,071	79,393,583	28,690,985	97,582,401	72,662,571	2,510,610,355	10,819,891,766
Cost									
January 1, 2024	59,739,201	4,275,195,668	10,607,538,165	186,479,012	111,087,341	329,405,956	389,278,664	678,082,143	16,636,806,150
Acquisition	1,850,000	69,830,155	478,482,430	46,714,517	10,083,701	37,856,223	20,260,740	1,661,165,716	2,326,243,482
Reclassification	1,667,826	128,615,369	533,038,250	6,010,730	5,088,494	3,089,195	10,368,088	(687,877,952)	-
Acquisition arising from business combination	-	122,144,059	30,537,453	3,195,343	-	-	1,632,978	-	157,509,832
Disposal	-	(19,506,382)	(154,361,826)	(16,368,220)	(2,993,551)	(9,483,235)	(28,283,708)	-	(230,996,923)
	63,257,027	4,576,278,868	11,495,234,472	226,031,381	123,265,985	360,868,139	393,256,761	1,651,369,908	18,889,562,541
Accumulated Depreciation									
January 1, 2024 AD	54,845,606	1,576,406,081	5,235,379,719	131,801,439	93,547,340	251,814,875	312,737,581	-	7,656,532,641
Depreciation and amortization	1,319,649	306,854,724	1,022,623,481	25,471,045	9,017,071	29,674,991	42,519,232	-	1,437,480,191
Reclassification	-	(46,098)	(2,312,848)	2,356,829	(136,089)	136,089	2,117	-	-
Disposal	-	(19,315,978)	(154,198,471)	(15,818,480)	(2,818,819)	(7,962,046)	(27,819,508)	-	(227,933,302)
	56,165,255	1,863,898,728	6,101,491,880	143,810,833	99,609,503	273,663,909	327,439,421	-	8,866,079,530
Carrying Value									
As of December 31, 2024	7,091,772	2,712,380,140	5,393,742,591	82,220,547	23,656,482	87,204,231	65,817,340	1,651,369,908	10,023,483,010

9. OTHER NON-CURRENT ASSETS

Details of the Group's other non-current assets as of June 30, 2025, and December 31, 2024, are as follows:

	Amount in Php	
	As of June 30, 2025	As of December 31,
Deferred Charges	(28,752,311)	556,780
Security deposits	215,547,419	152,368,612
Returnable containers	16,179,917	21,369,777
	202,975,026	174,295,170

Security deposits pertain to the required amounts under the terms of the lease agreements of the Group with certain lessors.

10. LOANS PAYABLE

Details of the Group's loans payable as of June 30, 2025, and December 31, 2024, are as follows:

	Amount in Php	
	As of June 30, 2025	As of December 31, 2024
Short term loans payable	687,926,203	224,076,203
Long term loans payable	3,083,762,411	3,099,762,411
	3,771,688,614	3,323,838,614

11. TRADE AND OTHER PAYABLES

The Group's trade and other payables consist of:

	Amount in Php	
	As of June 30, 2025	As of December 31, 2024
Trade payables	4,333,178,620	3,678,907,476
Accrued Payable	11,402,631,536	9,397,205,443
Non trade payables	302,935,387	211,638,718
Vat Output payable - net	(7,552,689)	192,385,056
Withholding taxes payable	100,312,691	295,269,986
Other current payables	20,953,263	11,576,357
	16,152,458,808	13,786,983,036

Trade payables and non-trade payables are generally on a 30 to 90-day term.

No interest is charged on trade and non-trade payables. Accrued expenses are non-interest bearing and

are normally settled within one year. The Group has financial risk management policies in place to ensure that all payables are paid within the credit period.

12. RELATED PARTY TRANSACTIONS

In the normal course of business, the Group transacts with companies which are considered related parties under PAS 24, *Related Party Disclosures*.

The outstanding balances as of June 30, 2025, and December 31, 2024, are presented as follows:

Related Party Category	Amount of Transactions during the year		Outstanding Receivable/Payable		Terms and Condition
	2025	2024	2025	2024	
Ultimate Parent Company					
Sale of inventories	-	-	-	-	On demand; non interest bearing; unsecured
Interest	-	-	-	-	On demand; non interest bearing; unsecured
Service fee	1,891,833	3,119,047	3,193,736	1,766,150	On demand; non interest bearing; unsecured
Cost reimbursement	-	-	-	-	On demand; non interest bearing; unsecured
Acquisition of investment	-	-	-	-	On demand; non interest bearing; unsecured
Rental expense	43,974,304	79,458,344	(20,341,036)	(12,104,305)	On demand; non interest bearing; unsecured
Sale of Fixed Assets	-	-	-	-	On demand; non interest bearing; unsecured
Dividends	1,227,270,000	2,142,144,000	-	-	On demand; non interest bearing; unsecured
Miscellaneous Deposit	-	-	18,681,880	18,681,880	On demand; non interest bearing; unsecured
Cash Advance	-	-	-	-	On demand; non interest bearing; unsecured
Fellow Subsidiaries & Associates					
Shared services fee	1,424,305	2,120,040	3,922,104	4,372,060	On demand; non interest bearing; unsecured
Sale of inventories	99,798,009	272,498,756	197,272,348	208,183,968	On demand; non interest bearing; unsecured
Purchase of inventories	4,316,388	10,601,226	(11,508,766)	(10,129,243)	On demand; non interest bearing; unsecured
Service fee	5,152,009	11,384,998	6,443,128	15,722,752	On demand; non interest bearing; unsecured
Purchase of service	-	3,096,392	-	(907,026)	On demand; non interest bearing; unsecured
Cost reimbursements	34,730,553	67,998,127	(17,422,846)	(16,318,729)	On demand; non interest bearing; unsecured
Rental expense	3,965,037	7,581,875	(707,098)	(676,575)	On demand; non interest bearing; unsecured
Miscellaneous Deposit	-	-	849,150	849,150	On demand; non interest bearing; unsecured
Royalty Fee	466,006	1,010,000	-	-	On demand; non interest bearing; unsecured
Due from Related Parties			230,362,347	249,575,960	
Due to Related Parties			(49,979,746)	(40,135,877)	

13. SHARE CAPITAL

	Amount in Php	
	As of June 30, 2025	As of December 31, 2024
Authorized Capital :		
6,000,000,000 ordinary shares at P1 par value	6,000,000,000	6,000,000,000
Issued and subscribed	3,542,258,595	3,542,258,595

The Group has one class of common shares which carry one vote per share and a right to dividends.

14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

Amount in Php	
For the Period Ended June 30, 2025	
Income for the Period	3,899,089,310
Weighted Average Number of Shares	3,541,028,895
Basic and Diluted Earnings Per Share	1.10

As of June 30, 2025, the Company has no potential dilutive shares. Accordingly, the basic earnings per share of P1.10 is the same as the diluted earnings per share.

15. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The fair values of the Group's financial assets and financial liabilities are shown below:

	As of June 30, 2025		As of December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	1,703,204,377	1,703,204,377	3,227,606,273	3,227,606,273
Trade and Other Receivables - net	12,254,545,043	12,254,545,043	10,718,133,404	10,718,133,404
Due from Related Parties	230,362,347	230,362,347	249,575,960	249,575,960
Security deposits	215,547,419	215,547,419	152,368,612	152,368,612
	14,403,659,187	14,403,659,187	14,347,684,248	14,347,684,248
Financial Liabilities				
Notes Payable	687,926,203	687,926,203	224,076,203	224,076,203
Trade and Other Payables	16,152,458,808	16,152,458,808	13,786,983,036	13,786,983,036
Due to Related Parties	49,979,746	49,979,746	40,135,878	40,135,878
	16,890,364,756	16,890,364,756	14,051,195,116	14,051,195,116

Note: The amount does not include government liabilities which are not considered financial liabilities.

Due to the short-term maturities of cash and cash equivalents, trade and other receivables, due from related parties, security deposits, trade and other payables, and due to related parties, their carrying amounts approximate their fair values.

The loans payable is determined based on the discounted cash flow analysis using effective interest rates for similar types of instruments.

Financial Risk Management

The Group is exposed to certain financial risks which result from both their operating and investing activities. The Group's risk management is coordinated with their Parent Company, in close cooperation with the BOD, and focuses on actively securing the Group's short-to-medium term cash flows by minimizing the exposure to financial markets.

The Group does not engage in the trading of financial assets for speculative purposes nor do they write options. The most significant financial risks to which the Group is exposed to are described below.

Market risk

The Group is exposed to market risk through their use of financial instruments and specifically interest risk which result from both their operating and financing activities.

Interest rate risk

The Group has limited exposure to changes in market interest rates through their interest-bearing loans and cash, which are subject to variable interest rates. These financial instruments have historically shown small or measured changes in interest rates.

Credit Risk

Credit risk is the risk that the counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments arising from selling goods to customers, including related parties, providing security deposits to lessors, and placing deposits with banks.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into their credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of sales, advance payments are received to mitigate credit risk.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the combined statements of financial position (or in the detailed analysis provided in the notes to combined financial statements), as summarized below.

	Amount in Php	
	As of June 30, 2025	As of December 31, 2024
Cash and cash equivalents	1,703,204,377	3,227,606,273
Trade and Other Receivables - net	12,254,545,043	10,718,133,404
Due from Related Parties	230,362,347	249,575,960
Security deposits	215,547,419	152,368,612
	14,403,659,187	14,347,684,248

As part of the Group's policy, bank deposits are only maintained with reputable financial institutions. Cash in banks which are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of (P500,000) per depositor per banking institution, as provided for under Republic Act No. 9576, Charter of PDIC, are still subject to credit risk.

The Group's Management considers that all the above financial assets that are not impaired or past due for each reporting period are of good credit quality.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The aging analysis of the Group's financial assets that are not impaired as of June 30, 2025, is as follows:

As of June 30, 2025					
Past Due Accounts but Not Impaired					
	0 to 60 Days Past Due	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Cash and cash equivalents	1,703,204,377	-	-	-	1,703,204,377
Trade and Other Receivables - net	12,254,545,043	-	-	-	12,254,545,043
Due from Related Parties	230,362,347	-	-	-	230,362,347
Security deposits	-	-	-	215,547,419	215,547,419
	14,188,111,767	-	-	215,547,419	14,403,659,187

The aging analysis of the Group's individual receivables as of June 30, 2025, and December 31, 2024, is as follows:

	Amount in Php	
	As of June 30, 2025	As of December 31, 2024
60 to 90 days	12,254,545,043	10,718,133,404
	12,254,545,043	10,718,133,404

Liquidity Risk

The ability of the Group to finance their operations and to meet obligation as these become due is extremely crucial to its viability as a business entity. The Companies adopt a prudent liquidity risk management where they maintain sufficient cash to meet trade and other short term payables as they fall due.

The Group manages their liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities:

	Amount in Php		
	Within One Year	More than One Year	Total
As of June 30, 2025			
Loans payable	687,926,203		687,926,203
Trade and other payables	16,152,458,808		16,152,458,808
Due to related parties	49,979,746		49,979,746
	16,890,364,756	-	16,890,364,756
As of December 31, 2024			
Loans payable	224,076,203		224,076,203
Trade and other payables	13,786,983,036		13,786,983,036
Due to related parties	40,135,878		40,135,878
	14,051,195,116	-	14,051,195,116

Note: The amount does not include government liabilities which are not considered financial liabilities.

16. CAPITAL MANAGEMENT RISK

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the profits of the shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes loans, trade and other payables and due to related parties as offset by cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The debt to equity ratio of the Group at each reporting period is within the acceptable range as the Group regularly reviews its financials to ensure compliance with this capital requirement.

	Amount in Php	
	As of June 30, 2025	As of December 31, 2024
Debt	22,547,684,929	19,427,437,630
Less : Cash and cash equivalents	1,703,204,377	3,227,606,273
Net debt	20,844,480,552	16,199,831,357
Equity	37,772,327,313	35,813,789,835
Net Debt to equity ratio	0.55:1	0.45:1