

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20 OF
THE SECURITIES REGULATION CODE

1. Check the appropriate box:
[] Preliminary Information Statement
[X] Definitive Information Statement
2. Name of Registrant as specified in its charter: **AGRINURTURE, INC.**
3. Province, country or other jurisdiction of incorporation or organization:
Philippines
4. SEC Identification Number: **A199701848**
5. BIR Tax Identification Code: **200-302-092**
6. Address of principal office: Postal Code:
No. 54 National Road, Dampol II-A, Pulilan, Bulacan, Philippines **3005**
7. Registrant's telephone number, including area code: **+044-81563640**
8. Date, time and place of the meeting of security holders:
Date: **October 27, 2025**
Time: **10:30 o'clock in the morning**
Place: **No. 54 Dampol II-A, National Road, Pulilan, Bulacan**
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **On or before 06 October 2025**
10. **In case of Proxy Solicitations:**
Name of Person Filing the Statement/Solicitor: **N.A.**
Address and Telephone No.: **N.A.**
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Shares	1,024,446,888
11. Are any or all of registrant's securities listed in a Stock Exchange?
YES, the registrant's securities are listed in the Philippine Stock Exchange (PSE)

INFORMATION REQUIRED IN INFORMATION STATEMENT
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A. GENERAL INFORMATION

1. Date, time and place of meeting of security holders

The annual stockholders meeting of AgriNuture, Inc. ("ANI" or the "Company") shall be held on:

Date: October 27, 2025

Time: 10:30 o'clock in the morning

Place: No. 54 National Road, Dampol II-A, Pulilan, Bulacan, Philippines

The complete mailing address of the principal office of ANI is No. 54 National Road, Dampol II-A, Pulilan, Bulacan, Philippines. The information statement is first to be sent or given to security holders on or before October 06, 2025.

2. Dissenters' Right of Appraisal

Pursuant to Sec. 80(a) of the Revised Corporation Code (Republic Act No. 11232), a stockholder has the right to dissent and demand the payment of the fair value of shares: (i) in case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (ii) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; (iii) in case of merger or consolidation; and (iv) in case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

With respect to any matter to be acted upon at the annual meeting which may give rise to the right of appraisal, in order that dissenting stockholders may exercise their appraisal right, such dissenting stockholders, within thirty (30) days after the date of the annual meeting at which meeting such stockholder voted against the corporate action, shall make a written demand on the Company for the value of their shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right. The procedure to be followed in exercising the appraisal right shall be in accordance with Sections 80 to 85 of the Revised Corporation Code RA 11232).

In relation thereto, no matters that may trigger a stockholder's exercise of his/her/its appraisal right as mentioned above shall be presented in the upcoming annual stockholders' meeting.

3. Interest of Certain Persons in Matters to be Acted Upon

There are no matters to be acted upon in which a director or an officer of the Company, or any nominee for election as a director thereof, or an associate of any of the foregoing persons, shall have any substantial interest, whether direct or indirect, by security holdings or otherwise.

B. CONTROL AND COMPENSATION INFORMATION

4. Voting Securities and Principal Shareholders Thereof

- (a) The Company's total outstanding shares entitled to vote consist of 1,024,446,888 common shares and 400,000,000 preferred voting shares, as of September 30, 2025, with each share entitled to one (1) vote.

(b) All stockholders of record as of September 30, 2025 are entitled to notice and to vote at the Annual Stockholders Meeting on October 27, 2025.

(c) Each stockholder of record as of September 30, 2025 shall have the right to vote in person or by proxy the number of shares of stock held in his/her/its name. In the election of directors, each stockholder entitled to vote may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares by giving one (1) candidate as many votes as the number of directors to be elected multiplied by the number of his/her/its shares may provide, or he/she/it may distribute them on the same principle among as many candidates as he/she/it shall see fit.

(d) Security Ownership of Certain Record and Beneficial Owners and Management.

d.1 Security Ownership of Certain Record and Beneficial Owners as of September 30, 2025.

d.2 As of September 30, 2025, the following are the record owners and beneficial owners of more than five percent (5%) of the Company's total issued common shares of 1,024,446,888 based on the stock and transfer book of the Company:

Title of Class	Name and Address of Record Owners	Name of Beneficial Owner and Relationship with Record Owner	Number of Shares Held	Percent of Class
Common	PCD Nominee Corp. (Filipino) G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City	PCD Nominee Corp.	361,970,822	35.34%
Common	PCD Nominee Corp. (Foreign) G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City	PCD Nominee Corp.	240,044,674	23.43%
Common	Earthright Holdings, Inc. Unit 3C, Valuepoint Executive Building, 227 Salcedo St. Legazpi Village, Makati City	Earthright Holdings, Inc.	250,000,000	24.40%
Common	Greenergy Holdings Inc. 54 National Road, Dampol II- A, Pulilan, Bulacan	Greenergy Holdings Inc.	116,296,246	11.35%
	Total		968,311,742	94.51%

PCD Nominee Corp. participants that own more than 5% of voting securities are:

EAGLE EQUITIES, INC.	216,221,810	21.10%
COL Financial Group, Inc.	67,516,966	6.59%
AP SECURITIES INCORPORATED	73,322,123	7.16%

d.3 As of the same date, all of the 400,000,000 issued shares of preferred voting stock are held by Earthright Holdings, Inc.

d.4 Security Ownership of Management as of September 30, 2025.

As of September 30, 2025, the following are the security ownerships of the directors and principal officers of the Company:

Class	Name & address of Record Owner; Relationship with Issuer	Name Of Beneficial Owner; Relationship With record Owner	Citizenship	Number of Shares Held (Direct & Indirect)	Percentage Held
Common	Antonio L. Tiu Chairman, CEO and President	Antonio L. Tiu	Filipino	126,896 (Direct)-R	.0123%
	Earthright, Holdings, Inc Greenergy Holdings, Inc PCD Nominee Corporation	Antonio L. Tiu, as Chairman/CEO of Earthright, Holdings, Inc and Executive Chairman of Greenergy Holdings, Inc		128,902,957 202,286,779 22,906,958 (Indirect)-B	34.57%
Common	Chung Ming Yang Director	same	Taiwan	1,566,200 (Direct) -R	0.2%
Common	Senen L. Matoto Director,	same	Filipino	1 (Direct) -R	Less than 0.01%
Common	Antonio Peter R. Galvez Director	same	Filipino	1 (Direct) -R	Less than 0.01%
Common	Jennifer T. Ching Director	same	Filipino	1 (Indirect) -R	Less than 0.01%
Common	J. Antonio Vilar Independent Director	same	Filipino	1 (Direct) -R	Less than 0.01%
Common	Roy S. Kempis Independent Director	same	Filipino	1 (Direct) -R	Less than 0.01%
Common	Jose S. Ejercito Independent Director	same	Filipino	1 (Direct) -R	Less than 0.01%
Common	Paul Kenneth B. Davis Corporate Secretary		Filipino	0	0
Common	Rosana C. Planco Head of Internal Audit and Compliance Officer		Filipino	0	0

The total security ownership of the directors and principal officers of the Company as a group as of 30 September 2025 is 355,794,794 common shares, which is equivalent to 34.73% of the outstanding capital stock of the Company.

d.5 As of 30 September 2025, a total of 240,044,674 common shares are foreign-owned.

d.6 Voting Trust Holders of 5% or More

As of September 30, 2025, there are no persons holding 5% or more of a class under a voting trust or similar arrangement.

d.7 Changes in Control

The Company is not aware of any existing, pending, or potential transaction which may result in such change in control of the Company as of September 30, 2025.

5. Directors and Executive Officers

(a) Directors and Principal Officers of the Company

d.1 The following are the members of the Board of Directors of the Company as of September 30, 2025:

Name	Age	Citizenship	Term of Office
Antonio L. Tiu	50	Filipino	2004 – present
Chung Ming Yang	51	Chinese ROC	1997 – present
Antonio Peter R. Galvez	65	Filipino	2014 – present
Isidro C. Alcantara, Jr.	71	Filipino	2023– present
Jennifer T. Ching	49	Filipino	2021- present
Jose Antonio S. Vilar (Independent Director)	64	Filipino	2022 – present
Roy S. Kempis (Independent Director)	70	Filipino	2023 - present
Eric J. Severino (Independent Director)	76	Filipino	2024 - present
Bernard A. Pae	56	Filipino	2024 - present
Teresita R. Magante	52	Filipino	2024 - present
Claries E. Frajenal	38	Filipino	2024 - present

Mr. Antonio L. Tiu, 50, Filipino, Chairman of the Board of Directors.

Mr. Tiu is the Chairman and CEO of Earthright Holdings, Inc., AgriNurture, Inc., Three Star Capital Ltd. BVI, Sunchamp Real Estate and Development Corporation, M2000 IMEX Co., Ltd., First Class Agriculture Corp., The Big Chill Inc., and Director of Agricultural Bank of the Philippines, among others. He was a part time lecturer in International Finance at DLSU Graduate School from 1999 to 2001 and board of advisers of DLSU School of Management. Mr. Tiu has a Masters degree in Commerce specializing in International Finance from University of New South Wales, Sydney, and B. S. Commerce major in Business Management from De La Salle University, Manila. He was awarded as the Ernst and Young Emerging Entrepreneur of the Year (2009), the Overseas Chinese Entrepreneur of the Year (2010), and among the Ten Outstanding Young Men of the Philippines (2011).

Mr. Yang Chung Ming, 51, Chinese R.O.C., Director.

Mr. Yang is General Manager of Grateful Strategic Marketing Consultants Co. Ltd. and Tong Shen Enterprises, which are both Taiwan-based firms. He has a degree in B.S. Computer Science from Chiang Kai Shek College, Philippines and has a Masters degree in Business Administration from the National Chengchi University in Taiwan and Executive MBA program at the Xiamen University.

Mr. Antonio Peter R. Galvez, 65, Filipino, Director.

Mr. Galvez is a holder of an Executive Masters degree in Business Administration from the Asian Institute of Management. He graduated from the Ateneo de Manila University with a Bachelors Degree in Economics. At present, he is an Executive and Leadership Coach, Business Coach with the University of Asia and Pacific. He is also a licensed facilitator of Get Clients Now, licensed instructor of GRID International and Director of Pastra.Net. His previous employments include various stints with the Securities Transfer Services, Inc., First Philippine Holdings Corporation and its subsidiaries, the Department of Trade and Industry and the Board of Investments.

Mr. Isidro C. Alcantara, Jr., 71, Filipino, Director.

Mr. Isidro C. Alcantara, Jr. is a long time Senior Banker and headed several organizations as President of Marcventures Holdings, Inc. (a Mining Holding Co.: 2013-2020); Head of Institutional and Corporate Banking of the Hongkong Shanghai Bank, Phils. (2005); President and CEO of Philippine Bank of Communications (PBCom 2000-2004) where he led its successful recovery and rehabilitation (2000-2004); Executive VicePresident of PCIBank and later Equitable-PCIBank (1986-2000) and also held positions in Corporate Finance and Credit in Bancom Finance, United Coconut Planters Bank and the Insular Bank of Asia and America (1976-1985). He was elected as a Director of the Bankers Association of the Philippines (BAP: 2000- 2004). From 2018 to 2020 he was concurrently Chairman of the Philippine Nickel Industry Association (PNIA). He has also previously served as Chairman or President of several Public Companies. He is currently the President of the Financial Risk Resolution Advisory, Inc. (FRRA). Mr. Alcantara is a Certified Public Accountant and holds an Economics and Accountancy Degree from the De la Salle University and took Special Studies on International Banking at the Wharton School of Finance at the University of Pennsylvania.

Ms. Jennifer T. Ching, 49, Filipino, Director.

Ms. Ching holds a Bachelor of Science Major in Business Administration degree from the University of Santo Tomas. She previously worked for ANI as Finance Manager from September 2009 to January 2012. She then joined the Department of Agriculture under the Office of the Assistant Secretary for Agribusiness & Marketing from February 2012 to February 2020 before rejoining the Company in March 2020. At present, she serves as Overall Head of Admin and Human Resource Department of AgriNurture, Inc.

Mr. Jose Antonio S. Vilar, 64, Filipino, Independent Director.

Mr. J. Antonio S. Vilar obtained his Bachelor's degree in Business Administration from Wharton School of the University of Pennsylvania in 1983. He was Head of the Philippine Stock Exchange, Inc.'s Market Education Department from 2013 until 2020. In between, he served as Director and CEO in various Philippine corporations, notably venture companies. He assisted government agencies as organizer or resource speaker in various international investment roadshows. He is presently an Independent Director of an unrelated company.

Prof. Roy S. Kempis, 70, Filipino, Independent Director.

Prof. Kempis took his Bachelor's degree in Agriculture, major in Agricultural Economics, at UP Los Baños and subsequently, his Masters in Agricultural Development Economics at the Australian National University. He has a wide range of exposure and experience in research, teaching, business development and project planning in matters relating to Agri-Business and Agro-Economics, having acted as consultant, project leader, mentor, and resource in diverse studies and projects relating to a wide range of crops. He has held faculty positions in UP Pampanga, Pampanga State Agricultural University and Dela Salle University, and presently is Director for Angeles University Foundation's Center for Business Innovation.

Mr. Eric J. Severino, 75, Filipino, Independent Director.

Mr. Severino obtained his BS ECE degree from the University of the East in 1972. He has actively practiced in his field, holding technical up to executive positions in telecommunications and electronics companies over the years. He likewise served as Independent Director until 2023 at Binangonan Rural Bank, providing the technical backbone to its digital banking endeavors.

Mr. Bernardo A. Pae, Jr., 56, Filipino, Director.

Mr. Pae has served as the Export Sales & Logistics Manager of ANI since 2008. Prior thereto, he acquired his knowledge on Import/Export Operation from his previous jobs in Concepcion Industries and in

Michelin Tires Philippines. He is an Educator by profession and attended his Masters Degree in Customs Administration at PMI College, Manila.

Ms. Teresita R. Magante, 52, Filipino, Director.

Ms. Magante has been ANI's Plant Manager/Research and Development Manager/FSSC Team Leader since 2012. As such she supervises and oversees its Food safety Management System, as well as international and local regulatory compliances; assists the sales and marketing for new product concepts, research and development. She developed the company's past and new product lines, which are now available in the domestic and international markets. She carries with her a Bachelors degree in Food Technology and is currently taking a Masters of Technology Management course, both at the University of the Philippines Diliman.

Ms. Claries E. Frajenal, 38, Filipino, Director.

Ms. Frajenal has been the Human Resource Manager of ANI since November 2008. She has likewise held directorship positions since 2022 in subsidiary and affiliate companies of ANI, aside from directing their HR matters. She obtained her Bachelor in Business Administration degree, major in Marketing, from The University of Manila.

The independent directors were never employed with, nor engaged as consultants by, the Company.

The Principal Officers of the Company as of September 30, 2025 are as follows:

Name	Position
Antonio L. Tiu	CEO and President
Atty. Paul Kenneth B. Davis	Corporate Secretary
Teresita R. Magante	Treasurer
Ms. Rosana C. Planco	Compliance Officer and Head of Internal Audit
Jennifer T. Ching	Chief Information Officer

Atty. Paul Kenneth B. Davis, 69, Filipino.

Atty. Davis has been a member of the Integrated Bar of the Philippines and law practitioner since 1983, serving in different capacities as litigator, external counsel, in-house counsel, legal consultant, corporate secretary and director of various domestic companies. He took his Bachelors of Art and Law degrees at the University of the Philippines in Diliman.

Ms. Rosana C. Planco, 51, Filipino,.

Ms. Planco holds a Bachelor of Science major in Accountancy degree from the University of the East in Manila and a Masters degree in Business Administration from the Pamantasan ng Lungsod ng Maynila. She previously worked for two (2) of ANI's subsidiaries, TBC and Fruitilicious, as an Accounting Officer and Operations Auditor from February 2012 to May 2016. She then transferred to Banapple J3 Corp, acting as the Finance and Accounting Manager from July 2016 to February 2019 before rejoining ANI in 2019.

Term of Office – The directors are elected at each annual stockholders' meeting by the stockholders entitled to vote. Each director holds office for a period of one (1) year or until the next annual election and

after his/her successor has been duly elected and assumed office, unless he/she resigns, dies or is removed prior to such election.

Since the Company's last annual stockholders' meeting held on October 28, 2024, majority of the incumbent directors and officers have remained in office and acted as such.

The nominees for election to the Board of Directors on October 27, 2025 are as follows:

1. Antonio L. Tiu
2. Isidro C. Alcantara, Jr.
3. Yang Chung Ming
4. Antonio Peter R. Galvez
5. Jennifer T. Ching
6. Roy S. Kempis (Independent Director)
7. Jose Antonio S. Vilar (Independent Director)
8. Claries E. Frajenal
9. Bernard A. Pae, Jr.
10. Teresita R. Magante
11. Eric J. Severino (Independent Director)

All the nominees are Filipino citizens with the exception of Mr. Yang Chung Ming, who holds Taiwan ROC citizenship.

Regular Directors - The following incumbent Regular Directors, namely: (i) Mr. Antonio L. Tiu; (ii) Mr. Yang Chung Ming; (iii) Mr. Antonio Peter R. Galvez; (iv) Ms. Jennifer Ching; (v) Mr. Isidro C. Alcantara, Jr.; (vi) Mr. Bernard A. Pae, Jr.; (vii) Ms. Teresita R. Magante; and (viii) Ms. Claries E. Frajenal, have been nominated for another term.

Independent Directors – The incumbent independent directors of the Company, namely: (i) Mr. Jose Antonio S. Vilar, (ii) Prof. Roy S. Kempis, and (iii) Mr. Eric J. Severino, are available for re-election to the ANI Board as Independent Directors.

The incumbent independent directors have previously certified that they possess all the qualifications and none of the disqualifications provided for in the Securities Regulation Code ("SRC").

In compliance with Rule 38 of the SRC, which provides for the guidelines on the nomination and election of independent directors, the Nomination Committee is tasked with pre-screening the nominees for election as independent directors in the upcoming annual stockholders' meeting, conformably with the criteria in the SRC. The initial list of nominees as pre-screened by the Nomination Committee includes:

Nominee for Independent Director (a)	Person/ Group Recommending Nomination (b)	Relation of (a) and (b)
Roy S. Kempis	Antonio L. Tiu	None
Jose Antonio S. Vilar	Antonio L. Tiu	None
Eric J. Severino	Antonio L. Tiu	None

Being incumbent Independent Directors in the Company, the qualifications of Messrs. Jose Antonio S. Vilar, Roy S. Kempis and Eric J. Severino, who are being re-nominated to such positions, have been highlighted previously herein.

Only candidates who have been previously vetted by the ANI Nomination Committee may be nominated for election as Independent Director. The nomination and selection of Independent Directors are governed by the provisions of Rule 38 of the SRC and pertinent SEC circulars thereon.

A backgrounder on the new nominees to the BOD follows:

a. Significant Employees

Although the Company has relied, and will continue to rely, on the individual and collective contributions of each of its executive officers, senior operational personnel and non-executive employees, the Company believes that it does not depend on the services of any particular employee. There is no employee whose resignation or loss will have a material adverse impact on its business.

b. Family Relationships

There are no existing family relationships within the fourth civil degree either by consanguinity or affinity among the directors and officers of ANI.

c. Involvement in Certain Legal Proceedings

The Company is not aware of any legal proceedings of the nature required to be disclosed under Part I, paragraph (C) of Annex "C", as amended, of the SRC Rule 12 with respect to the Company and/or its subsidiaries. However, while not material, the following proceedings involving the Company and/or its subsidiaries are pending:

i. *Global Baristas LLC vs. DK Retail Co. Ltd., Agrinurture, Inc., Tully's Coffee Asia Pacific Partners, LP, Tully's Coffee International Pte. Ltd.*, Superior Court of Washington in and for King County

On October 18, 2013, the Company was impleaded by Global Baristas LLC, a Washington limited liability company, in a Complaint for Declaratory Judgment and Injunctive Relief against DK Retail Co. Ltd. (a South Korean corporation), Tully's Coffee Asia Pacific Inc. (a Nevada corporation), Tully's Coffee Asia Pacific Partners LP (a Washington limited partnership), Tully's Coffee International Pte Ltd. (a Singaporean corporation), and the Company, filed in the Superior Court of Washington (U.S.A) in and for King County. In the Complaint, Global Baristas LLC seeks to terminate the said companies' right to use the "Tully's" brand and affiliated trade names, trademarks, and service marks in Asian countries (excluding Japan) such as South Korea and the Philippines under the pertinent international license agreements.

On October 24, 2013, the Company received the Complaint/Petition together with a copy of the Order Setting Case Schedule (Schedule). Based on the Schedule, the last day for filing a Statement of Arbitrability without a Showing of Good Cause for Late Filing was on March 28, 2014. The Company subsequently received notice that a summons was reissued by the United States Bankruptcy Court on January 10, 2014. Summons was attempted to be served by a representative of the Roy & Syquia Law Office (the Server) upon the Company on February 12, 2014. The service of summons was however refused by the Company on the ground that at the time of the service, there was no authorized representative of the Company that can receive the summons in its behalf. After refusing to accept the summons, the Server left a copy of the same in the premises of the Company's office. No information as to further developments on the matter has been received by the Company to date.

Recently, the Company has been in discussions with Keurig Green Mountain, Inc., which presently owns the Tully's Coffee Trademarks globally, for the grant to the Company of a Trademark License Agreement over the Tully's Coffee brand involving the territory of the Philippines, the favorable conclusion to which is anticipated.

ii. *In the Matter of the Request for Assistance of Jens Sorensen vs. AgriNurture, Inc. and/or Antonio L. Tiu*

A Request for Assistance was filed on March 19, 2014 by Mr. Jens Sorensen against the Company and/or Antonio L. Tiu in the National Labor Relations Commission-NCR Arbitration Branch, alleging illegal dismissal,

docketed as SEAD-NLRC-NCR-2014-03-04065. Mr. Sorensen sought the following reliefs: (a) payment of money claims; (b) reinstatement; (c) back wages; (d) damages in the amount of \$500,000.00; and (e) attorney's fees in the amount of ₱500,000.00. The last mediation conference was held on April 23, 2014 and after the parties failed to reach an amicable settlement, the mediation proceedings was terminated and the labor complaint proceeded.

The Labor Arbiter rendered a decision finding that there was illegal dismissal, but limited the amounts being claimed for back pay and damages. Both Parties appealed the decision to the National Labor Relations Commission, which eventually sustained the findings of the Labor Arbiter. Subsequent motions for reconsideration were denied.

Both Parties appealed the Decision with the Court of Appeals ("the CA"). The Company prayed for a temporary restraining order for the execution of the award of the Labor Arbiter pending appeal, but no resolution was received. The Court of Appeals partially granted ANI's appeal by ruling that Jens Sorensen is not entitled to separation pay and found that Mr. Antonio L. Tiu is not solidarily liable with AgriNurture, Inc. to pay the monetary award. However, the CA sustained the award for back wages, amounting to ₱2,260,000.00. Both parties filed their Motion for Partial Reconsideration, which were both denied by the CA.

Thereafter, both parties filed their respective Petitions for Review on Certiorari before the Supreme Court (the "SC"), which were consolidated in the Second Division of the SC. The latest notice received by ANI was a Resolution dated July 17, 2019, noting the submission of the respective Replies of both parties to the case.

To date, ANI has not received word on the SC's resolution of the matter.

iii. M2000 IMEX Company, Inc. v. Emmanuel Dueñas, et al.

M2000 IMEX Company, Inc. ("IMEX"), a subsidiary of the Company, filed a case for Estafa against several individuals who were Members of the Board of Directors and Officers of Tolman Manufacturing, Inc. ("Tolman") at the time of their execution of a Shareholders' Agreement on November 29, 2012. The case was premised on their alleged false representation that Tolman shall increase its authorized capital stock to accept IMEX's equity infusion in said corporation, in cash and equipment, but which they never proceeded to do even after receiving IMEX's contributions. Despite their failure to do so, Tolman continued to hold on to and utilize in its operations IMEX's capital contributions, without any compensation to IMEX.

The case was initially dismissed by the City Prosecutor of Makati, but after IMEX moved for reconsideration, the City Prosecutor issued a Resolution finding probable cause against Emmanuel V. Dueñas only, thereby charging him with the commission of the crime of Estafa, while dismissing the complaint against the other named respondents due to lack of probable cause.

Mr. Dueñas then appealed the City Prosecutor's resolution by filing a Petition for Review with the Department of Justice, which was eventually dismissed. The Information against him was eventually filed with the Regional Trial Court in Makati City, with the case now being presently heard.

d. Certain Relationships and Related Transactions

The Company's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

6. Compensation of Directors and Executive Officers

The following summarizes the executive compensation received by the CEO and the top four (4) most highly compensated officers of the Company for 2023, 2024 and 2025 (projected). It also summarizes the aggregate compensation received by all the officers and directors of the Company.

Amounts in '000	Year	Salaries	Bonuses	Other Income
CEO and the four (4) most highly compensated officers	2023	Php6.815M	-	NONE
	2024	Php5,681M	-	NONE
	2025	Php4,061M	-	NONE
Aggregate compensation paid to all other officers and directors as a group unnamed	2023	Php6,845M	-	NONE
	2024	Php6,812M	-	NONE
	2025	Php4,684M	-	NONE

For the completed fiscal year of 2024, the highest-compensated officers are:

1. Antonio L. Tiu – Chief Executive Officer and President

For the year 2025, the estimated cost for compensation for CEO and four highest compensated officers is Four Million Sixty One Thousand Six Hundred Seventy One pesos and 25/100 (Php4,061,671.25) while the aggregate compensation paid to all other officers and directors as a group is Four Million Six Hundred Eighty Four Thousand One Hundred Thirty One pesos and 30/100 (Php 4,684,131.30).

Under Section 8, Article III of the By-Laws of the Company, by resolution of the Board, each director shall receive a reasonable *per diem* allowance for his/her attendance at each meeting of the Board, and the compensation of directors, which shall not be more than 10% of the net income before income tax of the Company during the preceding year, shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting. As of this date, no standard or other arrangements have been made in respect of a director's compensation.

Employment Contracts

There are no agreements or employment contracts existing between the Company and any of its directors or executive officers.

There are no arrangements for compensation to be received by these named executive officers from the Company in the event of change in control of the Company.

Warrants and Options Outstanding

On February 12, 2018, the Board of Directors of AgriNurture, Inc. approved the issuance of 100,000 warrants to current directors at the exercise price of Php 20.00. The issuance of warrants was meant to give then current directors an opportunity to subscribe to ANI Shares thru the warrants as a form of showing the Company's appreciation of their services.

In the same instance, the Company's Board approved the issuance of stock warrants in favor of existing shareholders at the proportion of one (1) stock warrant for every 10 common shares, held as of a record date to be determined by the Board, at the exercise price of ₱20.00 with an exercise period of five (5) years from date of issuance. Further, on October 10, 2020, the Company approved the change in the terms and conditions of the Issuance to existing shareholders in order to bundle said Issuance to the Stock Rights Offering, thus: every shareholder availing of three (3) stock rights share shall be entitled to one (1) warrant, with the exercise price based on a discounted rate of 5.0% of the weighted average volume of trade 15 days prior to maturity, and

exercise period from after five (5) years from the date of listing.

On April 30, 2018, the Company approved the issuance of a total of 10,000,000 stock warrants in favor of ANI Foundation at the exercise price of ₱20.00 and with an exercise period of five (5) years from the date of issuance of one (1) stock warrant for one (1) underlying share. Presently, no shareholder has exercised his/her right pursuant to the stock warrants.

The issuance of warrants has not been executed after the approval of the Board on 12 February 2018 due to timing issues as well as preparation of documentary requirements, since the Company intends to list the warrants in the Philippine Stock Exchange. The Company has initiated the application for listing of its remaining fully paid issued shares and intends to follow through with the application for listing of the warrants upon issuance.

On March 20, 2020, the Board of Directors of the Company approved the change in the exercise price, which will be based on the discounted rate of 5.0% of the weighted average volume of trade 30 days prior to the date of expiration. For each issuance, the expiry date and other relevant terms and conditions are to be determined by the Board of Directors, subject to stockholders' approval and compliance with the applicable laws, rules, and regulations.

On the same date, the Company approved the issuance of stock warrants in favor of the then current directors, who are entitled up to 100,000 warrants at the exercise price of ₱20.00 with an exercise period of five (5) years from the date of issuance of one (1) stock warrant for one (1) underlying share.

7. Independent Public Accountants

Acting on stockholder-delegated authority, the Board of Directors, through the Audit Committee, confirmed and ratified the appointment of Moore Roxas Tabamo & Company as the Company's External Auditors for the year 2024. The Company follows the proscriptions in the SRC regarding regular rotation of its external auditors, as said external auditors was only appointed as such only in 2024.

There has not been any disagreement between the Company and its independent accountant/external auditor for 2023 and 2024 with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedure.

To assure that the Company's financial statements are properly and cost effectively audited by qualified accountants who are independent, and to assist the Board of Directors in fulfilling its oversight responsibility with respect to the maintenance of an effective internal audit function, the Company has an Audit Committee composed of Mr. Jose Antonio S. Vilar, Independent Director, as Chairman; Mr. Antonio Peter R. Galvez, Regular Director; and Mr. Eric J. Severino, Independent Director, as members.

Compensation Plans

There are no matters or actions to be taken up in relation to compensation plans at this annual stockholders' meeting.

ISSUANCE AND EXCHANGE OF SECURITIES

8. Amendment to Green Bond Offering

On November 5, 2021, the stockholders and the Board of Directors approved the issuance of long term green bonds of up to Euro: Seventy-Five million (€75,000,000.00), with maturity of up to seven (7) years, including the issuance of commercial papers, as a means of securing long-term financing for future undertakings at preferential rates with a view to further growth. Due to the global covid pandemic that broke out, followed by the Russian invasion of Ukraine, which affected global economy and market preferences, the Company decided to re-evaluate the conditions of the offering and realized a need for introducing certain amendments, including on the country where the offering shall be made in what currency.

9. Financial and Other information

a. Audited Financial Statements

A copy of the Company's Audited Financial Statements for the year ended 31 December 2024 is attached hereto as **Annex "A"** and Interim Financial Statement up to the second quarter of 2025 is attached hereto as **Annex "B"**.

b. Equity Restructuring

Upon approval of the Board of Directors on October 22, 2022 and of the stockholders of AgriNurture, Inc. on November 25, 2022, the company applied for authority from the SEC to undergo an Equity Restructuring by way of applying its Additional Paid-In Capital ("APIC") to erase its carried-over deficit in its financial position as of December 31, 2021. Acting thereon, the SEC issued its Certificate of Approval of Equity Restructuring dated March 27, 2023, approving the equity restructuring applied for to wipe-out the deficit in 2021 of P1,628,045,535.00 against APIC of P3,602,050,960.00.

c. Other Securities

No other form of securities, whether capital stock, debt, investment securities, stock options or the like are being considered for creation or registration at this time.

OTHER MATTERS

10. Action with Respect to Reports

The minutes of the previous Annual Stockholders' Meeting held on 26 October 2023 shall be submitted to the stockholders for approval, containing the following:

1. Approval of the Minutes of the Annual Meeting of the Stockholders held on 25 November 2022;
2. Ratification of all acts and resolutions of the Board of Directors and Management adopted during the preceding year;
3. Annual Report and Financial Statements for the year ended 31 December 2021;
4. Delegation of the appointment of External Auditor for the fiscal year 2021 to the Audit Committee;

In the upcoming annual stockholders' meeting, the stockholders shall be asked to approve/ratify the Annual Report and the Audited Financial Statements for fiscal year 2024 and the actions taken by the Board of Directors and Officers since the last annual meeting of the stockholders. The following matters shall likewise be presented:

- a. Election of the Eleven (11)- man Board of Directors, including Three (3) Independent Directors; and

b. Financial position as of June 30,2025.

11. Amendment of Charter, By-Laws or Other Documents

No amendment of the Charter or By-Laws of the corporation shall be presented.

12. Other Proposed Action

There are no other proposed actions to be taken on any matters.

13. Voting Procedures

(a) Voting of Directors

Each stockholder share may vote the number of Directors open for election, whether individually or cumulatively. Election of regular and independent directors shall be done one after the other in order to assure that the number of Independent Directors in the Board is maintained. Candidates who receive the highest number of votes will be declared elected. Only the top Eight (8) nominees for regular Director shall be proclaimed as such, while the top Three (3) nominees for Independent Director shall be declared as such.

The newly-elected Board shall serve for a term of one (1) year or until the next annual stockholders' meeting is held, and until their successors shall have been elected and assumed office.

[b] Voting on Motions

With respect to: (i) the approval of the reports stated in Item 13 above; (ii) approval of appointment of the external auditor of the Company; and (iii) all other matters subject to vote, except as otherwise provided, the simple majority vote of stockholdings represented shall suffice. Each one (1) share shall be entitled to only one (1) vote thereat.

[c] Methods by which votes shall be counted

Except as otherwise provided by law, each stockholder of record shall be entitled at every meeting of stockholders to one vote for each share of stock standing in his name on the stock books of the Company, which vote may be given personally or by proxy. The instrument authorizing the proxy to act shall be submitted to the Secretary by October 25,2023 and validated before the meeting. In the election of directors, each stockholder entitled to vote may cumulate and distribute his votes in accordance with the Corporation Code.

Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting, and entitled to vote thereat, the vote on any question shall be determined by poll through proxies and actual votes submitted in the meeting, or by electronic voting, where applicable. A poll may be demanded on any resolution by i.) the Chairman; ii.) at least five (5) stockholders present in person or by attorney or proxy or by representative; or iii.) any one (1) or more stockholder holding shares representing not less than five percent (5%) of the outstanding capital stock of the corporation (Art. II, Sec. 7 of the Amended By-Laws). On a vote by ballot, each ballot shall be signed by the stockholder voting, in his name or by his proxy, if there be such proxy, and shall state the number of shares voted by him. In any and all matters requiring the vote of the stockholders, the Company's Corporate Secretary shall be authorized to count the votes to be cast.

Annexes:

Annex "A": Audited Financial Statements for the year ended 31 December 2024

Annex "B": Interim Financial Statements up to the second quarter of 2025

UNDERTAKING

THE COMPANY SHALL PROVIDE WITHOUT CHARGE TO ANY STOCKHOLDER SO REQUESTING A COPY OF AGRINURTURE, INC.'S ANNUAL REPORT ON SEC FORM 17-A BUT MAY CHARGE AT COST FOR REPRODUCTIONS OF EXHIBITS REFERRED TO THEREIN.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig on September 22, 2025.

By:



ANTONIO L. TIU
CEO/PRESIDENT



PAUL KENNETH B. DAVIS
Corporate Secretary

MANAGEMENT REPORT

a. History and Overview

AgriNurture, Inc. was incorporated and registered with the SEC on February 04, 1997 as Mabuhay 2000 Enterprises, Inc. The operations of the Company were primarily focused on importing, trading, and fabricating post-harvest machineries for Filipino farmers. ANI aimed to help improve productivity of Filipino farmers and grew to be known as one of the reliable manufacturers of conveyor systems and rice mill equipment. ANI was the first to bring into the Philippine market the grain dryers and thereafter established itself as one of the more reliable local supplier and manufacturer of conveyor systems and other rice mill equipment in the Philippines.

The Company eventually expanded into other agro-commercial businesses as it officially amended its primary purposes in 2011. In addition to its equipment manufacturing operations, the Company branched out to producing, distributing, buying, and selling of food and agricultural products at wholesale. These operations are conducted through its subsidiaries, categorized under "Philippine Operations and Foreign Operations".

The Company is vertically integrated with operations spanning from farming to manufacturing and processing, and then distribution. The Company conducts its businesses through operating divisions and wholly-owned or majority-owned subsidiaries. These activities can be categorized geographically, i.e., as within or outside the Philippines. Majority of the operations are done within the Philippines while product trading is the focus of international operations.

The Philippine Operations is organized and managed separately according to the nature of the products and services provided. This includes five (5) business units, with each segment representing a strategic business unit that offers different products in different markets, namely: Farming, Manufacturing, Retail, Local Distribution, and Export.

On the other hand, Foreign Operations is set-up outside the Philippines, namely, in Hong Kong, China, and Australia.

The ANI Group consists of the collective subsidiaries and operational groups classified under Philippine and Foreign Operations.

Philippine Operations

The Company's Philippine business structure is broken down into several business units. Each business unit is operationalized through several direct and indirect subsidiaries. The following companies under each business unit are categorized based on their respective primary activities.

Farming Operations Group

There are two (2) direct and indirect subsidiaries of the Company in the Farming business unit, as follows:

- Best Choice Harvest Agricultural Corporation; and
- Fresh and Green Palawan Agriventures, Inc.

Best Choice Harvest Agricultural Corporation

Best Choice Harvest Agricultural Corporation ("BCH"), a wholly owned subsidiary of ANI, was incorporated on April 27, 2006 organized to conduct farming activities in Central Luzon and across Mindanao.

Fresh and Green Palawan Agriventures, Inc.

Fresh and Green Palawan Agriventures, Inc. ("FGP") was incorporated on September 09, 2008. 51.0% of the outstanding capital stock of FGP is owned by BCH. It is slated to operate farms of the ANI Group with partners in the province of Palawan. FGP is currently non-operational.

Manufacturing and Processing Group

There are two (2) subsidiaries of the Company operating under the Manufacturing and Processing business unit, as follows:

- M2000 IMEX Company, Inc.; and
- Fruitilicious Company, Inc.

The ANI Group's main products, sparkling coconut water and organic coconut water, are top sellers of an American multinational retail corporation that operates a chain of hypermarkets, discount department stores, and grocery stores from the United States during the pandemic. The ANI Group has also started selling new plant-based meat substitute products under the brand name "Fit Bites by Big Chill".

M2000 IMEX Company, Inc.

M2000 IMEX Company, Inc. ("IMEX"), a wholly owned subsidiary of ANI, was incorporated on May 11, 2005. IMEX is engaged in the manufacturing and processing of its own brand of canned beverage products, such as coconut juice, as well as toll-packing services to several foreign companies for frozen fruits, root crops, and leafy vegetables. IMEX's products are principally produced for export, with markets in North America, the Middle East, Asia, Europe, together with the Philippine market.

IMEX successfully entered the US markets through partnerships and collaborations with international companies by penetrating major supermarket chains. IMEX manufactures healthy beverages focusing on coconut water, coconut water-based drinks, and natural fruit juices. In 2018, it launched the organic sparkling coconut water product in a variety of flavors, which were well-received by the international markets.

IMEX expanded its product lines to fruit juices by developing an all-natural fruit nectar drink under the brand, "Big Chill Naturals". IMEX's beverage products are Food and Drug Administration ("FDA") registered, Halal-approved, Kosher, Organic, Non-GMO, ISO 22000, GMP, and Hazard Analysis Critical Control Point ("HACCP") certified.

Fruitilicious Company, Inc.

Fruitilicious Company, Inc., a wholly owned subsidiary of ANI, was incorporated on February 11, 2000. It is a fruit processing facility based in Cagayan de Oro, Philippines, which started in 1993 as Motherland Food Products that was acquired by ANI in 2010. Fruitilicious is engaged in the manufacture of frozen puree of fruits such as mango, nangka (jackfruit), soursop, durian, calamansi, and ube (purple yam). Other product lines include frozen mixes (fruit salad premix, halo-halo premix), buco (coconut) shred, frozen fruit cuts (mango cubes, pineapple tidbits, and papaya cubes), and preserved fruits (mango cubes/bits, nangka bulb/cubes and chopped/cubed ube). Majority of the products are intermediate products mainly for ice cream, fruit juices, fillings for pies and pastries, and other culinary usage like sauces.

Its operations are in Cagayan de Oro, which is centrally located between the fruit bountiful provinces of Bukidnon, Davao, Lanao Del Norte, and Agusan del Sur in Mindanao. Fruitilicious

also serves as the ANI Group's sourcing hub for its Mindanao operations. It operates a cold storage facility, blast freezing, and food processing facility to produce frozen and dried fruit products and by-products for the domestic and international markets.

Fruitilicious is HACCP certified, which is evidence of the quality of its supplies and end-products, as well as Halal certified.

Retail and Franchising Group

On August 08, 2011, the SEC approved the amendment of the Articles of Incorporation of the Company to, among others, include the business of retail in the primary purpose. In line with this, ANI established its Retail & Franchising Group in August 2011.

The ANI Group launched its online e-commerce platform, "ANI Express", during the pandemic. Likewise, it started setting up automated vending machines for beverage products, including canned Big Chill fruit-based juices and Tully's coffee, in key areas in central business districts under the brand name, "ANI Express".

The direct and indirect subsidiaries of the Company under the Retail business unit are:

- The Big Chill, Inc.;
- Heppy Corporation; and
- Goods and Nutrition for All Inc.
- Feelgood, Inc.

The Big Chill, Inc.

The Big Chill, Inc. ("TBC"), a direct 66.7%- owned subsidiary of ANI, was incorporated on December 27, 1994. TBC is engaged in the business of the retail sale of beverages and other food products. TBC completes the innovative "farm-to-plate" business model of the Company that allows and enhances the synergy of all the Company's fruit and vegetable businesses.

TBC is ANI's food and beverage arm that owns and operates Big Chill, Tully's Coffee, and ANI Express Automated Vending Machines. The Big Chill brand is committed to serving healthy and natural food and beverages.

In addition to TBC's company-owned stores, it has opened its operations for franchising. With the intent to further expand retail franchise opportunities, TBC likewise engages in the direct sales of License Agreements as well as the sale of profitable existing locations to qualified buyers. Further, TBC started as a kiosk serving fresh, preservative-free, and made-to-order fruits and vegetable beverages. Its Juice Boost selection of add-ons allow customers to power their drinks with additional benefits.

As of September 30, 2022, there are 28 outlet stores, including both company-owned and franchised, being operated carrying the brands "Big Chill", "Fresh Bar", "Super Fresh", and "Tully's Coffee".

Goods and Nutrition for All, Inc.

Goods and Nutrition for All, Inc. ("GANA") was incorporated on January 06, 2012 and is a wholly owned subsidiary of Lucky Fruit and Vegetable Products, Inc. ("LF"), an ANI subsidiary. Its primary purpose is to engage in manufacturing, importing, bartering, distributing, selling, and otherwise dealing in all kinds of goods, commodities, merchandise, and wares. GANA is currently non-operational.

Heppy Corporation

Heppy Corporation was incorporated on November 24, 2008 and on September 11, 2011, it became a wholly owned subsidiary of TBC. Heppy is primarily engaged in buying, selling, distributing, and marketing of fruit drinks. Heppy is non-operational at present.

Feelgood, Inc.

Feelgood Inc. is a recent acquisition. It retails in consumer food products under the trade names, "Juju Eats" and "Juju Cleanse". It is a wholly-owned subsidiary of The Big Chill, Inc.

Local Distribution Group

The Local Distribution Group is composed of four (4) subsidiaries of ANI acting as the main distribution arms of ANI's agricultural products, utilizing the FCA brand, among others. The Company and its subsidiaries are some of the largest wholesalers of fresh vegetables to leading supermarkets, currently concentrated in Metro Manila. In addition, they supply fresh vegetables to in-house brands of various supermarkets.

The fruits and vegetables are sourced on a nationwide scale from farmers under supply contracts and from buying stations. To boost revenues, the group intends to expand through new and innovative distribution methods, which include the direct selling approach through the Company's own ANI Express portal² and through the DA's eKadiwa platform on its website.

The Local Distribution Group continuously undertakes aggressive expansion of its product portfolio that brings healthy products to its consumers. As a result of continuous research and development ("R&D"), the ANI Group started to offer plant-based meat alternatives, branded Fit Bites and dairy free, coconut-based ice cream under the Big Chill brand in 2020.

During the pandemic, the ANI Group nearly doubled the number of outlets it services.

There are four (4) direct and indirect subsidiaries operating to trade agricultural goods, as follows:

- First Class Agriculture Corporation;
- Fresh and Green Harvest Agricultural Corporation;
- Lucky Fruit and Vegetable Products Inc.; and
- Farmville Farming Co., Inc.

First Class Agriculture Corporation

First Class Agriculture Corporation ("FCAC"), a wholly owned subsidiary of ANI, was incorporated on June 11, 2002. FCAC is engaged in the distribution of fruits and vegetables to supermarket chains under the FCA brand. It supplies more than 100 varieties of vegetables and local fruits daily to various supermarket chains in Luzon.

FCAC has a rice mill facility in Arayat, Pampanga that processes grains like rice and corn. It has lines of grains driers and milling equipment that is utilized to process and pack them in 2kg up to 50kg packaging.

It is currently running a program named "BigMa" that is in line with and supports the national food security program. "BigMa" (Bigas-Mais/Rice-Corn Blend), as a staple food, is a healthier alternative product for the Filipino consumers versus consuming pure rice. Apart from its nutritional benefits, such as Vitamin A, E, K, B, Folate, Niacin, and other minerals, it has a lower glycemic index.

In 2016, FCAC ventured into rice importation and was able to participate in the Minimum Access Volume rice importation program of the National Food Authority.

Fresh and Green Harvest Agricultural Corporation

Fresh and Green Harvest Agricultural Corporation ("F&G"), a wholly owned subsidiary of FCAC, was incorporated on June 04, 2004. Like its parent company, F&G was likewise incorporated to distribute fruits and vegetables but is currently non-operational to pave the way to FCAC in ensuring a solid market base before it resumes its operations.

Lucky Fruit and Vegetable Products, Inc.

Lucky Fruit and Vegetable Products Inc., a wholly owned subsidiary of FCAC, was incorporated on May 25, 2005. It is engaged in wholesale trading and distribution of commercial crops to food service and institutional accounts such as hotels, restaurants, and public markets throughout Luzon. It is currently non-operational but is currently being prepared to reboot operations to include expansion into the Mindanao market, with Cagayan de Oro and Davao as its hubs.

Farmville Farming Co., Inc.

Farmville Farming Co., Inc. ("Farmville") was incorporated on June 02, 2010. It is primarily engaged in the sourcing of fruits and vegetables and trading to in-house brands of various local markets. Currently, ANI owns 51.0% of its outstanding capital.

Export Group

The Export Group is being handled directly by the parent company, ANI. The Export Group is in charge of looking for markets abroad as well as sourcing the best quality produce possible to satisfy its growing number of clients abroad. This group is the top dollar earner among the ANI Group. Its main export products are fresh mangoes, fresh bananas, and coconut water.

The Company is well known internationally due to its quality exports of Carabao Mangoes. ANI sources its fresh mangoes from a network of growers and suppliers that are veteran players in the mango business. The Company ensures that the selected group of partners complies with Good Agricultural Practices (GAP), adheres to the Government prescribed mango production system, and observes the accepted pesticide spraying protocols.

The Company has an established good rapport with its suppliers and offers inputs loan to some of its partner mango contract growers. The Company's meticulous requirements in selecting its network of growers and suppliers ensure that the Company's products will pass stringent export standards and quality requirements.

The Export Group supplies around 75 to 100 forty-foot container load (FCL) containers of bananas weekly to satisfy foreign demand. The prominent variety of banana exported to China and Middle East is the Cavendish banana. This is the most common variety of banana sold in the international markets. Cavendish banana plantations in the Philippines are concentrated in the Mindanao area. To satisfy the high demand from aforementioned countries, the Export Group sources its supply from small independent growers to established corporate plantations in said area.

Lastly, canned beverages, with coconut water as one of them, is processed and packed by ANI's subsidiary, IMEX. It is distributed by both the local distribution group and export group and is considered as one of the most exciting products offered by ANI. International clients for coconut water are from the United States, Canada, Australia, New Zealand, and the Middle East

Foreign Operations

As extension of the exports group of the Company, it has established its own operations in several jurisdictions, namely Hong Kong and China.

ANI's Foreign Operations is composed of several direct and indirect subsidiaries and affiliates, which operate in their respective region or country, as follows:

- Agrinurture HK Holdings, Ltd.;
- Agrinurture International Ltd;
- Joyful Fairy (Fruits) Ltd.;
- Zhongshan Fucang Trading Co., Ltd.;
- Xuzhou Shengmei Real Estate Co., Ltd.;
- Guangzhou Lexian Fruit Industry Co., Ltd. (Lexian);
- Plentex Limited; and
- Plentex Philippines, Inc.

Hong Kong

ANI's Hong Kong operations are carried out through the following entities:

Agrinurture HK Holdings, Ltd.

Agrinurture HK Holdings, Ltd. ("ANI HK Cayman"), a wholly owned subsidiary of ANI, was incorporated in the Cayman Islands on July 27, 2012. It serves as the parent company of two (2) companies under the Hong Kong operations, namely ANI Int'l HK and Joyful Fairy.

Agrinurture International, Ltd.

Agrinurture International, Ltd. ("ANI Int'l HK"), a 100.0% subsidiary of ANI HK Cayman, was organized on August 08, 2012 in Hong Kong. It is one of the two (2) subsidiaries of ANI HK Cayman. It is primarily engaged in the trading of produce and retail sales of fruit juices in Hong Kong. As of August 31, 2021, ANI Int'l HK has one (1) operating store.

Joyful Fairy (Fruits) Ltd. (a BVI Company)

Joyful Fairy (Fruits) Ltd. (a BVI Company), a 51.0% owned subsidiary of ANI HK Cayman, was incorporated in the British Virgin Islands on August 01, 2012 as the holding company of Joyful Fairy (Fruits) Ltd. (HK). However, Joyful Fairy divested from Joyful Fairy HK on December 31, 2016.

China

ANI's China operations are carried out through the following entities:

Zhongshan Fucang Trading Co., Ltd.

Zhongshan Fucang Trading Co., Ltd. was established on May 31, 2013 in Zhongshan City, China. ANI acquired 49.0% of Fucang in 2016, with another 2.0% in 2017. ANI's shares was increased to 70% in 2021. It acquired all the remaining privately-owned shares by assignment in 2024, making ANI the full owner now of Fucang.

Fucang primarily provides international trade services, specifically the importation of rice and fruits from Southeast Asia and the exportation of spices from China to various countries worldwide. Its business activities include, among others, the sale of general merchandise items, industrial investment, business investment and asset management, marketing planning, and business consulting services.

Xuzhou Shengmei Real Estate Co., Ltd.

Xuzhou Shengmei Real Estate Co., Ltd. was established on August 31, 2012 in Xuzhou City, China and is a 90.0% subsidiary of Fucang. Shengmei is engaged in real estate development and management in the Jiangsu province of China.

Guangzhou Lexian Fruit Industry Co., Ltd.

Guangzhou Lexian Fruit Industry Co., Ltd. was organized in Guangzhou City, China on April 29, 2015 and was acquired by Fucang with a 70.0% ownership in 2018. Lexian is engaged in the wholesale trading of fruits and vegetables, furniture, and other merchandise.

Australia

ANI's Australian operations are carried out through the following affiliates:

Plentex Limited

ANI acquired 30,000,000 shares of Plentex, an Australian unlisted public agribusiness firm primarily engaged in large scale feed manufacturing in Victoria, Australia, supplying premium and aquatic pet food for the Australian and international markets, in exchange for 6,172,800 Common Shares of the Company at ₱18.00 per share. Presently, 10,000,000 Plentex shares have been issued to ANI in exchange for the 2,057,600 ANI shares issued to PPI.

Plentex ventured into the Philippine market in 2013 through its subsidiary, Plentex Philippines, Inc. ("PPI"), which has been developing integrated agribusiness projects in Tacloban, Leyte including a manufacturing plant for local crops and production of feedstock. By 2014, PPI became Plentex's core business and, subsequently, established PPI-affiliated companies, namely, Plentex Realty, Inc. (PRI), Plentex Agri-Milling Corp. (PAMC), and Plentex Aquafarms Corp. (PAC).

ANI envisioned cooperation in Plentex's plans of fully integrating an agri-product plant, aquafeed plant, and fish farming & fish processing facility that addresses substantial local and export opportunities in the Asia Pacific Region. In view of business downturns arising from the onslaught of the 2020 pandemic, this cooperation is presently on wind-down.

Ongoing Acquisitions

Australia

On October 25, 2018, the Company's Board of Directors authorized the expansion of business operations in Australia through the acquisition of existing companies. As of September 15, 2023, ANI has fully acquired Freshness First Pty., Ltd., an Australian company primarily engaged in trading fresh and processed fruits and vegetables in Queensland, Australia, with possible export trading growth in other territories such as Singapore, Hong Kong, Macau, and Mainland China.

The description of this entity is presented below.

Freshness First Pty Ltd

Freshness First is a company incorporated under the laws of Queensland, Australia on July 02, 2012. The Company is primarily engaged in the trading of fresh and processed fruits and vegetables in Queensland, Australia and nearby New South Wales clients. There is a high probability of doing export trade in other territories such as Singapore, Hong Kong, Macau, and Mainland China.

At present, Freshness First operations are conducted by its 100.0% owned and controlled subsidiaries, namely: (a) BSK Pty Ltd doing business under the brand “Field Cuisine”; and (b) Michsul Pty Ltd (“Michsul”) doing business under the brand “Bou Samra Fruits & Vegetables”.

Freshness First is eyeing a roll up with two (2) or more larger players with existing processing capacity to create synergies and develop value added processing ability for the whole and processed fruit and vegetables market in Queensland. The consolidation would result to a market leader delivering whole and processed fruit and vegetables to the wholesale and commercial market sectors across South East Queensland and creating a true alternative to supply corporate customers for “Bulk” processed products.

All the entities described above are hereinafter referred to collectively as the “ANI Group”.

a. Management’s Discussion and Analysis of Financial Condition and Result of Operations Overview

ANI started as a simple manufacturing and trading company of post-harvest facilities. In 2001, ANI shifted its business to exporting fresh fruits and processed juices. Through hard work and strict adherence to quality service and products, ANI was recognized by PhilExport as one of the Top 50 Exporters of the Philippines.

In 2007, ANI acquired ownership of FCA, one of the country’s leading vegetable distributor. ANI likewise started an aggressive investment program in farming through its subsidiary, BCH. These acquisitions and aggressive investments were in line with ANI’s vision of establishing a strong farm- to-plate platform.

In 2011, the Company executed an Investment Agreement with Black River and Earthright Holdings, Inc. As discussed above, the investment contemplated under the Investment Agreement resulted in the infusion of fresh capital in the aggregate amount of US\$30,450,000 into the Company which is necessary in order to fund its local and global expansion.

In 2013, The Company executed (i) a Note Subscription Agreement and (ii) a Promissory Note in favor of Black River (the “Note”) for the principal amount of Three Hundred Thirty Five Million Pesos (P335,000,000) with interest at the rate of three per cent (3%) per annum and term of three (3) years from issue date, subject to the Conversion Option and Redemption Option provided in the Note.

ANI ventured into the importation and trading of rice in the first quarter of 2015 and has since then participated in the rice importation program for private sector with the National Food Authority.

In 2019, ANI increased its export of fruits in China. On going negotiations are being undertaken to enter into Joint Venture with Government Agencies and other private entities to include other agricultural products in its portfolio to further its “farm-to-plate” vision.

Thus, ANI’s financial condition and results of operations as reported in the audited financial statements should be taken into context with the Company’s aggressive forward and backward integration that started in 2007.

Summary Financial Information

Financial Statement Accounts	AUDITED		
	As of 31 Dec. 2022	As of 31 Dec. 2023	As of 31 Dec. 2024
Net Sales	3,836,827,479	2,972,543,212	1,484,115,476
Gross Profit	408,981,986	301,186,037	45,173,179
Operating (Loss) Income	57,277,495	-96,397,967	-173,828,410
Net (Loss) Income after Income Tax	2,500,323	-146,771,657	-207,654,874
Balance Sheet Accounts			
Total Current Assets	2,823,165,705	2,385,967,527	2,613,681,692
Total Current Liabilities	1,602,010,967	2,011,539,263	1,878,542,463
Total Liabilities	1,656,004,426	2,058,169,438	1,925,275,312
Total Stockholder's Equity	4,205,100,391	3,153,785,759	2,883,202,920
Total Liabilities and Stockholders' Equity	5,861,104,817	5,211,955,197	4,808,478,233

Factors Affecting Results of Operations

Demand and Pricing

The demand for ANI's products may be affected by fluctuations in prices, as determined by seasonality, weather, quality and farm productivity. While the Company deals in widely consumed agricultural products, especially fruits and vegetables, it may be argued that a large portion of these products represent discretionary purchases, demand for which is influenced by price movements.

The factors that affect domestic demand may likewise affect export demand. Moreover, export markets tend to be stricter with regards to product quality, and any negative quality issues may mean serious sanctions being imposed on the seller. The Company has normally been able to pass all quality standards in its major export markets, but there is no assurance that this performance can be sustained in the future.

Price fluctuations may affect the Company's net margins. Normally most of the Company's costs are variable, with fixed costs comprising mainly of salaries and production and logistics assets. Severe reductions in overall prices may therefore adversely affect the Company's net income margins.

Changes in Consumer Tastes and Preferences

Consumer preferences may change due to a number of factors, including changes in economic conditions and income levels, shifts in demographic and social trends, changes in lifestyle, regulatory actions and negative publicity regarding product quality, any of which may affect consumers' perception of and willingness to purchase the Company's products.

Advertising and Promotions

The Company has relied on billboard, radio, participation in sport league, non-traditional ads, print and television (a cooking show) advertising to push its "Fresh Choice Always" brand. Advertising and promotions are factors for consumer buying choices. Advertising affects consumer awareness of the Company's products by distinguishing it from other fresh produce, some of which are sold unbranded. Sales volumes and revenues may therefore be positively affected by the effectivity of the Company's branding and advertising campaigns.

Competition

The Company faces competition from other domestic producers, which sells both its own brand and foreign brands.

Taxes and Regulatory Environment

The Company's operations are subject to various taxes, most of the revenues which are export and agri-related is VAT free but are subject to income tax. In 2006, the Government increased the VAT rate from 10% to 12%. In 2009, Corporate Income Tax is reduced to 30% from 32% the previous year. In general, the Company attempts to pass higher taxes to its consumers by raising the prices of its products in the event there is any additional tax to be announced, although the timing and size of such price rises can be influenced by factors such as inflation and other economic conditions in the Philippines. Price changes the Company makes in reaction to changes in tax rates could affect the demand for the Company's products as well as the Company's profit margins, product pricing and net income.

CRITICAL ACCOUNTING POLICIES

The preparation of the Company's audited financial statements requires the Company's management to make estimates and assumptions that affect the amounts reported in the Company's financial statements and the related notes. Actual results may differ from those estimates and assumptions. The Company has identified the following accounting policies as critical to an understanding of its financial condition and results of operations, as the application of these policies requires significant management assumptions and estimates that could result in the reporting of materially different amounts if different assumptions or estimates are used.

Nevertheless, there has been no disagreement between the Company and its current and previous accountants and auditors regarding Accounting and Financial Disclosure matters that resulted in the latter resigning, being dismissed, or otherwise ceasing to perform services for the Company.

EXTERNAL AUDITORS

The Company retained Moore Roxas Tabamo & Associates as its external auditors for 2024, for an agreed fee of Php 2,600,000.00.

DESCRIPTION OF REVENUE AND COST ITEMS

The following table presents the Company's net sales for the periods indicated:

Table 1: Net Sales.

	2022	2023	2024
	Php	Php	Php
Philippines	1,657,533,584	1,254,380,165	216,054,152
Hong Kong/China	2,179,293,895	1,718,163,047	1,268,061,324
Total	3,836,827,479	2,972,543,212	1,484,115,476

Year ended December 31, 2024 versus December 31, 2023

Results of Operations

Net Sales

ANI Group sustained a consolidated sale of goods and services at Php1.48 billion for the year ended December 31, 2024 compared to Php 2.97 billion for same period last year. For the year ended December 31, 2023, Philippine operations contributed 15% while sales from foreign operations accounted for 85% of consolidated sales. Sale of goods and services by business segment follows:

- Export sales posted a decrease of 98% for the year 2024 or Php 15.12 million in 2024 from Php 1.29 billion in 2023, lower supply of produce.
- Domestic distribution sales posted a decrease of 53% to Php 150.12 million in 2024 from 317.97 million in 2023 mainly due to the decrease sales of rice.
- Retail and franchising sales registered an increase of 27% to Php 50.82 million in 2024 from Php 69.23 million in 2023, primarily due to closure of some branches.

Combined Foreign trading operations posted a decrease of 26 % to Php 1.72 billion in 2024 from Php1.72 billion

in 2023, due to decrease in sales both of residential and commercial units, fresh produced and merchandising.

Cost of sales consists of:

- Cost of purchasing fruits and vegetables and raw materials from growers and other traders and suppliers including freight in charges;
- Cost of real estate includes development cost for all properties to be sold, including shops, office buildings and hotels located in China.
- Personnel expenses, which include salary and wages, employee benefits and retirement costs for employees involved in the production process;
- Repairs/maintenance costs, depreciation costs relating to production equipment, vehicles, facilities and buildings;
- Fuel and oil costs relating to the production and distribution process;

For the year ended December 31, 2024, ANI Group's cost of sales and services decline to Php 1.43 billion or 47% from Php 2.67billion for the year 2023 in line with the decrease in sales during the period.

Gross Profit

Consolidated gross profit down by Php 246.07 million or 82% for the year ended December 31, 2024. The gross profit down from Php 408.98 million in 2022 to Php 301.19 million in 2023.

Operating Expenses

The Company's operating expenses consist of selling expenses and administrative expenses which include the following major items:

- Taxes and licenses
- Salaries, wages and other employee benefits
- Advertising
- Rentals
- Depreciation and amortization
- Freight and handling
- Communication, light and water
- Impairment loss on receivables

Consolidated operating expenses for the 2024 amounted to Php 218.09 million down from Php 397.58 million in 2023 due to effective efforts of management in cost reduction.

Other Income (Charges)

Other chrges-net in 2024 amounted to Php2.09million and Php5.45million other income-net in 2023. There was no recognition of gain on revaluation of investment property during the year.

Finance Costs

Finance Costs for the years 2024 and 2023 are Php63.81 million and Php 60.64 million, respectively.

Net Income

Net loss for fiscal year 2024 amounted to Php197.71 million of which Php-194.84 million loss is attributable to equity holders of the parent while Php 2.87 million is attributable to non-controlling interest.

Financial Condition

Assets

ANI Group's consolidated total assets as of December 31, 2024 amounted to Php4.82billion, a decrease of 7% from Php 5.21billion as at December 31, 2023. The following explain the significant movements in the asset accounts:

- The Group's cash balance decreased by Php30.01 million primarily due to increase in payment of day to day operations of the Company and settlement of loans and other liabilities.
- Receivables decreased by Php 49.37 million mainly due to collection efforts made during the year.
- Due from related parties has a significant decrease from Php268.94million in 2023 to Php 326.54 million in 2024.
- Inventories decreased from year end 2023 balance of Php1.26billion to Php1.22 billion in 2024 to increase the Group's inventory stock level due to limited mobility during pandemic.
- Property and equipment and intangible assets decreased by Php83.42 million due to recognition of depreciation.

Liabilities

Consolidated liabilities amounted to Php1.93billion as of December 31, 2024.

Total current liabilities decreased to Php1.88 billion in 2024 from Php 2.01 billion in 2023.

Total non-current liabilities decreased to Php 46.73 million due to payment of loans during the year.

Equity

Consolidated stockholders' equity as of December 31, 2024 decreased to Php 2.89 billion.

Liquidity and Capital Resources

Net cash flows used by operating activities for the year 2024 was Php353,24million.

Net cash flow provided by investing activities is Php341.16million mainly due to advances to its related parties and stockholder.

Net cash flows used in financing activities is Php18.02 million.

ANI Group's revenue for June 30, 2025 and 2024 by each of the principal business segments are as follows:

REVENUE		
(Philippine Peso)	30-Jun-25	30-Jun-24
Philippine operations		
Export	4,616,883	11,568,918
Local Distribution and Others	20,409,352	112,050,893
Retails & Franchising	12,142,446	23,097,520
Subtotal	37,168,681	146,717,331
Foreign Operations		
Hongkong/China		918,478,842
Total	37,168,681	1,065,196,173

Six Months ended June 30, 2025 versus June 30, 2024

Results of Operations

Net Sales

Total consolidated revenue for the six-month period ended June, 2025, stood at **₱37.17 million**, a dramatic decline of **₱1.03 billion** or **97%** from the **₱1.07 billion** earned during the same period in 2024.

Revenue from domestic operations fell from **₱146.72 million** in June 30, 2024 to **₱37.17 million** in June 30, 2025, reflecting a contraction of **74.67%**. Segment breakdown is as follows:

Export Revenue declined by **₱6.95 million** or **60.09%**, from **₱11.57 million** to **₱4.62 million**. **Local**

Distribution and Others experienced the largest drop, decreasing by **₱91.64 million** or **81.79%**, from **₱112.05 million** to **₱20.41 million**.

Retail & Franchising fell by **₱10.96 million** or **47.43%**, from **₱23.10 million** to **₱12.14 million**.

This decrease reflects lower domestic demand, reduced distribution activity, and possibly logistical or operational bottlenecks affecting both retail and export sales.

Cost of Sales

Cost of sales consists of:

- Cost of purchasing agricultural produce, fruits and vegetables and raw materials from growers and othertraders and suppliers including freight in charges;
- Cost of real estate includes development cost for all properties to be sold, including shops, office buildings and hotels located in China
- Personnel expenses, which include salary and wages, employee benefits and retirement costs for employees involved in the production process;
- Repairs/maintenance costs, depreciation costs relating to production equipment, vehicles, facilities and buildings;
- Fuel and oil costs relating to the production and distribution process

For the six months ended June 30, 2025, ANI Group's cost of sales amounted to **₱31.99** million decreases by 97%from **₱980.42** million for the same period in 2024, lower production volumes, as fixed costs could not be absorbed effectively.

Gross Profit

Consolidated gross profit down by Php 79.59 million or 94% from Php84.78million to Php 5.18 million for the six months ended June 30, 2025 for same period last year. This was due to significant decrease in revenue from export and foreign operation.

Operating Expenses

The Group's operating expenses consist of selling expenses and administrative expenses; which include the following major items:

- Taxes and licenses
- Salaries, wages and other employee benefits
- Advertising
- Rental
- Depreciation and amortization
- Freight out and handling cost

Consolidated operating expenses were significantly reduced to **₱57.14 million** from **₱137.73 million**, indicating active cost containment.

Finance Costs

Finance Costs: Rose to **₱30.53 million**, up from **₱6.69 million**, reflecting higher borrowing levels or interest rates.

Net Profit/Loss

The Group posted a **net loss before income tax of ₱30.54 million**, widening from the **₱4.75 million** loss in June 30, 2024 due to the sharp revenue decline and increased financial charges.

Financial Condition

Assets

ANI Group's consolidated total assets as of June 30, 2025 increased slightly from **₱4.81 billion** in December 2024 to **₱4.94 billion** in June 30 2025, or by **2.7%**. The following explain the movements in the asset accounts:

- The Group's cash balance increased by P4.04 million from ₱ 5.41 million in 2024 to ₱9.45 million in 2025
- Receivables increased by ₱7.27 million during the quarter from ₱585.60 million in 2024 to P 592.87 million in 2025.
- Advances to related parties rose by P 17.83 million in 2025 from 326.54 million to 344.38 million primarily to provide operating capital to support other affiliates.
- Inventory balance decreases from ₱1.22 billion to ₱1.20 billion in 2025.
- Property, plant and equipment including intangibles and right-of- use assets decreased from 477.82 million in December 31, 2024 to ₱412.86 million in June 30, 2025 due to foreign exchange translation.

Liabilities

Consolidated liabilities amounted to P 2.36 billion as of June 30, 2025

Total current liabilities amounted to ₱2.31 billion and ₱ 1.88 billion as of June 30, 2025 and December 31, 2024, respectively. The significant increase indicating delayed payments or increased obligations to suppliers and creditors

Equity

The consolidated stockholders equity declined to **₱2.58 billion** from **₱2.88 billion**, a decrease of **₱306.88 million** or **10.64%**, driven by increased deficit from **₱226.47 million** to **₱306.14 million**, reflecting Q2 2025 net losses.

Liquidity and Capital Resources

Net cash provided by operating activities for the first six months of 2025 was P209.93

million Net cash flow used in investing activities is P220.36 million during the period.

Net cash provided by financing activities is P14.48 million which is due to loan availments and advances from related parties during the period.

Discussion and Analysis of Material Events and Uncertainties

The company has no knowledge and not aware of any material event/s and uncertainties known to the management that would address the past and would have an impact on the future operations of the following:

- a) Any known trends, demands, commitments, events or uncertainties that will have a material impact on our liquidity
- b) Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of obligation.
- c) All material off-balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated entities or other persons created during the period.
- d) Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.
- e) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.
- f) Any significant elements of income/loss did not arise from our continuing operation.

Six Months ended June 30, 2024 versus June 30, 2023

Results of Operations

Net Sales

The ANI Group generated a consolidated sale of goods and services of Php1.07 billion for the six months ended, June 30, 2024, a 43.50% decrease over the same period last year. For the first six months of 2024, Philippine operations contributed 13.77% while 86.23% came from Foreign operations. Sale of goods and services by business segment are as follows:

Export of bananas and various goods decreased, which resulted to the Group's export sales of Php11.57 million, 97.92% lower compared to the same period in 2023. The decrease is due to reduced volumes of China export clients.

Local distribution sales posted a decrease of 44.89% to Php 112.05 million for the six months ended June 30, 2024 from Php 203.3 million for the same period in 2023. Sales decreased due to rationalization of operations pertaining to the fresh produce and commodities markets.

Retail and franchising sales registered a decrease of 39.54%, amounting to Php 23.1 million, for the first two quarters of 2024 from Php38.20 million for same period in 2023.

Cost of Sales

Cost of sales consists of:

Cost of purchasing agricultural produce, fruits and vegetables and raw materials from growers and other traders and suppliers including freight in charges;

Cost of real estate includes development cost for all properties to be sold, including shops, office buildings and hotels located in China;

Personnel expenses, which include salary and wages, employee benefits and retirement costs for employees involved in the production process;

Repairs/maintenance costs, depreciation costs relating to production equipment, vehicles, facilities and buildings;

Fuel and oil costs relating to the production and distribution process.

For the six months ended June 30, 2024, ANI Group's cost of sales amounted to Php990.22 million, a decrease by 40.43% from Php1.66 billion for the same period in 2023, due to decrease in sales during the two quarters.

Gross Profit

Consolidated gross profit was down by Php 147.97 million, or 66.37 % from Php222.94 million, to Php 74.98 million for the six months ended June 30, 2024 compared to the same period last year. The decrease was due to significant decrease in revenue from export and foreign operation.

Operating Expenses

The Group's operating expenses consist of selling expenses and administrative expenses, which include the following major items:

Taxes and licenses
Salaries, wages and other employee benefits
Advertising
Rental
Depreciation and amortization
Freight out and handling cost

Consolidated operating expenses for the first two quarters of 2024 amounted to Php 127.93 million, decreased from Php192.06 million for the same period last year; this is due to decrease in foreign operations.

Finance Costs

Finance Costs for the first two quarters of 2024 amounted to Php 6.69 million compared to Php 24.36 million from same period last year.

Net Profit/Loss

Consolidated net loss was Php 48.20 million, or down by 623% from net income of Php5.75million for the six months ended June 30, 2024 for same period last year. The decrease was due to significant decrease in export and foreign operations.

Financial Condition

Assets

ANI Group's consolidated total assets as of June 30, 2024 amounted to P5.17 billion a slight decrease from P 5.21 billion at December 31, 2023. The following explain the movements in the asset accounts:

The Group's cash balance decreased by P24.37 million from P 35.51 million in 2023 to P11.14 million in 2024
Receivables decreased by P31.19 million during the quarter from P634.97 million in 2023 to P603.78 million in 2024.

Advances to related parties increase by P14.13 million in 2023 from P268.94 to P 283.06 due to advances made during the quarter.

Inventory balance decreased from P1.26 billion to P1.22 billion in 2024.

Deposits for future investments include deposits made by Fucang to acquire 70% ownership of the subscriptions to Guangzhou Tianchen Real Estate Development Co., Ltd and 30% of Lushan Supply Chain Management (Shanghai) Co., Ltd., a company engaged in banana trading in China.

Property, plant and equipment including intangibles and right-of- use assets decreased from 534.13 million in December 31, 2023 to P519.10 million in June 30, 2024 due to amortization during the period.

Liabilities

Consolidated liabilities amounted to 1.99 billion as of June 30, 2024.

Total current liabilities amounted to P1.95 billion and P 2.01 billion as of June 30, 2024 and December 31, 2023, respectively. The slight decrease is mainly due to payments of related parties.

Equity

Consolidated stockholders' equity amounted to P3.18 billion and 3.15 billion as of June 30, 2024 and December 31, 2023. The increase is due to foreign currency translation during the period.

Liquidity and Capital Resources

Net cash provided by operating activities for the first six months of 2024 was P77.10 million

Net cash flow used in investing activities is P84.49 million during the period.

Net cash used in financing activities is P18.98 million for payments of loans and advances from related parties during the period.

Discussion and Analysis of Material Events and Uncertainties

The company has no knowledge and is not aware of any material event/s and uncertainties known to the management that would address the past and would have an impact on the future operations of the following:

Any known trends, demands, commitments, events or uncertainties that will have a material impact on our liquidity
Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of obligation.

All material off-balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated entities or other persons created during the period.

Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.

Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

Any significant elements of income/loss did not arise from our continuing operation.

Year ended December 31, 2023 versus December 31, 2022

Results of Operations

Net Sales

ANI Group sustained a consolidated sale of goods and services at Php2.97 billion for the year ended December 31, 2023 compared to Php 3.84 billion for same period the year before. For the year ended December 31, 2023, Philippine operations contributed 42% while sales from foreign operations accounted for 58% of consolidated sales. Sale of goods and services by business segment follows:

- Export sales posted a decrease of 32.57% for the year 2023 or Php 867.18 million in 2023 from Php 1.29 billion in 2022, primarily due to global logistics issues and lower supply of produce brought about by the Covid-19 pandemic.
- Domestic distribution sales posted a decrease of 25.8% to Php 317.97 million in 2023 from 311.39 million in 2022 mainly due to the decrease in sales of rice.
- Retail and franchising sales registered an increase of 15% to Php69.23 million in 2023 from Php 60 million in 2022, primarily due to opening of stores located in major malls

Combined Foreign trading operations posted a decrease of 21.15 % to Php 1.72 billion in 2023 from Php2.18 billion in 2022, due to decrease in sales both of residential and commercial units and merchandising since the lockdown in China started brought about by the COVID-19.

Cost of sales consists of:

- Cost of purchasing fruits and vegetables and raw materials from growers and other traders and suppliers including freight in charges;

- Cost of real estate includes development cost for all properties to be sold, including shops, office buildings and hotels located in China.
- Personnel expenses, which include salary and wages, employee benefits and retirement costs for employees involved in the production process;
- Repairs/maintenance costs, depreciation costs relating to production equipment, vehicles, facilities and buildings;
- Fuel and oil costs relating to the production and distribution process;

For the year ended December 31, 2023, ANI Group's cost of sales and services declined to Php 2.67 billion or 16.81% from Php 3.43billion for the year 2022, in line with the decrease in sales during the period.

Gross Profit

Consolidated gross profit was down by Php 107.795 million or 26.36% for the year ended December 31, 2023. The gross profit was down from Php 408.98 million in 2022 to Php 301.19 million in 2023.

Operating Expenses

The Company's operating expenses consist of selling expenses and administrative expenses, which include the following major items:

- Taxes and licenses
- Salaries, wages and other employee benefits
- Advertising
- Rentals
- Depreciation and amortization
- Freight and handling
- Communication, light and water
- Impairment loss on receivables

Consolidated operating expenses for the 2023 amounted to Php 397.58 million up from Php 351.76 million in 2022 due to effective efforts of management in cost reduction.

Other Income (Charges)

Other income-net in 2023 amounted to Php5.45 million and Php11.05 million other charges-net in 2022. There was no recognition of gain on revaluation of investment property during the year.

Finance Costs

Finance Costs for the years 2023 and 2022 are Php60.64 million and Php 57.99 million, respectively.

Net Income

Net loss for fiscal year 2023 amounted to Php146.77 million of which Php-146.15 million loss is attributable to equity holders of the parent while Php -0.621 million is attributable to non-controlling interest.

Financial Condition

Assets

ANI Group's consolidated total assets as of December 31, 2023 amounted to Php5.211 billion, a decrease of 11.07% from Php 5.861 billion as at December 31, 2022. The following explain the significant movements in the asset accounts:

- The Group's cash balance decreased by Php63.27 million primarily due to increase in payment of day to day operations of the Company and settlement of loans and other liabilities.
- Receivables decreased by Php 34.87 million mainly due to collection efforts made during the year.
- Due from related parties has a significant decrease from Php508.97 million in 2022 to Php 268.94 million in 2023.
- Inventories decreased from year end 2022 balance of Php1.37 billion to Php1.26 billion in 2023 to increase the Group's inventory stock level due to limited mobility during pandemic.
- Property and equipment and intangible assets decreased by Php81.455 million due to recognition of depreciation.

Liabilities

Consolidated liabilities amounted to Php2.058 billion as of December 31, 2023.

Total current liabilities increased to Php2.011 billion in 2023 from Php 1.60 billion in 2022.

Total non-current liabilities decreased to Php 46.63 million due to payment of loans during the year.

Equity

Consolidated stockholders' equity as of December 31, 2023 decreased to Php 1.051 billion mainly due to improve in net operating performances of the subsidiaries.

Liquidity and Capital Resources

Net cash flow provided by operating activities for the year 2023 was Php-568.64 million.

Net cash flow provided by investing activities is Php235.50 million mainly due to advances to its related parties and stockholder.

Net cash flows used in financing activities is Php269.85 million.

ANI Group's revenue for June 30, 2024 and 2023 by each of the principal business segments are as follows:

REVENUE		
(Philippine Peso)	30-Jun-24	30-Jun-23
Philippine Operations		
Export	11,568,918	₱ 555,456,973
Local Distribution and Others	112,050,893	203,304,796
Retail & Franchising	23,097,520	38,204,270
Subtotal	₱ 146,717,331	₱ 796,966,039
Foreign Operation		
Hongkong/China	918,478,842	1,088,277,631
Total	₱ 1,065,196,173	₱ 1,885,243,670

KEY PERFORMANCE INDICATORS

Following below are the major performance measures that the Company uses. The Company employs analyses using comparisons and measurements based on the financial data for current periods against the same period of the previous year.

	<u>Year ended</u> <u>December 31,</u>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Liquidity:			
Current ratio	<u>1.39</u>	<u>1.19</u>	<u>1.76</u>
Quick ratio	<u>0.49</u>	<u>0.47</u>	<u>0.8</u>
Solvency:			
Debt-to- equity ratio	<u>0.67</u>	<u>0.65</u>	<u>0.39</u>
Asset-to- equity ratio	<u>1.67</u>	<u>1.65</u>	<u>1.39</u>
Interest rate coverage ratio	<u>-3.6</u>	<u>-1.5</u>	<u>0.19</u>
Profitability:			
Return on assets	<u>-0.04</u>	<u>0.03</u>	<u>0.004</u>
Return on equity	<u>-0.07</u>	<u>0.05</u>	<u>0.006</u>

Amendments and Improvements in Accounting Standards

The accounting policies adopted by the Group are consistent with those of the previous financial years except for the following applicable amended accounting standards that became effective in the current year. Unless otherwise indicated, the following amended PAS and PFRS that became effective in 2020 did not have any significant impact on the Group's financial statements or are not applicable to the Group.

- *Amendments to PFRS 3, Definition of a Business*
The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

- *Amendments to PAS 1, Presentation of Financial Statements and PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*
The amendments refine the definition of material in PAS 1 and align the definitions used across PFRS and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgments.

The amendments clarify when information is material and incorporate some of

the guidance in PAS 1 about immaterial information. In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
 - the meaning of 'primary users of general-purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of financial information they need.
- Amendments to PFRS 16, *COVID-19 Related Rent Concessions*
As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. An amendment to PFRS 16, *Leases* provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognized in profit or loss arising from the rent concessions.

On adoption of PFRS 16 amendments, the Group applied practical expedients to all its qualifying rent concessions. Three lessors granted a rental discount in 2020 which was recognized as a gain in the consolidated profit or loss. Gain on foregone leases amounted to ₱1,870,017 in 2020 (see Note 26).

- Revised Conceptual Framework for Financial Reporting
The revised conceptual framework will be used in standard-setting decisions with immediate effect. Key changes include (a) increasing the prominence of stewardship in the objective of financial reporting, (b) reinstating prudence as a component of neutrality,

(b) defining a reporting entity, which may be a legal entity, or a portion of an entity, (c) revising the definitions of an asset and a liability, (d) removing the probability threshold for recognition and adding guidance on derecognition, (e) adding guidance on different measurement basis, and, (f) stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in OCI should be recycled where this enhances the relevance or faithful representation of the financial statements.

New and Amended Standards and Interpretations Issued but not yet Effective Standards, amendments and interpretations issued but not yet effective up to the date of the Group's financial statements are listed below. Unless otherwise indicated, the Group does not expect that the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on its financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective in 2021

- PFRS 17, *Insurance Contracts*
This standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard.

The objective of PFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

This standard is currently not applicable to the Group as it has no insurance contracts.

Effective in 2022

- *Amendments to PFRS 3, Reference to the Conceptual Framework*
The amendments update the standard so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. The amendments also add a requirement that, for transactions and other events within the scope of PAS 37 or IFRIC 21, an acquirer applies PAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination and an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.
- *Amendments to PAS 16, Property, Plant and Equipment – Proceeds before Intended Use*
The amendments modify the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.
- *Amendments to PAS 37, Onerous Contracts – Cost of Fulfilling a Contract*
The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract, examples would be direct labor, materials or an allocation of other costs that relate directly to fulfilling contracts, example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

Effective in 2023

- *Amendments to PFRS 1, Classification of Liabilities as Current or Noncurrent*
The amendments clarify that the classification of liabilities as current or noncurrent should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability. The amendments also clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
- *PFRS 17, Insurance Contracts*
PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. This will replace PFRS 4, Insurance Contracts and will to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that

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

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

This standard is not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

Deferred Effectivity

- *Philippine Interpretation IFRIC 15, Agreements for the Construction of Real Estate*
This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The Philippine SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.
- *PFRS 10, Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
- *Philippine Interpretations Committee Q&A 2018–12, PFRS 15 Implementation Issues Affecting the Real Estate Industry* (as amended by PIC Q&As 2020-02 and 2020-04) The SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023. These deferrals are:
 - Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)
 - Treatment of land in the determination of the POC discussed in PIC Q&A 2018-12-E
 - Treatment of uninstalled materials in the determination of the POC discussed in PIC Q&A 2018-12-E (as amended by PIC Q&A 2020-02)
 - Accounting for CUSA Charges discussed in PIC Q&A No. 2018-12-H

The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include: a) the accounting policies applied; b) discussion of the deferral of the subject implementation issues in the PIC Q&A; c) qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted; and d) should any of the deferral options result into a change in

accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

The Group availed of the deferral of adoption of the above specific provisions of PIC Q&As. Had these provisions been adopted, the exclusion of land and uninstalled materials in the determination of POC would reduce the percentage of completion of real estate projects resulting in a decrease in retained earnings as at January 1, 2018 as well as a decrease in the revenue

from real estate sales in 2018. This would result to the land portion of sold inventories together with connection fees, to be treated as contract fulfillment asset.

The Group will continue to assess the relevance and impact of the above standards, amendments and improvements to standards, and interpretations. The revised disclosures on the financial statements required by the above standards and interpretations will be included in the Group's financial statements when these are adopted.

a. Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

a.1. Market Information

Of the Company's 1,024,446,888 issued and outstanding common shares, 720,000,066 are listed and traded principally on the Second Board of the Philippine Stock Exchange (PSE).

Pursuant to its intention to be de-listed from the National Stock Exchange of Australia (NSX), the Company was voluntarily de-listed from the NSX on 30 June 2011.

The following table presents the summary of the high and low closing trading prices of the Company's Common Shares as reported on the PSE in each of the quarterly periods from 2023 to 2025.

Table 1: Market Price of ANI's Shares on the PSE										
	2021		2022		2023		2024		2025	
	High	Low	High	Low	High	Low	High	Low	High	Low
Q1	7.98	6.77	5.35	5.14	7.55	7.35	0.64	0.59	0.49	0.475
Q2	7.16	6.16	4.88	4.41	7.09	6.45	0.58	0.53	0.48	0.455
Q3	6.33	4.96	5.84	5.55	3.24	2.88	0.55	0.53	0.445	0.42
Q4	5.1	3.98	7.15	6.85	0.75	0.7	0.51	0.48		

As of September 30, 2025, the shares of the Company were being traded on the PSE at a price of [P0.445] per share.

a.2.Holders

As of 30 September 2025, the Company has a total outstanding common stock of 1,024,446,888 common shares held by 41 individual and corporate stockholders on record.

Based on the Company's stock and transfer agent, the top twenty (20) stockholders of the Company on record as of 30 September 2025 are as follows:

Name	No. of shares Subscribed	% Ownership
PCD Nominee Corp. [Filipino]	361,970,822	35.34%
Earthright Holdings, Inc.	250,000,000	24.40%
PCD Nominee Corp. [Non-Filipino]	240,044,674	23.43%
Greenergy Holdings Inc.	116,296,246	11.35%
A.R.C. Estate of and Project Corp.	29,653,350	2.89%
PPARR Management & Holdings Corp	18,620,670	1.82%
Plentex Philippines, Inc.	6,172,800	0.60%
Chung Ming Yang	1,566,200	0.15%
Gerardo L. Dean	62,700	0.01%
Antonio L. Tiu	24,998	0.00%
Jose Mariano Crisostomo	16,000	0.00%
Jose A. Ferriols and/or Eduardo A. Ferriols	5,000	0.00%
Nieves Q. Lim and/or Alexander D. Lim	2,640	0.00%
James David Sayre	1,200	0.00%
Maricel C. Lacson	1,200	0.00%
Tai-Chuan Lin	1,199	0.00%
Bartholomew Dy Buncio Young	1,000	0.00%
Julius Victor Emmanuel De Jesus Sanvictores	1,000	0.00%
Kenneth Sabino Tan	1,000	0.00%
Charlie Y. Busmeon	800	0.00%
Others	889	0.00%
Total Top 20 Shareholders	1,024,446,888	100.00%

The following stockholders own more than 5% of the outstanding capital stock under the PCD Nominee Corp. as of 30 SEPTEMBER 2025:

EAGLE EQUITIES, INC.	216,221,810	21.10%
COL Financial Group, Inc.	67,516,966	6.59%
AP SECURITIES INCORPORATED	73,322,123	7.15%

Title of Class	Name and Address of Record Owners	Name of Beneficial Owner and Relationship with Record Owner	Number of Shares Held	Percent of Class
Common	*PCD Nominee Corp. (Filipino) G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City	PCD Nominee Corp.	361,970,822	35.34%
Common	*PCD Nominee Corp. (Foreign) G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City	PCD Nominee Corp.	240,044,674	23.43%
Common	Earthright Holdings, Inc. Unit 3C, Valuepoint Executive Building, 227 Salcedo St. Legazpi Village, Makati City	Earthright Holdings, Inc.	250,000,000	24.4%
Common	Greenergy Holdings Inc. 54 National Road, Dampol II-A, Pulilan, Bulacan	Greenergy Holdings Inc.	116,296,246	11.35%
	Total		968,311,742	94.52%

The shareholdings of all the stockholders do not relate to an acquisition, business combination or other reorganization.

*PCD Nominee Corporation is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCD Nominee Corporation are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead the participants have the power to decide how the PCD shares in the Company are to be voted.

a.3.Dividends

The Company is authorized to declare and distribute dividends to the extent that it has unrestricted retained earnings. Unrestricted retained earnings represent the undistributed profits of a corporation that have not been earmarked for any corporate purposes. A corporation may pay dividends in cash, by distribution of property, or by issuance of shares. Dividends declared in the form of cash or additional shares are subject to approval by the Company's Board of Directors. In addition to Board approval, dividends declared in the form of additional share are also subject to the approval of the Company's shareholders representing at least two-thirds (2/3) of the outstanding capital stock. Holders of outstanding common shares as of a dividend record date will be entitled to full dividends declared without regard to any subsequent transfer of such Shares. SEC approval is required before any property or stock dividends can be distributed. While there is no need for SEC approval for distribution of cash dividends, the SEC must be notified within five (5) days from its declaration.

On 11 April 2012, the Board of Directors of the Company approved the declaration of a 20% stock dividend with a record date of 15 June 2012 and payment date of 11 July 2012. The said 20% stock dividend declaration was ratified by the stockholders on 21 May 2012.

Aside from the foregoing, the Company has not declared any other dividends.

a.4. Discussion on Compliance with Leading Practice on Corporate Governance

To measure or determine the level of compliance of the Board of Directors and top-level management with its Manual on Corporate Governance (the "Manual", as amended in 2020), the Company shall establish an evaluation system composed of the following:

- Self-assessment system to be done by Management;
- Yearly certification of the Compliance Officer on the extent of the Company's compliance to the Manual;
- Regular committee report to the Board of Directors; and
- Independent audit mechanism wherein the Audit Committee shall regularly meet to discuss and evaluate the financial statements before submission to the Board of Directors. The Audit Committee shall review results of the internal and external audits to ensure compliance with accounting standards; tax, legal and other regulatory requirements.

To ensure compliance with the adopted practices and principles on good corporate governance, the Company has designated a Compliance Officer. The Compliance Officer shall: (i) monitor compliance with the provisions and requirements of the Manual; (ii) perform evaluation to examine the Company's level of compliance; and (iii) determine violations of the Manual and recommend penalties for violations thereof for further review and approval by the Board of Directors.

Aside from this, the Company has an established plan of compliance which forms part of the Manual. The plan enumerates the following means to ensure full compliance:

- Establishing the specific duties, responsibilities and functions of the Board of Directors;
- Constituting committees by the Board and identifying each committee's functions;
- Establishing the role of the Corporate Secretary;
- Establishing the role of the external and internal auditors; and
- Instituting penalties in case of violation of any of the provisions of the Manual

To date, there has been no deviation from the Company's Manual.

Representatives of the Company's principal accountants for the current year and for the most recently completed fiscal year will be invited to the Annual Shareholders' Meeting and will be given the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Mergers, Consolidations, Acquisitions and Similar Matters

At present, ANI has no definitive plans involving the following:

- a. the merger or consolidation into or with any other person or of any other person into or with the Company;
- b. the acquisition by the Company or any of its security holders of securities of another person;
- c. the acquisition by the Company of any other going business or of the assets thereof;
- d. the sale or other transfer of all or any substantial part of the assets of the Company; or
- e. the liquidation or dissolution of the registrant.

Acquisition or Disposition of Property

The Board of Directors on 20 December 2020 approved the authority of management to sell its interest in First Class Agriculture Corporation ("FCAC"). FCAC is a wholly owned subsidiary of ANI.

Restatement of Accounts

There are no matters or actions to be taken up in the meeting with respect to Restatement of Accounts.



AgriNurture, Inc.

54 National Road, Dampol 2ndA, Pulilan, Bulacan 3005, Philippines
Telefax: (044)815-6340 • www.ani.com.ph

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO ALL STOCKHOLDERS:

NOTICE is hereby given that the annual Meeting of Stockholders of AGRINURTURE, INC.(the “Corporation”) will be held on **27 October 2025**, at **10:30 AM**, at its principal office located at No. 54 National Road, Dampol II-A, Pulilan, Bulacan.

The agenda for the said meeting shall be as follows:

1. Call to Order
2. Proof of Notice
3. Determination of Quorum
4. Approval of the Minutes of the Annual Meeting held on 28 October 2024.
5. Management Report
6. Approval of the Annual Report and Audited Financial Statements for the year 2024
and Ratification of Actions taken by the Board of Directors and Officers since the
last meeting held on 28 October 2024
7. Nomination and Election of Directors
8. Appointment of External Auditor
9. Other matters.
10. Adjournment

The Organizational Meeting of the new Board of Directors will be held immediately after the Annual Stockholders’ Meeting.

By resolution of the Board of Directors, the close of business on **30 September 2025** has been fixed as the **record date** for the determination of the stockholders entitled to notice of such meeting and any adjournment thereof, and to attend and vote thereat.

All the stockholders who will not, are unable to, or do not expect to, attend the meeting in person are urged to fill in, date, sign, and return the enclosed proxy to the Corporation at its principal office at 54 National Road, Dampol II-A, Pulilan, Bulacan. The proxy need not be a stockholder. A stockholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and must specify the proportion of votes each proxy is appointed to exercise. All proxies must be received on or before **23 October 2025**. Proxies received after the said deadline will not be recorded. Corporate stockholders are requested to attach to the proxy instrument their respective Secretary’s Certificate containing the Board Resolution vis-a-vis the authority of the proxy(ies). Validation of proxy(ies) shall be held on **24 October 2025** at **2:00 PM** at the Company’s principal office.

Management is not asking you for a proxy nor is it requesting you to send a proxy in its favor.

For convenience in registering your attendance during the meeting, please bring along a government-issued identification card containing your picture and signature. Registration shall start at 9:00AM.

Pursuant to Securities and Exchange Commission Notice dated 16 March 2021, electronic copies of the Corporation's Information Statement (SEC Form 20-IS), Notice and Agenda, Proxy Form, 2024 Annual Report (SEC Form 17-A), 2024 Sustainability Report, Audited Financial Statements for the year ended 31 December 2024, Quarterly Report for the period 30 June 2025 (SEC Form 17-Q), and other pertinent documents related to the Annual Stockholders' Meeting may be viewed and/or downloaded from the Company's website at www.ani.com.ph and/or at the PSE Edge portal at <http://edge.pse.com.ph/>.

Very truly yours,



PAUL KENNETH B. DAVIS

Corporate Secretary

(PROXY FORM)

WE ARE NOT SOLICITING YOUR PROXY. HOWEVER, IF YOU WOULD BE UNABLE TO ATTEND THE MEETING BUT WOULD LIKE TO BE REPRESENTED THEREAT, YOU MAY ACCOMPLISH THE PROXY FORM HEREIN AND SUBMIT THE SAME TO THE OFFICE OF THE CORPORATE SECRETARY of AGRINURTURE, INC. AT NO. 54 NATIONAL ROAD, DAMPOL II-A, PULILAN, BULACAN, PHILIPPINES. ALL PROXIES SHOULD BE RECEIVED **ON OR BEFORE 23 OCTOBER 2025** AT THE OFFICE OF THE CORPORATE SECRETARY. FOR PARTNERSHIPS, CORPORATIONS, AND ASSOCIATIONS, THE PROXIES SHOULD BE ACCOMPANIED BY A SECRETARY'S CERTIFICATE ON THE APPOINTMENT OR DESIGNATION OF THE PROXY/REPRESENTATIVE AND AUTHORIZED SIGNATORIES.

PROXY

I/WE hereby name and appoint

or in his/her absence, the Chairman of the meeting, as my/our proxy at the Annual Stockholders' Meeting of Agrinurture, Inc. to be held at No. 54 National Road, Dampol II-A, Pulilan, Bulacan, Philippines on 27 October 2025, at 10:30 AM, and at any postponement or adjournment thereof, with full authority to transact in my/our behalf on all matters taken thereat.

Place/Date Prepared : _____

Name of Stockholder : _____

Signature (authorized rep) : _____

Number of Shares : _____

Witness _____:

Attachment _____
(Power of Attorney/
Board Resolution)



October 25, 2024

AGRINURTURE, INC.

Unit 111 Cedar Mansions II
#7 Escriva Drive, Ortigas Center
Brgy. San Antonio, Pasig City

Attention: **Atty. Paul Kenneth B. Davis**
Corporate Secretary

Subject: ASM of ANI on October 28, 2024

Gentlemen:

We submit the pre-registration documents that you need for your Annual Stockholders Meeting (ASM) scheduled on October 28, 2024, to wit:

1. Certification on the total shares represented in proxies.
2. Tabulation of Proxies
3. List of Proxy Holders
4. List of Attendees

We trust that you will find the above-cited documents in order.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'C. Montemayor', is placed above the printed name of the signatory.

CRESCENCIO P. MONTEMAYOR
President



CERTIFICATION

October 25, 2024

I, Crescencio P. Montemayor, of legal age, Filipino and with office address at Professional Stock Transfer, Inc., 10th Flr., Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City, hereby certify that:

1. I am the President of Professional Stock Transfer, Inc. (PSTI) a corporation duly organized and existing under and by virtue of the laws of the Philippines.
2. PSTI is the stock transfer agent of **AGRINURTURE., INC. (ANI)** a corporation duly organized and existing under and by virtue of the laws of the Philippines with principal office at Unit 111 Cedar Mansions II, #7 Escriva Drive, Ortigas Center, Brgy. San Antonio, Pasig City.
3. as stock transfer agent of ANI, PSTI maintains the shareholdings records of the shareholders of ANI.
4. that the total shares represented in proxies and in persons or the Annual Stockholders Meeting of Agrinurture, Inc. scheduled on October 28, 2024 is **935,785,182** shares equivalent to **65.6946 %** of the total **1,424,446,888** outstanding shares of Agrinurture, Inc. as of September 30, 2024.

This certification is for the Annual Stockholders' Meeting of Agrinurture, Inc. on October 28, 2024 .

A handwritten signature in black ink, appearing to read 'C. Montemayor', is positioned above the printed name and title.

CRESCENCIO P. MONTEMAYOR
President



AGRINURTURE, INC.
ANNUAL STOCKHOLDERS' MEETING
October 28, 2024

Total Outstanding Common Shares : 1,024,446,888
Total Outstanding Preferred Shares : 400,000,000

TOTAL NUMBER OF VOTES

	<u>NO. OF SHARES</u>	<u>%</u>
PROXIES:	<u>935,758,184</u>	65.6927%
IN PERSON:	<u>26,998</u>	<u>0.0019%</u>
TOTAL VOTES	<u>935,785,182</u>	<u>65.6946%</u>

Submitted by:

CRESCENCIO P. MONTEMAYOR
President



**AGRINURTURE, INC.
ANNUAL STOCKHOLDERS' MEETING**

October 28, 2024

Total Outstanding Common Shares : 1,024,446,888

Total Outstanding Preferred Shares : 400,000,000

LIST OF PROXY HOLDER

Stockholder	No. of Shares (Common Shares)	%
Chairman of the Meeting		
Abacus Sec. Corp. (PCD)	1,397,500	0.0981
Summit Sec. Inc. (PCD)	769,300	0.0540
Triton Sec. Corp. (PCD)	3,808,950	0.2674
Maybank ATR Kim Eng Sec., Inc. (PCD)	432,000	0.0303
Belson Sec., Inc. (PCD)	17,024,200	1.1951
Eagle Equities, Inc. (PCD)	139,935,114	9.8238
Yu and Company (PCD)	2,462,700	0.1729
Timson Securities(PCD)	2,879,200	0.2021
BA Securities (PCD)	1,288,400	0.0904
AP Securities (PCD)	65,000,000	4.5632
Antonio L. Tiu		
Chairman of the Meeting		
A.R.C. Estate and Project Corp.	29,653,350	2.0817
Unicapital Sec. Inc. (PCD) FAO ARC Estate & Project Corp.	920,600	0.0646
PPARR Mgt. and Holding Corp.	18,620,670	1.3072
Yang Chung Ming	1,566,200	0.1100
Earthright Holdings, Inc.	250,000,000	17.5507
Total Common shares	535,758,184	37.6117
Stockholder	No. of Shares (Preferred Shares)	%
Earthright Holdings, Inc.	400,000,000	28.0811
GRAND TOTAL	935,758,184	65.6927

Submitted by:

CRESCENCIO P. MONTEMAYOR
President



**AGRINURTURE, INC.
ANNUAL STOCKHOLDERS' MEETING
October 28, 2024**

**Total Outstanding Common Shares : 1,024,446,888
Total Outstanding Preferred Shares : 400,000,000**

LIST OF ATTENDEES

PROXY HOLDER

CHAIRMAN OF THE MEETING

Abacus Sec. Corp. (PCD)
Summit Sec. Inc. (PCD)
Triton Sec. Corp. (PCD)
Maybank ATR Kim Eng Sec., Inc. (PCD)
Belson Sec., Inc. (PCD)
Eagle Equities, Inc. (PCD)
Yu and Company (PCD)
Timson Securities (PCD)
BA Securities (PCD)
AP Securities (PCD)

**Antonio L. Tiu
Chairman of the Meeting**

A.R.C. Estate and Project Corp.
Unicapital Sec. Inc. (PCD) FAO ARC Estate &
PPARR Mgt. and Holding Corp.
Yang Chung Ming
Earthright Holdings, Inc.

IN PERSON:

Antonio L. Tiu
Kenneth S. Tan
Atty. Paul Kenneth B. Davis
Isidro Alcantara

Submitted by:

CRESCENCIO P. MONTEMAYOR
President

CERTIFICATION

I, **PAUL KENNETH B. DAVIS**, of legal age, with office address at the Unit 112 Cedar Mansion II, #7 Escriva Drive, Ortigas Center. Barangay San Antonio, Pasig City, hereby certify that:

1. I am the duly appointed Corporate Secretary of **AGRINURTURE INC.** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 54 National Road, Dampol II-A, Pulilan, Bulacan.

2. Based on corporate records, I certify that none of the members of the Board Directors, including the independent directors and officers of the Corporation, are appointed/employees in any government agency as of the date of this certification.

3. Further, based on corporate records, none of the nominees to the Board of Directors in the 2024 Annual Stockholders' Meeting, including the independent directors and officers of the Corporation, are appointed to or are employees in any government agency as of the date of this certification.

4. I am issuing this certification in compliance with the directive of the Markets and Securities Regulation Department of the Securities and Exchange Commission.

IN WITNESS WHEREOF, I have hereunto set my hand this OCT 06 2025 in Pasig City.


PAUL KENNETH B. DAVIS
Corporate Secretary

OCT 06 2025

SUBSCRIBED AND SWORN TO before me this _____ day of _____ at PASIG CITY affiant exhibiting to me his Driver's License Numbered N11-74-015565 with expiration date on 2032/04/20.

Doc. No. 190;
Page No. 39;
Book No. 64;
Series of 2025.


ATTY. LOLITA W. MCDONOUGH-LIM
Notary Public until Dec. 31, 2026
Pasig City and Pateros Metro Manila
Appointment No. 60 (2025-2026)
PTR No. 2831096/Jan. 02, 2025
IBP No. 112024/11-13-2024 for the Yeat 2025/RSM
MCLE Exemption No. VIII-IPD000051
Roll of Attorney No. 34423
ARMAL CENTER G/F MALINAO, PASIG CITY

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Jose Antonio Sermonia Vilar, Filipino, of legal age and a resident of 154 L. P. Leviste, Salcedo Village, Makati, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of AGRINURTURE, INC. and have been its independent director since November, 2022 (where applicable).
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Armcor Global Defense, Inc.	Independent Director and Audit Committee Chairman	May, 2017 to Present
Sage Solutions Philippines, Inc.	Founding Director and Chief Marketing Officer	March, 2017 to Present
Pomelo Realty and Development Corporation	President and Board Member	May, 2018 to Present
Eastern Tayabas Colleges	Trustee	May, 2024 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of AGRINURTURE, INC., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of AGRINURTURE, INC. and/or its subsidiary/ies and affiliate/s other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS

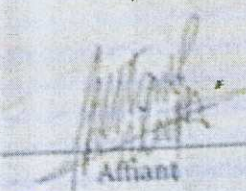
6. (For those in government service/affiliated with a government agency or GOCC) I have the required permission from the (head of the agency/department) to be an independent

director in _____, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of AGRINURTURE, INC. of any changes in the abovementioned information within five days from its occurrence.

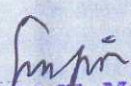
Done, this 10th day of September, 2025, at Makati City.


Affiant

OCT 06 2025

SUBSCRIBED AND SWORN to before me this _____ day of _____ at PASIG CITY
affiant personally appeared before me and exhibited to me his/her _____
issued at _____ on _____

Doc. No. 153
Page No. 38
Book No. 64
Series of WVS


ATTY. LOLITA W. MCDONOUGH-LIM

Notary Public until Dec. 31, 2026

Pasig City and Pateros Metro Manila

Appointment No. 60 (2025-2026)

PTR No. 2831096/Jan. 02, 2025

IBP No. 112024/11-13-2024 for the Year 2025/RSM

MCLE Exemption No. VIII-IPD000051

Roll of Attorney No. 34423

ARMAL CENTER G/F MALINAO, PASIG CITY

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Roy S. Kempis, Filipino, of legal age and a resident of 19/31 Rosemary St., Phase IV, Punta Verde Subd., Angeles City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of AGRINURTURE, INC. and have been its independent director since October 2023 (where applicable).
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Not Applicable: Retired		

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of AGRINURTURE, INC., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of AGRINURTURE, INC. and/or its subsidiary/ies and affiliate/s other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
Not Applicable		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS

6. (For those in government service/affiliated with a government agency or GOCC) I have the required permission from the (head of the agency/department) to be an independent director in _____, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of AGRINURTURE, INC. of any changes in the abovementioned information within five days from its occurrence.

Done, this 30th day of September 2025, at Angeles City.

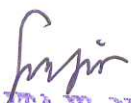

Roy S. Kempis
Affiant

OCT 06 2025

PASIG CITY

SUBSCRIBED AND SWORN to before me this _____ day of _____ at _____,
affiant personally appeared before me and exhibited to me his/her _____
issued at _____ on _____.

Doc. No. 187
Page No. 38
Book No. 64
Series of 2025


ATTY. LOLITA W. MCDONOUGH-LIM
Notary Public until Dec. 31, 2026
Pasig City and Pateros Metro Manila
Appointment No. 60 (2023-2026)
PTR No. 2831096/Jan. 02, 2025
IBP No. 112024/11-13-2024 for the Year 2025/RSM
MCLE Exemption No. VIII-IPD000051
Roll of Attorney No. 34423
ARMAL CENTER G/F MALINAO, PASIG CITY

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Eric J. Severino**, Filipino, of legal age and a resident of **#200 Rev. G. Aglipay Street, Brgy. Poblacion, Mandaluyong City, 1550**, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **AGRINURTURE, INC.** and have been its independent director since 2024-2025 (where applicable).
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
N/A		

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of AGRINURTURE, INC., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of AGRINURTURE, INC. and/or its subsidiary/ies and affiliate/s other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A		

6. (For those in government service/affiliated with a government agency or GOCC) I have the required permission from the (head of the agency/department) to be an independent director in _____, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of AGRINURTURE, INC. of any changes in the abovementioned information within five days from its occurrence.

Done, this **25th day of September 2025**, at **Mandaluyong city**.


Eric J. Severino
Affiant

SEP 29 2025

SUBSCRIBED AND SWORN to before me this _____ day of _____ at **PASIG CITY**,
affiant personally appeared before me and exhibited to me his/her _____
issued at _____ on _____.

Doc. No. 363
Page No. 74
Book No. 62
Series of ms


ATTY. LOLITA W. McDONOUGH-LIM
Notary Public until Dec. 31, 2026
Pasig, Rizal (Barangay Santa Monica, Pasig, Manila)
App. No. 112024/11-18-2024 (K-12-2026)
PTR No. 112024/11-18-2024 (K-12, 2025)
IBP No. 112024/11-18-2024 for the Year 2025/RSM
MCLE Exemption No. VIII-IPD000051
Roll of Attorney No. 34423
ARMAL CENTER G/F MALINAO, PASIG CITY

**SUMMARY OF ANI DIRECTORS' ATTENDANCES IN ANI BOARD MEETINGS
FOR PURPOSES OF PAYMENT/UPDATING OF HONORARIA
JAN 2023- AUG 2025**

NAME	Number of Attended Meetings
	2025
Antonio L. Tiu	-ExeCom 02-03 -Special 04-14 -ExeCom 04-21 -Emergency 05-20 -Emergency 8-19
Antonio Peter R. Galvez	-Special 04-14 -Emergency 05-20
Yang Chung Ming	-Special 04-14
Isidro C. Alcantara, Jr.	-ExeCom 02-03 -Special 04-14 -ExeCom 04-21 -Emergency 05-20
Jennifer T. Ching	-Special 04-14 -Emergency 05-20 -Emergency 8-19
Jose Antonio S. Vilar	-Special 04-14 -Emergency 05-20 -Emergency 8-19
Roy S. Kempis	-Special 04-14 -Emergency 05-20 -Emergency 8-19
Claries E. Frajenal	-ExeCom 02-03 -Special 04-14 -ExeCom 04-21 -Emergency 8-19
Bernardo A. Pae, Jr.	-ExeCom 02-03 -Special 04-14 -ExeCom 04-21 -Emergency 05-20 -Emergency 8-19
Teresita R. Magante	-ExeCom 02-03 -Special 04-14 -ExeCom 04-21 -Emergency 8-19
Eric J. Severino	-Special 04-14 -Emergency 05-20 -Emergency 8-19

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **31 December 2024**
2. SEC Identification Number **A199701848**3. BIR Tax Identification No. **200-302-092-000**
4. Exact name of issuer as specified in its charter **AGRINURTURE, INC.**
5. **Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **No. 54 National Road, Dampol II-A, Pulilan, Bulacan, Philippines 3005**
Address of principal officePostal Code
8. **044-8156340**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	1,024,446,888* / Php – 1,925,275,312
	As of 31 December 2024
Title of Each Class	Number of Shares of Common Listed Stock
Common Shares	720,000,066
Title of Each Class	Number of Shares of Unlisted Common Stock
Common Shares	304,446,822

11. Are any or all of these securities listed on a Stock Exchange?

Yes ☒ No ☐

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 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 that 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 ☐

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

Php 291,977,515.56 (number of shares owned by public, 602,015,496 multiplied by PSE trading price, Php .4850 as of 31 March 2025)

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes ☐ No ☐ **Not applicable**

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

- | | |
|--|-----------------------|
| (a) Any annual report to security holders; | Not applicable |
| (b) Any information statement filed pursuant to SRC Rule 20; | Not applicable |
| (c) Any prospectus filed pursuant to SRC Rule 8.1. | Not applicable |

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Incorporated on 04 February 1997, AgriNurture, Inc. (the “Company” or “ANI”) started its business operations in the same year as an importer, trader and fabricator of post-harvest agricultural machineries intended to improve the productivity as well as increase the income of Filipino farmers. Formerly known as Mabuhay 2000 Enterprises, Inc., ANI was the first to bring into the Philippine market the Mega-Sun brand of grain dryers and thereafter established itself as one of the more reliable local supplier and manufacturer of conveyor systems and other rice mill equipment.

ANI eventually diversified into other various agro-commercial businesses, specifically focusing on the export trading of fresh Philippine Carabao Mangoes as its main revenue stream. Since then, ANI has become one of the Philippines’ top fresh mango exporters to the world market. At present, ANI also supplies other home-grown fruits such as banana and pineapple to customers in Hong Kong, Mainland China, the Middle East and to the different European regions.

ANI ventured into the importation and trading of rice in the first quarter of 2015 and has since then participated in the rice importation program for private sector on the National Food Authority.

Currently, the Company conducts its business through operating divisions and wholly-owned or majority-owned subsidiaries that are organized into two (2) groups, namely: (i) Philippine Operations and (ii) Foreign Operations.

The Philippine Operations Group is organized into three business units: (1) Export, (2) Local Distribution, and (3) Retail & Franchising. Meanwhile, Foreign Operations is principally fruits and vegetables trading in Hong Kong and China.

1. Philippine Operations
 - a) Export
 - b) Local Distribution
 - c) Retail & Franchising
2. Foreign Operations
 - a) Hong Kong
 - b) China

Philippine Operations

Export

The Company's Export Group is in charge of marketing abroad as well as sourcing the best quality produce possible to satisfy its growing number of clients. This group is the top dollar earner of ANI by exporting all kinds of fruits, vegetables and other Agri products but its main export products are fresh banana, fresh mango and coconut water.

- i. Banana – the main variety for banana export is Cavendish and its main production area is in Mindanao. The Export Group sources its supply from independent growers and from established corporate plantations to consolidate as much supply as it can to satisfy its clients in China, Korea, Middle East and Russia.
- ii. Mango – Carabao mango (*Mangifera indica* L.) is the variety exported by ANI. The Export Group sources its mangoes from all over the Philippines via a network of growers and suppliers who have been in the mango business for decades. The Export Group also taps the various mango contract growers of ANI. These mango growers follow the strict mango production system prescribed by the Government to comply with good agricultural practices as well as the pesticide spraying protocol. By adhering to these strict standards, ANI's mango exports can be accepted by any stringent market abroad. The Export Group manages all the processes involved in exporting mango with hot water treatment (HWT) and vapor heat treatment (VHT) capability.
- iii. Coconut water - Coconut water is one of the most exciting ANI products in the market today for both local and export. This product is exported by the ANI Export Group to USA, Canada, Hong Kong, Australia, New Zealand and the Middle East. The facility used for processing and packing the coconut water for export is under ANI's wholly-owned subsidiary, M2000 IMEX Co., Inc.

Local Distribution Group

The Local Distribution Group is composed of several companies. ANI Parent, First Class Agriculture Corporation (FCA), Fresh and Green Harvest Agricultural Company, Inc. (FG), Lucky Fruit and Vegetable Products, Inc. (LF), Best Choice Harvest Agricultural Corporation (BCHAC) and Farmville Farming Co. Inc. are the main distribution arms of ANI's agricultural products under the "FCA" (Fresh Choice Always) brand.

ANI and its subsidiaries are one of the largest wholesalers of fresh vegetables to leading supermarkets, currently concentrated in Metro Manila with few branches in Luzon. In addition, they supply fresh vegetables to in-house brands of various supermarkets.

In the local front, fruits and vegetables are sourced on a nationwide scale from the following suppliers: ANI subsidiaries, farmers with supply contracts, and buying stations.

Meanwhile, the Distribution Group with the intention to boost revenues started exploring new and innovative distribution methods such as direct selling approach to address consumers and institutional buyers' need for fresh produce. ANI has likewise explored venturing into technology-based applications to directly supply consumers.

Finally, the Distribution Group will undertake aggressive expansion of its product portfolio. It has commenced the research and development of new products such as processed foods, grains, and condiments. To complement said expansion, the Distribution Group will use modern technology to increase the shelf life of their products.

The Company has the following direct and indirect subsidiaries under its Local Distribution Group:

- a. M2000 IMEX Company, Inc.
- b. First Class Agriculture Corporation
- c. Fresh and Green Harvest Agricultural Corporation
- d. Lucky Fruit and Vegetable Products, Inc.
- e. Best Choice Harvest Agricultural Corporation
- f. Fresh & Green Palawan Agriventures, Inc.
- g. Fruitilicious Company, Inc.
- h. Farmville Farming Co., Inc.

a. M2000 IMEX Company, Inc. (IMEX)

IMEX is a wholly-owned subsidiary of the Company and is engaged in the manufacturing and processing of its own brand of canned fruit products such as coconut juice. IMEX likewise provides toll-packing services to several companies and is operating a blast freezing unit to serve the overseas demand for frozen fruits, root crops and leafy vegetables. IMEX's products are principally produced for export, with its largest markets being North America (93%), Asia (3%), and Domestic (4%).

In November 2012, IMEX entered into a Shareholders' Agreement and Subscription Agreement with Tolman Manufacturing, Inc. (TMI) for the management and operation of a Tetra Pak Line for, among others, coconut water and other packaged goods located in the export processing zone in Carmelray, Laguna.

b. First Class Agriculture Corporation (FCAC)

FCAC, a wholly-owned subsidiary of the Company, is engaged in the distribution of fruits and vegetables to supermarket chains, where it markets its products under the "FCA" (First Choice Always) brand. It supplies more than 100 varieties of vegetables and local fruits daily to various supermarket chains in Luzon.

In 2016, FCA ventured into rice importation and was able to participate in the Minimum Access Volume rice importation program of the National Food Authority. It also operates an integrated rice mill facility in Pampanga.

c. Fresh and Green Harvest Agricultural Corporation

Fresh and Green Harvest Agricultural Corp. (F&G) is a wholly-owned subsidiary of FCAC. F&G was likewise incorporated to distribute fruits and vegetables, but is currently dormant to pave the way to FCAC in ensuring a solid market base before it resume its operations.

d. Lucky Fruit and Vegetable Products, Inc.

Lucky Fruit and Vegetable Products Inc. ("LF") is a wholly-owned subsidiary of FCA. LF was engaged in the wholesale trading and distribution of commercial crops to food service and institutional accounts such as hotels, restaurants, and public markets throughout Luzon. It is currently dormant, but is currently being prepared to reboot operations to include the Mindanao market in its scope with Cagayan de Oro and Davao as its hubs.

e. Best Choice Harvest Agricultural Corporation

The ANI Group's farming activities are mainly handled by Best Choice Harvest Agricultural Corporation (BCH), a wholly owned subsidiary of the Company. Current activities are being undertaken by BCH with the objective of eventually making corporate farms the primary source of supply ANI Group's products.

BCH previously entered into a Joint Venture Agreement in 2013 for the development and operation of a banana plantation in Davao, but eventually sold its 51% equity share in the following year.

To date, BCH is exploring long term lease or acquisition of farms and plantations to finally achieve its goal of being self-sufficient in terms of supply thru corporate farming.

f. Fresh and Green Palawan Agriventures, Inc. (FG Palawan)

FG Palawan was incorporated on September 9, 2008. 51% of the outstanding capital stock of FG Palawan is owned by BCH. It is primarily engaged in corporate farming in the province of Palawan.

FG Palawan is currently dormant, with the intention to resume its operations once the expansion programs have been finalized.

g. Fruitilicious Company, Inc. (Fruitilicious)

Fruitilicious is located in Cagayan de Oro at the center of the fruit bountiful provinces of Bukidnon, Davao, Lanao Del Norte and Agusan del Sur in Mindanao. Fruitilicious also serves as the group's sourcing hub for its Mindanao operations. It operates a cold storage facility, blast freezing and food processing facility to produce frozen and dried fruit products and by-products for local and international clients. Fruitilicious is HACCP and Halal certified.

h. Farmville Farming Co, Inc. (Farmville)

Farmville was incorporated on June 2, 2010. It is primarily engaged in sourcing of fruits and vegetables and trading to in-house brands of various local markets.

Currently, ANI owns 51% of the outstanding capital stock of Farmville.

Retail & Franchising Group

On 8 August, 2011, the SEC approved the amendment of the Articles of Incorporation of the Company to, among others, include the business of retail in the primary purpose. In line with this, ANI established its Retail & Franchising Group in August of 2011.

The direct and indirect subsidiaries of the Company under the Retail Group are as follows:

- a. The Big Chill, Inc.
- b. Heppy Corporation
- c. Goods and Nutrition for All Inc. (GANA)

a. The Big Chill, Inc.

80% of the outstanding capital stock of The Big Chill, Inc., (TBC) is owned by ANI. TBC is engaged in the business of selling on retail, beverages and other food products. TBC completes the innovative "farm-to-plate" business model of the Company that allows and enhances the synergy of all the Company's fruit and vegetable businesses.

In addition to Big Chill's company owned stores, it has opened its operations for franchising. With the intent to further expand the retail franchise opportunities, TBC likewise engages in the direct sales of License Agreements as well as the sale of profitable existing locations to qualified buyers.

Currently, over 43 outlets are being operated, both companies owned and franchised carrying the following brands:

- Big Chill
- Fresh Bar
- Tully's Coffee

b. Heppy Corp. (Heppy)

Heppy was incorporated on November 24, 2008. It is primarily engaged in buying, selling, distributing and marketing fruit drinks. Heppy became a wholly owned subsidiary of TBC on September 1, 2011.

c. Goods and Nutrition for All Inc. (GANA)

- Super Fresh

Goods and Nutrition for All, Inc. was incorporated on January 6, 2012. Its primary purpose is to engage in, operate, conduct and maintain the business of manufacturing, importing, bartering, distributing, selling on wholesale or retail, and otherwise dealing in all kinds of goods, commodities, merchandise and wares.

Foreign Operations

As for international distribution, ANI has operations in Hong Kong and China.

The Company has the following direct and indirect subsidiaries under its Foreign Operations:

- a. Agrinurture HK Holdings, Ltd. (ANI HK)
- b. AgriNurture International Ltd (ANI IL)
- c. Joyful Fairy (Fruits) Ltd. (JFF)
- d. Zhongshan Fucang Trading Co., Ltd. (Fucang)
- e. Xuzhou Shengmei Real Estate Co., Ltd.
- f. Guangzhou Lexian Fruit Industry Co., Ltd.

ANI's Hong Kong operations are carried out through the following entities:

- a. Agrinurture HK Holdings, Ltd. (ANI HK) is a holding and a Parent Company of ANI IL and JFF incorporated in Cayman Islands.
- b. AgriNurture International Ltd (HK) is wholly-owned by AgriNurture. HK Holdings Ltd primarily engaged in the retail sales of fruit juices.
- c. Joyful Fairy (Fruits) Ltd. (JFF) is a company organized and existing under the laws of the British Virgin Islands. Joyful is 51% owned by AgriNurture HK Holdings Ltd., a Cayman Islands holding company, and the latter is a 100% subsidiary of the Company.

ANI's China operations are carried out through the following entities:

- d. Zhongshan Fucang Trading Co., Ltd. (Fucang) was established on May 31, 2013 in Zhongshan City, China. The company's registered activities are, among others, sale of cultural supplies, sports goods, clothing, textiles, handicrafts (except gold), lights, daily-use department stores, hardware, mechanical and electrical equipment, building materials, sanitary ware, agricultural and sideline products; Import and export of goods and technologies; Industrial investments; Enterprise investment management; Enterprise asset management; Market marketing plan; Corporate image planning; Business consulting; Business management consulting. The company is 51% owned by ANI.
- e. Xuzhou Shengmei Real Estate Co., Ltd. was established on August 31, 2012 in Xuzhou City, China. The company's registered activities are real estate development and management. The company is 90% owned by Zhongshan Fucang Trading Co., Ltd.
- f. Guangzhou Lexian Fruit Industry Co., Ltd. (Lexian), a company organized and existing under the laws of China. The Company is 70% owned by Fucang engaged in wholesale industry.

All the entities described above are hereinafter referred to collectively as the "ANI Group".

Competition

The ANI Group is known for its high-quality products and well-known brands in the local and international markets. It is considered as one of the leaders in the food production/manufacturing and distribution industry.

Export Group

The fresh produce export business is full of big and established players. In the lucrative banana industry, ANI intends to expand its holdings thru supply agreements and Joint Ventures with corporate banana and pineapple plantation in order to secure supply and maintain quality that ANI export buyers prefer.

Distribution Group

The Distribution Group belongs to the fresh produce distribution industry which is largely price sensitive and driven by product quality and brand loyalty. Noted trend in the industry is the consumers' preference for food that counters poor health caused by busy lifestyles, insufficient exercise and fast-food consumption. Hence, consumers are increasingly choosing naturally healthy foods such as fruits and vegetables. In addition, organic and natural food are increasingly becoming a trend, with consumers willing to pay a premium for these products over the commercially grown ones. To maintain its position in the market and to ensure continuing acceptability of its agricultural products, the ANI Group established a reasonable system of product traceability. Through this practical system, controls are put in place for the identification and tracking of produce to guarantee product quality.

ANI and its subsidiaries are presently one of the largest wholesalers of fresh vegetables to leading supermarkets, restaurants, hotels, cafeterias, and wet markets. The Distribution Group also supplies fresh vegetables to in-house brands of various supermarkets; hence ANI is considered as a major player in this segment.

Retail

The Retail Group under The Big Chill, Inc. belongs to the food and beverage industry which is largely driven by brand loyalty and premium quality products and services. Emerging industry trends are geared towards health and wellness, with emphasis on providing convenient means to eating healthy outside home. With a present roster of five (5) brands catering to several market segments, The Retail Group competes in the fresh fruit shake and specialty coffee categories. Flagship brands Big Chill and Tully's Coffee both cater to the A, B and Upper C market segments with high purchasing power, thus, providing both brands with multiple opportunities for growth and expansion. The research and development team of the ANI Parent is likewise pursuing innovation of healthy menu that will cater to its farm to plate vision.

Big Chill is a key player in the premium fresh fruit shake category backed by more than twenty (20) years of fruit blending expertise, while new player Tully's Coffee, an international coffee brand born out of Seattle, enters a mature coffee consuming local market.

Trademarks

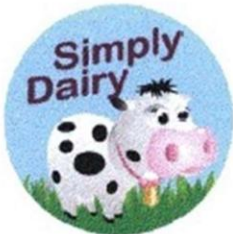
Brands and trademarks used by ANI and its subsidiaries on their principal products and services are registered or pending registration with the Philippine Intellectual Property Office (IPO).

The following sets out information regarding the trademarks of the Company and its subsidiaries:

MARK/NAME	REGISTRANT	REGISTRATION DETAILS	LOGO
AgriToken	Earthright Holdings, Inc.	Reg # 4/2023/00511408, 27 July 2023	
BIGMA	AgriNurture, Inc.	Reg # 4/2023/00511412, 27 July 2023	
AGRIXCHANGE	Earthright Holdings, Inc.	Reg # 4/2023/00511393, 9 December 2023	
Freshbrew	The Big Chill Inc.	Reg # 4/2023/00524608, 2 March 2024	
ANI AgriNurture, Inc.	AgriNurture, Inc.	Reg # 4/2023/00512373, 6 January 2024	

File No : PH/4/2011/14431 Old File No : 42011014431 Mark : AGRINURTURE, INC. Nice Class : 35 Renewal Date : 05 April 2022 3Y DAU Deadline : 5Y DAU Deadline : Status : Registered (4/5/2012)	AgriNurture, Inc.
File No : PH/4/2008/12207 Old File No : 42008012207 Mark : ANI AGRINURTURE INC. LOGO Nice Class : 35 Renewal Date : 13 August 2019 3Y DAU Deadline : 07 October 2010 5Y DAU Deadline : Status : Registered (8/13/2009)	
File No : PH/4/2008/12205 Old File No : 42008012205 Mark : AGRINURTURE INC. Nice Class : 35 Renewal Date : 13 August 2019 3Y DAU Deadline : 07 October 2010 5Y DAU Deadline : Status : Registered (8/13/2009)	AgriNurture Inc.
File No : PH/4/2011/12566 Old File No : 42011012566 Mark : PINOY MI Nice Class : 30 Renewal Date : 16 February 2022 3Y DAU Deadline : 18 October 2015 5Y DAU Deadline : Status : Registered (2/16/2012)	
File No : PH/4/2011/14428 Old File No : 42011014428 Mark : FRESH CHOICE ALWAYS Nice Class : 31 Renewal Date : 05 April 2022 3Y DAU Deadline : 05 December 2014 5Y DAU Deadline : Status : Registered (4/5/2012)	Fresh Choice Always

File No : PH/4/2011/14429 Old File No : 42011014429 Mark : FCA LOGO Nice Class : 31 Renewal Date : 05 April 2022 3Y DAU Deadline : 05 December 2014 5Y DAU Deadline : Status : Registered (4/5/2012)	
File No : PH/4/2011/12741 Old File No : 42011012741 Mark : FCA Nice Class : 29 30 31 Renewal Date : 16 February 2022 3Y DAU Deadline : 21 October 2014 5Y DAU Deadline : Status : Registered (2/16/2012)	
File No : PH/4/2011/81 Old File No : 42011000081 Mark : CAFETERIA VERDE AND DEVICE Nice Class : 43 Renewal Date : 05 May 2011 3Y DAU Deadline : 03 January 2014 5Y DAU Deadline : Status : Registered (5/5/2011)	
File No : PH/4/2010/9336 Old File No : 42010009336 Mark : SUPERFRESH SHAKES & DESSERTS Nice Class : 32 43 Renewal Date : 04 August 2021 3Y DAU Deadline : 25 August 2013 5Y DAU Deadline : Status : Registered (8/4/2011)	
File No : PH/4/1998/4324 Old File No : 41998004324 Mark : THE BIG CHILL & REPRESENTATION Nice Class : 32 Renewal Date : 01 July 2015 3Y DAU Deadline : 5Y DAU Deadline : Status : Registered (7/1/2005)	

File No : PH/4/2012/6990 Old File No : 42012006990 Mark : FRESH BAR BY BIG CHILL Nice Class : 43 29 30 32 Renewal Date : 3Y DAU Deadline : 11 June 2015 5Y DAU Deadline : Status : Registered	FRESH BAR BY BIG CHILL
File No : PH/4/2012/3579 Old File No : 42012003579 Mark : PROCHEF AND DEVICE Nice Class : 29 30 31 32 Renewal Date : 3Y DAU Deadline : 5Y DAU Deadline : Status : Abandoned with finality (10/12/2012)	
File No : PH/4/2011/14640 Old File No : 42011014640 Mark : SIMPLY DAIRY AND DEVICE Nice Class : 29 Renewal Date : 18 October 2022 3Y DAU Deadline : 09 December 2014 5Y DAU Deadline : Status : Registered (10/18/2012)	
File No : PH/4/2011/14427 Old File No : 42011014427 Mark : LA NATURAL & DEVICE Nice Class : 32 Renewal Date : 05 April 2022 3Y DAU Deadline : 05 December 2014 5Y DAU Deadline : Status : Registered (4/5/2012)	
File No : PH/4/2011/13855 Old File No : 42011013855 Mark : SUNGROWN AND DEVICE Nice Class : 31 Renewal Date : 15 March 2022 3Y DAU Deadline : 18 November 2014 5Y DAU Deadline : Status : Registered (3/15/2012)	

File No : PH/4/2011/12740 Old File No : 42011012740 Mark : BEST CHOICE HARVEST Nice Class : 31 7 1 Renewal Date : 16 February 2022 3Y DAU Deadline : 21 October 2014 5Y DAU Deadline : Status : Registered (2/16/2012)	
File No : PH/4/2008/9322 Old File No : 42008009322 Mark : NIKKA Nice Class : 32 Renewal Date : 25 February 2019 3Y DAU Deadline : 04 August 2011 5Y DAU Deadline : Status : Registered (2/25/2009)	
File No : PH/4/2012/7900 Old File No : 42012007900 Mark : NATURE'S MAGIC AND DEVICE Nice Class : 31 Renewal Date : 3Y DAU Deadline : 02 July 2015 5Y DAU Deadline : Status : Allowed for Publication, in verification of payment of publication fee (11/7/2012)	
File No : PH/4/2012/7896 Old File No : 42012007896 Mark : ANI MILK Nice Class : 29 Renewal Date : 18 October 2022 3Y DAU Deadline : 02 July 2015 5Y DAU Deadline : Status : Registered (10/18/2012)	
File No : PH/4/2012/7902 Old File No : 42012007902 Mark : FARMER'S GIFT Nice Class : 30 Renewal Date : 3Y DAU Deadline : 02 July 2015 5Y DAU Deadline : Status : Published for opposition (2/7/2013)	

File No : PH/4/2013/1379 Old File No : 42013001379 Mark : FARMER'S FRIEND Nice Class : 30 Renewal Date : 3Y DAU Deadline : 5Y DAU Deadline : Status : Under examination (4/10/2013)	
File No : PH/4/2011/008527 Old File No : 42011008527 Mark : NUTRI-LICIOUS Nice Class : 32 Renewal Date : 3Y DAU Deadline : 7/21/2014 5Y DAU Deadline : 2/24/2017 Status : Registered	
File No : PH/4/2002/010799 Old File No : 42002010799 Mark : MOM'S Nice Class : 30 Renewal Date : 3Y DAU Deadline : 12/18/2005 5Y DAU Deadline : n/a Status : Abandoned with finality	
Registration no. :4/2012/00502548 Date of Registration : 16 May 2013 Date of Renewal : 16 May 2023 Terms : 10 years (until 16 May 2033) Filing Date : 1 October 2012 Registrant : Feel Good Inc. (PH) Address : 21 Dona Mary Stree Alabang Hills, Muntilupa, Metro Manila Philippines Class(es)- Goods /Services 29, 30, 31, 32,and 43	

Customers

ANI and its subsidiaries have a broad market base. The ANI Group sells its products to local and international markets and in various channels of distributors such as supermarket chains, groceries, hotels, restaurants, canteens, wet markets, and traders.

The Distribution Group’s local sales to leading supermarket chain accounts for more than 11% of its total business.

The Export Group does not depend on any single customer which accounts for more than 34% of its total business.

The Retail Group does not depend on any single customer which accounts for more than 1% of its total business.

The Foreign Group does not depend on any single customer which accounts for more than 54% of its total business.

Transactions with and/or Dependence on Related Parties

In the regular course of business, ANI Group has transactions with related parties. These transactions are described in Note 21 (Related Party Transactions) of the Consolidated Financial Statements as of December 31, 2024 attached as **Annex “A”** hereof.

Government Approvals and Licenses

ANI and its subsidiaries have obtained all necessary permits, licenses and government approvals to manufacture, sell, distribute and export the ANI Group’s products.

ANI and FCAC are registered exporter and importer of the Bureau of Customs.

IMEX is a holder of License to Operate as Food Manufacturer/Exporter of multi-products issued by the Food and Drug Administration (FDA). In April 2021, the IMEX passed the certification audit in compliance with ISO 22000:2018 ver.5.1 Food Safety System Certification, HACCP ISO/TS 22002-1 – Good Manufacturing Practices. IMEX was granted the continuous certification of labor standards, health and safety also known as SMETA 2-pillars certification.

Governmental Regulation

The ANI Group operates its businesses in a highly regulated environment. To operate the business, ANI and its subsidiaries, are required to secure licenses and/or permits from government agencies such as the Food and Drug Administration, Bureau of Customs, Bureau of Plant Industry and the National Food Authority, among others. The suspension or revocation of the licenses issued by these government agencies could materially and adversely affect the business operations of the ANI Group.

ANI and its subsidiaries have no knowledge of recent or probable governmental regulations, the implementation of which will result in a material adverse effect on ANI and its significant subsidiaries’ business or financial position.

Research and Development

For the years 2024 and 2023, the amounts spent by the Company and its subsidiaries for research and development were Php 159,785 and Php131,223, respectively.

Cost of Compliance with Environmental Laws

The Company and its subsidiaries incurred an estimated cost of Php 27,184 in 2023 and Php27,184 in 2022 for compliance with environmental laws. On a yearly basis, expenses incurred by the ANI Group in order to comply with environmental laws are not significant relative to the ANI Group’s total cost and revenues.

Employees

As of 31 December 2024, the Company has 236 employees, supported by 20 officers. The employees are not subject to a collective bargaining agreement (CBA).

The table below presents the Company’s personnel numbers by functional category for the period indicated below:

Category	Number of Employees For the Year Ended December 31,		
	2022	2023	2024
Executives (Officers and Managers)	16	18	18
Project Employees and Consultants	6	0	0
All Other Employees	417	377	236

Corporate Social Responsibility

ANI practices Corporate Social Responsibility (CSR) as part of its long-term business strategy for sustainability and continuity.

Basic Social Services - From time to time, ANI conducts Medical Missions for the poor and underprivileged communities in the country to help alleviate the health conditions of Filipino families.

ANI likewise undertakes clean-up activities in Pulilan, Bulacan spearheaded by its employees and several volunteers in cooperation with the Municipal Government.
ANI, through the ANI Foundation, Inc. regularly participates in donation drives.

As a token of our appreciation to the frontliners who have saved our community tirelessly during this time of pandemic, we conducted feeding programs to Asian Medical Hospital and The Medical City. We also conducted feeding program to our ANI employees during the pandemic in Pulilan as well.

We donated our ready to drink canned beverages to the volunteers at the vaccination centers, namely Velasquez Health center in Tondo, and in Tibagan, San Juan City.

Disaster Relief During emergencies - ANI took part in the relief operations by sending variety of goods to the fire victims of Tondo last July 1, 2021

We, and the Ani Foundation are dedicated to continuously supporting our chosen beneficiaries – Tahanan ng Pagmamahal, Hospicio de San Juan de Dios, and Col E De Leon Elementary school - during in this time of need.

The team is likewise pursuing innovation of healthy menu that will cater to its farm to plate vision.

Regulation and Taxation

Currently, the company and its subsidiaries are required to pay 25% Corporate Income Tax. Most of the group’s revenues are VAT-free transactions due to the exemption of agriculture crops and export revenues from which are Zero-Rated VAT.¹ Only processed goods intended for local distribution and services are subject to the 12% VAT.

Insurance

The Company has an all-risk policy for each of its facilities and inventories against a variety of risks, including, among others, fire, lightning, catastrophic perils (typhoon, flood, earthquake, volcanic eruption), machinery breakdown, explosion, civil commotion, riot/strike, malicious damage, and other perils liability.

	Description	Insurance Provider	Amount Insured
1	FIRST CLASS AGRICULTURE CORPORATION – Arenas Arayat, Pampanga, Production Building, Residential Building, one guard house & locker, 1 genset house.	THE MERCANTILE INSURANCE CO., INC. FI-REG-BD-20-0000041-02	13,000,000.00
2	AGRINURTURE INC.: 1 COOLING MACHINE, 6 COLD STORAGE, 2 BLAST FREEZER. LOCATION: PULILAN, BULACAN	THE MERCANTILE INSURANCE CO., INC. FI-REG-BD-20-00000105-00	30,000,000.00

¹Section 109 (C) AND (V) of the National Internal Revenue Code.

3	FIRST CLASS AGRICULTURE, INC. – on various industrial machineries / equipment used by the assured / ADDRESS: Arenas, Pampanga	THE MERCANTILE INSURANCE CO., INC. FI-SSP-HO-21-0001026-00	10,000,000.00
4	AGRINURTURE, INC. LBP INSURANCE BROKERAGE, INC – MALAYAN INSURANCE CO., INC. / Property Insured: Manufacturing/Canning Building Building, Warehouse Building, Cheesecake Production Building Warehouse, Vegetable Processing Bldg., Pulilan, Bulacan	LBP INSURANCE BROKERAGE, INC – MALAYAN INSURANCE CO., INC. F0024703	29,331,000.00

In addition to the all-risk policy, the Company maintains various general liability and product liability insurance policies covering its operations. These policies do not cover liability as a result of pollution or environmental damage by the Company. The products liability insurance policy insures all of the Company’s export products. The Company’s insurance policies are provided by leading Philippine insurance companies that are generally reinsured by major international insurance companies.

Health, Safety and Environmental Matters

The Company is subject to a number of employee health and safety regulations in the Philippines. The Company is subject to the occupational safety and health standards promulgated by the Philippine Department of Labor and Employment. It is Company policy that a safe and healthy work environment is fundamental to the management of its human resources as well as conducive to greater employee productivity. The Company’s Human Resource Department is responsible for formulating, implementing and enforcing the Company’s employee health and safety policies as well as ensuring compliance with applicable laws and regulations.

The Company is also subject to various laws and regulations concerning the discharge of materials into the environment. The Company is subject to extensive regulation by the Philippine Department of Environment and Natural Resources.

Risk Factors

1. Risks Related to the Company

- a) The Company’s financial condition and results of operations may be adversely affected by any disruption in the supply, or the price fluctuation of raw materials required for its major products.

ANI procures its vegetables and fruits from various sources, ranging from small farmers to cooperatives and big producers. As a policy, volume and quality is the main consideration in the sourcing of all the products handled by ANI. However, the risk of supply shortage poses a significant threat to the continuity of business operations and ultimately to the results of operations of the Company.

To mitigate supply risks, ANI has the following in place:

- ANI observes an “open line” type of communication with all its suppliers, maintaining 24/7 constant coordination and accessibility with key personnel including the Company’s top management. This enables the Purchasing Division to realign sourcing activities and locations in a timely and appropriate manner should supply issues arise.
- ANI, owing to its long-standing stature in the fresh foods industry, is able to attract reputable and reliable long-term suppliers. The strong relationship with its suppliers, built over years of mutually beneficial dealings, allows the Company and its suppliers to address and resolve any supply concerns that may arise from time to time through mutual cooperation.
- The establishment of cold storage facilities in Pulilan (Central Luzon) central packing house and Cagayan De Oro (Mindanao) central depot in the last quarter of 2009 provided ANI with

the capacity to effectively store large volumes of fresh vegetables, thereby mitigating the risks inherent in the seasonality of supplies for certain types of produce. The cold storage prolongs shelf life and enables the Company to maintain a buffer stock for the produce to better serve clients and maximize profit in times of shortage.

- ANI is currently expanding its cold storage facilities to increase its capacity to stock supplies. Part of the proceeds from the intended stocks right offering shall be directed to this purpose.
- ANI intends to develop and operate productive farmland that would significantly influence the implementation of Good Agricultural Practices (GAP) and traceability and reduce or eliminate its dependence on third party sources for its supplies and improve its ability to control its quality and prices.

b) The Company's business is affected by seasonality

The demand for and supply of many fruits and vegetables is seasonal, and the price of any particular commodity may change significantly, depending on the season. Market demand is especially strong during the Yuletide season in the last quarter of the calendar year. Because of seasonality, the results of operations of the Company may fluctuate significantly from one quarter to another.

To mitigate the risks of the seasonality of supplies and prices, the Company has diversified its sources of products geographically, such that seasonal fluctuations in one region can be offset by those in another region. The setting-up of additional cold storage facilities also allows the Company to stock up on certain produce when they are 'in season' and therefore relatively inexpensive; thus, such produce can be sold in the market when they are 'off season' and can command higher prices and provide wider gross profit margins.

c) The Company may experience losses due to inadequate or failed internal processes and systems.

The Company handles numerous transactions daily, most of which involve cash transactions. A failure in internal procedures or systems, fraud, or the impact of external events carries a risk that the Company may experience losses on any or all of the transactions that it handles. The specific type of risks that the Company faces includes:

- Risk arising from fraudulent activities of a third party or internal party such as robbery or theft of supplies (especially during transport);
- Risk resulting from inadvertent failure to satisfy a professional responsibility or obligation to particular suppliers or customers, including the prompt payment of payables and the delivery of supplies;
- Risks arising from the widely dispersed nature of the Company's operations, including issues on safety, telecommunications, transport and remote monitoring.
- Risks arising from failure in process management or transaction processing due to poor relationships with vendors and commercial service providers.

To mitigate the foregoing risks, ANI has centralized its purchasing functions at the Manila liaison office thereby eliminating the risks inherent in dealing with numerous provincial suppliers as well as with numerous and highly autonomous middlemen in the field. Furthermore, centralizing purchasing significantly increases control over field operations and enhances efforts towards standardizing the methods and quality of our processes. Systems (monitoring, tracking, communications, and logistics) and procedures are also being constantly reviewed, changed and/or upgraded as part of the overall effort to minimize and eliminate inefficiencies in the supply chain.

d) The Company faces the risk of inadequate supply in the event of inclement weather.

Inclement weather is traditionally a major source of uncertainty in the agriculture industry. Its inherent volatility and the occurrence of extreme weather events due to global climate change impacts greatly the performance and management of the Company's farming and trading operations. For example, the

El Niño and La Niña phenomenon, characterized by alternating cycles of inadequate and excessive rainfall, respectively, has in the past posed significant challenges to growers and traders alike.

To manage this risk, ANI implements a geographical diversification strategy where its operations are spread across the country, depending on the existing season (wet or dry) to ensure continued production and trading. As such, the Company is able to step up operations in farms, buying stations and raw material trading posts in the Visayas and Mindanao to offset the cutback in the Luzon area before the typhoon season begins. The Company believes that its nationwide presence has allowed for a stable and reliable conduct of operations all year round.

Moreover, as a farming practice, ANI adapts to the current season to determine the crops to be planted and produced (i.e., rice production during wet season), thus enabling its farms to remain productive every month of the year. In addition, this crop rotation method is able to prevent depletion of nutrients of the soil and immunity of domestic pest.

- e) The Company faces risks arising from pest and insect infestation.

Pest and disease infestation affect both the quantity and quality of commodities available for the market. If not addressed appropriately, infestation may translate to decreased crop yield and farm output, as well as uncertainty in commodity prices. Infestation may also render the Company's products unacceptable to both domestic and export markets, and could adversely affect its results of operations.

The Company mitigates this risk by adopting a mix of modern pest control systems, GAP (such as crop rotation), the use of a mixture of organic fertilizers in its production farms, and the use of biotech products especially those that are resistant to pests and diseases. ANI also sources its supply requirements from farms and buying stations located in different provinces and regions of the country. This way, no widespread infestation would drastically weaken the Company's supply chain at any time. ANI's nationwide diversified geographical locations allow its farm production and trading activities to easily shift the bulk of its key operations from one region to another should the need arise.

2. Risks Relating to the Philippines

The Company's operations are concentrated in the Philippines, and therefore any downturn in general economic conditions in the Philippines could have a material and adverse impact on the Company.

Historically, the results of the Company's operations have been influenced, and will continue to be influenced to a certain degree, by the general state of the Philippine economy. In the past, the Philippines had experienced periods of slow or negative growth, high inflation, significant devaluation of the peso and the imposition of exchange controls. However, given that the Company's primary business is basic food, it enjoys a certain degree of insulation from the negative effects of economic stagnation or recession.

- a. Any political instability in the Philippines may adversely affect the Company.

As a developing economy with a democratic political structure and environment, the Philippines has from time to time, experienced political instability. Any occurrence of instability in the future could result in unforeseen or sudden changes in the business, regulatory and policy environment that could have an adverse impact on the operations and financial condition of Philippine corporations and businesses, including our Company.

Item 2. Properties

The Company is the registered owner of parcels of land located at Pulilan, Bulacan, Philippines with a total area of approximately 21,080 square meters. The Company also owns 4 office units with an area of approximately 300 square meters located at the Ortigas Business District, Pasig City.

The Company owns blast freezers, cold storage, filling and canning machineries and equipment and a water treatment facility located along the National Highway, Barangay Dampol 2A, Pulilan, Bulacan and Balongis, Balulang, Cagayan de Oro City.

The Company's lots in Pulilan, Bulacan, were used as collateral secure a long-term loan.

Subsidiaries

a. First Class Agriculture Corporation

The Company's subsidiary, FCAC, is the registered owner of a parcel of land located at Barangay San Antonio (formerly Arenas), Arayat, Pampanga, Philippines with an area of approximately 10,000 square meters. The aforementioned land is presently improved with seven (7) buildings, namely: (i) Office Building with a total floor area of 240 square meters; (ii) Rice Mill with a total floor area of 1,875 square meters; (iii) Mixing Area/Warehouse; (iv) Husk collector; (v) Generator House; (vi) Residential Building with a total floor area of 181 square meters; and (vii) Guardhouse with a total floor area of 37 square meters.

b. Fruitilicious, Inc.

Fruitilicious, Inc., another subsidiary of the Company, owns and operates a food processing and blast freezing facility with land area of about 2,000 square meters to produce frozen and dried fruit products and by-products in Cagayan de Oro. It has a cold storage facility, and a house and lot.

Item 3. Legal Proceedings

The Company is not aware of any legal proceedings of the nature required to be disclosed under Part I, paragraph I of Annex "C", as amended, of the Securities Regulation Code (SRC) Rule 12 with respect to the Company and/or its subsidiaries. However, while not material, the pending proceedings involving the Company and/or its subsidiaries are as follows

a. *"In the Matter of the Request for Assistance ("RFA") of ns Sorensen vs. AgriNuture, Inc. and/or Antonio L. Tiu*

A Request for Assistance was filed on 19 March 2014 by Mr. Jens Sorensen against the Company and/or Antonio L. Tiu in the National Labor Relations Commission- NCR Arbitration Branch, for illegal dismissal with money claims, docketed as SEAD-NLRC-NCR-2014-03-04065. Based on the DOLE-SENA Form No. 1 attached to the Notice of Conference, Mr. Sorensen is seeking the following reliefs: (1) payment of money claims; (2) reinstatement; (3) back wages (4) damages in the amount of \$500,000.00 and (5) attorney's fees in the amount of Php 500,000.00.

The last mediation conference was held on 23 April 2014. There being no possibility for the parties to reach an amicable settlement, the mediation officer terminated the mediation proceedings.

Mr. Sorensen filed a formal complaint with the National Labor Relations Commission and both Parties already submitted their respective position papers and replies thereto. The case is now submitted for Resolution.

The Labor Arbiter rendered a decision finding that there was illegal dismissal, but with modification as to the amount being claimed for back pay and damages. Both Parties filed their respective Motions for Partial Reconsideration.

Both Parties appealed the decision to the Commission, but the latter sustained the findings of the Labor Arbiter. Subsequent motions for reconsideration were denied.

Both Parties appealed the Decision with the Court of Appeals. The Company prayed for a temporary restraining order for the execution of the award of the Labor Arbiter pending appeal, but no resolution has been received.

The Court of Appeals partially granted ANI's appeal by ruling that Jens Sorensen is not entitled to separation pay and found that Mr, Antonio L. Tiu is not solidarity liable with AgriNuture, Inc. to pay the monetary award. However, the CA sustained the award for back wages.

Both parties filed their Motion for Partial Reconsideration, which were both denied by the CA.

Thereafter, both parties filed their respective Petitions for Review on Certiorari before the Supreme Court (the “SC”) which were consolidated in the Second Division of the SC.

As of date the Corporation has not received any decision from the SC in relation to the instant case.

b. *M2000 Imex Company v. Emmanuel Dueñas, et al.*

M2000 IMEX Company, Inc. filed a case for Estafa against several individuals who were Members of the Board of Directors and Officers of Tolman Manufacturing, Inc. at the time of the execution of the Shareholders’ Agreement on November 29, 2012. The case is premised on the alleged false representation that Tolman Manufacturing, Inc. has business or transactions with IMEX, receiving personal property therefor, resulting in IMEX’s great damage and prejudice.

The case has been dismissed by the City Prosecutor of Makati. On November 04, 2020, IMEX filed for reconsideration, to which the City Prosecutor issued an order stating that the case shall be submitted for resolution upon receipt of the comments. On December 28, 2020, IMEX received the corresponding comments/opposition from the respondents, and is due to file a reply and a motion for leave to file a reply.

On March 03, 2021, IMEX received a Resolution from the Office of the City Prosecutor of Makati City, finding probable cause against Emmanuel V. Dueñas, thereby charging him of the crime of Estafa, with recommended bail at ₱120,000.00. As to the other Respondents, the Complaint was dismissed for lack of probable cause.

Mr. Dueñas appealed the resolution by filing a Petition for Review with the Department of Justice. On 18 April 2022, the DOJ issued a Resolution dismissing the Petition.

The criminal case for Estafa against Mr. Dueñas is now undergoing trial before the Regional Trial Court in Makati City.

Item 4. Submission of Matters to a Vote of Security Holders

The 2024 Annual Stockholders’ Meeting of the Company was held on 28 October 2024. In attendance were the following:

Total issued and outstanding shares	1,024,446,888 common 400,000.000 preferred voting
Total no. of shares represented in the meeting	935,785,882 common 400,000,000 preferred voting

The following matters, which were on the agenda, were approved/ratified by the stockholders present or represented in the said Annual Stockholders’ Meeting:

1. Minutes of the Annual Meeting of the Stockholders held last 26 October 2023;
2. Ratification of all acts and resolutions of the Board of Directors and Management adopted during the preceding year;
3. Annual Report and Financial Statements for the year ended 31 December 2023; and
4. Delegation of the appointment of External Auditor for fiscal year 2024 to the Board of Directors upon recommendation of the Audit Committee.

At the same meeting, the following were elected Directors of the Company:

- 1. Antonio L. Tiu
- 2. Yang Chung Ming
- 3. Isidro C. Alcantara Jr.
- 4. Antonio Peter R. Galvez
- 5. Jennifer T. Ching
- 6. Claries E. Frajenal
- 7. Bernard A. Pae Jr.
- 8. Teresita R. Magante
- 9. Eric J. Severino (Independent Director)
- 10. Roy Kempis (Independent Director)
- 11. Jose Antonio S. Vilar (Independent Director)

There were no matters submitted to a vote of security holders during the quarters of the fiscal year subsequent to the Annual Shareholders Meeting covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

1. Market Information

The Company has 1,024,446,888 issued and outstanding common shares and 720,000,066 shares have been listed with the Philippine Stock Exchange (PSE) as of 31 March 2025.

The following is a summary of the high and low closing trading prices at the PSE for each of the quarterly periods from 2024 to 2023:

	2024		2023	
In Php	High	Low	High	Low
1 st Quarter	.64	..59	7.55	7.35
2 nd Quarter	.58	.53	7.09	6.45
3 rd Quarter	.54	.53	3.24	2.88
4 th Quarter	.51	.48	.75	.70
Source: Philippine Stock Exchange				

The high and low daily closing prices for the first quarter of 2025 are Php .49 and Php .475 respectively.

As of 31 March 2025, the shares of the Company are being traded at the PSE at a price of Php .485 per share.

2. Holders

As of 31 March 2025, the Company has a total outstanding common stock of 1,024,446,888 common shares held by forty-two (42) individual and corporate stockholders on record.

Based on the Company's stock transfer agent, the top twenty (20) stockholders of the Company on record as of 31 March 2025 are as follows:

NAME	NO. OF SHARES	PERCENTAGE
1 PCD NOMINEE CORPORATION (FILIPINO)	362,086,772	35.34%
2 PCD NOMINEE CORPORATION (FOREIGN)	239,928,724	23.42%
3 EARTHRIGHT HOLDINGS, INC.	250,000,000	24.40%
4 GREENERGY HOLDINGS, INC.	116,296,246	11.35%
5 A.R.C ESTATE AND PROJECT CORP.	29,653,350	2.89%
6 PPARR MANAGEMNET & HOLDINGS CORPORATION	18,620,670	1.82%
7 PLENTEX PHILIPPINES, INC.	6,172,800	0.60%
8 YANG CHUNG MING	1,566,200	0.15%
9 DEAN, GERARDO L.	62,700	0.01%

NAME	NO. OF SHARES	PERCENTAGE
10 TIU, ANTONIO LEE	24,998	0.00%
11 CRISOSTOMO, JOSE MARIANO	16,000	0.00%
12 FERRIOLS, JOSE A. &/OR EDUARDO FERRIOLS	5,000	0.00%
13 LIM, NIEVES Q. & OR ALEXANDER D. LIM	2,640	0.00%
14 SAYRE, JAMES DAVID	1,200	0.00%
15 LACSON, MARICEL C.	1,200	0.00%
16 LIN, TAI-CHUAN	1,199	0.00%
17 YOUNG, BARTHOLOMEW DY BUNCIO	1,000	0.00%
18 SANVICTORES, JULIUS VICTOR/EMMANUEL DE JESUS	1,000	0.00%
19 TAN, KENNETH SABINO S.	1,000	0.00%
20 ALCANTARA, JR., ISIDRO	1,000	0.00%

The following stockholders own more than 5% of the outstanding capital stock under the PCD Nominee Corp. as of 31 March 2025:

Common	Greenery Holdings, Inc. 54 National Road, Dampol II-A, Pulilan, Bulacan	PCD Nominee Corp. (Filipino) is the record owner [for Greenery Holdings, Inc.]	Filipino	116,296,246	11.35%
Common	Earthright Holdings, Inc.² Unit 3C, Valuepoint Executive Building, 227 Salcedo St. Legazpi Village, Makati City Stockholder	PCD Nominee Corp. (Filipino) is the record owner [for Earthright Holdings, Inc.]	Filipino	250,000,000	24.40%
Common	PCD Nominee Corp. (Foreign)³ G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City Stockholder	PCD Nominee Corp. (Foreign) is the record owner [for Vikings Asia Agriventures BV]	Dutch	265,013,999	25.87%

² The shares held by Earthright Holdings, Inc. in the Company shall be voted or disposed by the person who shall be duly authorized by the record owner (Earthright) for the purpose. The natural person that has the power to vote on the shares of Earthright shall be determined upon the submission of its proxy to the Company, which, under the by-laws of the Company, must be submitted before the time set for the meeting.

³PCD Nominee Corporation is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCD Nominee Corporation are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead the participants have the power to decide how the PCD shares in the Company are to be voted.

The natural person that has the power to vote on the shares of Vikings Asia Agriventures BV shall be determined upon the submission of its proxy to the Company, which, under the by-laws of the Company, must be submitted before the time set for the meeting.

Common	PCD Nominee Corp. (Foreign) ⁴ G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City Stockholder	PCD Nominee Corp. (Foreign) is the record owner for Alcione Family Office Services Co., Ltd.].	Japanese	53,097,796	5.2%
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3. Dividends

The Company is authorized to declare and distribute dividends to the extent that it has unrestricted retained earnings. Unrestricted retained earnings represent the undistributed profits of a corporation that have not been earmarked for any corporate purposes. A corporation may pay dividends in cash, by distribution of property, or by issuance of shares. Dividends declared in the form of cash or additional shares are subject to approval by the Company’s Board of Directors. In addition to Board approval, dividends declared in the form of additional shares are also subject to the approval of the Company’s shareholders representing at least two-thirds (2/3) of the outstanding capital stock. Holders of outstanding common shares as of a dividend record date will be entitled to full dividends declared without regard to any subsequent transfer of such Shares. SEC approval is required before any property or stock dividends can be distributed. While there is no need for SEC approval for distribution of cash dividends, the SEC must be notified within five (5) days from its declaration.

On 11 April 2012, the Board of Directors of the Company approved the declaration of a 20% stock dividend with a record date of 15 June 2012 and payment date of 11 July 2012. The said 20% stock dividend declaration was ratified by the stockholders on 21 May 2012.

Aside from the foregoing, the Company has not declared any other dividends during the year 2019 and 2020

4. Recent Issuance of Shares Constituting Exempt Transaction

On 8 April 2014, the Company filed a Notice of Exempt Transaction with the SEC in relation to the Promissory Note by the Company dated 31 March 2014 in favor of Black River was issued for the principal amount of Forty-Nine Million Pesos (Php 49,000,000) with interest at the rate of three per cent (3%) per annum and term of until December 19, 2016 from issue date.

To ensure that a sufficient number of shares for the exercise of the Conversion Option and/or the Subscription Option by Black River as described above, the Company will set aside, at least, 17,342,566 authorized but unissued shares, which number of shares shall be adjusted upon any exercise of the Conversion Option or Subscription Option.

The form of payment for the Note is in cash and no underwriter or selling agent was involved in any of the sales. Exemption from registration was based on Section 10.1 (k) of the Securities and Regulations Code, to wit:

“(k) The sale of securities by an issuer to fewer than twenty (20) persons in the Philippines during the twelve-month period.”

The 119,760,666 authorized but unissued shares set aside by the Company were already registered with the SEC at the time of the sale, pursuant to the SEC Order of Registration and Certificate of Permit to offer

⁴PCD Nominee Corporation is a wholly-owned subsidiary of Philippine Central Depository, Inc. (“PCD”). The beneficial owners of such shares registered under the name of PCD Nominee Corporation are PCD’s participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead the participants have the power to decide how the PCD shares in the Company are to be voted.

The natural person that has the power to vote on the shares of Vikings Asia Agriventures BV shall be determined upon the submission of its proxy to the Company, which, under the by-laws of the Company, must be submitted before the time set for the meeting.

Securities for Sale dated 19 May 2009. The Notice of Exemption was filed by the Company in compliance with the directive of the Philippine Stock Exchange (PSE), as part of the post-approval requirements for private listing of the Issuer.

On 9 July 2014, the Company filed a Notice of Exempt Transaction with the SEC in relation to the Subscription Agreement executed by AgriNurture, Inc. and Greenery Holdings Incorporated for Eighty-Five Million Nine Hundred Ninety Thousand Five Hundred Thirty-Three (85,990,533) primary common shares of ANI.

The transaction pertains to the subscription by Greenery Holdings Incorporated to Eighty-Five Million Nine Hundred Ninety Thousand Five Hundred Thirty-Three (85,990,533) primary common shares of the Company at the issue price of Three Pesos (Php 3.00) per share or a total subscription price of Two Hundred Fifty-Seven Million Nine Hundred Seventy-One Thousand Five Hundred Ninety-Nine Pesos (Php 257,971,599.00).

The regulatory requirements are:

- a. The listing of the Subscription Shares must be applied with and approved by the Philippine Stock Exchange;
- b. Documentary stamp tax on original issuance of shares of stock must be paid to the Bureau of Internal Revenue on or before the 5th day of the month immediately following the date of the issuance of the subscription shares (i.e., execute of the subscription agreement)
- c. Pursuant to Section 9(1) Article II of the By-Laws of the Company, the Company must secure the approval of stockholders representing at least 75% of the outstanding capital stock of the Corporation; and
- d. The requirements under Section 5, Part A, Article V of the PSE Revised Listing Rules must be obtained by the Company, namely:
 - i. Approval and/or ratification by the stockholders of the transaction; and
 - ii. Securing the grant of a waiver of the requirement to conduct a rights or public offering to the shares subscribed by a majority vote representing the outstanding shares held by the minority stockholders presented or represented.

The Company has complied with the requirements and obtained the requisite approvals under paragraphs(c) and (d) above during the Annual Stockholders' Meeting on 23 June 2014.

Item 6. Management's Discussion and Analysis

The following Management Discussion and Analysis should be read in conjunction with the attached audited consolidated financial statements of AgriNurture, Inc. and Subsidiaries for the fiscal year ended 31 December 2023.

Business Overview

AgriNurture, Inc. (the "Company" or ANI), formerly known as Mabuhay 2000 Enterprises, Inc., was founded in 1997 as an importer, trader and fabricator of post-harvest agricultural machineries. The Company eventually diversified into various agro-commercial businesses specifically focusing on the export trading of fresh Philippine carabao mangoes.

Currently, the Company conducts its business through operating divisions and wholly-owned or majority-owned subsidiaries that are organized into two (2) groups, namely: (i) Philippine Operations and (ii) Foreign Operations.

The Philippine Operations Group is organized into three business units: (1) Exports, (2) Local Distribution, and (3) Retail & Franchising. Meanwhile, Foreign Operations is principally fruits and vegetable trading in Hong Kong/China.

At present, ANI exports bananas, packaged coco-water, mangoes and pineapple to customers in Mainland China, Hong Kong, the Middle East, North America and to different European regions.

ANI Group's revenues for 2024, 2023 and 2022 by each of the principal business segments are as follows:

	2024	2023	2022
Philippine operations			
Export	15,120,322	867,181,941	1,286,141,246
Local Distribution	150,116,853	317,967,008	311,390,728
Retail & Franchising	50,816,977	69,231,216	60,001,610
Sub-total	216,054,152	1,254,380,165	1,657,533,584
Foreign operations			
Hong Kong/China	1,268,061,324	1,718,163,047	2,179,293,895
Sub-total	1,268,061,324	1,718,163,047	2,179,293,895
TOTAL REVENUE CONSO)	1,484,115,476	2,972,543,212	2,972,543,212

Year ended December 31, 2024 versus December 31, 2023

Results of Operations

Net Sales

ANI Group sustained a consolidated sale of goods and services at Php1.48 billion for the year ended December 31, 2024 compared to Php 2.97 billion for same period last year. For the year ended December 31, 2023, Philippine operations contributed 15% while sales from foreign operations accounted for 85% of consolidated sales. Sale of goods and services by business segment follows:

- Export sales posted a decrease of 98% for the year 2024 or Php 15.12 million in 2024 from Php 1.29 billion in 2023, lower supply of produce.
- Domestic distribution sales posted a decrease of 53% to Php 150.12 million in 2024 from 317.97 million in 2023 mainly due to the decrease sales of rice.
- Retail and franchising sales registered an increase of 27% to Php 50.82 million in 2024 from Php 69.23 million in 2023, primarily due to closure of some branches.

Combined Foreign trading operations posted a decrease of 26 % to Php 1.72 billion in 2024 from Php1.72 billion in 2023, due to decrease in sales both of residential and commercial units, fresh produced and merchandising.

Cost of sales consists of:

- Cost of purchasing fruits and vegetables and raw materials from growers and other traders and suppliers including freight in charges;
- Cost of real estate includes development cost for all properties to be sold, including shops, office buildings and hotels located in China.
- Personnel expenses, which include salary and wages, employee benefits and retirement costs for employees involved in the production process;
- Repairs/maintenance costs, depreciation costs relating to production equipment, vehicles, facilities and buildings;
- Fuel and oil costs relating to the production and distribution process;

For the year ended December 31, 2024, ANI Group's cost of sales and services decline to Php 1.43 billion or 47% from Php 2.67billion for the year 2023 in line with the decrease in sales during the period.

Gross Profit

Consolidated gross profit down by Php 246.07 million or 82% for the year ended December 31, 2024. The gross profit down from Php 408.98 million in 2022 to Php 301.19 million in 2023.

Operating Expenses

The Company's operating expenses consist of selling expenses and administrative expenses which include the following major items:

- Taxes and licenses
- Salaries, wages and other employee benefits
- Advertising
- Rentals
- Depreciation and amortization
- Freight and handling
- Communication, light and water
- Impairment loss on receivables

Consolidated operating expenses for the 2024 amounted to Php 218.09 million down from Php 397.58 million in 2023 due to effective efforts of management in cost reduction.

Other Income (Charges)

Other charges-net in 2024 amounted to Php2.09million and Php5.45million other income-net in 2023. There was no recognition of gain on revaluation of investment property during the year.

Finance Costs

Finance Costs for the years 2024 and 2023 are Php63.81 million and Php 60.64 million, respectively.

Net Income

Net loss for fiscal year 2024 amounted to Php197.71 million of which Php-194.84 million loss is attributable to equity holders of the parent while Php 2.87 million is attributable to non-controlling interest.

Financial Condition

Assets

ANI Group's consolidated total assets as of December 31, 2024 amounted to Php4.82billion, a decrease of 7% from Php 5.21billion as at December 31, 2023. The following explain the significant movements in the asset accounts:

- The Group's cash balance decreased by Php30.01 million primarily due to increase in payment of day to day operations of the Company and settlement of loans and other liabilities.
- Receivables decreased by Php 49.37 million mainly due to collection efforts made during the year.
- Due from related parties has a significant decrease from Php268.94million in 2023 to Php 326.54 million in 2024.
- Inventories decreased from year end 2023 balance of Php1.26billion to Php1.22 billion in 2024 to increase the Group's inventory stock level due to limited mobility during pandemic.
- Property and equipment and intangible assets decreased by Php83.42 million due to recognition of depreciation.

Liabilities

Consolidated liabilities amounted to Php1.93billion as of December 31, 2024.

Total current liabilities decreased to Php1.88 billion in 2024 from Php 2.01 billion in 2023.

Total non-current liabilities decreased to Php 46.73 million due to payment of loans during the year.

Equity

Consolidated stockholders' equity as of December 31, 2024 decreased to Php 2.89 billion.

Liquidity and Capital Resources

Net cash flows used by operating activities for the year 2024 was Php353,24million.

Net cash flow provided by investing activities is Php341.16million mainly due to advances to its related parties and stockholder.

Net cash flows used in financing activities is Php18.02 million.

Year ended December 31, 2023 versus December 31, 2022

Results of Operations

Net Sales

ANI Group sustained a consolidated sale of goods and services at Php2.97 billion for the year ended December 31, 2023 compared to Php 3.84 billion for same period last year. For the year ended December 31, 2023, Philippine operations contributed 42% while sales from foreign operations accounted for 58% of consolidated sales. Sale of goods and services by business segment follows:

- Export sales posted a decrease of 32.57% for the year 2023 or Php 867.18 million in 2023 from Php 1.29 billion in 2022, primarily due to global logistics issues and lower supply of produce brought about by the Covid-19 pandemic.
- Domestic distribution sales posted a decrease of 25.8% to Php 317.97 million in 2023 from 311.39 million in 2022 mainly due to the decrease sales of rice.
- Retail and franchising sales registered an increase of 15% to Php69.23 million in 2023 from Php 60 million in 2022, primarily due to opening of stores located in major malls

Combined Foreign trading operations posted a decrease of 21.15 % to Php 1.72 billion in 2023 from Php2.18 billion in 2022, due to decrease in sales both of residential and commercial units and merchandising since the lockdown in China started brought about by the COVID-19.

Cost of sales consists of:

- Cost of purchasing fruits and vegetables and raw materials from growers and other traders and suppliers including freight in charges;
- Cost of real estate includes development cost for all properties to be sold, including shops, office buildings and hotels located in China.
- Personnel expenses, which include salary and wages, employee benefits and retirement costs for employees involved in the production process;
- Repairs/maintenance costs, depreciation costs relating to production equipment, vehicles, facilities and buildings;
- Fuel and oil costs relating to the production and distribution process;

For the year ended December 31, 2023, ANI Group's cost of sales and services decline to Php 2.67 billion or 16.81% from Php 3.43billion for the year 2022 in line with the decrease in sales during the period.

Gross Profit

Consolidated gross profit down by Php 107.795 million or 26.36% for the year ended December 31, 2023. The gross profit down from Php 408.98 million in 2022 to Php 301.19 million in 2023.

Operating Expenses

The Company's operating expenses consist of selling expenses and administrative expenses which include the following major items:

- Taxes and licenses
- Salaries, wages and other employee benefits
- Advertising
- Rentals
- Depreciation and amortization
- Freight and handling
- Communication, light and water
- Impairment loss on receivables

Consolidated operating expenses for the 2023 amounted to Php 397.58 million up from Php 351.76 million in 2022 due to effective efforts of management in cost reduction.

Other Income (Charges)

Other income-net in 2023 amounted to Php5.45 million and Php11.05 million other charges-net in 2022. There was no recognition of gain on revaluation of investment propertyduring the year.

Finance Costs

Finance Costs for the years 2023 and 2022 are Php60.64 million and Php 57.99 million, respectively.

Net Income

Net loss for fiscal year 2023 amounted to Php146.77 million of which Php-146.15 million loss is attributable to equity holders of the parent while Php -0.621 million is attributable to non-controlling interest.

Financial Condition

Assets

ANI Group's consolidated total assets as of December 31, 2023 amounted to Php5.211 billion, a decrease of 11.07% from Php 5.861 billion as at December 31, 2022. The following explain the significant movements in the asset accounts:

- The Group's cash balance decreased by Php63.27 million primarily due to increase in payment of day to day operations of the Company and settlement of loans and other liabilities.
- Receivables decreased by Php 34.87 million mainly due to collection efforts made during the year.
- Due from related parties has a significant decrease from Php508.97 million in 2022 to Php 268.94 million in 2023.
- Inventories decreased from year end 2022 balance of Php1.37 billion to Php1.26 billion in 2023 to increase the Group's inventory stock level due to limited mobility during pandemic.
- Property and equipment and intangible assets decreased by Php81.455 million due to recognition of depreciation.

Liabilities

Consolidated liabilities amounted to Php2.058 billion as of December 31, 2023.

Total current liabilities increased to Php2.011 billion in 2023 from Php 1.60 billion in 2022.

Total non-current liabilities decreased to Php 46.63 million due to payment of loans during the year.

Equity

Consolidated stockholders' equity as of December 31, 2023 decreased to Php 1.051 billion mainly due to improve in net operating performances of the subsidiaries.

Liquidity and Capital Resources

Net cash flows provided by operating activities for the year 2023 was Php-568.64 million.

Net cash flow provided by investing activities is Php235.50 million mainly due to advances to its related parties and stockholder.

Net cash flows used in financing activities is Php269.85 million.

Year ended December 31, 2022 versus December 31, 2021

Results of Operations

Net Sales

ANI Group sustained a consolidated sale of goods and services at Php3.83 billion for the year ended December 31, 2022 compared to Php 4.55 billion for same period last year. For the year ended December 31, 2022, Philippine operations contributed 43% while sales from foreign operations accounted for 57% of consolidated sales. Sale of goods and services by business segment follows:

- Export sales posted a decrease of 17.06% for the year or Php 1.29 billion in 2022 from Php 1.55 billion in 2021, primarily due to global logistics issues and lower supply of produce brought about by the Covid-19 pandemic.
- Domestic distribution sales posted a decrease of 38.72% to Php 311.40 million in 2022 from 508.14 million in 2021 mainly due to the decrease sales of rice.
- Retail and franchising sales registered an increased of 167.89% to Php60 million in 2022 from Php 22.40 million in 2021, primarily due to opening of stores located in major malls.

Combined Foreign trading operations posted a decrease of 11.70% to Php2.18 billion in 2022 from Php2.47 billion in 2021, due to decrease in sales both of residential and commercial units and merchandising since the lockdown in China started broughtabout by the COVID-19.

Cost of sales consists of:

- Cost of purchasing fruits and vegetables and raw materials from growers and other traders and suppliers including freight in charges;
- Cost of real estate includes development cost for all properties to be sold, including shops, office buildings and hotels located in China.
- Personnel expenses, which include salary and wages, employee benefits and retirement costs for employees involved in the production process;
- Repairs/maintenance costs, depreciation costs relating to production equipment, vehicles, facilities and buildings;
- Fuel and oil costs relating to the production and distribution process;

For the year ended December 31, 2022, ANI Group's cost of sales and services decline to Php 3.43 billion or 15.47% from Php 4.06 billion for the year 2021 in line with the decrease in sales during the period.

Gross Profit

Consolidated gross profit down by Php 84.89 million or 17.19% for the year ended December 31, 2022. The gross profit down from Php 493.87million in 2021 to Php408.98million in 2022.

Operating Expenses

The Company's operating expenses consist of selling expenses and administrative expenses which include the following major items:

- Taxes and licenses
- Salaries, wages and other employee benefits
- Advertising
- Rentals
- Depreciation and amortization
- Freight and handling
- Communication, light and water
- Impairment loss on receivables

Consolidated operating expenses for the 2022 amounted to Php 351.76 million down from Php 365.35 million in 2021 due to effective efforts of management in cost reduction .

Other Income (Charges)

Other income-net in 2022 amounted to Php46.93 million and Php966.14 other charges-net in 2021. There was no recognition of gain on revaluation of investment property during the year.

Finance Costs

Finance Costs for the years 2022 and 2021 are Php58 million and Php 42 million, respectively.

Net Income

Net income for fiscal year 2022 amounted to Php2.5million of which Php-10.56 million loss is attributable to equity holders of the parent while Php 13 million is attributable to non-controlling interest.

Financial Condition

Assets

ANI Group's consolidated total assets as of December 31, 2022 amounted to Php5.86 billion, a decrease of 1.27% from Php 5.94 billion as at December 31, 2021. The following explain the significant movements in the asset accounts:

- The Group's cash balance increased by Php18.58 million primarily due to increase in collections despite payment of day-to-day operations of the Company and settlement of loans and other liabilities.
- Receivables decreased by Php 72 million mainly due to collection efforts made during the year.
- Advances to a stockholder has a significant decrease from Php275.73 million in 2021 to Php 255.68 million in 2022. All advances will be collected and liquidated by the stockholder.
- Inventories increased from year end 2021 balance of Php 1.32 billion to Php1.37 billion in 2022 to increase the Group's inventory stock level due to limited mobility during pandemic.
- Property and equipment and intangible assets decreased by Php9.82 million due to recognition of depreciation.

Liabilities

Consolidated liabilities amounted to Php1.66 billion as of December 31, 2022.

Total current liabilities decreased to Php1.60 billion in 2022 from Php 1.71 billion during the year.

Total non-current liabilities decreased to Php 23.99 million due to payment of loans during the year.

Equity

Consolidated stockholders' equity as of December 31, 2022 increased to Php 4.21 billion mainly due to improve in net operating performances of the subsidiaries.

Liquidity and Capital Resources

Net cash flows provided by operating activities for the year 2022 was Php120 million.

Net cash flow provided by investing activities is Php37.38 million mainly due to advances to its related parties and stockholder.

Net cash flows used in financing activities is Php144.35 million.

Year ended December 31, 2021 versus December 31, 2020

Results of Operations

Net Sales

ANI Group sustained a consolidated sale of goods and services at Php4.55 billion for the year ended December 31, 2021 compared to Php 4.41 billion for same period last year. For the year ended December 31, 2020, Philippine operations contributed 46% while sales from foreign operations accounted for 54% of consolidated sales. Sale of goods and services by business segment follows:

- Export sales posted a decrease of 12.22% for the year or Php 1.55 billion in 2021 from Php 1.77 billion in 2020, primarily due to global logistics issues and lower supply of produce brought about by the Covid-19 pandemic.
- Domestic distribution sales posted an increase of 67.58% to Php 508.14 million in 2021 from 303.21 million in 2020 mainly due to the increase in demand of essential goods in supermarkets. In addition, the Group also launched an online platform where it delivers fresh fruits and vegetables to customers.
- Retail and franchising sales registered an increase of 5.97% to Php22.40 million in 2021 from Php 21.13 million in 2020, primarily still due to lockdowns in Metro Manila and nearby provinces in the latter part of the year, wherein malls, where most of the stores are located, are allowed to open.
- Combined Foreign trading operations posted an increase of 6.48% to Php2.47 billion in 2021 from Php2.32 billion in 2020, due to increase in sales of residential and commercial units since the lockdown in China started brought about by the COVID-19. But sales started to grow for both merchandising and real estate businesses especially when the lockdown was lifted by the Chinese government.

Cost of sales consists of:

- Cost of purchasing fruits and vegetables and raw materials from growers and other traders and suppliers including freight in charges;
- Cost of real estate includes development cost for all properties to be sold, including shops, office buildings and hotels located in China.
- Personnel expenses, which include salary and wages, employee benefits and retirement costs for employees involved in the production process;
- Repairs/maintenance costs, depreciation costs relating to production equipment, vehicles, facilities and buildings;
- Fuel and oil costs relating to the production and distribution process;

For the year ended December 31, 2021, ANI Group's cost of sales and services amounted to Php 4.06 billion up by 4% from Php 3.90 billion for the year 2020 mainly due to higher amount of purchases of raw materials such as fruits and vegetables, construction supplies, freight and handling cost, salaries and wages which is in line with the increase in sales during the period.

Gross Profit

Consolidated gross profit down by Php 17.88 million or 3.49% for the year ended December 31, 2021. The gross profit down from Php 511.74 million in 2020 to Php493.87 million in 2021.

Operating Expenses

The Company's operating expenses consist of selling expenses and administrative expenses which include the following major items:

- Taxes and licenses
- Salaries, wages and other employee benefits
- Advertising
- Rentals
- Depreciation and amortization
- Freight and handling
- Communication, light and water
- Impairment loss on receivables

Consolidated operating expenses for the 2021 amounted to Php 365.35 million down from Php 445.13 million in 2020 due to recognition of impairment loss on receivables in 2020.

Other Income (Charges)

Other income-net in 2021 amounted to Php966.14 million and Php13.35million other charges-net in 2020. The increase is due to recognition of gain on revaluation of investment property and biological assets.

Finance Costs

Finance Costs for the years 2021 and 2020 are Php42 million and Php 42.08 million, respectively.

Net Income

Net income for fiscal year 2021 amounted to Php1.06 billion of which Php529.03 million gain is attributable to equity holders of the parent while Php 528.83 million is attributable to non-controlling interest.

Financial Condition

Assets

ANI Group's consolidated total assets as of December 31, 2021 amounted to Php5.94 billion, an increase of 36.06% from Php 4.36 billion as at December 31, 2020. The following explain the significant movements in the asset accounts:

- The Group's cash balance increased by Php22.57 million primarily due to increase in collections despite payment of day-to-day operations of the Company and settlement of loans and other liabilities.
- Receivables increased by Php180.07 million mainly due to the significant increase in sales in real estate income during the year.
- Advances to a stockholder has a significant decrease from Php390.31 million in 2020 to Php 275.73 million in 2021. All advances will be collected and liquidated by the stockholder.
- Inventories increased from year end 2020 balance of Php 1.08 billion to Php1.32 billion in 2021 to increase the Group's inventory stock level due to limited mobility during pandemic.
- Property and equipment and intangible assets decreased by Php8.77million due to recognition of depreciation.

Liabilities

Consolidated liabilities amounted to Php1.79 billion as of December 31, 2021.

Total current liabilities increased to Php 1.71 billion in 2021 from Php 1.40 billion during the year.

Total non-current liabilities decreased to Php 79.57 million due to payment of loans during the year.

Equity

Consolidated stockholders' equity as of December 31, 2021 increased to Php 4.15 billion mainly due to improve in net operating performances of the subsidiaries and recognition of gain on asset revaluation.

Liquidity and Capital Resources

Net cash flows used in operating activities for the year 2021 was Php119.77 million.

Net cash flow used in investing activities is Php123.54 million mainly due to advances to its related parties and stockholder.

Net cash flows provided by financing activities is Php265.88 million.

KEY PERFORMANCE INDICATORS

Following below are the major performance measures that the Company uses. The Company employs analyses using comparisons and measurements based on the financial data for current periods against the same period of the previous year.

		FOR THE PERIOD ENDED	
FINANCIAL KEY PERFORMANCE INDICATOR	DEFINITION	DECEMBER	
Current/Liquidity:		2024	2023
Current ratio	Current Assets Current Liabilities	1.39	1.19
Quick ratio	Current Assets - Inventory – Prepayments Current Liabilities	0.49	0.47
Solvency ratio/Debt-to-equity ratio	Total Liabilities Stockholders Equity	0.67	0.65
Asset to equity ratio	Total Assets Total Equity	1.67	1.65
Interest rate coverage ratio	Income Before Tax Finance Cost	-3.60	-1.5
Profitability Ratio:			
Return on assets	Net Income Average Total Asset	-0.04	.03
Return on equity	Net Income Average Total Equity	- 0.07	.05

Item 7. Financial Statements

A copy of the Company’s Audited Financial Statements for the year ended 31 December 2024 is attached hereto as **Annex “A”**.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

R.S. Bernaldo and Associates had been appointed as external auditor for years 2023 and 2022 with Rean G. Abalos as Partner in Charge.

Apart from the audit no other services such as assurance or related services, tax accounting, compliance, advice, planning, or other kinds of services were rendered and no other fees were billed by the Company’s auditors as of the said years.

There has not been any disagreement between the Company and its independent accountant/external auditor for 2022, with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedure.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

1. Directors and Principal Officers of the Company:

i. (a) Directors and Principal Officers of the Company

The following are the incumbent members of the Board of Directors who are also nominated herein:

The Directors of the Company as of 31 March 2024 are as follows:

Name	Age	Citizenship	Term of Office
Antonio L. Tiu	49	Filipino	2004 – present
Chung Ming Yang	50	Chinese ROC	1997 – present
Isidro C. Alcantara Jr.	70	Filipino	2023 – present
Antonio Peter R. Galvez	64	Filipino	2014 – present
Jennifer T. Ching	48	Filipino	2021 – present
Claries E. Frajenal	37	Filipino	2024 - present
Bernard A. Pae Jr.	55	Filipino	2024- present
Teresita R. Magante	51	Filipino	2024 - present
Eric J. Severino (Independent Director)	75	Filipino	2024 – present
Jose Antonio S. Vilar (Independent Director)	65	Filipino	2023 – present
Roy S. Kempis (Independent Director)	69	Filipino	2023 – present

ANTONIO L. TIU, 49, Filipino, Director, Chairman.

Mr. Tiu is the President/CEO and Chairman of Earthright Holdings, Inc., Chairman of The Big Chill, Inc., and President/CEO of Beidahuang Philippines, Inc. and Greenery Holdings Incorporated. He was a part time lecturer in International Finance at DLSU Graduate School from 1999 to 2001 and currently board of adviser of DLSU School of Management. Mr. Tiu has a Master's degree in Commerce specializing in International Finance from University of New South Wales, Sydney Australia and BS Commerce major in Business Management from De La Salle University, Manila. He is currently a Doctorate student in Public Administration at the University of the Philippines. He was awarded the Ernst and Young Emerging Entrepreneur of the Year (2009), Overseas Chinese Entrepreneur of the Year 2010 and Ten Outstanding Young Men of the Philippines 2011. He is an active member of Integrated Food Manufacturer Association of the Philippines, PHILEXPORT, PHILFOODEX, Chinese Filipino Business Club, and Philippine Chamber of Agriculture and Food Industries.

YANG, CHUNG MING, 50, Chinese R.O.C., Director.

Mr. Yang is the General Manager of Grateful Strategic Marketing Consultants Co., Ltd, and Tong Shen Enterprises, which are both Taiwan based firms. He has a degree in B.S. Computer Science from Chiang Kai Shek College, Philippines and has a Master's degree in Business Administration from the National Chengchi University in Taiwan. He is currently taking the Executive MBA program at the Xiamen University.

CLARIES E. FRAJENAL, 37, Filipino, Director.

Ms. Frajenal has been the Human Resource Manager of ANI since November 2008. She has likewise held directorship positions since 2022 in subsidiary and affiliate companies of ANI, aside from directing their HR matters. She obtained her Bachelor in Business Administration degree, major in Marketing, from the University of Manila.

BERNARDO A. PAE, JR., 55, Filipino, Director.

Mr. Pae has served as the Export Sales & Logistics Manager of ANI since 2008. Prior thereto, he acquired his knowledge on Import/Export Operation from his previous jobs in Concepcion Industries and in Michelin Tires Philippines. He is an Educator by profession and attended his Masters Degree in Customs Administration at PMI College, Manila.

ISIDRO C. ALCANTARA JR., 70, Filipino, Director

Mr. Isidro C. Alcantara, Jr. is a long time Senior Banker and headed several organizations as President of Marcventures Holdings, Inc. (a Mining Holding Co.: 2013-2020); Head of Institutional and Corporate Banking of the Hongkong Shanghai Bank, Phils. (2005); President and CEO of Philippine Bank of Communications (PBCom 2000-2004) where he led its successful recovery and rehabilitation (2000-2004); Executive Vice President of PCIBank and later Equitable-PCIBank (1986-2000) and also held positions in Corporate Finance and Credit in Bancom Finance, United Coconut Planters Bank and the Insular Bank of Asia and America (1976-1985). He was elected as a Director of the Bankers Association of the Philippines (BAP: 2000-2004). From 2018 to 2020 he was concurrently Chairman of the Philippine Nickel Industry Association (PNIA). He has also previously served as Chairman or President of several Public Companies. He is currently the President of the Financial Risk Resolution Advisory, Inc. (FRRA). Mr. Alcantara is a Certified Public Accountant and holds an Economics and Accountancy Degree from the De la Salle University and took Special Studies on International Banking at the Wharton School of Finance at the University of Pennsylvania.

ANTONIO PETER R. GALVEZ, 63, Filipino, Director

Mr. Galvez is a holder of an Executive Master's in Business Administration from the Asian Institute of Management. He graduated from the Ateneo de Manila University with a Bachelor's Degree in Economics. At present, he is an Executive and Leadership Coach, Business Coach with the University of Asia and Pacific. He is also a licensed facilitator of Get Clients Now, licensed instructor of GRID International and Director of Pastra.Net. His previous employments include various stints with the Securities Transfer Services, Inc., First Philippine Holdings Corporation and its subsidiaries, Department of Trade and Industry and the Board of Investments.

TERESITA R. MAGANTE, 51, Filipino, Director.

Ms. Magante has been ANI's Plant Manager/Research and Development Manager/FSSCTeam Leader since 2012. As such she supervises and oversees its Food safety Management System, as well as international and local regulatory compliances; assists the sales and marketing for new product concepts, research and development. She developed the company's past and new product lines, which are now available in the domestic and international markets. She carries with her a Bachelors degree in Food Technology and is currently taking a Masters of Technology Management course, both at the University of the Philippines Diliman.

JENNIFER T. CHING, 47, Filipino, Director

Ms. Ching holds a Bachelor of Science Major in Business Administration degree from the University of Santo Tomas. She previously worked for ANI as Finance Manager from September 2009 to Jan. 2012. She then joined the Department of Agriculture under the Office of the Assistant Secretary for Agribusiness & Marketing from February 2012 to February 2020 before rejoining ANI in March 2020. At present her position is an Overall Head of Admin and Human Resource Department.

ERIC J. SEVERINO, 75, Filipino, Independent Director.

Mr. Severino obtained his BS ECE degree from the University of the East in 1972. He has actively practiced in his field, holding technical up to executive positions in telecommunications and electronics companies over the years. He likewise served as Independent Director until 2023 at Binangonan Rural Bank, providing the technical backbone to its digital banking endeavors.

ROY S. KEMPIS, 69, Filipino, Independent Director

Prof. Kempis took his Bachelor's degree in Agriculture, major in Agricultural Economics, at UP Los Baños and subsequently, his Masters in Agricultural Development Economics at the Australian National University. He has a wide range of exposure and experience in research, teaching, business development and project planning in matters relating to Agri-Business and Agro-Economics, having acted as consultant, project leader, mentor, and resource in diverse studies and projects relating to a wide range of crops. He has held faculty positions in UP Pampanga, Pampanga State Agricultural University and Dela Salle University, and presently is Director for Angeles University Foundation's Center for Business Innovation.

JOSE ANTONIO S. VILAR, 65, Filipino, Independent Director

Mr. J. Antonio S. Vilar obtained his bachelor's degree in Business Administration from Wharton School of the University of Pennsylvania in 1983. He was Head of the Philippine Stock Exchange, Inc.'s Market Education Department from 2013 until 2020. In between, he served as Director and CEO in various Philippine corporations, notably venture companies. He assisted government agencies as organizer or resource speaker in various international investment roadshows. He is presently an Independent Director of an unrelated company.

The Principal Officers of the Company as of 31 March 2025 are as follows:

ANTONIO L. TIU, 49, Filipino, Director, Chairman.

Mr. Tiu is the President/CEO and Chairman of Earthright Holdings, Inc., Chairman of The Big Chill, Inc., and President/CEO of Beidahuang Philippines, Inc. and Greenery Holdings Incorporated. He was a part time lecturer in International Finance at DLSU Graduate School from 1999 to 2001 and currently board of adviser of DLSU School of Management. Mr. Tiu has a Master's degree in Commerce specializing in International Finance from University of New South Wales, Sydney Australia and BS Commerce major in Business Management from De La Salle University, Manila. He is currently a Doctorate student in Public Administration at the University of the Philippines. He was awarded the Ernst and Young Emerging Entrepreneur of the Year (2009), Overseas Chinese Entrepreneur of the Year 2010 and Ten Outstanding Young Men of the Philippines 2011. He is an active member of Integrated Food Manufacturer Association of the Philippines, PHILEXPORT, PHILFOODEX, Chinese Filipino Business Club, and Philippine Chamber of Agriculture and Food Industries.

TERESITA R. MAGANTE, 51, Filipino, Director and Acting Treasurer

Ms. Magante has been ANI's Plant Manager/Research and Development Manager/FSSCTeam Leader since 2012. As such she supervises and oversees its Food safety Management System, as well as international and local regulatory compliances; assists the sales and marketing for new product concepts, research and development. She developed the company's past and new product lines, which are now available in the domestic and international markets. She carries with her a Bachelors degree in Food Technology and is currently taking a Masters of Technology Management course, both at the University of the Philippines Diliman.

JENNIFER T. CHING, 48, Filipino, Director, Corporate Information Officer

Ms. Ching holds a Bachelor of Science Major in Business Administration degree from the University of Santo Tomas. She previously worked for ANI as Finance Manager from September 2009 to Jan. 2012. She then joined the Department of Agriculture under the Office of the Assistant Secretary for Agribusiness & Marketing from February 2012 to February 2020 before rejoining ANI in March 2020, At present her position is an Overall Head of Admin and Human Resource Department.

ATTY. PAUL KENNETH B. DAVIS, 69, Filipino, Corporate Secretary

Took his A.B. and LL.B. at the University of the Philippines. He has been in law practice for forty years as litigator, consultant for Build-Operate-Transfer projects (toll road, water and energy), in- house counsel as well as corporate secretary and director of private and government- owned/acquired corporations. He was with the UP Law Center committee that formulated and launched its Paralegal Training Program, where he likewise served as lecturer and mentor. He likewise served as consultant on government procurement in UP Los Baños.

ROSANA C. PLANCO, 51, Filipino, Compliance Officer

Ms. Rosana C. Planco holds a Bachelor of Science major in Accountancy degree from the University of the East in Manila and a Master's degree in Business Administration from the Pamantasan ng Lungsod ng Maynila. She previously worked for two (2) of ANI's subsidiaries, TBC and Fruitilicious, as an Accounting Officer and Operations Auditor from February 2012 to May 2016. She then transferred to Banapple J3 Corp, acting as the Finance and Accounting Manager, from July 2016 to February 2019 before rejoining ANI in 2021.

2. Significant Employees

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

3. Family Relationships

There are no officers nor directors that are related by consanguinity or affinity.

4. Involvement in Certain Legal Proceedings

None of the following events have occurred during the past five (5) years preceding the filing of this Annual Report that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter or control person of the Company:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, either at the time of the bankruptcy or within two (2) years prior to that time;

any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

5. Certain Relationships and Related Transactions

The Company’s policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

See Note 20 (Related Party Transactions) of the Notes to the 2021 Audited Financial Statements.

Item 10. Compensation of Directors and Executive Officers

The following summarizes the executive compensation received by the CEO and the top four (4) most highly compensated officers of the Company for 2021, 2022 and 202. It also summarizes the aggregate compensation received by all the officers and directors, unnamed.

Amounts in '000	Year	Salaries	Bonuses	Other Income
CEO and the four (4) most highly compensated officers	2022	Php 6,865	-	NONE
	2023	Php 9,269	-	NONE
	2024	Php 9,269	-	NONE
Aggregate compensation paid to all other officers and directors as a group unnamed	2022	Php 6,489	-	NONE
	2023	Php 8,789	-	NONE
	2024	Php 8,789	-	NONE

Under Section 8, Article III of the By-Laws of the Company, by resolution of the Board, each director shall receive a reasonable *per diem* allowance for their attendance at each meeting of the Board. Also provided therein is the compensation of directors, which shall not be more than 10% of the net income before income tax of the Company during the preceding year, which shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting. To date, the directors are given a per diem allowance of Five Thousand Pesos (Php 5,000.00) for their attendance at each meeting of the Board.

COMPENSATION PLANS

The Board approved a Stock Ownership Plan (the “Plan”) during its meeting on 17 December 2014. The following are the salient provisions of the Plan, among others:

- a. All REGULAR employees of ANI and its subsidiaries are eligible under the Plan.
- b. The Plan shall be effective for a period of ten (10) years to commence upon ratification of the Stockholders’ of the terms and conditions and upon approval of concerned governmental regulatory bodies, However, the grant of stocks shall be “purely gratuitous” such that ANI’s Compensation and Remuneration Committee (hereinafter referred to as the “Committee”) has the sole discretion whether to grant stocks for the year based on the financial performance of ANI during the preceding year.
- c. ANI will grant common shares in favor of all regular employees equivalent to an employee’s one (1) month salary, which will be evidenced by an Award Agreement. The Award Agreement shall contain the terms and conditions of the Plan which must be complied with by the employee during the vesting period, otherwise the employee forfeits his/her rights over the shares of stock.
- d. There will be a 3-year vesting period during which the employee is not yet considered as the owner of the shares, and his/her rights over the shares are restricted, including the right to dispose of the shares, receive dividends and/or vote as a shareholder.
- e. Upon the lapse of the vesting period, the Committee shall instruct the Corporate Secretary to issue the Stock Certificates to the employees who have complied with the terms as stated in the Award Agreement. An employee forfeits his/her shares when the said employee resigns or is found guilty of an offense defined as less grave or grave offense as per ANI Employee Handbook.

Item 11. Security Ownership of Certain Record and Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners

As of 31 March 2025, the following are the record owners and beneficial owners of more than five percent (5%) of the Company’s total issued common shares of 1,024,446,888 based on the stock and transfer book of the Company:

Title Of Class	Name, Address Of Record Owner And Relationship With Issuer	Name Of Beneficial Owner And Relationship With Record Owner	Citizenship	No. Of Shares Held	Percentage
Common	PCD Nominee Corp. (Filipino) G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City Stockholder	PCD Nominee Corp. is the record owner	Filipino	362,086,772	35.34%

Common	PCD Nominee Corp. (Foreign) G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City Stockholder	PCD Nominee Corp. is the record owner	Foreign	239,928,724	23.42%
Common	Earthright Holdings, Inc. Unit 3C, Valuepoint Executive Building, 227 Salcedo St. Legazpi Village, Makati City Stockholder	Earthright Holdings, Inc. is the record owner	Filipino	250,000,000	24.4034%
Common	Greenenergy Holdings Inc. 54 National Road, Dampol II-A, Pulilan, Bulacan Stockholder	Greenenergy Holdings Inc. is the record owner	Filipino	116,296,246	11.3521%

As of 31 March 2024, the following are the beneficial owners of more than five percent (5%) of the outstanding capital stock under the PCD Nominee Corp:

Common	Earthright Holdings, Inc. ⁵ Unit 3C, Valuepoint Executive Building, 227 Salcedo St. Legazpi Village, Makati City Stockholder	PCD Nominee Corp. (Filipino) is the record owner [for Earthright Holdings, Inc.]	Filipino	250,000,000	24.40%
Common	PCD Nominee Corp. (Foreign) ⁶ G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City Stockholder	PCD Nominee Corp. (Foreign) is the record owner [for Vikings Asia Agriventures BV]	Dutch	100,904,188	9.84%
Common	PCD Nominee Corp. (Foreign) ⁷ G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City Stockholder	PCD Nominee Corp. (Foreign) is the record owner [for Alcione Family Office Services Co., Ltd.].	Japanese	53,097,796	5.2%

⁵ The shares held by Earthright Holdings, Inc. in the Company shall be voted or disposed by the person who shall be duly authorized by the record owner (Earthright) for the purpose. The natural person that has the power to vote on the shares of Earthright shall be determined upon the submission of its proxy to the Company, which, under the by-laws of the Company, must be submitted before the time set for the meeting.

⁶PCD Nominee Corporation is a wholly-owned subsidiary of Philippine Central Depository, Inc. (“PCD”). The beneficial owners of such shares registered under the name of PCD Nominee Corporation are PCD’s participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead the participants have the power to decide how the PCD shares in the Company are to be voted.

The natural person that has the power to vote on the shares of Vikings Asia Agriventures BV shall be determined upon the submission of its proxy to the Company, which, under the by-laws of the Company, must be submitted before the time set for the meeting.

2. Security Ownership of Management

As of 31 March 2025, the following are the security ownership of the directors and principal officers of the Company:

Title Of Class	Name Of Beneficial Owner; Relationship With Issuer	Amount And Nature Of Beneficial Ownership (Direct & Indirect)	Citizenship	Percentage
Common	Antonio L. Tiu Chairman, CEO and President	126,896 (Direct)	Filipino	0.01%
		354,096,694 (Indirect)		32.68%
Common	Chung Ming Yang Director	1,566,200 (Direct)	Chinese ROC	0.15%
Common	Isidro C. Alcantara Jr. Director	1,000 (Direct)	Filipino	Less than 0.01%
Common	Teresa R. Magante Director,	1,000 (Direct)	Filipino	Less than 0.01%
Common	Bernard A. Pae Jr. Director	1,000 (Direct)	Filipino	0.01%
Common	Antonio Peter R. Galvez Director	1 (Direct)	Filipino	Less than 0.01%
Common	Eric J. Severino Independent Director	1,000 (Direct)	Filipino	Less than 0.01%
Common	Jennifer T. Ching Director	1 (Indirect)	Filipino	Less than 0.01%
Common	Claries E. Frajenal Director	1,000 (Direct)	Filipino	Less than 0.01%
Common	Jose Antonio S. Vilar Independent Director	1 (Direct)	Filipino	Less than 0.01%
Common	Roy S. Kempis Independent Director	1 (Direct)	Filipino	Less than 0.01%
Common	Paul Kenneth B. Davis Corporate Secretary	0	Filipino	0
Common	Rosana C. Planco Compliance Officer	0	Filipino	0

⁷PCD Nominee Corporation is a wholly-owned subsidiary of Philippine Central Depository, Inc. (“PCD”). The beneficial owners of such shares registered under the name of PCD Nominee Corporation are PCD’s participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead the participants have the power to decide how the PCD shares in the Company are to be voted.

The natural person that has the power to vote on the shares of Vikings Asia Agriventures BV shall be determined upon the submission of its proxy to the Company, which, under the by-laws of the Company, must be submitted before the time set for the meeting.

⁸ Mr. Antonio L. Tiu indirectly holds 543,369,541 shares thru Earthright, Holdings, Inc.; 311,469,850 thru Greenenergy Holdings, Inc.; 29,612,912 thru PCD Nominee

The total security ownership of the directors and principal officers of the Company as a group as of 31st of March 2025 is 354,323,590 common shares which is equivalent to 34.57% of the outstanding capital stock of the Company.

3. Voting Trust Holders of 5% or More

There are no persons holding 5% or more of a class under a voting trust or similar arrangement.

4. Changes in Control

The Company is not aware of any change in control or any arrangement that may result in a change in control of the Company.

5. Level of Public Float

As of 31 December 2024 there are 1,024,446,888 issued and outstanding shares.

As of 31 December 2024, the public ownership percentage of the Company is 65.27%. The required minimum public ownership percentage is 10%.

As of 31 December 2024, the number of foreign-owned shares is 241,881,324. The foreign ownership level is 16.98%. The foreign-ownership limit of the Company is 40%.

Item 12. Certain Relationships and Related Transactions

The Company's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

See Note 21 (Related Party Transactions) of the Notes to the 2024 Audited Financial Statements..

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

To measure or determine the level of compliance of the Board of Directors and top-level management with its Manual on Corporate Governance (the "Manual"), the Company shall establish an evaluation system composed of the following:

- Self-assessment system to be done by Management;
- Yearly certification of the Compliance Officer on the extent of the Company's compliance to the Manual;
- Regular committee report to the Board of Directors; and
- Independent audit mechanism wherein an audit committee, composed of three (3) members of the Board, regularly meets to discuss and evaluate the financial statements before submission to the

Board, reviews results of internal and external audits to ensure compliance with accounting standards, tax, legal and other regulatory requirements.

To ensure compliance with the adopted practices and principles on good corporate governance, the Company has designated a Compliance Officer. The Compliance Officer shall: (i) monitor compliance with the provisions and requirements of the Manual; (ii) perform evaluation to examine the Company's level of compliance; and (iii) determine violations of the Manual and recommend penalties for violations thereof for further review and approval by the Board of Directors.

Aside from this, the Company has an established plan of compliance which forms part of the Manual. The plan enumerates the following means to ensure full compliance:

- Establishing the specific duties, responsibilities and functions of the Board of Directors;
- Constituting committees by the Board and identifying each committee's functions;
- Establishing the role of the Corporate Secretary;
- Establishing the role of the external and internal auditors; and
- Instituting penalties in case of violation of any of the provisions of the Manual.

The Company will be submitting its Integrated Annual Corporate Governance Report (I-ACGR) pursuant to SEC Memorandum Circular No. 15, series of 2017, and PSE Circular No. 2017-0079 on or before 30 May 2022. The IACGR will supplement this portion of the Annual Report. –

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

a. SEC Form 17-C dated 24 May 2021

Item 9. Other Items

In the meeting of the Board of Directors of AgriNurture, Inc. (the “Company”) held today, the following matters were approved, confirmed and/or ratified:

1. Approval of the impairment by the Management of the Corporation’s trade receivables amounting to P1,714,366.50 from various customers, as well as nontrade receivables amounting to P32,316,856.99 from Tolman Manufacturing, Inc. for the year ended 31 December 2020;
2. Authority to release the Audited Financial Statements of the Corporation as of and for the year ended 31 December 2020;
3. Approval of the issuance and listing of up to 6,172,800 primary shares of the Corporation in favor of Plentex Philippines, Inc., subject to the terms and conditions as may be determined by the Board of Directors; and
4. Approval of the listing of 2 primary shares, or 1 share each, in favor of the Corporation’s Directors, Senen L. Matoto and Luis Rey I. Velasco, subject to the terms and conditions as may be determined by the Board of Directors.

b. SEC Form 17-C dated 24 June 2021

Item 9. Other Items

In the meeting of the Board of Directors of AgriNurture, Inc. (the “Company”) held today, the following matters were approved, confirmed and/or ratified:

Postponement of the Annual Stockholders' Meeting from 30 July 2021 to 5 November 2021, with a record date of 8 October 2021. The postponement is to enable the Company to prepare for additional matters and materials in view of the pandemic-related safety protocols.

c. SEC Form 17-C dated 19 August 2021

Item 9.

In the meeting of the Board of Directors of AgriNurture, Inc. (the “Company”) held today, the following matters were approved, confirmed and/or ratified:

Confirmation of the authority to conduct a Stock Rights Offering of common shares to all eligible shareholders of the Company (“Rights Issue”) at offer price of P1.00 per share. An existing shareholder owning 2.5 shares shall be entitled to 1 Stock Rights Share. The number of shares to be offered shall be 288,000,027.

d. SEC Form 17-C dated 7 September 2021

Item 9.

In the meeting of the Board of Directors of AgriNurture, Inc. (the “Company”) held today, the following matters were approved, confirmed and/or ratified:

1. Approval of the authority of the President or Chief Financial Officer to fix the terms and conditions of the Stock Rights Offer under such terms and conditions that are beneficial to the Corporation, and to negotiate and execute any documents, agreements or applications in connection with the Rights Offer and regulatory approvals required to be filed and obtained with pertinent regulatory bodies.
2. Approval of the authority to incorporate a wholly owned foreign subsidiary of the Company for the issuance of long-term green bonds of up to 75 Million Euros. The final terms and conditions of the green bond issuance shall be recommended by Management for the approval of the Board.

e. SEC Form 17-C dated 5 November 2021

Item 9. Other Items

The following, among others, have been approved, ratified and confirmed by the Shareholders:

1. Minutes of the Annual Meeting of the Shareholders held last 9 September 2020;
2. Ratification of all acts and resolutions of the Board of Directors and Management adopted during the preceding year;
3. Annual Report and Financial Statements for the year ended 31 December 2020;
4. Delegation of the appointment of External Auditor for the fiscal year 2021 to the Audit Committee;
5. Approval of the authority to issue long term green bonds of up to Seventy Five (75) Million Euros with maturity of up to seven (7) years, including the issuance of commercial papers;
6. Approval of the increase of the authorized capital stock of the Company from P2,000,000,000.00 to up to PhP 5,000,000,000.00;
7. Approval of the amendment/s to the terms and conditions of the issuance of warrants to existing shareholders to be bundled to the Company's Stock Rights Offering
From:
Issuance to Existing Shareholders owning ten (10) common shares as of record date, shall be entitled to one (1) warrant. The ratio shall be one (1) warrant equivalent to one (1) underlying common share upon conversion. Record date, Expiry date and other relevant terms and conditions shall be determined by the Board. The warrants shall have the exercise price of a discounted rate of 5% of the volume weighted average price of trade thirty days (30) prior to date of expiration, to be exercised after five (5) years from date of issuance.

To:
Issuance to Shareholders participating in the Stock Rights Offering, with every shareholder availing of three (3) Stock Rights, shall be entitled to one (1) warrant. The ratio shall be one (1) warrant equivalent to one (1) underlying common share upon conversion. The warrants shall have the exercise price of a discounted rate of 5% of the volume weighted average price of trade fifteen (15) days prior to maturity, to be exercised after five (5) years from date of listing.
8. Approval of the Internal Rules of Procedure for the conduct of Board Meeting through videoconference;
9. Approval of the authority for the acquisition of additional shareholdings in Fucang Trading Limited from 51% to up to 70%;
10. Approval of the Stock Rights Offer of 288,000,027 common shares with a par value of PhP1.00 per share to eligible existing common shareholders at the ratio of one (1) rights share for every two and one-half (2.5) existing common shares at an offer price of PhP1.00 per rights share to be listed and traded on the Philippine Stock Exchange;
11. Approval of the authority to incorporate a wholly owned foreign subsidiary of the Company, AgriNurture Financial S.à r.l. in the Grand Duchy of Luxembourg, for the issuance of long term green bonds of up to 75 million Euros.

f. SEC Form 17-C dated 5 November 2021

Item 9.

In the meeting of the Board of Directors of AgriNurture, Inc. (the "Company") held today, the following matters were approved, confirmed and/or ratified:

1. Authority to register, participate, and appoint as company administrator/s or representative/s the Corporation's Chief Financial Officer, Mr. Kenneth S. Tan, and/or the President/CEO, Mr. Antonio L. Tiu, in Rice Exchange, a digital marketplace for international rice trading;
2. Confirmation of the Approval of the reclassification of the Company's Forty Million (40,000,000) unissued common shares with par value of One Peso (Php 1.00) per share or an aggregate par value of Forty Million Pesos (Php40,000,000.00) to 400,000,000 voting preferred shares with par value of Ten Centavos (Php 0.10) per share or an aggregate par value of Forty Million Pesos (Php 40,000,000.00), to be subscribed by Earthright Holdings, Inc.
3. Approval of Agrinurture Development Holdings, Inc.'s ("ADHI") subscription of nine hundred ninety nine (999) primary shares of Agrinurture HK Holdings, Ltd. (ANI HK) at par value of USD 1.00. ANI HK is a wholly owned subsidiary of the Company and ADHI is a wholly owned subsidiary of Greenergy Holdings, Inc. (GHI). GHI is an affiliate of the Company.
4. Ratification of the Corporate Representation as approved by the Board of Directors on 31 March 2014 with changes in the authorized signatories for Bank Related Transactions.

g. SEC Form 17-C dated 18 March 2022

Item 9.

In the meeting of the Board of Directors of AgriNurture, Inc. (the "Company"), the following matters were approved, confirmed and/or ratified, among others:

1. Resignation of Atty. Maricris Connie B. Pua (Atty. Pua) as Corporate Secretary of the Company for personal reasons effective immediately.
2. Appointment of Atty. Katrina L. Nepomuceno as Corporate Secretary of the Company effective immediately.

Atty. Katrina L. Nepomuceno has served as the Corporate Legal Counsel, Corporate Secretary and Compliance Officer of several companies including a company listed with the Philippine Stock Exchange. She is one of the few gaming law practitioners in the Southeast Asian region. Atty. Nepomuceno graduated with a Bachelor's Degree in Political Science from the University of Sto. Tomas in 1990. She obtained her Juris Doctor Degree from the Ateneo De Manila University in 1994.

h. SEC Form 17-C dated 16 November 2022

The Board has approved the decrease in the par value of the shares of Company from One Peso (Php 1.00) to Ten Centavos (Php 0.10). The Board has likewise approved the reclassification of Forty Million (40,000,000) unissued common shares with par value of One Peso (Php 1.00) per share or an aggregate par value of Forty Million Pesos (Php40,000,000.00) to 400,000,000 voting preferred shares with par value of Ten Centavos (Php 0.10) per share or an aggregate par value of Forty Million Pesos (Php 40,000,000.00).

The matters were presented for approval of the Shareholders during the Shareholders' meeting on 9 September 2020, however, the matter of approving the conduct of stock split by changing the par value was deferred by the shareholders, subject to approval on a later date, finding that the same is not yet necessary at this time. The reclassification of shares as discussed above was approved, thereby reclassifying Forty Million (40,000,000) unissued common shares with par value of One Peso (Php 1.00) per share or an aggregate par value of Forty Million Pesos (Php40,000,000.00) to 400,000,000 voting preferred shares with par value of Ten Centavos (Php 0.10) per share or an aggregate par value of Forty Million Pesos (Php 40,000,000.00). The shares to be reclassified shall come from the unissued portion of the total authorized capital stock of the Company.

With regards to the pending application with the SEC on the increase of the corporation's authorized capital from Php2 Billion up to Php5 Billion, there are no new developments on it.

I. SEC Form 17-C dated 03 July 2023

Item 9:

Earthright Holdings, Inc., a substantial stockholder of ANI, reports changes in its equity composition with the recent subscription of Li Pei Feng, Taiwan national, to 6,660 common shares from that unissued capital stock of Earthright Holdings, Inc.

As a result, ownership of Earthright Holdings, Inc. shares by Antonio Tiu is lowered from 99.96% to 60.000%, while ownership of Earthright shares by Li Pei Feng has increased to 39.982%.

J. SEC Form 17-C dated 18 September 2023

Item 9:

The effort to acquire Freshness First Pty, Ltd., an Australian company, began in late 2018 when the then ANI Board authorized the expansion of the company's business operations in Australia through acquisition of existing companies. Freshness First is engaged in the business of trading of fresh and processed fruits and vegetables in the state of Queensland, operating under its 100% owned and controlled subsidiaries: (i) BSK Pty Ltd., doing business under the brand "Field Cuisine", and (ii) Michsul Pty Ltd., doing business under the brand "Bou Samra Fruits & Vegetables" servicing major institutional clients across the State. It was acquired by ANI on September 15, 2023.

The acquisition of Freshness First is consistent with ANI's primary mandate of involvement in agriculture-related activities, and gives it a footprint on the vast and promising Australian landscape to explore.

The move comes after a difficult 36 months for Australian businesses in having to overcome major challenges brought by the Covid-19 pandemic early 2020 and a major Brisbane flood during early 2022 where businesses have struggled to reach profitability. Having overcome such initial challenges and posting AUS\$12.8 million in annual revenues as of July 2023, which is slightly over during the same period last 2022, Freshness First's potential for growth is manifest, giving value to ANI.

SEC Form 17-C dated 28 October 2024

The results of the Annual Shareholders Meeting and Matters approved during the Annual Shareholders’ Meeting on 28 October 2024:

Items 4 (b)

The following were appointed as the members of the Board of Directors of the Company during the Annual Meeting of Shareholders:

- 1. Antonio L. Tiu
- 2. Yang Chung Ming
- 3. Isidro C. Alcantara, Jr.
- 4. Antonio Peter R. Galvez
- 5. Jennifer T. Ching
- 6. Claries E. Frajenal
- 7. Bernard A. Pae Jr.
- 8. Teresita R. Magante
- 9. Roy S. Kempis (Independent Director)
- 10. J. Antonio S. Vilar (Independent Director)
- 11. Eric J. Severino (Independent Director))

The following were appointed as officers of the Company at the Organizational Meeting of the Board of Directors:

NAME	POSITION
Antonio L. Tiu	-Chairman of the Board
Antonio L. Tiu	-President
Teresita R. Magante	-Acting Treasurer
Atty. Paul Kenneth B. Davis	-Corporate Secretary
Jennifer T. Ching	-Corporate Information Officer
Claries E. Frajenal	-Asst. Corporate Information Officer
Rosana C. Planco	-Compliance Officer

The following were appointed as members of the Committees at the Organizational Meeting of the Board of Directors:

Executive Committee	i. Antonio L. Tiu -Chairman ii Isidro C. Alcantara, Jr. -Member iii. Teresita R. Magante - Member iv. Bernard A. Pae Jr. -Member v. Claries E. Frajenal -Member
Audit Committee	i. Jose Antonio S. Vilar -Chairman ii. Antonio Peter R. Galvez -Member iii Eric J. Severino -Member
Nomination and Compensation Committee	i. Roy S. Kempis -Chairman ii. Eric J. Severino -Member iv. Claries E. Frajenal -Member
Corporate Governance & Management Committee	i. Eric J. Severino -Chairman ii. Antonio Peter R. Galvez -Member iii. Jose Antonio S. Vilar -Member

AGRINURTURE, INC.

54 National Road, Dampol 2nd A, Pulilan, Bulacan 3005, Philippines
Manila Office: 997-2080-83 Telefax: 997-5184 • www.uni.com.ph

The Securities and Exchange Commission
Salcedo Village, 7907 Makati Ave., Makati
1209 Metro Manila

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Agrinurture Inc.** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as of and for the years ended December 31, 2024 and 2023 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of 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 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 responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

Katrina Leonardo, the independent auditor appointed by the stockholders of the Company, has audited the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

ANTONIO L. TIU
President

TERESITA MAGANTE
Treasurer

SUBJECT: FRED AND GWYNETH

16 MAY 2025

ATTY. FELIZARDO M. IBARRA
Notary Public for C.C./Until Dec. 31, 2025
Roll No. 83835

*PTR No. 69867373 1/27/97, 2025/O.C.

IRP No. 5311

MCLB Comp. No. VII-001 (Rev. 1-23-04/2025)

ANI
Agriculture Nutrition Industry

54 National Road, Dampol 2nd A. Palitan, Bulacan 3005, Philippines
Main Office: 997-2080-83 Telefax: 997-5184 • www.ans.com.ph

The Securities and Exchange Commission
Salcedo Village, 7907 Makat Ave., Makati
1208 Metro Manila

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of Agniture Inc and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as of and for the years ended December 31, 2024 and 2023 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of 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 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 responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

Katrina Leonardo, the independent auditor appointed by the stockholders of the Company, has audited the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

ANTONIO L. TRUJILLO
President

TERESITA MAGANTE
Treasurer

ATTY. FELIZARDO M. DEARRA
Notary Public for P.O. Used Dec. 31, 2023

PtD No. C-07689

DOS No. 111

ACILE Corp. No. 711

2000-2001

16 MAY 2025

COVER SHEET
for
QUARTERLY 17-Q

SEC Registration Number

A	S	0	1	9	9	7	0	1	8	4	8
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COMPANY NAME

A	G	R	I	N	U	R	T	U	R	E	,		I	N	C	.		A	N	D		S	U	B	S	I	D	I	A
R	I	E	S																										

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

N	o	.		5	4		N	a	t	i	o	n	a	l		R	o	a	d	,		D	a	m	p	o	l		
I	I	-	A	,		P	u	l	i	l	a	n	,		B	u	l	a	c	a	n								

Form Type

1	7	Q-	1
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Department requiring the
report

C	R	M
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Secondary License Type, If
Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

www.ani.com.ph
--

Company's Telephone
Number

(02) 8997-5184

Mobile Number

N/A

No. of Stockholders

43

Annual Meeting (Month / Day)

Third Monday of May

Fiscal Year (Month / Day)

DECEMBER 31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Paul Kenneth Davis

Email Address

legal@ani.com.ph

Telephone Number/s

(02) 8997-5184

Mobile Number

N/A

CONTACT PERSON's ADDRESS

No. 54 National Road, Dampol II-A, Pulilan, Bulacan

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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 **March 31, 2025**
2. SEC Identification Number **A199701848**
3. BIR Tax Identification Code **200-302-092-000**
4. Name of Issuer as specified in its charter **AGRINURTURE, INC.**
5. **PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. **NO. 54 NATIONAL ROAD, DAMPOL II-A, PULILAN, BULACAN PHILIPPINES3005**
Address of issuer's principal office Postal Code
8. Issuer's telephone number, area code **044-815-6340**
9. Former name, former address and former fiscal year, if changed since last report **N. A.**
10. Securities registered pursuant to Section 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Shares,	1,024,446,888 shares /Php 1,996,271,480 (Authorized 2,000,000,000 shares at P1.00 Par value)

11. Are any or all the securities listed on the Philippine Stock Exchange?

Yes ☒ [X] No ☐ []

The company's common shares are listed in the Philippine Stock Exchange.

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 and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period the registrant was required to file such report)

Yes ☒ [X] No ☐ []

(b) has been subject to such filing requirements for the past 90 days

Yes ☒ [X] No ☐ []

AGRINURTURE, INC. AND SUBSIDIARIES
Securities and Exchange Commission Form 17 - Q

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements

The interim consolidated financial statements of AgriNurture, Inc. and subsidiaries (collectively referred to as the "Group") as of and for the period ended March 31, 2025 and with comparative figures as of March 31, 2024 and December 31, 2024 - are filed as part of this Form 17-Q as Exhibit A.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following Management Discussion and Analysis should be read in conjunction with the attached interim consolidated financial statements of AgriNurture, Inc. and subsidiaries as of and for the three months ended March 31, 2025.

Business Overview

Incorporated on 04 February 1997, Agrinurture, Inc. (the "Company" or "ANI") started its business operations in the same year as an importer, trader and fabricator of post-harvest agricultural machineries intended to improve the productivity as well as increase the income of Filipino farmers. Formerly known as Mabuhay 2000 Enterprises, Inc., ANI was the first to bring into the Philippine market the Mega-Sun brand of grain dryers and thereafter established itself as one of the more reliable local supplier and manufacturer of conveyor systems and other rice mill equipment.

ANI eventually diversified into other various agro-commercial businesses, specifically focusing on the export trading of fresh Philippine Carabao Mangoes as its main revenue stream. Since then, ANI has become one of the Philippines' top fresh mango exporters to the world market. At present, ANI also supplies other home-grown fruits such as banana and pineapple to customers in Hong Kong, Mainland China, the Middle East and to the different European regions.

The following are the recent developments regarding its continuous business expansion:

- On December 20, 2019 and September 9, 2020, the BOD and the shareholders of the Group, respectively, have approved the issuance of shares to Plentex Philippines, Inc. (Plentex). Plentex has subscribed for 6,172,800 shares and the Group has agreed to issue the same at a value of ₱18 per share which is to be paid through the issuance of 30,000,000 shares of Plentex Limited.

Plentex is a Philippine Corporation that is developing a substantial large scale agri-business center in Tacloban, Leyte. Plentex is a subsidiary of Plentex Limited, unlisted Australian public company in Victoria, Australia.

As at date of report, the 6,172,800 shares were subscribed and 2,057,600 shares were paid.

- On February 1, 2021, the Group entered into a Memorandum of Agreement ("MOA") with the Unified Bagobo-Tagabawa Tribe ("UBTT") and the National Commission on Indigenous Peoples ("NCIP") to promote inclusive agricultural and economic growth by pursuing land productivity thru the development of rice and corn plantation in Bansalan, Davao del Sur. The Group will invest in the development, operation and management of the rice and corn plantation while the UBTT will be entitled to an annual royalty fee Annual Net Profit share in the project. Further, all employment and labor requirements of the project shall be primarily sourced from the UBTT. NCIP shall monitor and evaluate compliance of the parties in the terms and conditions of the MOA. The Group, along with the project shall develop programs on health, skills development and alternative livelihood for the communities. The parties, in collaboration with other national

government agencies shall likewise conduct tree planting activities in at least two thousand (2,000) hectares of land.

As at date of report, the parties have complied with the requirements to fully execute the agreement, including but not limited to the Free and Prior Informed Consent (FPIC), as indicated by the issuance of a Certification Precondition by the NCIP. An operation team has been set up to kick off the launch of the said project.

- On February 23 2021, Ocean Biochemistry Technology Research, Inc. ("OBTRI") and Greenergy Holdings, Inc. ("GHI") have entered into a subscription agreement for the issuance of 37,500 common shares of OBTRI at par value of ₱100 per share for a total aggregate value of ₱3,750,000. OBTRI is a corporation primarily engaged in manufacturing and trading, and is 51% owned by M2000 Imex Company, Inc. ("IMEX") prior to GHI's subscription while M2000 Imex Company, Inc. ("IMEX") is a wholly-owned subsidiary of ANI.

As at date of report, the subscription agreement has been executed and the foregoing transaction completed.

- On May 12, 2021, the Group received a Medium Green Rating from Cicero Shades of Green for its Green Bond offering. Cicero Shades of Green is a subsidiary of the climate research institute CICERO. It provides independent, research-based evaluations of green bond investment frameworks to determine their environmental strength. Their Second Opinions are graded Dark Green, Medium Green, Light Green and Brown to offer investors better insight into the environmental quality of green bonds.

The Group has previously secured the authority to issue long term Green Bonds of up to 75 million euro with maturity of up to 7 years, including the issuance of commercial papers, with terms and conditions to be recommended by management and to be approved by the BOD. The issuance shall fund the agricultural project expansion of the Group geared towards climate change adaptation and minimized environmental footprint.

As at date of report, the Group is completing the documentary requirements and securing necessary board approval for the incorporation of a wholly-owned foreign subsidiary for the issuance of green bonds.

- On May 12, 2021, the Group has entered into a Memorandum of Understanding (MOU) with the Department of Agriculture ("DA") and the Authority of Freeport Area of Bataan ("AFAB"). The MOU aims to establish an Agri-Sector Digitalization Program which shall have a "general purpose and objective of facilitating the implementation and rolling out of financial inclusion of all stakeholders in the agricultural sector, particularly the unbanked stakeholders such as the country's farmers and fisherfolk, through a regulated financial technology platform and licensed virtual currency. The clients of and/or participants in the financial technology exchange platform and licensed virtual currency shall be purely Non-Filipinos located outside the Philippines".

Under the MOU, the Group undertook to perform the following:

- i. facilitate, together with the DA and AFAB, the implementation of the 1ANI e-commerce platform as a financial technology (FinTech) ecosystem for the country's farmers and fisherfolks;
- ii. secure a license from AFAB for the issuance and use of Agri Token in the Freeport Area of Bataan ("FAB"), and upon issuance of said license, allow the issuance of the Agri Token to the participants of the FinTech ecosystem;
- iii. cause the establishment of a branch of an affiliate bank within FAB upon approval of the BSP, which shall be the custodian bank for the Agri Token, and which shall likewise service the banking needs of the locators within FAB;
- iv. establish and secure a license for an AgriXchange Commodities and Futures Trading Center ("AgriXchange") with AFAB; and
- v. ensure the capability of the AgriXchange to act as a Virtual Currency Exchange for the conversion of fiat to virtual currencies and vice versa, in accordance with applicable laws, rules and regulations.

The MOU also provided that the Group and the Local Government Units in FAB, with the support of the DA, shall develop and establish a food terminal, cold/dry storages, and logistics hub in FAB to boost the country's food security program. The MOU shall have immediate effect upon signing

by the parties.

As at date of report, the Group is still in the process of complying with its obligations under the MOU, including but not limited to securing a license from AFAB to use its virtual currency.

- On February 24, 2020, the Group's BOD approved to accept the Letter of Intent (LOI) of Vnesto Capital to finance the expansion project of the Group. Under the LOI, the Group was eligible to avail up to US\$100,000,000 of long-term financing. The financing shall be a long-term loan with interest pegged at treasury bill plus 3%. After the acceptance of the LOI, the formal application process shall commence. As at date of report, the LOI application process is not yet completed.
- On March 20, 2020, the Group's BOD approved the amendment of the terms and conditions of the stock rights offering. It shall have the entitlement ratio of 2.5:1, with every existing shareholder of 2.5 shares shall be entitled to 1 stock rights share, with the offer price of ₱1 per value.

On August 19, 2021, the Group's BOD confirmed the authority to conduct the Stock Rights Offering of common shares to all eligible shareholders of the Company at the entitlement ratio of 2.5:1 and offer price of ₱1.00 per share. The number of shares to be offered shall be 288,000,027.

As at date of report, the Group is still in the process of application of the Stock Rights Offer of the 288,000,027 common shares which shall be listed and traded on the Philippine Stock Exchange.

- On March 20, 2020, the Group's BOD approved the amendment in the terms and conditions of the following issuances and listing of warrants:

- a. Issuance and listing of up to 10,000,000 stock warrants in favor of the Group's employees credit cooperative as approved by the BOD on February 12, 2018.

The warrants shall have the exercise price of a discounted rate of 5% of the weighted average price of trade 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Expiry date and other relevant terms and conditions shall be determined by the BOD, subject to the approval of the SEC.

- b. The warrants shall have the exercise price of a discounted rate of 5% of the weighted average volume of trade 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Expiry date and other relevant terms and conditions shall be determined by the BOD, subject to the approval of the SEC.

- c. Issuance and listing of stock warrants in favor of existing stockholders as of record date as approved by the BOD on February 12, 2018.

The warrants shall have the exercise price of a discounted rate of 5% of the weighted average volume of trade 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. Existing stockholders owning 10 common shares as of record date, shall be entitled to 1 warrant. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Record date, expiry date and other relevant terms and conditions shall be determined by the BOD.

- d. Issuance and listing of stock warrants in favor of current directors as approved by the BOD on February 12, 2018.

The warrants shall have the exercise price of a discounted rate of 5% of the weighted average volume trade of 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Expiry date and other relevant terms and conditions shall be determined by the BOD. Each director serving at the time of issuance is entitled to up to 100,000 warrants.

On October 10, 2020 and November 5, 2021, the Group's BOD and shareholders, respectively, approved the amendment/s to the terms and conditions of the issuance of warrants to existing shareholders to be bundled to the Company's Stock Rights Offering. The issuance to shareholders participating in the Stock Rights Offering, with every shareholder availing of three (3) Stock Rights, shall be entitled to one (1) warrant. The ratio shall be one (1) warrant equivalent to one (1) underlying common share upon conversion. The warrants shall have the exercise price of a discounted rate of 5% of the

volume weighted average price of trade fifteen (15) days prior to maturity, to be exercised after five (5) years from date of listing.

- e. Issuance and listing of 10,000,000 stock warrants in favor of ANI Foundation as approved by the BOD on April 30, 2018.

The warrants shall have the exercise price of a discounted rate of 5% of the weighted average volume of trade 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Expiry date and other relevant terms and conditions shall be determined by the BOD. The issuance and listing of the warrants shall be for the purpose of generating funds for the corporate social responsibility programs of the Group.

- On May 5, 2020, the Group has entered into a Memorandum of Agreement with the Department of Agriculture ("DA"). Under the Agreement, the Group shall be an official program partner-participant of DA's e-KADIWA ni Ani at Kita Program. As such, the Group becomes an online seller of agricultural products.

The DA's e-KADIWA ni Ani at Kita Program is a market system which facilitates the selling of major agricultural goods at reasonably low prices to the consuming public through partnership with Local Government Units and the Private Sectors. To further the services of the KADIWA ni Ani at Kita Program, the DA has launched the e-KADIWA, an online market portal or platform whereby buyers and sellers of agricultural and fishery products can transact online.

As at date of report, the Group is actively participating in the foregoing program through its ANI Express online platform.

- On November 26, 2020, the Group has entered into a Memorandum of Agreement ("MOA") with the Philippine International Trading Corporation ("PITC") to collaborate on the importation of raw materials to provide healthier and more affordable "BigMa" Bigas-Mais (rice-corn) blend to the Filipino consumers. The Group is set to locally produce with its corn contract growers and include in its product portfolio the "BigMa" brand. The "BigMa" or Bigas-Mais blend is a Low Glycemic and rich in dietary fiber staple food alternative for the Filipino consumers. With the production of BigMa, the Group will be able to reduce carbon foot print, provide more livelihood to local farmers as the source of "Mais", help the country achieve food-staple sufficiency faster, while providing a healthier and affordable option to the public.

As at date of report, the Group made its initial shipment through the foregoing collaboration during the 1st quarter of 2021.

On December 28, 2020, the Group's BOD approved the acquisition of additional shareholdings in Fucang Trading Limited (Fucang) from 51% up to 71% for a price to be determined based on the audited net book value of Fucang as at December 31, 2021. As at date of report, the additional acquisition is not yet completed. Fucang, a subsidiary, acquired 70% ownership of Guangzhou Lexian Fruit Industry Co., Ltd. (Lexian) in 2018, a foreign entity incorporated in China engaged in wholesale trade (see Note 31).

- On October 13, 2018, the Group entered into a joint venture agreement for a development of the property located in Taytay, Rizal, bisected by the Manggahan Floodway. The property covers 859 hectares more or less of which is covered by titles under different names, all of which are either directly or indirectly under the third-party individual. Each square meter is valued at ₱1,500. The joint venture shall include but not limited to the formation of the following: Phase 1 – Transportation Hub, Phase 2 – Food Terminal and Phase 3 – Property Development Corporation. As at December 31, 2022 and 2021, the Group has made deposits totaling ₱508.7 million for the acquisition to the 859 hectares, corresponding to portions thereof. As at reporting date, the third party is still completing the titling of the whole portion of the property to fully execute the joint venture agreement. The parties are in the process of executing the projects under the Joint Venture Agreement. As of reporting period, the masterplan for the design of the food terminal were already completed (see Note 15).
- Group has signed a ₱1.9 billion deal with a Chinese Company for the purchase of various agriculture produce particularly tropical fruits. The contract was signed with SinoChem Group (SinoChem), a Beijing based conglomerate engaged in the production and trading of chemicals, fertilizers and other agricultural products. Under the agreement, SinoChem will buy tropical fruits from the Group's contract growers in the Philippines in the next three years. SinoChem will also

provide support through the supply of affordable fertilizers. The deal aims to provide support to local farmers and boost country's market access to China.

Due to the health and mobility restrictions brought about by the COVID-19 pandemic, both parties opted to defer the implementation of the agreement in 2020 and plan to finalize the terms thereof in 2022. The parties intend to utilize this deal in the BigMa (rice-corn mix) Project and expansion of banana plantation.

- On December 20, 2019, the Board of Directors of the Group approved joint venture or any similar engagement with Department of Justice through Bureau of Corrections for the development of at least 2,000 hectares of integrated Agri-Tourism corn plantation in Palawan. The Group will fund the development while the Bureau of Corrections will provide the land. The proposed joint venture is intended to expand the Group's business through corn production and agri-tourism. As at reporting date, the Bureau of Corrections is awaiting the endorsement of the agreement by the Department of Justice to finalize the transaction. Also, due to the health and mobility restrictions brought about by the COVID-19 pandemic, the implementation of the agreement in 2020 was deferred. However, the parties plan to finalize the terms thereof in 2022.
- On November 5, 2021, the Group's BOD approved the authority to register, participate, and appoint a company administrator/s or representative/s in Rice Exchange, which is a digital marketplace for international rice trading. As at reporting date, the Group is completing its application for registration.
- On October 10, 2020 and November 5, 2021, the BOD and the shareholders of the Group, respectively, approved the increase of the Group's authorized capital stock from ₱2,000,000,000 to up to ₱5,000,000,000. The increase is intended for any future capital raising activities. This is also in anticipation of the issuance of warrants and stock rights offer of 288,000,027 common shares from the Group's existing capital stock.
- On November 5, 2021, the Group's BOD approved the subscription of Agrinurture Development Holdings, Inc. ("ADHI") of nine hundred ninety-nine (999) primary shares of Agrinurture HK Holdings, Ltd. (ANI HK) at par value of USD 1. ANI HK is a wholly owned subsidiary of the Group and ADHI is a wholly owned subsidiary of Greenery Holdings, Inc.
- On September 7, 2021, the Group's BOD approved the authority to incorporate a wholly-owned foreign subsidiary, AgriNurture Financial S.à r.l. in the Grand Duchy of Luxembourg, for the issuance of the long-term green bonds of up to 75 million Euros. As at date of report, the Group is in the process of incorporating the foreign subsidiary.

On February 24, 2020, the Board has approved the decrease in the par value of the shares of the Group from one peso (₱1.00) to ten centavos (₱0.10). The Board has likewise approved the reclassification of 40 million (40,000,000) unissued common shares with par value of one peso (₱1.00) per share or an aggregate par value of forty million pesos (₱40,000,000) to 400,000,000 voting preferred shares with par value of ten centavos (₱0.10) per share or an aggregate par value of forty million pesos (₱40,000,000) subject to the approval of the SEC.

Upon approval of the SEC, the Group's authorized capital stock will increase to twenty billion (20,000,000,000) shares for a total par value of two billion pesos (₱2,000,000,000) which shall be divided into the following:

- a. Common shares, consisting of 19,600,000,000 shares with a par value of ten centavos (₱0.10) per share for a total par value of ₱1,960,000,000;
- b. Preferred shares, consisting of 400,000,000 shares with a par value of ten centavos (₱0.10) per share for a total par value of ₱40,000,000;

The preferred shares shall have the following rights, privileges, limitations and restrictions which shall also appear on the Certificates of the Preferred Shares of the Corporation:

- a. The right to vote and be voted for;
- b. The right to receive, out of unrestricted retained earnings of the Group, participating dividends at the rate as may be deemed proper by the BOD under the prevailing market conditions or such other relevant factors as the BOD may consider. Said dividend may be declared and payable at the discretion of the BOD after taking into account the Group's earning, cash flows,

financial conditions and other factors as the BOD may consider relevant;

- c. In the liquidation, dissolution and winding up of the Group, whether voluntary or otherwise, the right to be paid in full or ratably, insofar as the assets of the Group will permit, the par value or face value of each preferred share as the BOD may determine upon their issuance, plus unpaid and accrued dividends up to the current dividend period, before any assets of the Group shall be paid or distributed to the holders of the common shares; and
- d. The common shares shall possess all the rights, privileges and prerogatives provided by law, including the right to vote and be voted for.

The stockholders of the Group shall have no pre-emptive right to subscribe to or purchase any or all issues or dispositions of shares of any class of the Group.

The change in par value is intended to increase the number of shares of the Group that will give more trading opportunities to the shareholders and investors. The decrease in par value will make the shares more affordable to small investors, hence will be more marketable and liquid in the market.

The reclassification is intended for any future capital raising activities. The amount to be raised shall be used as additional working capital and funding for the Group's expansion project particularly the creation of the Agricultural Ecosystem to benefit local farmers.

As at reporting date, the approval for the decrease in the par value of the shares was deferred by the stockholders.

On November 5, 2021, the Group's BOD confirmed the approval of the reclassification of the Group's Forty Million (40,000,000) unissued common shares with par value of One Peso (₱1.00) per share or an aggregate par value of Forty Million Pesos (₱40,000,000) to 400,000,000 voting preferred shares with par value of ₱0.10 per share or an aggregate par value of Forty Million Pesos (₱40,000,000), to be subscribed by Earthright Holdings, Inc. The reclassification of shares was filed, and approved by the SEC on November 16, 2022.

The Group's registered principal office address is at No. 54 National Road, Dampol II-A, Pulilan, Bulacan.

The Company operates its agro-commercial businesses through operating divisions and wholly-owned or majority-owned subsidiaries that are organized into business segments.

REVENUE

(Philippine Peso)	31-Mar-25	31-Mar-24
Philippine Operations		
Export	3,700,138	₱ 6,466,611
Local Distribution and Others	10,776,889	80,482,903
Retail & Franchising	4,524,922	15,901,510
Subtotal	₱ 19,001,949	₱ 102,851,024
Foreign Operation		
Hongkong/China		467,830,113
Total	₱ 19,001,949	₱ 570,681,137

Results of Operations

Three Months ended March 31, 2025 versus March 31, 2024

Net Sales

Total consolidated revenue for the three-month period ended March 31, 2025, stood at **₱19.00**

million, a dramatic decline of **₱551.68 million** or **96.7%** from the **₱570.68 million** earned during the same period in 2024.

Revenue from domestic operations fell from **₱102.85 million** in March 31, 2024 to **₱19.00 million** in March 31, 2025, reflecting a contraction of **81.5%**. Segment breakdown is as follows:

Export Revenue declined by **₱2.77 million** or **42.8%**, from **₱6.47 million** to **₱3.70 million**.

Local Distribution and Others experienced the largest drop, decreasing by **₱69.71 million** or **86.6%**, from **₱80.48 million** to **₱10.78 million**.

Retail & Franchising fell by **₱11.38 million** or **71.6%**, from **₱15.90 million** to **₱4.52 million**.

This decrease reflects lower domestic demand, reduced distribution activity, and possibly logistical or operational bottlenecks affecting both retail and export sales.

Cost of Sales

Cost of sales consists of:

- Cost of purchasing agricultural produce, fruits and vegetables and raw materials from growers and other traders and suppliers including freight in charges;
- Cost of real estate includes development cost for all properties to be sold, including shops, office buildings and hotels located in China
- Personnel expenses, which include salary and wages, employee benefits and retirement costs for employees involved in the production process;
- Repairs/maintenance costs, depreciation costs relating to production equipment, vehicles, facilities and buildings;
- Fuel and oil costs relating to the production and distribution process

For the three months ended March 31, 2025, ANI Group's cost of sales amounted to **₱15.25 million** decreases by 97% from **₱525.59 million** for the same period in 2024, lower production volumes, as fixed costs could not be absorbed effectively.

Gross Profit

Consolidated gross profit down by **Php41.34 million** or **92%** from **Php125.88 million** to **Php 45.09 million** for the three months ended March 31, 2025 for same period last year. The decrease was due to significant decrease in revenue from export and foreign operation.

Operating Expenses

The Group's operating expenses consist of selling expenses and administrative expenses; which include the following major items:

- Taxes and licenses
- Salaries, wages and other employee benefits
- Advertising
- Rental
- Depreciation and amortization
- Freight out and handling cost

Consolidated operating expenses were significantly reduced to **₱25.38 million** from **₱71.71 million**, indicating active cost containment.

Finance Costs

Finance Costs: Rose to **₱15.62 million**, up from **₱3.57 million**, reflecting higher borrowing levels or interest rates.

Net Profit/Loss

The Group posted a **net loss before income tax of ₱54.67 million**, widening from the **₱29.84 million** loss in March 31 2024 due to the sharp revenue decline and increased financial charges.

Financial Condition

Assets

ANI Group's consolidated total assets as of March 31, 2025 increased slightly from **₱4.81 billion** in December 2024 to **₱4.94 billion** in March 2025, or by **2.7%**. The following explain the movements in the asset accounts:

- The Group's cash balance increased by P8.15 million from P 5.41 million in 2024 to P13.56 million in 2025
- Receivables increased by P6.05 million during the quarter from P585.60 million in 2024 to P591.65 million in 2025.
- Advances to related parties increased by P0.46 million in 2025 from P326.54 to P 326.00 due to decrease in collections during the quarter.
- Inventory balance decreases from P1.22 billion to P1.21 billion in 2025.
- Property, plant and equipment including intangibles and right-of- use assets increased from 470.39 million in December 31, 2024 to P517.51 million in March 31, 2025 due to foreign exchange translation.

Liabilities

Consolidated liabilities amounted to 2.33 billion as of March 31, 2025.

Total current liabilities amounted to P2.28 billion and P 1.89 billion as of March 31, 2025 and December 31, 2024, respectively. The significant increase indicating delayed payments or increased obligations to suppliers and creditors

Equity

The consolidated stockholders equity declined to **₱2.61 billion** from **₱2.88 billion**, a decrease of **₱273.4 million** or **9.5%**, driven by increased deficit from **₱226.47 million** to **₱278.21 million**, reflecting Q1 2025 net losses.

Liquidity and Capital Resources

Net cash provided by operating activities for the first three months of 2025 was P188.73 million

Net cash flow used in investing activities is P201=31 million during the period.

Net cash provided by financing activities is P33.47 million which is due to loan availments and advances from related parties during the period.

Discussion and Analysis of Material Events and Uncertainties

The company has no knowledge and not aware of any material event/s and uncertainties known to the management that would address the past and would have an impact on the future operations of the following:

- a) Any known trends, demands, commitments, events or uncertainties that will have a material impact on our liquidity
- b) Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of obligation.
- c) All material off-balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated entities or other persons created during the period.
- d) Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.
- e) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.
- f) Any significant elements of income/loss did not arise from our continuing operation.

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

Issuer: **AGRINURTURE, INC.**



Signature and Title:

ANTONIO L. TIU

Chairman of the Board and President

Date:



Signature and Title:

TERESITA MAGANTE
Treasurer

Date:

AGRINURTURE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2025 AND DECEMBER 31, 2024

(Amounts in Philippine Pesos)

	Notes	2025	2024
ASSETS			
Current Assets			
Cash	6	13,557,103	5,413,823
Trade and other receivables – net	7	591,652,094	585,597,895
Due from related parties – net	21	326,995,867	326,543,382
Inventories	8	1,208,710,489	1,218,254,622
Prepayments and other current assets – net	9	413,932,464	477,819,006
Total Current Assets		2,554,848,017	2,613,628,728
Noncurrent Assets			
Financial assets at fair value through other comprehensive income (FVOCI)	10	47,403,600	47,698,800
Property and equipment – net	11	366,149,457	313,857,184
Investment property	12	1,080,762,626	938,818,717
Intangible assets – net	13	136,855,258	137,059,814
Right-of-use assets	27	14,502,860	19,473,903
Biological assets	14	-	-
Deferred tax asset	26	48,227,273	48,227,273
Deposits and other noncurrent assets – net	15	689,713,813	689,713,813
Total Noncurrent Assets		2,383,614,887	2,194,849,503
		4,938,462,904	4,808,478,232
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	16	843,274,708	694,460,281
Borrowings	17	752,937,853	752,937,853
Due to related parties	21	683,606,722	430,356,619
Income tax payable		782,851	787,711
Total Current Liabilities		2,280,602,134	1,878,542,463
Noncurrent Liabilities			
Retirement benefit liability	25	26,823,556	26,823,554
Deferred tax liabilities	26	21,228,692	19,909,295
Total Noncurrent Liabilities		48,052,248	46,732,849
Total Liabilities		2,328,654,381	1,925,275,312

(Forward)

(Carryforward)

	Notes	2025	2024
Equity			
Capital stock P1 par value			
Common shares-P1 par value	19	832,831,688	832,831,688
Authorized – 1,600,000,000 and 2,000,000,000 shares in 2022 and 2021			
Subscribed – 1,024,446,888 shares in 2022 and 2021 (net of subscriptions receivable at par value of P191,615,200 in 2022 and P193,672,800 in 2021)			
Preferred shares- P0.10 par value		P40,000,000	40,000,000
Authorized – 400,000,000 shares and nil in 2022 and 2021, respectively			
Subscribed – 400,000,000 shares and nil in 2022 and 2021, respectively			
Additional paid-in capital	19	1,974,005,425	1,974,005,425
Deficit		(278,210,235)	(226,469,197)
Net cumulative remeasurement gain on retirement benefits	25	1,809,424	1,809,426
Foreign currency translation reserve		(72,275,742)	146,448,186
Revaluation surplus - net of deferred tax	11	63,537,360	63,537,362
Noncontrolling interest	30	48,110,602	51,040,032
Total Equity		2,609,808,522	2,883,202,920
		4,938,462,904	4,808,478,232

See accompanying Notes to Consolidated Financial Statements.

AGRINURTURE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2025

(Amounts in Philippine Pesos)

	Notes	2025	2024
NET REVENUE	18	19,001,949	570,681,138
COST OF SALES	22	15,250,728	525,588,536
GROSS PROFIT		3,751,221	45,092,602
GENERAL AND ADMINISTRATIVE EXPENSES	23	42,721,542	71,708,169
OPERATING PROFIT		(38,970,321)	(26,615,567)
OTHER INCOME (CHARGES)			
Gain on change in fair value of investment property	12	-	-
Gain on change in fair value of biological assets	14	-	-
Finance costs	17,27	15,615,007	3,574,008
Interest income	6	-	-
Other income – net	24	85,140	(350,960)
		15,700,147	3,223,048
PROFIT BEFORE INCOME TAX		(54,670,468)	(29,838,615)
INCOME TAX EXPENSE			
Current		-	-
Deferred		-	-
		-	-
NET PROFIT		(54,670,468)	(29,838,615)
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Reclassifiable to profit or loss</i>			
Exchange differences on translation of foreign operations		(218,723,932)	5,973,352
<i>Not reclassifiable to profit or loss</i>			
Revaluation increment – net of deferred tax	11	-	-
Remeasurement loss on retirement benefits	25	-	-
		-	-
TOTAL COMPREHENSIVE INCOME		(273,394,400)	(23,865,263)
Net profit (loss) attributable to:			
Equity holders of the Parent Company		(51,741,038)	(27,796,196)
Noncontrolling interest		(2,929,431)	(2,042,419)
		(54,670,468)	(29,838,615)
Total comprehensive income (loss) attributable to:			
Equity holders of the Parent Company		(270,464,969)	(24,203,547)
Noncontrolling interest		(2,929,431)	338,284
		(273,394,400)	(23,865,263)
Basic and diluted earnings (loss) per share attributable to equity holders of the Parent Company	20	(0.06)	(0.03)

See accompanying Notes to Consolidated Financial Statements.

AGRINURTURE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2025

(Amounts in Philippine Pesos)

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before income tax		(54,670,468)	(29,838,615)
Adjustments for:			
Depreciation and amortization	11,13,27	11,596,006	14,339,864
Finance cost	17,27	15,615,007	3,574,008
Unrealized foreign exchange losses – net	28	-	-
Interest income	6,27	-	-
Operating profit before working capital changes		(27,459,455)	(11,924,744)
Decrease (increase) in:			
Trade and other receivables	7	(6,054,199)	16,633,372
Inventories	8	9,544,133	36,384,651
Prepayments and other current assets	9	63,886,542	(302,185)
Increase (decrease) in trade other payables		148,814,427	(34,084,490)
Net cash provided by (used in) operations		188,731,449	6,706,604
Income taxes paid		(4,860)	-
Interest received	6	-	-
Net cash flows provided by operating activities		188,726,589	6,706,604
CASH FLOWS FROM INVESTING ACTIVITIES			
Collections received from:	21		
Related parties		(452,485)	1,427,912
Decrease (increase) in:			
Other noncurrent assets	15,33	0	(6,554,967)
Additions to:			
Investment property	13	(141,943,909)	16,083,154
Proceeds from sale of property and equipment	11	(58,917,237)	(5,895,470)
Net cash flows provided by (used in) investing activities		(201,313,631)	5,060,629

(Forward)

(Carryforward)

	Notes		
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Advances from related parties	21	17,852,233	(27,813,467)
Payments of:			
Loans payable	17	-	(0)
Interest	17,27	15,615,007	3,574,008
Net cash flows (used in)			
financing activities		33,467,241	(24,239,459)
EFFECT OF FOREIGN CURRENCIES			
DIFFERENCE ON CASH – net	6, 28	(12,736,919)	(12,736,919)
NET INCREASE (DECREASE) IN CASH		8,143,280	(25,209,145)
CASH AT BEGINNING OF YEAR	6	5,413,823	35,506,940
CASH AT END OF YEAR	6	13,557,103	10,297,795

See accompanying Notes to Consolidated Financial Statements.

AGRINURTURE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2025

(Amounts in Philippine Pesos)

	Notes	2025	2024
COMMON STOCK - P1 par value	24		
Balance at beginning of year		832,831,688	832,831,688
Paid-up during the year		-	-
		832,831,688	832,831,688
PREFERRED STOCK - P1 par value	24		
Balance at beginning of year		40,000,000	40,000,000
Paid-up during the year		-	-
		40,000,000	40,000,000
ADDITIONAL PAID-IN CAPITAL	24		
Balance at beginning of year		1,974,005,425	1,974,005,425
Equity restructuring		1	-
Balance at end of year		1,974,005,425	1,974,005,425
DEFICIT			
Balance at beginning of year		(226,469,197)	(352,718,741)
Equity restructuring			
Net profit (loss), as restated		(51,741,038)	(27,796,196)
Other comprehensive income		-	-
Balance at end of year		(278,210,235)	(380,514,937)
NET CUMULATIVE REMEASUREMENT GAIN ON RETIREMENT BENEFITS			
Balance at beginning of year		1,809,426	1,809,425
Remeasurement loss		-	-
Balance at end of year	25	1,809,426	1,809,425
FOREIGN CURRENCY TRANSLATION RESERVE			
Balance at beginning of year		146,448,186	(22,885,514)
Exchange differences during the year		(218,723,928)	(7,645,509)
Balance at end of year	25	(72,275,742)	(30,531,023)
REVALUATION SURPLUS - NET OF DEFERRED TAX	11	63,537,360	63,571,472
NONCONTROLLING INTEREST	30		
Balance at beginning of year		51,040,032	617,172,004
Share in:			
Net profit during the year		(2,929,431)	(2,042,419)
Exchange difference on translation of foreign operations		-	1,792,006
Remeasurement loss on retirement benefits		-	-
Balance at end of year		48,110,601	616,921,591
TOTAL EQUITY		2,609,808,523	3,118,093,640

See accompanying Notes to Consolidated Financial Statements.

AGRINURTURE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Philippine Pesos)

1. Corporate Information and Status of Operations

AgriNurture, Inc. (the "Parent Company") was registered with the Philippine Securities and Exchange Commission (SEC) on February 4, 1997 to engage in the manufacturing, producing, growing, buying, selling, distributing, marketing at wholesale only insofar as may be permitted by law, all kinds of goods, commodities, wares and merchandise of every kind and description and to enter into all kinds of contracts for the export, import, purchase, acquisition, sale at wholesale only and other disposition for its own account as principal or in representative capacity as manufacturer's representative, up consignment of all kinds of goods, wares, merchandise or products, whether natural or artificial.

In March 2009, the SEC approved the change in the Parent Company's primary purpose to engage in corporate farming, in all its branches for the planting, growing, cultivating and producing of crops, plants and fruit bearing trees, of all kinds and in connection to engage in agri-tourism and other pleasurable pursuits for the enjoyments and appreciation of mother nature and ecology and to engage in the establishment, operation and maintenance of equipment, structures and facilities for the preservation, conservation and storage of foods, grains and supplies, like cold storage and refrigeration plants.

The Parent Company's secondary purpose include, among others, to purchase, acquire, lease, sell and convey real properties such as land, buildings, factories and warehouses and machines, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business, and to pay in cash, shares of capital stock, debentures and other evidences of indebtedness, or other securities, as may be deemed expedient for any business or property acquired by the Group.

The Parent and its subsidiaries (collectively referred to as the "Group") are involved in various agro-commercial businesses such as export trading and distribution of fruits and vegetables, retail franchising and real estate.

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to continue increasing revenues and improving operations despite losses from operations up to 2016. While the Group has incurred accumulated losses of ₱804,477,901 and ₱1,847,102,815 as of December 31, 2023 and 2022. The Group's management assessed that the going concern assumption remains to be appropriate since the Group has been continuously growing revenue and improving profitability and is continuing to expand its core business and increase the distribution (fruits, vegetables and rice) and export sales channels. Its retail arm is expanding the franchise network with steps to cover not only the Philippines on a national basis but overseas as well. The Group has started an active campaign to gain new and recover clients through marketing and selling activities in the Philippines and overseas. Part of these activities include looking for more opportunities in the greater Middle East, China and Asian markets.

Also, with the addition of Zhongshan Fucang Trading Co., to the Group in 2017, it will continuously deliver exceptional quality goods and services and improve its present business activities through commodity trading, real estate development, and set up of new platforms. The Group shall continue to grow organic business and expand new materials with new product introductions in the coming years to completely wipe out accumulated losses.

The consolidated financial statements do not indicate any adjustments to reflect possible future effects of recoverability and classification of assets or the amount and classification of liabilities that may result should the Group be unable to continue as a going concern. Moreover, most loans were already converted to term loans in order to increase the flexibility of the Group's capital and minimize the immediate impact on operational cash flows. As of December 31, 2023 and 2022, the Group's current assets already exceeded its current liabilities by ₱374,428,264 and ₱1,221,154,738, respectively. Further, the Group launched its own e-commerce platform through its mobile application and ANI Express website where customers can order fresh produce, canned beverages, rice and other essential goods for delivery to customers. The Group is also launching new products such as Plant Based Meat, Non-Dairy Ice Cream, Big Chill Healthy Drinks in cans for local and export distribution. These developments are expected to contribute to a positive growth in the future for the Group's revenue and net earnings.

On March 27, 2023, the Parent Company's application for equity restructuring to wipe-out the deficit as of December 31, 2021 in the amount of ₱1,628,045,535 against the additional paid-in capital (APIC) of ₱3,602,050,960 was approved considering that all the requirements have been complied with provided that the remaining APIC of ₱1,974,005,425 cannot be applied for future losses that may be incurred by the Parent Company without prior approval of the SEC.

The following are the recent developments to continuous business expansion:

- On December 20, 2019 and September 9, 2020, the BOD and the shareholders of the Group, respectively, have approved the issuance of shares to Plentex Philippines, Inc. (Plentex). Plentex has subscribed for 6,172,800 shares and the Group has agreed to issue the same at a value of ₱18 per share which is to be paid through the issuance of 30,000,000 shares of Plentex Limited.

Plentex is a Philippine Corporation that is developing a substantial large scale agri- businesscenter in Tacloban, Leyte. Plentex is a subsidiary of Plentex Limited, unlisted Australian public company in Victoria, Australia.

As of date of report, the 6,172,800 shares were subscribed and 2,057,600 shares were paid.

- On February 1, 2021, the Group entered into a Memorandum of Agreement ("MOA") with the Unified Bagobo-Tagabawa Tribe ("UBTT") and the National Commission on Indigenous Peoples ("NCIP") to promote inclusive agricultural and economic growth by pursuing land productivity thru the development of rice and corn plantation in Bansalan, Davao del Sur. The Group will invest in the development, operation and management of the rice and corn plantation while the UBTT will be entitled to an annual royalty fee Annual Net Profit share in the project. Further, all employment and labor requirements of the project shall be primarily sourced from the UBTT. NCIP shall monitor and evaluate compliance of the parties in the terms and conditions of the MOA. The Group, along with the project shall develop programs on health, skills development and alternative livelihood for the communities. The parties, in collaboration with other national government agencies shall likewise conduct tree planting activities in at least two thousand (2,000) hectares of land.

As of date of report, the parties have complied with the requirements to fully execute the agreement, including but not limited to the Free and Prior Informed Consent (FPIC), as indicated by the issuance of a Certification Precondition by the NCIP. An operation team has been set up to kick off the launch of the said project.

- On February 23 2021, Ocean Biochemistry Technology Research, Inc. ("OBTRI") and Greenergy Holdings, Inc. ("GHI") have entered into a subscription agreement for the issuance of 37,500 common shares of OBTRI at par value of ₱100 per share for a total aggregate value of ₱3,750,000. OBTRI is a corporation primarily engaged in manufacturing and trading, and is 51% owned by M2000 Imex Company, Inc. ("IMEX") prior to GHI's subscription while M2000 Imex Company, Inc. ("IMEX") is a wholly-owned subsidiary of ANI.

As of date of report, the subscription agreement has been executed and the foregoing transaction completed.

- On May 12, 2021, the Group received a Medium Green Rating from Cicero Shades of Green for its Green Bond offering. Cicero Shades of Green is a subsidiary of the climate research institute CICERO. It provides independent, research-based evaluations of green bond investment frameworks to determine their environmental strength. Their Second Opinions are graded Dark Green, Medium Green, Light Green and Brown to offer investors better insight into the environmental quality of green bonds.

The Group has previously secured the authority to issue long term Green Bonds of up to 75 million euro with maturity of up to 7 years, including the issuance of commercial papers, with terms and conditions to be recommended by management and to be approved by the BOD. The issuance shall fund the agricultural project expansion of the Group geared towards climate change adaptation and minimized environmental footprint.

As of date of report, the Group is completing the documentary requirements and securing necessary board approval for the incorporation of a wholly-owned foreign subsidiary for the issuance of green bonds.

- On May 12, 2021, the Group has entered into a Memorandum of Understanding (MOU) with the Department of Agriculture ("DA") and the Authority of Freeport Area of Bataan ("AFAB"). The MOU aims to establish an Agri-Sector Digitalization Program which shall have a "general purpose and objective of facilitating the implementation and rolling out of financial inclusion of all stakeholders in the agricultural sector, particularly the unbanked stakeholders such as the country's farmers and fisherfolk, through a regulated financial technology platform and licensed virtual currency. The clients of and/or participants in the financial technology exchange platform and licensed virtual currency shall be purely Non-Filipinos located outside the Philippines".

Under the MOU, the Group undertook to perform the following:

- facilitate, together with the DA and AFAB, the implementation of the 1ANI e-commerce platform as a financial technology (FinTech) ecosystem for the country's farmers and fisherfolks;
- secure a license from AFAB for the issuance and use of Agri Token in the Freeport Area of Bataan ("FAB"), and upon issuance of said license, allow the issuance of the Agri Token to the participants of the FinTech ecosystem;
- cause the establishment of a branch of an affiliate bank within FAB upon approval of the BSP, which shall be the custodian bank for the Agri Token, and which shall likewise service the banking needs of the locators within FAB;
- establish and secure a license for an AgriXchange Commodities and Futures Trading Center ("AgriXchange") with AFAB; and
- ensure the capability of the AgriXchange to act as a Virtual Currency Exchange for the conversion of fiat to virtual currencies and vice versa, in accordance with applicable laws, rules and regulations.

The MOU also provided that the Group and the Local Government Units in FAB, with the support of the DA, shall develop and establish a food terminal, cold/dry storages, and logistics hub in FAB to boost the country's food security program. The MOU shall have immediate effect upon signing by the parties.

As of date of report, the Group is still in the process of complying with its obligations under the MOU, including but not limited to securing a license from AFAB to use its virtual currency.

- On February 24, 2020, the Group's BOD approved to accept the Letter of Intent (LOI) of Vnesto Capital to finance the expansion project of the Group. Under the LOI, the Group was eligible to avail up to US\$100,000,000 of long-term financing. The financing shall be a long-term loan with interest pegged at treasury bill plus 3%. After the acceptance of the LOI, the formal application process shall commence. As of date of report, the LOI application process is not yet completed.

- March 20, 2020, the Group's BOD approved the amendment of the terms and conditions of the stock rights offering. It shall have the entitlement ratio of 2.5:1, with every existing shareholder of 2.5 shares shall be entitled to 1 stock rights share, with the offer price of ₱1 par value.

On August 19, 2021, the Group's BOD confirmed the authority to conduct the Stock Rights Offering of common shares to all eligible shareholders of the Company at the entitlement ratio of 2.5:1 and offer price of ₱1.00 per share. The number of shares to be offered shall be 288,000,027.

As of date of report, the Group is still in the process of application of the Stock Rights Offer of the 288,000,027 common shares which shall be listed and traded on the Philippine Stock Exchange.

- On March 20, 2020, the Group's BOD approved the amendment in the terms and conditions of the following issuances and listing of warrants:
 - a. Issuance and listing of up to 10,000,000 stock warrants in favor of the Group's employees credit cooperative as approved by the BOD on February 12, 2018.
 The warrants shall have the exercise price of a discounted rate of 5% of the weighted average price of trade 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Expiry date and other relevant terms and conditions shall be determined by the BOD, subject to the approval of the SEC.
 - b. The warrants shall have the exercise price of a discounted rate of 5% of the weighted average volume of trade 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Expiry date and other relevant terms and conditions shall be determined by the BOD, subject to the approval of the SEC.
 - c. Issuance and listing of stock warrants in favor of existing stockholders as of record date as approved by the BOD on February 12, 2018.
 The warrants shall have the exercise price of a discounted rate of 5% of the weighted average volume of trade 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. Existing stockholders owning 10 common shares as of record date, shall be entitled to 1 warrant. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Record date, expiry date and other relevant terms and conditions shall be determined by the BOD.
 - d. Issuance and listing of stock warrants in favor of current directors as approved by the BOD on February 12, 2018.
 The warrants shall have the exercise price of a discounted rate of 5% of the weighted average volume trade of 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Expiry date and other relevant terms and conditions shall be determined by the BOD. Each director serving at the time of issuance is entitled to up to 100,000 warrants.

On October 10, 2020 and November 5, 2021, the Group's BOD and shareholders, respectively, approved the amendment/s to the terms and conditions of the issuance of warrants to existing shareholders to be bundled to the Company's Stock Rights Offering. The issuance to shareholders participating in the Stock Rights Offering, with every shareholder availing of three (3) Stock Rights, shall be entitled to one (1) warrant. The ratio shall be one (1) warrant equivalent to one (1) underlying common share upon conversion. The warrants shall have the exercise price of a discounted rate of 5% of the volume weighted average price of trade fifteen (15) days prior to maturity, to be exercised after five (5) years from date of listing.

- e. Issuance and listing of 10,000,000 stock warrants in favor of ANI Foundation as approved by the BOD on April 30, 2018.

The warrants shall have the exercise price of a discounted rate of 5% of the weighted average volume of trade 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Expiry date and other relevant terms and conditions shall be determined by the BOD. The issuance and listing of the warrants shall be for the purpose of generating funds for the corporate social responsibility programs of the Group.

- On May 5, 2020, the Group has entered into a Memorandum of Agreement with the Department of Agriculture ("DA"). Under the Agreement, the Group shall be an official program partner-participant of DA's e-KADIWA ni Ani at Kita Program. As such, the Group becomes an online seller of agricultural products.

The DA's e-KADIWA ni Ani at Kita Program is a market system which facilitates the selling of major agricultural goods at reasonably low prices to the consuming public through partnership with Local Government Units and the Private Sectors. To further the services of the KADIWA ni Ani at Kita Program, the DA has launched the e-KADIWA, an online market portal or platform whereby buyers and sellers of agricultural and fishery products can transact online.

As of date of report, the Group are not actively participating since it is under redevelopment to enhance new features.

On November 26, 2020, the Group has entered into a Memorandum of Agreement ("MOA") with the Philippine International Trading Corporation ("PITC") to collaborate on the importation of raw materials to provide healthier and more affordable "BigMa" Bigas-Mais (rice-corn) blend to the Filipino consumers. The Group is set to locally produce with its corn contract growers and include in its product portfolio the "BigMa" brand. The "BigMa" or Bigas-Mais blend is a Low Glycemic and rich in dietary fiber staple food alternative for the Filipino consumers. With the production of BigMa, the Group will be able to reduce carbon foot print, provide more livelihood to local farmers as the source of "Mais", help the country achieve food-staple sufficiency faster, while providing a healthier and affordable option to the public.

As of date of report, the Group made its initial shipment through the foregoing collaboration during the 1st quarter of 2021.

- On December 28, 2020, the Group's BOD approved the acquisition of additional shareholdings in Fucang Trading Limited (Fucang) from 51% up to 71% for a price to be determined based on the audited net book value of Fucang as of December 31, 2021. As of date of report, the additional acquisition is not yet completed. Fucang, a subsidiary, acquired 70% ownership of Guangzhou Lexian Fruit Industry Co., Ltd. (Lexian) in 2018, a foreign entity incorporated in China engaged in wholesale trade (see Note 31).

- On October 13, 2018, the Group entered into a joint venture agreement for a development of the property located in Taytay, Rizal, bisected by the Manggahan Floodway. The property covers 859 hectares more or less of which is covered by titles under different names, all of which are either directly or indirectly under the third-party individual. Each square meter is valued at ₱1,500. The joint venture shall include but not limited to the formation of the following: Phase 1 – Transportation Hub, Phase 2 – Food Terminal and Phase 3 – Property Development Corporation. As of December 31, 2022, the Group has made deposits totaling ₱508,7000,000 for the acquisition to the 859 hectares, corresponding to portions thereof. As of reporting date, the third party is still completing the titling of the whole portion of the property to fully execute the joint venture agreement. The parties are in the process of executing the projects under the Joint Venture Agreement. As of reporting period, the masterplan for the design of the food terminal were already completed (see Note 15).
- Group has signed a ₱1.9 billion deal with a Chinese Company for the purchase of various agriculture produce particularly tropical fruits. The contract was signed with SinoChem Group (SinoChem), a Beijing based conglomerate engaged in the production and trading of chemicals, fertilizers and other agricultural products. Under the agreement, SinoChem will buy tropical fruits from the Group's contract growers in the Philippines in the next three years. SinoChem will also provide support through the supply of affordable fertilizers. The deal aims to provide support to local farmers and boost country's market access to China.

Due to the health and mobility restrictions brought about by the COVID-19 pandemic, both parties opted to defer the implementation of the agreement in 2020 and plan to finalize the terms thereof in 2022. The parties intend to utilize this deal in the Big-Ma (rice-corn mix) Project and expansion of banana plantation.

- On December 20, 2019, the Board of Directors of the Group approved joint venture or any similar engagement with Department of Justice through Bureau of Corrections for the development of at least 2,000 hectares of integrated Agri-Tourism corn plantation in Palawan. The Group will fund the development while the Bureau of Corrections will provide the land. The proposed joint venture is intended to expand the Group's business through corn production and agri-tourism. As of reporting date, the Bureau of Corrections is awaiting the endorsement of the agreement by the Department of Justice to finalize the transaction. Also, due to the health and mobility restrictions brought about by the COVID-19 pandemic, the implementation of the agreement in 2020 was deferred. However, the parties have not finalized the terms thereof as of December 31, 2023.
- On November 5, 2021, the Group's BOD approved the authority to register, participate, and appoint a company administrator/s or representative/s in Rice Exchange, which is a digital marketplace for international rice trading. As of reporting date, the Group has completed its registration.
- On October 10, 2020 and November 5, 2021, the BOD and the shareholders of the Group, respectively, approved the increase of the Group's authorized capital stock from ₱2,000,000,000 to up to ₱5,000,000,000. The increase is intended for any future capital raising activities. This is also in anticipation of the issuance of warrants and stock rights offer of 288,000,027 common shares from the Group's existing capital stock.
- On November 5, 2021, the Group's BOD approved the subscription of Agrinurture Development Holdings, Inc. ("ADHI") of nine hundred ninety-nine (999) primary shares of Agrinurture HK Holdings, Ltd. (ANI HK) at par value of USD 1. ANI HK is a wholly owned subsidiary of the Group and ADHI is a wholly-owned subsidiary of Greenergy Holdings, Inc.

- On September 7, 2021, the Group's BOD approved the authority to incorporate a wholly-owned foreign subsidiary, AgriNurture Financial S.à r.l. in the Grand Duchy of Luxembourg, for the issuance of the long-term green bonds of up to 75 million Euros. As of date of report, the Group is in the process of incorporating the foreign subsidiary.

On February 24, 2020, the Board has approved the decrease in the par value of the shares of the Group from one peso (₱1.00) to ten centavos (₱0.10). The Board has likewise approved the reclassification of 40 million (40,000,000) unissued common shares with par value of one peso (₱1.00) per share or an aggregate par value of forty million pesos (₱40,000,000) to 400,000,000 voting preferred shares with par value of ten centavos (₱0.10) per share or an aggregate par value of forty million pesos (₱40,000,000) subject to the approval of the SEC.

Upon approval of the SEC, the Group's authorized capital stock will increase to 20,000,000,000 shares for a total par value of ₱2,000,000,000 which shall be divided into the following:

- Common shares, consisting of 19,600,000,000 shares with a par value of ten centavos (₱0.10) per share for a total par value of ₱1,960,000,000;
- Preferred shares, consisting of 400,000,000 shares with a par value of ten centavos (₱0.10) per share for a total par value of ₱40,000,000;

The preferred shares shall have the following rights, privileges, limitations and restrictions which shall also appear on the Certificates of the Preferred Shares of the Corporation:

- The right to vote and be voted for;
- The right to receive, out of unrestricted retained earnings of the Group, participating dividends at the rate as may be deemed proper by the BOD under the prevailing market conditions or such other relevant factors as the BOD may consider. Said dividend may be declared and payable at the discretion of the BOD after taking into account the Group's earning, cash flows, financial conditions and other factors as the BOD may consider relevant;
- In the liquidation, dissolution and winding up of the Group, whether voluntary or otherwise, the right to be paid in full or ratably, insofar as the assets of the Group will permit, the par value or face value of each preferred share as the BOD may determine upon their issuance, plus unpaid and accrued dividends up to the current dividend period, before any assets of the Group shall be paid or distributed to the holders of the common shares; and
- The common shares shall possess all the rights, privileges and prerogatives provided by law, including the right to vote and be voted for.

The stockholders of the Group shall have no pre-emptive right to subscribe to or purchase any or all issues or dispositions of shares of any class of the Group.

The change in par value is intended to increase the number of shares of the Group that will give more trading opportunities to the shareholders and investors. The decrease in par value will make the shares more affordable to small investors, hence will be more marketable and liquid in the market.

The reclassification is intended for any future capital raising activities. The amount to be raised shall be used as additional working capital and funding for the Group's expansion project particularly the creation of the Agricultural Ecosystem to benefit local farmers.

As of reporting date, the approval for the decrease in the par value of the shares was deferred by the stockholders.

On November 5, 2021, the Group's BOD confirmed the approval of the reclassification of the Group's 40,000,000 unissued common shares with par value of One Peso (₱1.00) per share or an aggregate par value of Forty Million Pesos ₱40,000,000 to 400,000,000 voting preferred shares with par value of ₱0.10 per share or an aggregate par value of ₱40,000,000, to be subscribed by Earthright Holdings, Inc. The reclassification of shares was filed and approved by the SEC on November 16, 2022.

The Group's registered principal office address is No. 54 National Road, Dampol II-A, Pulilan, Bulacan.

The consolidated financial statements as of and for the years ended December 31, 2023 and 2022 were authorized and approved for issuance by the Group's BOD on May 15, 2024.

2. Basis of Preparation

Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements of the Group have been prepared using the historical cost basis, except for certain financial instruments carried at either amortized cost or at fair value, inventories which is carried at lower of cost or net realizable value, biological assets which is presented using the fair value less estimated cost to sell, investment property which is presented using the fair value method and property and equipment which is presented using revaluation model. These consolidated financial statements are presented in Philippine Peso (₱), the Group's functional and reporting currency under Philippine Financial Reporting Standards (PFRS). All values are rounded to the nearest peso, except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with PFRS. PFRS includes statements named PFRS and Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

Functional Currency

Items included in the consolidated financial statements of the Group are measured using the Philippine Peso (₱), the currency of the primary economic environment in which the Group operates (the "functional currency") and all values are rounded to the nearest peso except when otherwise indicated.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The Group chose to present its consolidated financial statements using the Group's functional currency.

Current and Non-current Presentation

The Group classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within twelve (12) months after the reporting period; or
- The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

The Group classifies all other assets as non-current.

The Group classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve (12) months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

Principles of Consolidation

The consolidated financial statements of the Group comprise the accounts of the Group and its subsidiaries where the Group has control.

Specifically, the Parent controls an investee if it has:

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

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

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangement; and
- the Group's voting rights and potential voting rights.

The Parent re-assesses its control over an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses are eliminated.

When the Parent loses control over a subsidiary, at the date when control is lost, it:

- (a) derecognizes the assets (including any goodwill) and liabilities of the subsidiary at their carrying amount; (b) derecognizes the carrying amount of any noncontrolling interests including any components of other comprehensive income attributable to them;
- (c) recognizes the fair value of the consideration received; (d) recognizes the fair value of any investment retained in the former subsidiary at its fair value; (e) accounts for all amounts recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the parent had directly disposed of the related assets and liabilities; and (f) recognizes any resulting difference as gain or loss in profit or loss attributable to the Parent.

The financial statements of the subsidiaries are prepared for the same reporting year as the Group using consistent accounting policies. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

Non-controlling interests represent interests in certain subsidiaries not held by the Group and are presented separately in the consolidated statements of comprehensive income and consolidated statements of changes in equity and within equity in the consolidated statements of financial position, separately from equity attributable to the equityholders of Group.

Noncontrolling interest represents the portion of profit or loss and the net assets not held by the Group. Transactions with noncontrolling interest are accounted for using the entity concept method, whereby the difference between the consideration and the book value of the share of the net assets acquired is recognized as an equity transaction.

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

The consolidated financial statements include the Group and the following subsidiaries (collectively referred to as the Group):

Investee	Country of Incorporation	Principal Activity	Functional Currency	Ownership interest	
				2024	2023
First Class Agriculture Corporation (FCAC)	Philippines	Trading (Agricultural goods)	Philippine Peso (PHP)	100%	100%
M2000 IMEX Company, Inc. (IMEX)	Philippines	Toll and manufacturing	Philippine Peso (PHP)	100%	100%
Best Choice Harvest Agricultural Corp. (BCHAC)	Philippines	Farm management	Philippine Peso (PHP)	100%	100%
Fresh and Green Harvest Agricultural Company, Inc. (FGH*)	Philippines	Trading (agricultural goods)	Philippine Peso (PHP)	100%	100%
Lucky Fruit & Vegetable Products, Inc. (LFVPI)*	Philippines	Trading (agricultural goods)	Philippine Peso (PHP)	100%	100%
Fruitilicious Company, Inc. (FCI)	Philippines	Manufacturing/processing/trading frozen agricultural products	Philippine Peso (PHP)	100%	100%
Farmville Farming Co., Inc. (FFCI)	Philippines	Trading (agricultural goods)	Philippine Peso (PHP)	51%	51%
Fresh and Green Palawan Agriventures, Inc. (FGP)*	Philippines	Farm management	Philippine Peso (PHP)	51%	51%
The Big Chill, Inc. (TBC)	Philippines	Food and beverage retailing	Philippine Peso (PHP)	80%	80%
Heppy Corporation (HC)*	Philippines	Food and beverage retailing	Philippine Peso (PHP)	80%	80%
Goods and Nutrition for All, Inc. (GANNA)*	Philippines	Retail and wholesale	Philippine Peso (PHP)	100%	100%
Agrinurture HK Holdings Ltd. (ANI HK)	Hong Kong	Holding Company	Hong Kong Dollar (HKD)	100%	100%
Agrinurture Int'l Ltd. (ANI IL) *	Hong Kong	Trading and retail	Hong Kong Dollar (HKD)	100%	100%
Joyful Fairy (Fruits) Limited (JFF) *	British Virgin Islands	Trading (agricultural goods)	US Dollar (USD)	51%	51%
Zongshan Fucang Trade Co. Ltd. (Fucang)	China	Trading and real estate	Chinese Yuan (CNY)	70%	51%

* Direct and indirect ownership

3. Adoption of New and Revised Accounting Standards

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS). The term "PFRS" in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FSRSC and adopted by SEC.

These new and revised PFRS prescribe new accounting recognition, measurement and disclosure requirements applicable to the Company. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

3.01 New and Revised PFRSs Applied with No Material Effect on the Consolidated Financial Statements

The following new and revised PFRSs have been adopted in these consolidated financial statements. The application of these new and revised PFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

3.01.01 Standard Adopted by FSRSC and Approved by the Board of Accountancy (BOA)

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

The amendments to PAS 1 are the following:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments defer the effective date of the January 2020 Classification of Liabilities as Current or Non-Current (Amendments to PAS 1) to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

- Amendments to PAS 7 and PFRS 7, *Supplier Finance Arrangements*

The amendments introduce new disclosure requirements to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

- Amendments to PAS 1, *Non-current Liabilities with Covenants*

The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current. Additional disclosures are required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

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

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

The amendments are effective to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

3.02 New and Revised PFRSs in Issue but Not Yet Effective

The Parent Company will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PFRS, to have significant impact on the financial statements.

- Amendment to PFRS 17, *Initial Application of PFRS 17 and PFRS 9—Comparative Information*

The amendment is a transition option relating to comparative information about financial assets presented on initial application of PFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and Insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2025.

- PFRS 17, *Insurance Contracts*

PFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. It requires an entity that issues insurance contracts to report them on the balance sheet as the total of the fulfilment cash flows and the contractual service margin. It requires an entity to provide information that distinguishes two ways insurers earn profits from insurance contracts: the insurance service result and the financial result. It requires an entity to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the entity receives premium. It requires that insurance revenue to exclude the deposits that represent the investment of the policyholder, rather than an amount charged for services. Similarly, it requires the entity to present deposit repayments as settlements of liabilities rather than as insurance expense.

PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Early application is permitted for entities that apply PFRS 9 Financial Instruments and PFRS 15 Revenue from Contracts with Customers on or before the date of initial application of PFRS 17.

An entity shall apply PFRS 17 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and an entity shall not apply the option in paragraph B115 for periods before the date of initial application of PFRS 17. If, and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- Amendments to PFRS 17, *Insurance Contracts*

The amendments cover the following areas:

- Insurance acquisition cash flows for renewals outside the contract boundary;
- Reinsurance contracts held—onerous underlying insurance contracts;
- Reinsurance contracts held—underlying insurance contracts with direct participation features; and
- Recognition of the contractual service margin in profit or loss in the general model.

The amendments are effective to annual reporting periods beginning on or after January 1, 2025.

3.02.02 Deferred

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

The amendments clarify the treatment of the sale or contribution of assets between an investor and its associate and joint venture. This requires an investor in its financial statements to recognize in full the gains and losses arising from the sale or contribution of assets that constitute a business while recognize partial gains and losses if the assets do not constitute a business (i.e. up to the extent only of unrelated investor share).

On January 13, 2016, the FSRSC decided to postpone the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. Summary of Material Accounting and Financial Reporting Policies

Principal accounting and financial reporting policies applied by the Group in the preparation of its consolidated financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value the Group takes into consideration the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions. In addition, it assumes that the transaction takes place either: (a) in the principal market; or (b) in the absence of a principal market, in the most advantageous market.

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

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

A fair value measurement assumes that a financial or non-financial liability or an entity's own equity instruments (e.g. equity interests issued as consideration in a business combination) is transferred to a market participant at the measurement date. The transfer of a liability or an entity's own equity instrument assumes the following:

- A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date.
- An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

4.02 Segment Information

An operating segment is a component of the Group: (a) that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Group; (b) whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

The Group reports separately, information about an operating segment that meets any of the following quantitative thresholds: (a) its reported revenue, including both sales to external customers and inter-

segment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments, provided that; (b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of the combined reported profit of all operating segments that did not report a loss and the combined reported loss of all operating segments that reported a loss; and (c) its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the consolidated financial statements.

The Group is currently organized into four (4) segments namely as: Exports, Local Distribution, Retail and Foreign Trading. These divisions are the basis on which the Group reports its primary segment information.

4.03 Financial Assets

4.03.01 Initial Recognition and Measurement

The Group recognizes a financial asset in its consolidated statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Except for trade receivables that do not have a significant financing component, at initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, the Group measures trade receivables that do not have a significant financing component at their transaction price.

4.03.02 Classification

➤ Financial Asset at Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

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

The Group's financial assets measured at amortized cost include cash in banks, trade and other receivable (except advances to officers and employees), due from related parties, due from stockholders, refundable deposits presented under 'prepayments and other current assets' and deposits and other non-current assets.

a) Cash in Banks

Cash in banks include cash deposits held at call with bank that are subject to insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

b) Trade and Other Receivables and Due from Related Parties

Trade and other receivables (except advances to officers and employees) and due from related parties are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of the foregoing receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

c) Refundable Deposits

Refundable deposits pertain to the amount surrendered to the Group's lessor as part of the lease agreement. This amount will be refunded upon termination of the contract. This is measured at amortized cost using the effective interest method, less any impairment.

➤ Financial Asset at Fair Value through Other Comprehensive Income

The Group makes an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value through other comprehensive income.

The Group's financial assets measured at FVOCI pertains to equity securities.

The Group does not have financial assets measured at fair value through profit and loss in both years.

4.03.03 Effective Interest Method

Interest income is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets and financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired.

4.03.04 Impairment

The Group measures expected losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Group adopted the following approaches in accounting for impairment:

- General Approach

The Group applies general approach to cash in banks, other receivables (except advances to officers and employees), due from related parties, refundable deposit presented under 'prepayments and other current assets' and deposits and other non-current assets. At each reporting date, the Group measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. However, if the credit risk has not increased significantly, the Group measures the loss allowance equal to 12-month expected credit losses.

The Group compares the risk of default occurring as of the reporting date with the risk of a default occurring as of the date of initial recognition and consider the macro-economic factors such as GDP, interest, and inflation rates, the performance of the counterparties' industry, that is available without undue cost or effort, to determine whether there is a significant increase in credit risk or not since initial recognition.

The Group determines that there has been a significant increase in credit risk when there is a significant decline in the factors. The Group assumes that the credit risk on cash in banks has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

The Group did not apply the 30 days past due rebuttable presumption because based on the Company's historical experience, credit risk has not increased significantly even the amounts are past due for more than 30 days.

If the Group has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (i.e. there is no longer a significant increase in credit risk since initial recognition), then the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

The Group recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The Group performs the assessment of significant increases in credit risk on an individual basis by considering information that is indicative of significant increases in credit risk.

The Group did not apply the 90 days past due rebuttable presumption in determining whether a financial asset is credit impaired and considers a financial asset in default when contractual payments are 90 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 amounts in full before taking into account any credit enhancements held by the Group.

The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
 - A breach of contract, such as a default or past due event;
 - The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
 - It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.
- **Simplified Approach**

The Group always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

4.03.05 Derecognition

The Group derecognizes a financial asset when, and only when the contractual rights to the cash flows of the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

4.03.06 Write-off

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

4.04 Prepayments and Other Current Assets

4.04.01 Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire through passage of time.

These are classified in the consolidated statements of financial position as current assets when the expenses are expected to be incurred within one (1) year or the Group's normal operating cycle, whichever is longer. Otherwise, these are classified as other non-current assets.

4.04.02 Input VAT

Input VAT arises from the purchase of goods or services.

For regular sales, input VAT is applied against output VAT. The remaining balance is recoverable in future periods. This is carried at cost less allowance for impairment loss, if any. Impairment loss is recognized when input VAT can no longer be recovered.

For zero rated sales, input VAT is initially recorded as an asset and measured at the amount of cash paid. Subsequently, the Group may apply within two (2) years after the close of the taxable quarter when such sale was made for the tax refund of creditable input tax due or paid attributable to sales that are zero-rated or effectively zero-rated.

4.04.03 Advances to Suppliers

Advances to suppliers represent amount paid in advance for goods or services that are yet to be delivered and from which future economic benefits are expected to flow to the Group within the normal operating cycle or within twelve (12) months from the financial reporting date. These are initially recorded at actual cash advanced and are subsequently applied against subsequent asset purchases, costs or expenses incurred.

4.05 Interests in Joint Arrangement

A joint arrangement is a contractual arrangement whereby the Group and other parties have agreed sharing of control of an arrangement, which exist only when decisions about relevant activities require the unanimous consent of the parties sharing. The sharing of control is also known as joint control. A joint arrangement can either be a joint venture or a joint operation.

4.05.01 Joint Venture

A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group reports its interests in a joint venture using equity method, except when the investment is classified as held for sale, in which case it is accounted for in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*.

The Group accounts the investment under the cost method. The Group recognizes as income the dividends received that are distributed from net accumulated earnings of the investee since the date of acquisition by the investor. Dividends received that are in excess of the earnings subsequent to the date of acquisition are not income and therefore considered as return or reduction of investment.

The requirements of PFRS 9 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with PAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with PAS 36 to the extent that the recoverable amount of the investment subsequently increases.

4.06 Inventories

Inventories are initially recorded at cost. Subsequent to initial recognition, inventories are stated at lower of cost and net realizable value (NRV). Costs incurred in bringing each product to its present location and condition is accounted for as follows:

Property for sale	- at construction cost
Merchandise, furniture and appliances	- at purchase price on a first-in, first-out (FIFO) method
Agricultural produce, beverages and vegan products	- at purchase price on a FIFO method
Packaging materials and other supplies	- at purchase cost on a FIFO method

NRV of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell. For property for sale, NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale. For packaging materials and other supplies, NRV is the current replacement cost. Inventories are classified as current when they are expected to be realized within the normal operating cycle.

Cost of property for sale includes:

- Land cost;
- Land improvement cost;
- Amounts paid to contractors for construction and development; and
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs

Provision for inventory loss is established for estimated losses on inventories which are determined based on specific identification of slow-moving, damaged and obsolete inventories and charged to operations.

Inventories are derecognized when sold. The carrying amount of inventories sold is recognized as an expense and reported under cost of sales in profit or loss in the period in which the related revenue is recognized.

When the circumstances that previously caused inventories to be impaired no longer exist or when there is clear evidence of an increase in selling price less costs to complete and sell because of changed economic circumstances, a reversal of the impairment is recognized so that the new carrying amount is the lower of the cost and the revised selling price less costs to complete and sell. Any impairment reversal is recognized in profit or loss but is limited to the amount of the original impairment loss recognized.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

4.07 Business Combination

The Group applies the standard on business combination under PFRS 3 as amended and adopted in 2009. The standard outlines the accounting when an acquirer obtains control of a business (e.g. acquisition or merger). Such business combinations are accounted for using the "acquisition method", which generally requires assets acquired and liabilities assumed to be measured at their fair values at date of acquisition.

PFRS 3 seeks to enhance the relevance, reliability and comparability of information provided about business combinations (e.g. acquisition and mergers) and their effects. It sets out the principles on the recognition and measurement of acquired assets and liabilities, the determination of goodwill and the necessary disclosures.

In determining whether a transaction is a business combination, PFRS 3 provides additional guidance on determining whether a transaction meets the definition of a business combination and accounted for in accordance with its requirements. This guidance includes:

- Business combinations can occur in various ways such as by transferring cash, including liabilities, issuing equity instrument (or any combination thereof), or by not issuing consideration at all (i.e. by contract alone); and
- Business combinations can be structured in various ways to satisfy legal, taxation or other objectives, including one entity becoming a subsidiary of another, the transfer of net assets from one entity to another or to new entity;

The business combination must involve the acquisition of a business, which generally has three elements:

- Inputs – an economic resource (e.g. non-current assets, intellectual property) that creates outputs when one or more processes are applied to it;
- Process – a system standard, protocol, convention or rule that when applied to an input or inputs, creates outputs (e.g. strategic management, operational processes, resource management); and
- Output – the result of inputs and processes applied to those input.

4.07.01 Acquisition Method

In every acquisition of business, the Group determines the acquisition date, recognize and measures all identifiable assets acquired, the liabilities assumed and non-controlling interest (NCI, formerly called minority interest) in the acquiree, and determines if there is goodwill or gain from a bargain purchase if applicable.

The Group recognizes the acquisition date as the date on which the Group obtains control over the acquiree. Generally, this is the date on which the Group legally transfer the consideration, acquires the assets and assumes the liabilities of the acquiree – the closing date. However, the Group as the acquirer may obtain control on a date that is either earlier or later than the closing date depending on what was agreed upon with the acquiree.

In recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree, the Group observes the definition of assets and liabilities in accordance with the Framework for the Preparation and Presentation of Financial Statements at the acquisition date. Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values.

On income taxes, the Group recognizes and measures a deferred tax asset or liability arising from the assets acquired and liabilities assumed in accordance with PAS 12 while the standard under PAS 19 is relied on for employee benefits.

The Group recognizes and measures goodwill in accordance with PFRS 3, as the difference between:

- Aggregate of (1) the value of the consideration transferred (generally at fair value), (2) the amount of any non-controlling interest in the acquiree, and (3) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, and
- The net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (measured in accordance with PFRS 3).

4.07.02 Consolidation

The consolidated financial statements include the financial statements of the Group and its subsidiaries.

The consolidated financial statements incorporate the financial statements of the Parent and the entities controlled by the Parent (its subsidiaries) up to December 31 of each year. Control is achieved when the Parent has exposure or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over an investee. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account.

Subsidiary is consolidated from the date when control is transferred to the Parent and ceases to be consolidated from the date when control is transferred out of the Parent.

4.07.03 Measurement

The assets and liabilities and the contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the profit and loss in the period of acquisition.

4.07.04 Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of fair value of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

4.07.05 Inter-group Balances

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Inter-group balances and transactions, including inter-group profits and unrealized profits and losses, are eliminated. When necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used in line with those used by the Group. All inter-group transactions, balances, income and expenses are eliminated during consolidation.

4.07.06 Loss of Control

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of controls is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date the control is lost. Subsequently, it is accounted for as entity-accounted investee or as financial assets at FVTPL or FVOCI depending on the level of influence retained.

4.08 Investment Property

Investment property comprises properties under construction or redevelopments that are held to earn rentals or capital appreciation or both and that are not occupied by the companies in the Group. These are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at its fair value.

Investment property is accounted for under the fair value model. Fair value is supported by market evidence and is determined by independent appraisers with sufficient experience with respect to both the location and the nature of the investment property.

Any gain or loss resulting from either a change in the fair value or the sale or retirement of an investment property is immediately recognized in profit or loss as fair value gains (losses) from investment property under the other income in the consolidated statements of comprehensive income.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefits are expected from its disposal.

A transfer is made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. A transfer is made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes.

4.09 Property and Equipment

Property and equipment are initially measured at cost. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition, property and equipment are carried at revalued amount (except for certain property and equipment carried at cost) less accumulated depreciation and accumulated impairment losses.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Property and equipment are stated in the consolidated statements of financial position at their revalued amounts, being the fair value at the date of revaluation, determined from market-based evidence by appraisal undertaken by professional appraisers, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such property and equipment is credited to the properties revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense, in which case the increase is credited to the profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such revalued assets is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation surplus relating to a previous revaluation of those assets. Revaluation surplus is transferred directly to retained earnings as the asset is being used by the Group.

Land is not depreciated. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Building	15 years
Delivery and transportation equipment	3 to 12 years
Machinery and equipment	3 to 12 years
Office furniture and fixtures	3 to 12 years
Store and warehouse equipment	3 to 5 years

Leasehold improvements are depreciated over the shorter between the improvements' useful life of five (5) years or the lease term.

Properties in the course of construction for production are carried at cost less any recognized impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Bearer plants are living plants that are used in the production or supply of agricultural produce over a several periods and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

The property and equipment's residual values, useful lives and depreciation method are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Depreciation on revalued assets is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.10 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of profit or loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit 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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated profit or loss when the asset is derecognized.

4.10.01 Trademark

Trademarks acquired separately are initially recognized at cost. Following initial recognition, trademarks are carried at cost less accumulated amortization and any impairment losses. The Group assesses for impairment whenever there is an indication that these assets may be impaired.

The Group has assessed that certain trademark acquired in a business combination in the past has indefinite useful lives, thus are not amortized, but tested for impairment annually, either individually or at the cash-generating unit 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.

The remaining trademark at current year has finite useful life and is amortized over straight-line basis over its estimated useful life of 20 years. The amortization period and the amortization method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense is recognized in the consolidated profit or loss under "Depreciation and amortization" account in the expense category consistent with the function of the intangible asset.

4.10.02 Goodwill

Goodwill represents the excess of the purchase consideration of an acquisition over the fair value of the Group's share of the net identifiable assets acquired at the date of acquisition. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that might be impaired, and is carried at cost less accumulated impairment losses, if any. Any impairment losses recognized for goodwill are not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. When the recoverable amount of cash-generating units is less than the carrying amount, an impairment loss is recognized. The Group performs its impairment testing at the reporting date using a value-in-use, discounted cash flow methodology.

4.10.03 Franchise

The Group recognizes franchise as part of its intangible assets when the franchise produces revenue to the Group and the cost is measurable. At initial recognition, franchise is valued at cost which is the amount incurred in acquiring the franchise. Franchise whose life has been determined to be finite is amortized over the years identified. If the life of the franchise is determined to be indefinite, such franchise is not amortized but tested for impairment. Franchise is derecognized upon sale or retirement. The difference between the carrying value and the proceeds shall be recognized in the consolidated statements of profit or loss. Franchise is amortized on a straight-line basis over its estimated useful life of ten (10) years.

4.10.04 Computer software

Computer software acquired separately are measured on initial recognition at cost. The initial cost of computer software consists of its purchase price, including import duties, taxes and any directly attributable cost of bringing the assets to its working condition and location for intended use. Subsequently, computer software is carried at cost less accumulated amortization and any accumulated impairment loss.

Acquired computer software is capitalized on the basis of costs incurred to acquire and bring to use the specific software. Computer software is amortized on a straight-line basis over its estimated useful life of five (5) years. Costs associated with the development or maintenance of software cost programs are recognized as expense when incurred in the Group's consolidated statements of profit or loss. Software cost is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset is included in the Group's consolidated statements of profit or loss in the year of derecognition.

4.11 Deposits and Investments

4.11.01 Deposit for Land Acquisition

Deposit for land acquisition which represents mainly the usufruct rights over a property are initially stated at actual amount paid and subsequently recognized at cost less any impairment.

4.11.02 Deposit for Business Acquisitions

Deposit for business acquisitions which are paid in view of call for the future investments are initially stated at actual amount paid and subsequently recognized at cost less any impairment.

4.11.03 Advances to Producers

Advances to producers pertain to advances made for the initial cost of cultivation and development of farm lots owned by third-party. This is initially stated at actual amount paid and subsequently recognized at cost less any impairment.

4.11.04 Advances to Projects

Advances to projects pertains to unliquidated expenditures made for the processing fees in connection with the investment of the Group to a foreign company. This is initially stated at actual amount paid and subsequently recognized at cost less any impairment.

4.12 Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that any assets other than inventories, biological assets, deferred tax assets, investment properties and financial assets that are within the scope of PFRS 9, *Financial Instruments* may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible asset with indefinite useful life is tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income.

4.13 Biological Assets

Biological assets or agricultural produce are recognized only when the Group controls the assets as a result of past events, it is probable that future economic benefits associated with the assets will flow to the entity; and the fair value or cost of the assets can be measured reliably.

The Group measures its biological assets on initial recognition and at each reporting date at their fair value less estimated costs to sell. Estimated costs to sell include commissions to brokers and dealers, levies by regulatory agencies and commodity exchanges, and transfer taxes and duties.

Harvested agricultural produce are also carried at fair value less estimated costs to sell at the point of harvest.

The Group classifies its biological assets between consumable and bearer biological assets. Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets. The Group further classifies its bearer biological assets between mature or immature biological assets.

Gains or losses arising on initial recognition of a biological asset at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell of a biological asset are included in profit or loss for the period in which they arise.

4.14 Borrowing Costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.15 Financial Liabilities

4.15.01 Initial Recognition and Measurement

The Group shall recognize a financial liability in its consolidated statements of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument.

At initial recognition, the Group shall measure a financial liability at its fair value minus, in the case of financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the liability.

4.15.02 Classification

The Group shall classify all financial liabilities as subsequently measured at amortized, except for:

- financial liabilities at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate;
- contingent consideration recognized by an acquirer in a business combination.

The Group's financial liabilities measured at amortized cost include trade and other payables (excluding customers' deposits and government payables), borrowings, lease liabilities and due to related parties.

The Group does not have financial liabilities at fair value through profit or loss in both years.

4.15.03 Derecognition

The Group removes a financial liability (or part of a financial liability) from its consolidated statements of financial position when, and only when, it is extinguished (i.e., when the obligation in the contract is discharged or cancelled or expired).

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4.16 Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

4.16.01 Costs to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

4.16.02 Amortization, derecognition and impairment of capitalized costs to obtain a contract

The Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgment is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits.

Where a contract is anticipated to make a loss, these judgments are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

4.17 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity.

4.17.01 Additional Paid-in Capital

Additional paid-in capital represents the proceeds and/or fair value of consideration received in excess of the par value of the shares issued.

4.18 Employee Benefits

4.18.01 Short-term Benefits

The Group recognizes a liability, net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Group to its employees include salaries and wages, SSS, HDMF, PhilHealth employer contributions and 13th month pay.

4.18.02 Post-employment Benefits

The Group has an unfunded, non-contributory defined benefit retirement plan. This benefit defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The cost of providing benefits is determined using the Projected Unit Credit Method (PUCM) which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. Post-employment expenses include current service cost, past service cost, and net interest on defined benefit asset/liability. Remeasurements which include cumulative actuarial gains and losses return on plan assets, and changes in the effects of asset ceiling are recognized directly in other comprehensive income and are also presented under equity in the consolidated statements of financial position.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in profit or loss.

The liability recognized in the consolidated statements of financial position in respect of defined benefit pension plans is the present value of the accrued retirement benefits at the end of the reporting period. The accrued retirement benefits is calculated annually by an independent actuary using the PUCM. The present value of the accrued retirement benefits is determined by discounting the estimated future cash outflows using interest rates based on the market yields on government bonds as of the valuation dates that have terms to maturity approximating to the terms of the related pension obligation.

The Group's retirement plan is still unfunded, benefit claims under the plan are paid directly by the Group when they become due.

4.19 Provisions and Contingent Asset

4.19.01 Provisions

Provisions are recognized when the Group has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.19.02 Contingent Liabilities and Assets

Contingent liabilities and assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.20 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue related cost incurred or to be incurred/costs to complete the transactions can be reliably measured. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. Revenue is measured at the fair value of the consideration received or receivable taking into account any trade discounts, prompt settlement of discounts and volume rebates allowed by the Group, if any. Revenue excludes any value added tax.

The Group recognizes revenue when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

4.20.01 Revenue Contracts with Customers

The Group recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group applies the following five (5) steps:

1. Identify the contract(s) with a customer;
2. Identify the performance obligations in the contract. Performance obligations are promises in a contract to transfer to a customer goods or services that are distinct;
3. Determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, an entity must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer;
4. Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract;
5. Recognize revenue when a performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer). For a performance obligation satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognized as the performance obligation is satisfied.

4.20.02 Sale of goods

Revenue from the sale of goods in the ordinary course of business is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. The revenue from the sale of goods is recognized upon delivery of the goods when the significant risks and rewards of ownership of the goods are transferred to the buyer.

4.20.03 Real estate sales

The Group derives its real estate revenue from sale of residential and commercial units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the input method. The Group recognizes revenue on the basis of the efforts or inputs to the satisfaction of a performance obligation (resources consumed, labor hours expended, costs incurred) relative to the total expected inputs to the satisfaction of that performance obligation.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as residential and office development receivables, under trade receivables, is included in the "contract asset" account in the asset section of the consolidated statements of financial position.

Any excess of collections over the total of recognized trade receivables and contract assets is included in the "contract liabilities" account in the liabilities section of the consolidated statements of financial position.

4.20.04 Cost recognition

The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

4.20.05 Franchise

Franchise fees may cover the supply of initial and subsequent services, equipment and other tangible assets, and know-how. Accordingly, franchise fees are recognized as revenue on a basis that reflects the purpose for which the fees were charged. Fees charged for the use of continuing rights granted by the agreement, or for other services provided during the period of the agreement, are recognized as revenue as the services are provided or the rights used.

4.20.06 Royalty

Royalty is recognized on an accrual basis in accordance with substance of the relevant agreement.

4.20.07 Rental Income

Rental income is recognized in the profit or loss on a straight-line basis over the lease term (See note 4.22.01).

4.20.08 Gain from Sale of Property and Equipment

Realized gains and losses are recognized when the sale transaction occurs.

4.20.09 Interest Income

Interest income is recognized using the effective interest method on a time proportion basis that reflects the effective yield on the assets.

4.20.10 Other Income

Other income is recognized when the related income is earned on an accrual basis in accordance with the relevant structure of transaction or agreements.

4.20.11 Principal versus Agent Considerations

The Group should determine whether it is a principal or an agent in a transaction through the nature of its promise in a performance obligation.

The Group determines whether the nature of its promise is a performance obligation to provide a specified service itself (i.e. the Group is an agent).

The Group is a principal if it controls a promised service before it transfers the service to a customer. It recognizes revenue in the gross amount of consideration to which it expects to be entitled in exchange for those services transferred.

The Group is an agent if its performance obligation is to arrange for the provision of services by another party. It recognizes revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its services.

4.21 Expense Recognition

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Group.

The Group recognizes expenses in the consolidated statements of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

4.22 Leases

4.22.01 The Group as a Lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

4.22.02 The Group as a Lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- a. the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- b. the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- c. the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Right-of-Use (ROU) Asset

At the commencement date, the Group measures the ROU asset at cost, which comprises of:

- initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any incentives received;
- any initial direct costs incurred by the Group;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Subsequent to initial recognition, ROU asset is carried at cost less accumulated depreciation and accumulated impairment losses.

The Group depreciates the ROU asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The Group also assesses the ROU asset for impairment when such indicators exist.

The Group has elected to account for short-term leases and low-value assets using the practical expedients. Instead of recognizing ROU asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

ROU asset is presented as a separate line item on the consolidated statements of financial position.

Lease Liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or if not, the Group uses the incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments), less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as of the commencement date;
- amounts expected to be payable by the lessee under the residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect in-substance fixed lease payments.

The Group recognizes the amount of remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Lease liabilities are presented as a separate line item on the consolidated statements of financial position.

4.23 Foreign Currency Transactions and Translation

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Parent's functional currency, i.e., foreign currencies, are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, financial accounts which include cash in banks, trade receivable and deposits denominated in foreign currencies are revalued using the reference foreign exchange rates provided by the Bangko Sentral ng Pilipinas (BSP) on the date of reporting. Exchange differences are recognized in profit or loss as unrealized foreign exchange gain or loss at the end of each reporting period.

Exchange differences are recognized in profit or loss in the period in which they arise except for exchange differences arising on non-monetary assets and liabilities where the gains and losses of such non-monetary items are recognized directly in equity.

Assets and liabilities from foreign operation are translated at exchange rates at the end of the reporting period. Exchange differences are recognized initially in OCI and reclassified from equity to profit or loss on disposal of the net investment. On the other hand, income and expenses for each consolidated statements presenting profit or loss and OCI are translated at the average exchange rate for the period. All the resulting exchange differences are recognized in the OCI.

4.24 Related Parties and Related Party Transactions

A related party is a person or entity that is related to the Group that is preparing its consolidated financial statements. A person or a close member of that person's family is related to Group if that person has control or joint control over the Group, has significant influence over the Group, or is a member of the key management personnel of the Group or of a parent of the Group.

An entity is related to the Group if any of the following conditions applies:

- The entity and the Group are members of the same group (which means that a parent, subsidiary and fellow subsidiary are related parties to each other); or
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or
- Both entities are joint ventures of the same third party; or
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
- The entity holds a post-employment benefit plan for the benefit of the employees of either the Group or an entity related to the Group; or
- The entity is controlled or jointly controlled by a person identified above; or
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of an entity); or
- Management entity providing key management personnel services to a reporting entity.

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Group and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

4.25 Taxation

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

4.25.01 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax for the current and prior periods is recognized as a liability to the extent that it has not been settled, and as an asset to the extent that the amounts already paid exceeds the amount due.

4.25.02 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred tax asset however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are recognized for all taxable temporary differences except in three cases as follows:

- Liabilities arising from the initial recognition of goodwill;
- Liabilities arising from the initial recognition of asset/liability other than in a business combination which, at the time of the transaction, does not affect either the accounting profit or the taxable profit;
- Liabilities arising from temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, but only to the extent that the entity is able to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4.25.03 Current and Deferred Tax for the Period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss, whether in OCI or directly in equity, in which case the tax is also recognized outside profit or loss.

4.25.04 Impact of Change in Tax Regime

Components of tax expense include any adjustments recognized in the period for current tax of prior period and the amount of deferred tax expense (income) relating to changes in tax rates. The provision for current income tax during the year include the difference between income tax per prior year financial statements and prior year income tax return.

Deferred tax assets and liabilities as of reporting period is remeasured using the new tax rates. The impact of remeasurement is recognized in profit or loss (i.e., provision for/benefit from deferred income tax), unless it can be recognized in other comprehensive income or another equity account.

4.26 Earnings per Share

The Group computes its basic earnings per share by dividing net income or loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period.

4.27 Events after the Reporting Period

The Group identifies subsequent events as events that occurred after the reporting date but before the date when the consolidated financial statements were authorized for issue. Any subsequent events that provide additional information about the Group's position at the reporting period, adjusting events, are reflected in the consolidated financial statements, while subsequent events that do not require adjustments, non-adjusting events, are disclosed in the notes to consolidated financial statements when material.

4.28 Changes in Accounting Policies

The adoption of the new and revised standards and as disclosed in Notes 3.01 was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

5. Critical Accounting Judgement and Key Sources of Estimation Uncertainties

In the application of the Group's accounting policies, which are described in Note 4, 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 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.

5.01 Critical Judgments in Applying Accounting Policies

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

5.01.01 Assessment of Going Concern Issue

The management has made an assessment at the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue the business for the foreseeable future. The Group's continued operations as a going concern depends upon the successful outcome of efforts to achieve profitable operations and generate sufficient cash flows to meet obligations on a timely basis. The Group generated a net income (loss) of ₱(172,074,814) in 2023, ₱2,500,323 in 2022 and ₱1,057,861,300 in 2021. Management

believes that with its continued efforts in building up equity and profitability, the Group will continue to operate in the normal course. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

5.01.02 Functional Currency

PAS 21 requires Management to use its judgment to determine the Group's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the Group. In making this judgment, the Group considers the following:

- the currency that mainly influences sales prices for financial instruments and services (this will often be the currency in which sales prices for its financial instruments and services are denominated and settled);
- the currency in which funds from financing activities are generated; and

- the currency in which receipts from operating activities are usually retained.

Functional currency is the currency of the primary economic environment in which the Group operates. The Group has determined that its functional currency is the Philippine Peso. The Group's functional currency is evidenced by its costs of labor, and other costs of providing services and majority of its remittance transactions are settled in Philippine Peso.

The Group determined its functional currency to be Philippine peso being the currency of the primary economic environment in which the Group operates. It is the currency that mainly influences the sale of real properties, services, and investments and the costs of providing the services and of the sold investments.

5.01.03 Uniform Accounting Policies

Consolidated financial statements are prepared under line-by-line basis for consolidation. Full amount of subsidiaries' accounts, irrespective of the percentage of ownership, are combined with those of the Group on a line-by-line bases by adding together similar or like items of assets, liabilities, revenues and expenses. Application of line-by-line basis for consolidation requires judgment in determining that the Parent and its subsidiaries have uniform accounting policy for like transactions and events in similar circumstances between the Parent and the subsidiaries. While the Group regularly conducts review of the subsidiaries' accounting policy to ensure the uniformity in accounting policy, there would be instances that the policy over these transactions would be different from that of the Parent. In the event that significant differences in the accounting policy for a given transaction exist between the Parent and its subsidiaries, the Parent makes appropriate adjustment in the financial statements of the subsidiary to conform to the Group's policy for the purpose of consolidation.

The consolidated financial statements are prepared under PFRS. Management assessed that the accounting policies of the Parent and its subsidiaries are substantially similar for like transactions and events, thus, no adjustment has been made in the consolidated financial statements.

5.01.04 Assessment of Control

The Group determines whether an entity qualifies as a subsidiary when it has control over an entity. The Group controls an entity when it has the three elements of control as disclosed in Note 4. In making its judgments, the Group considers all facts and circumstances when assessing control over an investee. A reassessment of control is conducted when there are changes to one or more of the three elements of control. Any changes from at least one of the elements would result to lose or gain of control over an entity.

The Group having fifty-one percent (51%) to one hundred percent (100%) ownership and voting interest, assessed that it has control over all of its subsidiaries since it has power over the subsidiaries, exposure or rights to variable returns from its involvement and ability to use its power to affect the component of its returns.

5.01.05 Aggregation of Operating Segments

In accordance with the provisions of PFRS 8, *Operating Segments*, the Group's reporting segment is based on the management approach with regard to the segment identification, under which information regularly provided to the chief operating decision maker for decision-making purposes is considered as decisive. The segments are also evaluated under the management approach.

The Group reports its segment based on geographic areas. The Management identifies its operating segments as generally based on nature and location of its customers. The Group has four (4) reportable segments: Exports, Distribution, Retail and Foreign Trading. The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of net trading gains (losses), other income, equity in net earnings, operating expenses and income tax.

5.01.06 Assessment of Contractual Terms of a Financial Asset

The Group determines whether the contractual terms of a financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. In making its judgements, the Group considers whether the cash flows before and after the changes in timing or in the amount of payments represent only payments of principal and interest on the principal amount outstanding.

Management assessed that the contractual terms of its financial assets are solely payments of principal and interest and consistent with basic lending arrangement. As of December 31, 2023 and 2022, carrying amounts of the Group's financial assets at amortized cost amounted to ₱1,168,444,882 and ₱1,456,092,134, respectively, as disclosed in Note 28.

The Group's financial asset at FVTOCI is an equity instrument and its contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest. As of December 31, 2023 and 2022, the carrying amounts of the Group's financial asset measured at FVTOCI amounted to ₱46,951,800 and ₱48,223,200, respectively, as disclosed in Note 10.

5.01.07 Existence of a Contract Sales of Real Estate

The Group's primary document for a contract with a customer from real estate sale is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer.

In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

5.01.08 Assessment of Timing of Satisfaction of Performance Obligations

An entity satisfies a performance obligation by transferring control of a promised good or service to the customer, which could occur over time or at a point in time.

5.01.08.01 Sale of Real Estate

The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract.

In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer of about ten percent (10%) would demonstrate the buyer's commitment to pay.

The Group has determined that input method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers.

In 2023, 2022 and 2021, revenue from sale of real estate amounted to ₱55,214,436, ₱72,120,967, and ₱141,249,379, respectively, as disclosed in Note 18.

5.01.08.02 Sale of Goods

The Group identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract. The Group delivers the best quality produce by exporting and locally distributing all kinds of fruits and vegetables and other agri-products but its main products are bananas, mangoes, and coconut water. The Group determined that the delivered various agri-products are capable of being distinct and therefore considered as separate performance obligations.

In 2023, 2022 and 2021, revenue from sale of goods amounted to ₱2,917,328,776, ₱3,764,706,512 and ₱4,408,038,999, respectively, as disclosed in Note 18.

5.01.09 Assessment of the Allocation of Transaction Price to Performance Obligations

A performance obligation is a vendor's promise to transfer a good or service that is 'distinct' from other goods and services identified in the contract.

Management assessed that allocation of transaction price to performance obligation is not applicable because each performance obligation has stand-alone transaction price which is distinct from one another.

5.01.10 Assessment of 30 days Rebuttable Presumption

The Group determines when a significant increase in credit risk occurs on its financial assets based on the credit Management practice of the Group.

Management believes that the thirty (30) days rebuttable presumption on determining whether there is a significant increase in credit risk in financial assets is not applicable because based on the Group's historical experience, credit risk has not increased significantly even the amounts are past due for more than 30 days.

5.01.11 Assessment of 90 days rebuttable presumption

The Group determines when a default occurs on its financial assets based on the credit management practice of the Group.

Management believes that the 90 days rebuttable presumption on determining whether financial assets are credit-impaired is not applicable based on the Group's historical experience the Group determines that past due amounts even over 90 days are still collectible.

5.01.12 Distinction Between Property and Equipment and Investment Properties

The Group determines whether a property qualifies as investment properties. In making its judgments, the Group considers whether the property generates cash flows largely independent of the other assets held by the entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease), the Group accounts for the portions separately. If the portion cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

The Group classified the construction in progress for retail and office spaces as investment properties because these are intended for lease. Accordingly, the carrying amounts of investment properties amounted to ₱1,292,960,226 and ₱1,349,544,703 as of December 31, 2023 and 2022, respectively, as disclosed in Note 12 while land and building amounting to ₱310,954,981 and ₱319,732,378, respectively, qualifies as property as it is held for operation, as disclosed in Note 11.

5.01.13 Assessment of Frequency of Revaluation of Property and Equipment and Deductibility of Depreciation Thereon

After recognition as an asset, an item of property and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The frequency of revaluation depends upon the changes in fair values of the items of property and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Some items of property and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three (3) to five (5) years.

The revaluation surplus included in equity in respect of an item of property and equipment may be transferred directly to retained earnings when the asset is derecognized. This may involve transferring the whole amount of surplus when the asset is retired or disposed of. However, some of the surplus may be transferred as the asset is used by an entity. In such a case, the amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

In making its judgment on the frequency of revaluation, management considered the significant changes in the fair value of its revalued assets. Hence, a new revaluation was adopted as of reporting periods. The Group also determined whether depreciation of its fixed assets relates to property and equipment subsequently measured using cost model and revaluation model. In doing so, Management considered the tax effect of the depreciation of the revaluation surplus which corresponds to the revalued amount of property and equipment. Since transfers from revaluation surplus to retained earnings resulting from piecemeal amortization are not made through profit or loss but are transferred directly to equity, depreciation related to revalued assets is not deductible for tax purposes.

In both years, the Group assessed that the carrying amount of the revalued property and equipment approximates its fair value. As of December 31, 2023 and 2022, the carrying amounts of the revalued property and equipment amounted to ₱259,956,189 and ₱290,222,875, respectively, as disclosed in Note 11.

5.01.14 Determining whether or not a Contract Contains a Lease

Management assessed that the lease of machinery, transportation equipment and store premises qualified as a lease since each contract contains an identified asset, the Group has the right to obtain substantially all of the economic benefits, and the Group has the right to direct the use of the identified asset throughout the period of use.

5.01.15 Determining whether or not it is Reasonably Certain that an Extension Option will be Exercised and Termination Option will not be Exercised

Lease term is the non-cancellable period for which the Group has the right to use an underlying asset including optional periods when the Group is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term and the enforceability of the option. The option to extend the lease term should be included in the lease term if it is reasonably certain that the lessee will exercise the option and the option is enforceable. The Group is required to reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

For lease contracts entered into in both years, most are renewable by mutual agreement, except for contracts which does not contain a provision on renewal option. Management assessed that these lease contracts cannot be extended beyond the non-cancelable lease period since such are not enforceable under the Philippine law.

In both years, the Management used the lease term of four (4) to seven (7) years in the computation of right-of-use-assets and lease liabilities.

5.01.16 Assessment of Principal-Agency Arrangement

When another party is involved in providing goods or services to a customer, the entity shall determine whether the nature of its promise is a performance obligation to provide the specified goods or services itself (ie the entity is a principal) or to arrange for the other party to provide those goods or services (ie the entity is an agent).

In 2023, 2022 and 2021, the Group assessed that it is acting as an agent and recognized commission income from agency relationship amounting to ₱8,073,514, ₱11,594,982, and ₱10,020,207, respectively, as disclosed in Note 22.

5.02 Key Sources of Estimation Uncertainties

The following are the key assumptions concerning the future, and other key sources of estimation uncertainties at the end of the reporting periods that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.02.01 Revenue and Cost Recognition on Real Estate Projects

The Group's revenue recognition and cost policies require management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Group's revenue from real estate and construction contracts is recognized based on the percentage of completion (POC) are measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the POC is complex and the estimated project development costs requires technical determination by management's specialists z(project engineers).

In 2023, 2022 and 2021, revenue from residential and commercial real estate amounted to ₱55,214,436, ₱72,120,967 and ₱141,249,379, respectively, as disclosed in Note 18.

5.02.02 Estimating Allowances for Expected Credit Losses (ECL)

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios. The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The Group applies general approach for determining the ECL of cash in banks, other receivables (except advances to officers and employees), due from related, refundable deposits presented under 'prepayments and other current assets' and 'deposits and other non-current assets'. An expected credit losses is the difference between the cash flows that are expected to be received discounted at the original effective interest rate and contractual cash flows in accordance with the contract. The loss allowance for financial assets is based on the assumptions about risk of default and expected loss rates.

The Group recognized provision for expected credit losses on other receivables amounting to ₱15,176,537 in 2023 and nil in 2022 and 2021. The Group also made a reversal of allowance for expected credit losses amounting to nil in 2023 and 2022 and ₱43,316,857 in 2021, respectively. As of December 31, 2023 and 2022, allowance for expected credit losses on other receivables amounted to ₱18,692,655 and ₱3,516,118, respectively, as disclosed in Notes 7, 23 and 24.

As of December 31, 2023 and 2022, allowance for expected credit losses on due from related parties and stockholders amounted to ₱6,460,530, as disclosed in Notes 21, 23 and 24.

As of December 31, 2023 and 2022, allowance for expected credit losses on refundable deposits presented under 'prepayments and other current assets' and 'deposits and other non-current assets' amounted to ₱7,214,392 and ₱6,711,100, respectively, as disclosed in Notes 9 and 15.

The Group applies the simplified approach in trade receivables to measure expected credit losses which uses a lifetime expected loss allowance for all receivables and financial asset at amortized costs. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Detailed information regarding the Company's impairment of financial assets is discussed in Note 28.

The Group recognized provision for expected credit losses on trade receivables amounting to ₱185,974 in 2023 and nil in 2022 and 2021. The Group also made a reversal of allowance for expected credit losses amounting to nil in 2023 and 2022 and ₱36,728,895 in 2021, respectively. As of December 31, 2023 and 2022, allowance for expected credit losses on trade receivables amounted to ₱48,241,662 and ₱48,055,688, as disclosed in Notes 7, 23 and 24.

5.02.03 Estimating Inventories at Net Realizable Values

Net realizable values of inventories are assessed regularly based on the prevailing selling prices of inventories less estimated costs to sell. The Group recognizes expense and provides allowance for decline in value of inventories whenever net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes on price levels or other causes. Inventory items identified to be obsolete and unusable is written off and charged against allowance account. Increase in the net realizable values will increase the carrying amount through reduction of allowance for decline but only to the extent of original acquisition cost.

In both years, Management believes the net realizable value of inventories approximate their costs, thus, no allowance for decline in value was recognized. As of December 31, 2023 and 2022, inventories amounted to ₱1,255,146,325 and ₱1,369,818,823, respectively, as disclosed in Note 8.

5.02.04 Fair Value of Investment Property

The Group has adopted the fair value approach in determining the carrying value of its investment property. While the Group has opted to rely on independent appraisers to determine the fair value of its investment properties, such fair value was determined based on recent prices of similar properties, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices. The amounts and timing of recorded changes in fair value for any period would differ if the Group made different judgments and estimates or utilized different basis for determining fair value.

In 2021, the Management recognized gain on change in fair value of investment property based on the valuation report dated December 27, 2020 by Guangdong Tianshun Land Real Estate Asset Appraisal Co., Ltd. amounting to ₱908,745,817 as disclosed in Note 12. The Royal Chartered Surveyor has thoroughly and meticulously analyzed the characteristics and actual conditions project, and has studied the information provided by the client. On the basis of market research, the property to be assessed is commercial (agricultural commodity trading center) and leasing in nature. In order to make the valuation results scientific, accurate and objective, the appraiser use the market comparison method and the income method to evaluate their value. The comparative method is to compare the real estate of the object of valuation with the similar real estate that has been traded recently at the time of value, and to make appropriate amendments to the transaction price of these similar real estate. The income method is a method to convert the net income of the expected valuation object real estate in the future period into the present value of the value point by using the appropriate reduction interest rate, and to find the sum of its present value to determine the real estate price.

As of December 31, 2023 and 2022, the carrying amount of investment property amounted to ₱1,292,960,226 and ₱1,349,544,703, respectively, as disclosed in Note 12.

5.02.05 Fair Value of Biological Assets

The Group has adopted the fair value approach in determining the carrying value of its biological assets. The Group determines its fair value based on recent prices of similar assets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices. The amounts and timing of recorded changes in fair value for any period would differ if the Group made different judgments and estimates or utilized different basis for determining fair value.

The fair value of biological assets was derived using the market approach. In 2023 and 2022, the Management recognized gain on change in fair value of biological assets based on the valuation amounting to nil and ₱2,020,294, respectively, as disclosed in Note 14. During the year, the Group have written off its biological assets. As of December 31, 2023 and 2022, the carrying amounts of biological assets amounted to nil and ₱54,335,337, respectively, as disclosed in Note 14.

5.02.06 Fair Value of Property and Equipment

The valuation has been carried out on January 6, 2021, in accordance with the Santos Knight Frank, Inc. incorporating the International Valuation Standards of the International Valuation Standards Council (IVSC), and the Philippine Valuation Standards (PVS). In valuing the land, Market Approach was used which is the most common technique for valuing land, and is the most preferred method when comparable sales are available. With this method, sales of similar property or parcels of land are analyzed, compared, and adjusted to provide a value indication for the property being appraised. The comparison process is based on an analysis of the similarity or dissimilarity of the comparable. Cost Approach was used for the improvements while a combination of the Market and Cost Approach was used for the machinery and equipment. The Cost Approach generally involves the following steps: (a) The value of the subject land is normally estimated by the Market Data or Sales Comparison Approach. In instances where available market data is sufficient, the Income Approach (Residual Method) can be used, (b) The depreciated cost of the subject improvement is estimated by calculating the direct cost of reproducing or replacing the improvement, deducting accrued depreciation from all sources, and adding the indirect costs attributed to the improvement. Combining the estimates shown above results in the indicated value of the subject property by the Cost Approach.

As of December 31, 2023 and 2022, the carrying amounts of property and equipment at revalued amount are ₱259,956,189 and ₱290,222,875, respectively, as disclosed in Note 11.

5.02.07 Reviewing Residual Values, Useful Lives and Depreciation Method of Property and Equipment

The residual values, useful lives and depreciation method of the Group's property and equipment are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; significant unexpected wear and tear; technological advancement; and changes in market prices since the most recent annual reporting date. The useful lives of the Group's property and equipment are estimated based on the period over which the assets are expected to be available for use. In determining the useful life of property and equipment, the Group considers the expected usage, expected physical wear and tear, technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output and legal or other limits on the use of the Group's assets.

In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

A reduction in the estimated useful lives of property and equipment would increase the recognized expenses and decrease non-current assets. The Group uses a depreciation method that reflects the pattern in which it expects to consume the property and equipment's future economic benefits. If there is an indication that there has been a significant change in the pattern used by which the Group expects to consume the property and equipment's future economic benefits, the entity shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern.

In both years, Management assessed that there are no indications that there has been any change in pattern used by the Group in consuming its property and equipment's future economic benefits.

The carrying amounts of depreciable property and equipment measured at revalued amounts as of December 31, 2023 and 2022 amounted to ₱107,956,189 and ₱138,222,875, respectively, as disclosed in Note 11.01.

The carrying amounts of depreciable property and equipment measured at cost as of December 31, 2023 and 2022 amounted to ₱72,526,240 and ₱86,636,271, respectively, as disclosed in Note 11.02.

5.02.08 Reviewing Residual Value, Useful Life and Amortization Method of Intangible Assets

The residual value, useful life and amortization method of the Group's intangible assets are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; technological advancement; and changes in market prices since the most recent annual reporting date. Amortization begins when the intangible asset is available for use, i.e., when it is in the location and condition necessary for it to be usable in the manner intended by Management. Amortization ceases when the intangible asset is derecognized. The Group uses a straight-line method of amortization since it cannot determine reliably the pattern in which it expects to consume the intangible asset's future economic benefits.

In both years, Management assessed that there are no indications that there has been any change in pattern used by the Group in consuming its intangible assets' future economic benefits. As of December 31, 2023 and 2022, the carrying amounts of the intangible assets amounted ₱136,625,532 and ₱157,359,377, respectively, as disclosed in Note 13.

5.02.09 Asset Impairment

The Group performs an impairment review when certain impairment indicators are present. Determining the fair value of advances to officers and employees, prepayments and other current assets (except refundable deposits), property and equipment, right-of use assets, intangible assets and deposits and other non-current assets (except refundable deposits), which require 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 financial statements. Future events could cause the Group to conclude that aforementioned assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Group believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

The Group recognized provision for impairment on prepayments and other current assets amounting to ₱487,236 in 2023 and nil in 2022 and 2021 as disclosed in Notes 9 and 23.

In both years, Management assessed that no indicators of impairment had existed on property and equipment, investment property, right-of use assets and intangible assets.

As of December 31, 2023 and 2022, the aggregate carrying amounts of advances to officers and employees, prepayments and other current assets (except refundable deposits), property and equipment, investment property, right-of use assets, intangible assets and deposits and other non-current assets (except refundable deposits) amounted to ₱2,789,765,280 and ₱3,150,907,753, respectively, as disclosed in Notes 7, 9, 11, 12, 13, 15 and 27.

5.02.10 Deferred Tax Assets

The Group reviews the carrying amounts at each reporting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized prior to its expiration.

As of December 31, 2023 and 2022, the Group recognized deferred tax assets from effect of PFRS 16, retirement obligation and allowance for impairment losses amounting to ₱11,684,735 and ₱11,772,444, respectively, as disclosed in Note 26. In both years, Management believes that future taxable profits will be available to allow all or part of deferred tax assets to be utilized prior to expiration.

5.02.11 Post-employment Benefits

The determination of the retirement obligation and cost and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates, mortality of plan members and rates of compensation increase. In accordance with PFRS, actual results that differ from the assumptions and the effects of changes in actuarial assumptions are recognized directly as remeasurements in other comprehensive income and therefore, generally affect related obligation.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations.

The carrying amounts of the Group's retirement benefit obligation are ₱25,912,579 and ₱22,723,726 as of December 31, 2023 and 2022, respectively, as disclosed in Note 25.

In 2023, 2022 and 2021, the retirement benefit expense recognized amounted to ₱6,142,815, ₱3,566,127 and ₱3,144,024, respectively, as disclosed in Notes 23 and 25.

In 2023, 2022 and 2021, the remeasurement amounted to gain and loss of ₱1,271,984, ₱117,439 and ₱4,042,199, respectively, as disclosed in Note 25.

5.02.12 Assessment of Joint Control

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. An entity has a control when it is exposed, or has rights to variable returns from involvement with the arrangement and has the ability to affect those returns through their power over the arrangement.

In both years, Management assessed that the contractual arrangement with a third party and the landowners gives both parties joint control since decision about the relevant activities requires the unanimous consent of both parties sharing control.

5.02.13 Classification of Joint Arrangement as a Joint Venture

The joint arrangement is classified into joint operations and joint ventures. The joint operations are a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement while the joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The joint arrangement agreed by the Group and a third party and the landowners was mutually classified by both parties as a joint venture.

Management believes that a joint venture arrangement will maintain the parties' rights to net assets.

5.02.14 Estimation of Impairment of Goodwill

The Group reviews the carrying value of goodwill for impairment annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. Assessments require the use of estimates and assumptions such as market evaluation and trends, discount rates, future capital requirements and operating performance. If the recoverable amount of the unit exceeds the carrying amount of the goodwill, the goodwill shall be regarded as not impaired.

No provision for impairment of goodwill was recognized in 2023, 2022 and 2021.

As of December 31, 2023 and 2022, the carrying amounts of goodwill amounted to ₱28,462,765 and ₱39,488,046, respectively, as disclosed in Note 13.

5.02.15 Contingencies

The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense of these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material effect on the Group's consolidated financial statements (see Notes 7 and 37).

6. Cash

	2025	2024
Cash on hand	519,231	510,710
Cash in banks	13,037,873	4,903,113
	13,557,103	5,413,823

Cash in banks earn interest at the prevailing bank deposit rates of less than 1.0% annually. Interest income earned from cash in banks, net of final taxes withheld, amounted to 304 in 2024 and 2,805 in 2023.

The Group has cash in banks denominated in foreign currency such as USD, HKD and RMB. These cash in banks were translated as at March 31, 2025 and December 31, 2024 closing rates (see Note 28).

7. Trade and Other Receivables

This account consists of:

	2025	2024
Trade	527,730,578	543,131,394
Advances to employees	63,432,373	63,394,791
Others	89,091,348	67,673,916
	680,254,300	674,200,101
Less allowance for impairment losses:		
Trade	64,540,034	64,540,034
Advances to officers and employees	5,369,517	5,369,517
Others	18,692,655	18,692,655
	88,602,206	88,602,206
	591,652,094	585,597,895

Trade receivables are non-interest bearing and are collectible within 30 to 90 days. These are generally settled through cash payment or application of customers' deposit, if any.

Advances to officers and employees are noninterest bearing and subject to liquidation.

Other receivables as at March 31, 2025 and December 31, 2024 include non-interest-bearing receivables from sales of scraps and first-class rejects, which are sold to local wet market at a lower price. This is generally collectible on 15 to 30-day terms.

Other receivables also include receivable from a third party amounting to ₱64,655,714 which is included in an ongoing criminal action initiated by the Group to recover the said receivable among others (see Note 15). The amount is guaranteed by a stockholder in the event of an adverse result of the ongoing

case and is provided with an allowance for impairment amounting to P43,316,857 as at December 31, 2020. In 2021, the allowance was reversed since the Management believes that it can still recover the amount since it is guaranteed by the stockholders.

Movements in allowance for expected credit losses pertaining to trade receivables, advances to officers and employees and other receivables follows:

Balance at beginning of year	88,602,206	88,602,206
Provision for impairment during the year		
Reversal during the year		-
Write off during the year	-	
Balance at end of year	88,602,206	88,602,206

None of the Group's receivables were pledged to any of its liabilities.

All receivables are unsecured and noninterest-bearing.

8. Inventories

This account consists of the following at cost:

	2025	2024
Property for sale	899,446,911	905,434,729
Merchandise, furniture and appliances	191,827,630	178,956,912
Agricultural produce, beverages and vegan products	93,352,512	110,452,364
Packaging materials and other supplies	24,083,436	23,410,618
	1,208,710,489	1,218,254,622

Property for sale represents development costs and construction materials for residential and commercial units of Shengmei Century Plaza Development Project located in Jiawang District, Xuzhou, China.

The cost of inventories recognized as part of "Cost of Sales" in the consolidated statements of comprehensive income amounted to P958,256,950 in 2023 and P939,641,231 in 2022.(see Note 22).

The carrying amounts of the total inventories as at December 31, 2022 and 2021 approximate their NRVs. There were no purchase commitments and accrued net losses on inventories in 2022, 2021 and 2020.

No provision for inventory obsolescence or impairment was recognized in 2024 and 2023

Inventories are not pledged as security for any of the Group's liabilities.

The inventories are expected to be recovered within the Group's normal operating cycle

8. Prepayments and Other Current Assets

This account consists of:

	2025	2024
Input VAT	145,965,032	145,708,368
Advances to suppliers	248,029,488	316,006,714
Refundable deposits	15,497,345	15,320,407
Creditable withholding taxes (CWTs)	3,779,840	3,764,329
Prepaid expense	13,602,568	9,960,997
	426,874,273	490,760,815
Less allowance for impairment losses:		
Refundable deposits	7,174,987	7,174,987
Input VAT	5,573,606	5,573,606
Prepaid Taxes	102,351	102,351
CWTs	85,865	85,865
Advances for liquidation	5,000	5,000
	12,941,809	12,941,809
	413,932,464	477,819,006

Prepaid expense includes insurance, short-term lease rental and IT services. Prepaid insurance refers to insurances of vehicles, equipment and construction in progress.

Input VAT arises from purchase of goods and services. Purchase of goods include packaging and other supplies while purchase of services include but not limited to tolling and professional fees and other contracted services.

Advances to suppliers represent non-interest bearing advanced payments to third-party foreign and local suppliers for various future delivery of purchases of goods and performance of services.

Refundable deposits are made for short-term store-leased spaces of the Group. These deposits will be refunded upon end of lease term.

Creditable withholding taxes are considered prepayments which are claimed for the tax to be paid during the year and are carried over in the succeeding period for the same purpose.

Movements in allowance for impairment losses pertaining to prepayments and other current assets follows:

Balance at beginning of year	12,941,809	12,941,809
Reversal during the year		
Balance at end of year	12,941,809	12,941,809

9. Financial Asset at Fair Value through Other Comprehensive Income (FVOCI)

On April 3, 2018, the Group acquired 15% ownership of CMP Supply Chain Management (Shanghai) Co. Ltd, a company incorporated in China. The acquired shares are classified as financial assets at FVOCI amounting to P46,803,000 (CNY6,000,000) and P46,951,800 (CNY6,000,000) as at March 31, 2025 and December 31, 2024, respectively.

This account was translated as at March 31, 2025 and December 31, 2024 at closing rates.

10. Property and Equipment

Rollforward analysis of the Group's property and equipment as at March 31, 2025 and December 31, 2024 follows:

	2025									
	Land	Building	Store and warehouse equipment	Delivery and transportation equipment	Machinery and equipment	Office furniture and fixtures	Leasehold improvement	Construction in progress	Bearer Plants	Total
Balance, January 1, 2023										
Cost	149,152,330	237,763,213	130,630,568	64,403,148	261,509,501	62,380,303	75,544,728	55,295,471	4,162,375	1,040,841,637
Revaluation surplus	29,124,170	42,901,145	4,666,459	1,290,761	31,163,062	1,888,297	263,196		9,225,570	120,522,661
Accumulated depreciation										-
Cost	-	(137,088,422)	(108,160,126)	(59,677,400)	(248,793,477)	(55,182,296)	(72,616,990)		-	(681,518,711)
Revaluation surplus	-	(2,200,058)	(933,292)	(1,290,761)	(12,927,718)	(1,179,640)	(175,464)		(2,707,537)	(21,414,470)
Carrying amount	178,276,500	141,375,878	26,203,609	4,725,748	30,951,368	7,906,664	3,015,470	55,295,471	10,680,408	458,431,117
Movements during the 2023										
Additions	-	-	680,765	99,464	1,807,897	1,001,803	446,621	-	(13,387,945)	(9,351,394)
Revaluation surplus										-
Reclassification								-		-
Disposal										-
Depreciation										-
Cost	-	(3,899,080)	(4,586,199)	(756,127)	(12,520,829)	(785,131)	(1,992,386)	-	2,707,537	(21,832,216)
Revaluation surplus	-	(1,100,029)	(466,646)	-	(6,463,859)	(589,820)	(87,732)	-	-	(8,708,086)
Effect of foreign balance translation	-	(20,829,581)	-	-	-	-	-	-	-	(20,829,581)
Balance, December 31, 2023	178,276,500	115,547,187	21,831,529	4,069,085	13,774,578	7,533,516	1,381,973	55,295,471	0	397,709,839
December 31, 2023										
Cost	149,152,330	216,933,632	131,311,333	64,502,612	263,317,398	63,382,106	75,991,349	55,295,471	(9,225,570)	1,010,660,662
Revaluation surplus	29,124,170	42,901,145	4,666,459	1,290,761	31,163,062	1,888,297	263,196	-	9,225,570	120,522,661
Accumulated depreciation										-
Cost	-	(140,987,502)	(112,746,325)	(60,433,527)	(261,314,306)	(55,967,427)	(74,609,376)	-	2,707,537	(703,350,927)
Revaluation surplus	-	(3,300,087)	(1,399,938)	(1,290,761)	(19,391,577)	(1,769,460)	(263,196)	-	(2,707,537)	(30,122,556)
Carrying amount	178,276,500	115,547,187	21,831,529	4,069,085	13,774,578	7,533,516	1,381,973	55,295,471	0	397,709,839

	Land	Building	Store and warehouse equipment	Delivery and transportation equipment	Machinery and equipment	Office furniture and fixtures	Leasehold improvement	Construction in progress	Bearer Plants	Total
Balance, January 1, 2024										
Cost	149,152,330	216,933,632	131,311,333	64,502,612	263,317,398	63,382,106	75,991,349	55,295,471	(9,225,570)	1,010,660,662
Revaluation surplus	29,124,170	42,901,145	4,666,459	1,290,761	31,163,062	1,888,297	263,196	-	9,225,570	120,522,661
Accumulated depreciation										-
Cost	-	(140,987,502)	(112,746,325)	(60,433,527)	(261,314,306)	(55,967,427)	(74,609,376)	-	2,707,537	(703,350,927)
Revaluation surplus	-	(3,300,087)	(1,399,938)	(1,290,761)	(19,391,577)	(1,769,460)	(263,196)	-	(2,707,537)	(30,122,556)
Carrying amount	178,276,500	115,547,187	21,831,529	4,069,085	13,774,578	7,533,516	1,381,973	55,295,471	0	397,709,839
Movements during the 2024										
Additions	-	-	302,435	-	272,079	22,321	18,540	-	-	615,375
Revaluation surplus										-
Reclassification		55,295,471						(55,295,471)		-
Disposal	(17,417,000)	(25,206,853)	(6,723,644)	-	(940,672)	(800)	-	-	-	(50,288,969)
Accumulated depreciation										-
Cost	-	(27,643,519)	(3,889,982)	(118,934)	(1,217,122)	(631,014)	(936,893)	-	-	(34,437,463)
Revaluation surplus	-	(1,100,029)	(466,646)	-	(1,307,943)	(59,419)	-	-	-	(2,934,037)
Effect of foreign balance translation		3,192,441								3,192,441
Balance, December 31, 2024	160,859,500	120,084,698	11,053,692	3,950,151	10,580,920	6,864,605	463,620	-	0	313,857,186
December 31, 2024										
Cost	131,735,330	250,214,691	124,890,124	64,502,612	262,648,805	63,403,628	76,009,889	-	(9,225,570)	964,179,509
Revaluation surplus	29,124,170	42,901,145	4,666,459	1,290,761	31,163,062	1,888,297	263,196	-	9,225,570	120,522,661
Accumulated depreciation										-
Cost	-	(168,631,021)	(116,636,307)	(60,552,461)	(262,531,428)	(56,598,441)	(75,546,269)	-	2,707,537	(737,788,390)
Revaluation surplus	-	(4,400,117)	(1,866,584)	(1,290,761)	(20,699,520)	(1,828,879)	(263,196)	-	(2,707,537)	(33,056,593)
Carrying amount	160,859,500	120,084,698	11,053,692	3,950,151	10,580,920	6,864,605	463,620	-	0	313,857,186

Certain assets such as delivery and transportation equipment, buildings and machinery equipment are covered by insurance. In 2018, three (3) delivery trucks under transportation equipment of the Group, amounting to P3,022,800, is mortgaged as collateral for its own auto-loan (see Note 17). The carrying value of the trucks as at December 31, 2022 and 2021 amounted to P562,246 and P1,236,994, respectively.

The Group's commitment to acquire property is discussed in Note 15. The Group's Management had reviewed the carrying values of property and equipment as at December 31, 2022 and 2021 for any possible impairment. Based on the evaluation, there are no indications that the property and equipment are impaired.

The remaining property and equipment of the Group are not pledged as security to any of the Group's liabilities.

11. Investment Property

This pertains to construction-in-progress for retail and office spaces intended for lease.

The rollforward analysis of construction-in-progress under investment property follow:

	2025	2024
Balance at beginning of year	938,818,717	1,292,960,226
Effect of foreign exchange tran:	141,943,909 -	354,141,509
Balance at end of year	1,080,762,626	938,818,717.00

The Group's Management had reviewed the carrying values of investment property as at March 31, 2025 and December 31, 2024 for any possible impairment. Based on the evaluation, there are no indications that the investment property is impaired.

In 2021, the Management recognized gain on change in fair value of investment property based on the valuation report dated December 27, 2020 by Guangdong Tianshun Land Real Estate Asset Appraisal Co., Ltd. amounting to P908,745,817. The Royal Chartered Surveyor has thoroughly and meticulously analyzed the characteristics and actual conditions of the project, and has studied the information provided by the client. On the basis of market research, the property to be assessed is commercial (agricultural commodity trading center) and leasing in nature. In order to make the valuation results scientific, accurate and objective, the appraiser use the market comparison method and the income method to evaluate their value. The comparative method is to compare the real estate of the object of valuation with the similar real estate that has been traded recently at the time of value, and to make appropriate amendments to the transaction price of these similar real estate. The income method is a method to convert the net income of the expected valuation object real estate in the future period into the present value of the value point by using the appropriate reduction interest rate, and to find the sum of its present value to determine the real estate price.

The Group's investment properties are not pledged as security for any of the Group's liabilities. The Group has no contractual commitment to purchase investment property.

12. Intangible Assets

This account consists of the following, net of any accumulated amortization and impairment:

	2025				
	Trademark	Goodwill	Franchise	Computer Software	Total
Cost:					
Balance at beginning of year	200,184,539	95,014,063	9,133,598	8,159,797	312,491,997
Additions during the year					-
Balance at end of the year	200,184,539	95,014,063	9,133,598	8,159,797	312,491,997
Accumulated amortization and impairment:					
Balance at beginning of year	92,684,539	66,098,458	9,049,750	7,599,437	175,432,184
Amortization				25,602	25,602
Effect of foreign currency translation		178,954			178,954
Balance at end of the year	92,684,539	66,277,412	9,049,750	7,625,039	175,636,740
Net carrying value	107,500,000	28,736,651	83,848	534,758	136,855,258
	2024				
	Trademark	Goodwill	Franchise	Computer Software	Total
Cost:					
Balance at beginning of year	200,000,000	95,014,063	9,049,750	8,159,797	312,223,610
Additions during the year	184,539		83,848	-	268,387
Balance at end of the year	200,184,539	95,014,063	9,133,598	8,159,797	312,491,997
Accumulated amortization and impairment:					
Balance at beginning of year	92,500,000	66,551,298	9,049,750	7,497,030	175,598,078
Amortization	184,539			102,407	286,946
Effect of foreign currency translation		(452,840)			(452,840)
Balance at end of the year	92,684,539	66,098,458	9,049,750	7,599,437	175,432,184
Net carrying value	107,500,000	28,915,605	83,848	560,360	137,059,814

Trademark

The trademark is related to the acquisition of TBC in 2011. During the acquisition of TBC, net assets acquired includes trademark for the use of "Big Chill" brand, amounting to P200,000,000 which was included in the purchase price.

Goodwill

The goodwill of the Group is attributable mainly to the business acquisitions made in 2017 to expand the Group's operations.

The calculations of value in use are most sensitive to the following assumptions:

- **Gross Margins.** Gross margins are based on average values achieved in the period immediately before the budget period. These are increases over the budget period for anticipated efficiency improvements. Values assigned to key assumptions reflect past experience, except for efficiency improvement.
- **Discount Rates.** The Group uses the weighted-average cost of capital as the discount rate, which reflects management's estimate of the risk specific to each unit. This is the benchmark used by management to assess operating performance and to evaluate future investments proposals.
- **Raw Material Price Inflation.** Consumer price forecast is obtained from indices during the budget period from which raw materials are purchased. Values assigned to key assumptions are consistent with external sources of information.

No impairment loss for goodwill was recognized in all years.

Franchise

On January 7, 2011, the Group entered into a Master Licensing Agreement with Tully's Coffee International Pte. Ltd. for the operation of coffee shops and sale of coffee products under the brand "Tully's". The term of the license is for a period of ten (10) years but may be extended for another ten (10)

years. Under the agreement, the Group paid \$200,000 equivalent to ₱9.05 million as a sign-up fee.

In 2021, the term of the franchise is extended for another 10 years.

Computer software

Computer software pertains to the accounting software used by the Group. The carrying value of computer software is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

No impairment loss for trademark and computer software were recognized in all years.

The Group's intangible assets are not pledged as security to any of the Group's liabilities.

The Group has no contractual commitment to purchase intangible assets.

13. Deposits and Other Noncurrent Assets – net

This account consists of:

	2025	2024
Advances and deposits	482,099,102	680,711,857
Deposit for future investment	212,480,435	13,867,680
Refundable deposits	1,774,276	1,774,276
Subtotal	696,353,813	696,353,813
Less : Allowance for impairment loss	(6,640,000)	(6,640,000)
	689,713,813	689,713,813

Details of advances and deposits include the following:

13.01.01 Deposit for Land Acquisition

On December 28, 2018, the Group and a third-party individual entered into an agreement to form a joint venture to develop a property located in Taytay Rizal. Relative to this, the Parent Company made a deposit amounting to ₱300,000,000 to acquire a portion of the 859 hectares, or a corresponding portion thereof, of titled and untitled parcels of land.

In 2019, the Group made additional deposit amounting to ₱208,700,000 which was advanced by one of its stockholders. The parties are in the process of executing the projects under the Joint Venture Agreement. The joint venture shall include but not limited to the formation of the following: Phase 1 - Transportation Hub, Phase 2 – Food Terminal and Phase Property Development Corporation. As of reporting period, the masterplan for the design of the food terminal were already completed.

As of March 31, 2024 and December 31, 2023, deposit for land acquisition amounted to ₱508,700,000.

13.01.02 Deposit for Business Acquisition

Breakdown of deposit for business acquisition is as follows:

	2024	2023
Freshness First Pty Ltd. (Note 13.01.02.01)	₱64,712,032	₱64,712,032
Plentex Philippines, Inc. (Note 13.01.02.02)	73,376,800	73,376,800
Agricultural Bank of the Philippines, Inc. (Note 13.01.02.03)	6,250,000	6,250,000
	₱144,338,832	₱144,338,832

Details of deposit for business acquisition include the following:

13.01.02.01 Freshness First Pty Ltd.

On December 28, 2018, the Group made a deposit amounting to AUD172,000 or ₱6,349,435 to acquire existing business operation in Australia.

In 2021, the Group made additional deposit amounting to AUD563,866 or ₱20,824,104.

This deposit was translated at December 31, 2023 and 2021 closing rates. Unrealized foreign exchange gain amounted to ₱663,281 and ₱69,849 in 2021 (see Note 28).

As of reporting period, the investment to Freshness First Pty. Ltd. was still undergoing finalization of legal documents.

As of December 31, 2022 and 2021, deposit amounted to ₱27,817,501 and ₱27,154,220, respectively.

15.01.02.02 Plentex Philippines, Inc.

On December 20, 2019 and September 9, 2020, the BOD and the shareholders of the Group, respectively, have approved the issuance of shares to Plentex Philippines, Inc. (Plentex). Plentex has subscribed for 6,172,800 shares and the Group has agreed to issue the same at a value of ₱18 per share which is to be paid through the issuance of 30,000,000 shares of Plentex Limited.

Plentex is a Philippine Corporation that is developing a substantial large scale agri-business center in Tacloban, Leyte. Plentex is a subsidiary of Plentex Limited, unlisted Australian public company in Victoria, Australia.

The subscription agreements have no definite timeline and are based on the mutual agreement of both parties.

In 2021, the first batch of the issuance of shares pertaining to the subscription agreement with Plentex Philippines, Inc. were made resulting to an increase in subscribed and paid-up capital amounting to ₱2,057,600 and additional paid-in capital amounting ₱34,979,199, as disclosed in Note 19.

As of December 31, 2022 and 2021, deposit amounted to ₱73,376,800.

13.01.02.03 Agricultural Bank of the Philippines, Inc.

On June 13, 2018, the Group made a deposit amounting to ₱6,250,000 to a local bank to acquire 2,500,000 common shares of another company representing 12.5% ownership. The said investment is still for approval of SEC and Bangko Sentral ng Pilipinas (BSP). As of reporting period, the investment was already approved by the BSP, however still pending approval from the SEC.

As of December 31, 2022 and 2021, deposit amounted to ₱6,250,000.

13.01.03 Advances to Farm Growers

In 2020, the Group has agreements with various owners of mango farm lots to provide farm inputs in the growing mangoes such as fertilizers and pesticides, in exchange for share in the produce. Advances as of December 31, 2022 and 2021 amounted to ₱34,068,101.

13.01.04 Advances to Tolman

Advance payment to Tolman Manufacturing Inc. ("Tolman") for future acquisition of equipment necessary for pre-processing, sterilization, aseptic storage and clean in place station for coconut water amounted to ₱30.6 million as at December 31, 2022 and 2021. The Group has ongoing criminal action against Tolman to recover the advance payment mentioned. In 2019, the Group filed a complaint-affidavit charging the directors, officers and shareholders (respondents) of Tolman, with the crime estafa. The Group alleges that during the negotiation stage of the Shareholders Agreement, respondents represented to the Group that Tolman is in the process of increasing its authorized capital stock from which the shares of the Group will be issued upon the latter's delivery of cash, equipment and other resources. Relying on such representation, the Group entered into a Shareholders Agreement and delivered to Tolman ₱30,000,000 cash, UHT processing equipment worth ₱134,000,000 and lease payments in the amount of ₱46,000,000. Despite receipt of said cash, equipment and lease payments, respondents failed to issue the Group's shares of stock. Worst, no application to increase the capital stock was ever made before or during the existence of the Shareholders Agreement. In the resolution dated January 29, 2021, the Office of the City of Prosecutor of Makati finds a sufficient ground to engender a well-founded belief that the

crime of Estafa under Article 315, paragraph 2 (a) was committed by respondent Emmanuel V. Duenas. The amount is guaranteed by a stockholder in the event of an adverse result of the ongoing case. Due to the foregoing, the total outstanding receivables of the Group from Tolman is considered to be fully recoverable as at December 31, 2022. In addition, the assets of Actron Industries, Inc., Jemana Holdings, Inc. and Duenas in Tolman exceeds the claims of the Group against the outstanding receivables. A civil case has been filed to further pursue for the overall claim of the Group against the concerned parties.

13.01.05 Advances to Project

Provision for impairment loss amounting to ₱6,640,000 was recognized in 2020 (see Note 23).

13.02 Deposit for Future Investments

In 2017, Fucang made a deposit amounting to ₱194.7 million to invest in Guangzhou Tianchen Real Estate Development Co., Ltd, a real estate company in China. The balance of this deposit amounted to ₱197.6 million (CNY 26.8 million) and ₱197.6 million (CNY 26.8 million) as at December 31, 2022 and 2021, respectively and shall be converted to equity once the construction projects of Tianchen is completed. As at reporting date, the construction is 90% completed and is expected to be finished on the fourth quarter of 2023. As at December 31, 2022 and 2021, deposit for future investments amounted to ₱216,154,185 and ₱214,263,521, respectively.

13.03 Refundable Deposits

Refundable deposits are related to long-term operating and finance lease properties of the Group (see Note 27).

The balance of refundable deposits as at March 31, 2025 and December 31, 2024 was based on the discounting of future cash flows using the Group's incremental borrowing rate. Accretion income from the discounting of refundable deposits amounted to nil, nil, and ₱69,687 in 2022, 2021 and 2020, respectively (see Note 27). As of December 31, 2022 and 2021, refundable deposits amounted to ₱1,774,276.

14. Trade and other payables

	2025	2024
Trade payables	125,313,255	125,688,324
Nontrade payables	535,991,511	395,035,483
Customers' deposits	52,561,444	48,795,141
Government payables	3,507,405	2,707,735
Others	3,659,399	3,659,399
Accrued expenses	32,803,430	44,744,841
Accrued interest	89,438,264	73,829,358
	843,274,708	694,460,281

Trade payables are unsecured, non-interest bearing and are generally settled within one (1) month.

Non-trade payables mainly include unsecured and non-interest bearing payable to ThomasLloyd Cleantech Infrastructure Fund GMHB (TLCIF) subsequently assigned by TLCIF to Greenergy Holdings Inc. (GHI), as consented by GHI on December 29, 2014, with the following terms and conditions:

- The Group shall pay the non-trade payables on or before December 31, 2016 in cash or non-cash assets acceptable to GHI; and
- If the non-trade payables will be paid with non-cash assets, the appraised value thereof shall be determined by an independent appraiser mutually acceptable to the Group and GHI.

As at March 31, 2024 and December 31, 2023, non-trade payables to GHI amounting to ₱250,118,737 are not yet settled. Non-trade payables also include outstanding liabilities to nontrade suppliers.

Customers' deposits pertain to advanced collections from customers for goods to be delivered and excess of collections over the progress of work for sale of real estate projects under pre-completion stage.

Accrued expenses are obligations on the basis of normal credit terms and do not bear interest. These pertain to accruals made for utilities, association dues, security services, salaries and wages and professional fees. Accruals are made based on the prior month's billings and/or contracts and are normally settled within 12 months from the end of the reporting period.

Government payables include expanded withholding taxes, withholding taxes on compensation, final taxes, social security, government health and other fund premiums which are paid within 12 months from the end of the reporting period.

The Group's payables amounting to ₱2,742,091, ₱4,000,521, and ₱22,929,353 as at December 31, 2022, 2021 and 2020, respectively, representing old balances and with no follow-ups for claims, and also pertains to excess accruals, were derecognized in the same years, after Management has determined that these are no longer part of the Group's obligations (see Note 24).

17. Loans Payable and Redeemable Convertible Loan

Details of this account follow:

	2025 	2024
<i>Long term:</i>		
Peso Currency		
Others	7,201,220	7,201,220
	7,201,220	7,201,220
Less noncurrent portion	-	
Current portion	7,201,220	7,201,220
<i>Short term:</i>		
Peso Currency		
Bank 1	276,200,079	276,200,079
Bank 2	221,600,000	221,600,000
Bank 3	96,249,432	96,249,432
Bank 4	99,300,000	99,300,000
Bank 5	48,842,122	48,842,122
Bank 6	545,000	545,000
Others	3,000,000	3,000,000
Others	-	
	745,736,632	745,736,632

The rollforward analysis of borrowings follows:

Balance at beginning of	752,937,853	746,143,421
Availments during the year		6,794,432
Balance at end of year	752,937,853	752,937,853

17.01 Short-term Borrowings

Bank 1

In both years, the Group availed various short-term, unsecured loans, bearing an interest rate of 8.50% per annum, with the interest payable on a monthly basis. The loan is to be repriced every 30 to 180 days upon mutual agreement of both parties.

Bank 2

In both years, the Parent Company availed unsecured, short-term loans with interest rate of 7% to 7.75% per annum, payable in three (3) months.

Bank 3

In both years, the Parent Company availed unsecured, short-term loans with interest rate ranging from 8.25% to 9% per annum, payable in six (6) months

Bank 4

In 2022, the Parent Company availed unsecured, short-term loans with interest rate of 8.25% to 10.25% per annum, payable in six (6) months.

Bank 5

In 2022, the Parent Company availed unsecured, short-term loans with interest rate of 8.60% per annum, payable in six (6) months.

Other loans include the following:

- In 2018, TBC availed a loan from a local bank, amounting to ₱3,022,800 for acquisition of three units of delivery trucks, with an interest rate of 9.4% per annum, payable in five (5) years. Outstanding balance of loan as at December 31, 2022 and 2021 amounted to ₱562,246 and ₱1,236,994, respectively, which are secured by a chattel mortgage (see Note 11).
- In May 2004, the previous owners of FCI obtained a noninterest-bearing, unsecured loan amounting to ₱13,650,000 from the Agricultural Competitiveness Enhancement Fund (ACEF) of the Department of Agriculture (DA) through the chosen conduit bank, Land Bank of the Philippines for the additional working capital and expansion of fruit processing facilities. The loan is payable quarterly within five (5) years starting September 2005 to June 2009.

Due to unfavorable effects of economic conditions, FCI proposed to settle the ACEF loan with monthly payments of ₱30,000 starting October 2007. The Company also has the option to pay the loan at ₱100,000 quarterly. The DA subsequently approved the proposal in September 2012.

The loan was restructured as a result of the decision made by the ACEF Executive Committee (EXECOM) with FCI proposed for deferment of 10% outstanding balance amounting to ₱1,046,000 to be paid on January 31, 2019. The corresponding balance to be paid at ₱831,570, quarterly, for three (3) years, starting on March 31, 2019, amount inclusive of fixed annual interest of 2%. Interest of ₱47,070 is payable on a quarterly basis, upon payment of principal. Outstanding balance of the loan amounted to ₱7,060,500 as at March 31, 2023 and December 31, 2022.

- ANI availed short-term, unsecured loans from third-party individuals which bear interest ranging from 1% to 2% and have terms of 1-12 months. Outstanding balance of these loans amounted to ₱5.7 million as at December 31, 2020. The loan was settled in 2021.

FFCI availed short term, unsecured loans which bear interest rate of 1% per month, payable on a monthly basis and have maximum terms of three (3) to six (6) months. Outstanding balance of these loans amounted to ₱3,000,000 as at March 31, 2025 and December 31, 2023.

The maturity profile for the Group's loans payable as at March 31, 2025 and December 31, 2023 is as follows:

Balance at beginning of	752,937,853	746,143,421
Availments during the year		6,794,432
Balance at end of year	752,937,853	752,937,853

18. REVENUE

The table below shows the analysis of revenues of the Group by major sources for the period ended March 31, 2025 and 2024:

Category	2025				Total
	Export	Local distribution	Retail	Foreign trading	
Geographical					
China	3,631,179				3,631,179
Philippines		10,776,889	4,524,922		15,301,811
Macau					-
Canada					-
Middle East	68,960				68,960
Japan					-
Others					-
Total	3,700,138	10,776,889	4,524,922	-	19,001,949
Major Goods/ Services Line					
Banana					-
Merchandise					-
Fruits and vegetable:	68,960	3,971,739			4,040,699
Seafood					-
Building materials					-
Furniture and gadget					-
Residential and commercial real estate					-
Tolling		178,692			178,692
Coconut water		37,189			37,189
Restaurants food and beverages			4,524,922		4,524,922
Puree	3,631,179	6,564,879			10,196,057
Rice					-
Sales commission					-
Others		24,390			24,390
Total	3,700,138	10,776,889	4,524,922	-	19,001,949

Category	2024				
	Export	Local Distribution	Retail	Foreign Trading	Total
Geographical					
China	3,282,288			467,830,113	471,112,401
Philippines		80,482,903	15,901,510		96,384,414
Macau	2,944,734				
HongKong					-
Middle east	239,589				239,589
Japan					-
Total	6,466,611	80,482,903	15,901,510	467,830,113	570,681,138
Major Goods/Services Line					
Banana					-
Merchandise				166,887,491	166,887,491
Fruits and vegetables	239,589	31,334,131		89,846,534	121,420,254
Seafood				51,097,026	51,097,026
Building and materials				71,076,130	71,076,130
Furniture and gadget				73,440,687	73,440,687
Residential and commercial real estate				15,482,244	15,482,244
Tolling		61,563			61,563
Rice		40,095,000			40,095,000
Coconut water		668,740			668,740
Restaurant food and beverages			15,901,510		15,901,510
Puree	6,227,022	8,075,358			14,302,380
Others (Vegan)		248,111			248,111
Total	6,466,611	80,482,903	15,901,510	467,830,113	570,681,138

Performance Obligations

Information about the Group's performance obligations are summarized below:

Export and local distribution

The Group delivers the best quality produce by exporting and locally distributing all kinds of fruits and vegetables and other fresh produce fruits and vegetables and other agri-products such as bananas, mangoes, coconut water and puree. The performance obligation of the Group is satisfied at a point in time upon delivery and sale of the goods.

Retail

- *Restaurants' and kiosks' food and beverage – finished and prepared products*

The performance obligation is satisfied when the refreshments and other products are delivered and sold. *Franchise and royalty income*

Recognition of franchise fees is based on the purpose of charging the specific fees. Fees relating to performance obligations are recognized when

substantial obligations were already performed. Royalty fees are recognized on a monthly basis at a certain percentage of sales of the franchisees.

Foreign trading

- *Sale of real estate property*
The Group recognized revenue on the sale of real estate projects under pre-completed contract over time during the course of construction. Sale of completed real property is recognized in full at a point in time upon transfer of control of the asset to the customer.
- *Sale of merchandise, fruit and vegetables, building materials, furniture and gadgets, seafood - finished and prepared products*
The performance obligation is satisfied at a point in time when the goods are delivered and sold.

19. Equity

The issued capital of the Group are as follows:

		2025		2024
Capital stock	P	872,831,688	P	872,831,688
Additional paid-in capital		1,974,005,425		1,974,005,425
	P	2,846,837,113	P	2,846,837,113

Components of capital stock are as follows:

		2025		2024
Preferred shares (Note 19.01)	P	40,000,000	P	40,000,000
Ordinary shares (Note 19.02)		832,831,688		832,831,688
	P	872,831,688	P	872,831,688

The movement in the Group's subscribed and paid-up capital is shown below:

		2025		2024
Balance at beginning	P	832,831,688	P	832,831,688
Paid-up during the year		40,000,000		40,000,000
Balance at end of year	P	872,831,688	P	872,831,688

Rollforward analysis of subscribed capital at par value is shown below:

	2025		2024	
Balance at beginning of year	P	1,064,446,888	P	1,024,446,888
Subscription during the year				40,000,000
Balance at end of year	P	1,064,446,888	P	1,064,446,888

The movement in the Group's additional paid-in capital is shown below:

	2025		2024	
Balance at beginning of year	P	3,602,050,960	P	3,567,071,761
Equity restructuring		(1,628,045,535)		-
Additions during the year (net of subscriptions receivable of P307,481,882 in 2022 and 2021)*		-		34,979,199
Balance at end of year	P	1,974,005,425	P	3,602,050,960

*The subscription receivable will be credited to additional paid-in capital upon collection.

19.01 Preference Shares

The movements in the carrying amount of the Group's preference shares are shown below.

	2025		2024	
	Shares	Amount	Shares	Amount
Authorized				
P0.10 par value	400,000,000	P 40,000,000	400,000,000	P 40,000,000
Issued and fully paid				
Balance, January 1	-	-	-	-
Paid up during the year	-	-	400,000,000	40,000,000
Balance, December 31	400,000,000	P 40,000,000	400,000,000	P 40,000,000

At the annual meeting of the stockholders, held at its principal offices on September 9, 2022, at which meeting a quorum was present and acted throughout, the stockholders representing at least two-thirds (2/3) of the outstanding capital stock approved the reclassification of the Corporation's Forty Million (40,000,000) unissued common shares with par value of One Peso (P1.00) per share, or an aggregate par value of Forty Million Pesos (P40,000,000), into Four Hundred Million (400,000,000) voting preferred shares with par value of Ten Centavos (P0.10) per share, or an aggregate par value of Forty Million Pesos (P40,000,000), with the following features:

The preferred shares shall have the following rights, privileges, limitations, and restrictions, which shall also appear on the Certificates of the Preferred Shares of the Corporation:

- i. The right to vote and be voted for;
- ii. The right to receive, out of unrestricted retained earnings of the Corporation, participating dividends at the rate as may be deemed proper by the Board of Directors under the prevailing market conditions or such other relevant factors as the Board of Directors may consider. Said dividend maybe declared and payable at the discretions of the Board of Directors after taking into account the Corporation's earning, cash flows, financial conditions and other factors as the Board of Directors may consider relevant; and
- iii. In the liquidation, dissolution and winding up the Corporation, whether voluntary or otherwise, the right to be paid in full or ratably, insofar as the assets of the Corporation will permit, the par value or face value of each preferred share as the Board of Directors may determine upon their issuance, plus unpaid and accrued dividends up to the current dividend period, before any assets of the Corporation shall be paid or distributed to the holders of the common shares.

The reclassification of shares was filed, and approved by the SEC on November 16, 2022.

19.02 Ordinary Shares

Shown below are the details on the movements of ordinary shares.

The movement in the Group's authorized number of shares is shown below:

		2025		2024
Balance at beginning	₱	1,600,000,000	₱	2,000,000,000
Reclassification to preferred shares		-		(400,000,000)
Balance at end of year	₱	1,600,000,000	₱	1,600,000,000

The movement in the Group's subscribed and paid-up capital is shown below:

		2025		2024
Balance at beginning	₱	832,831,688	₱	832,831,688
Paid-up during the year		-		-
Balance at end of year	₱	832,831,688	₱	832,831,688

Rollforward analysis of subscribed capital at par value is shown below:

		2025		2024
Balance at beginning and end of year	₱	1,024,446,888	₱	1,024,446,888

The movement in the Group's additional paid-in capital is shown below:

		2025		2024
Balance at beginning of year	₱	1,974,005,425	₱	3,602,050,960
Equity restructuring				(1,628,045,535)
Additions during the year (net of subscriptions receivable of ₱307,481,882 in 2022 and 2021)*		-		
Balance at end of year	₱	1,974,005,425	₱	1,974,005,425

**The subscription receivable will be credited to additional paid-in capital upon collection.*

19.02.01 Subscription Agreement with Plentex Philippines, Inc.

In 2020, Plentex Philippines, Inc. and the Group entered into a subscription agreement in which the former agreed to subscribe for and the latter has agreed to issue a total of 6,172,800 common shares of the Group's authorized capital stock. The parties have agreed that Plentex will subscribe for the shares in three (3) separate batches each of 2,057,600 common shares at a price of ₱18 per share. The subscription agreements have no definite timeline and are based on the mutual agreement of both parties.

In 2021, the first batch of the issuance of shares pertaining to the subscription agreement with Plentex Philippines, Inc. were made resulting to an increase in subscribed and paid-up capital amounting to ₱2,057,600 and additional paid-in capital amounting ₱34,979,199.

The total number of shareholders of the Group is 42 as at March 31, 2025 and December 31, 2024.

The principal market for the Group's capital stock is the PSE. The high and low trading prices of the Group's shares as at March 31, 2025 and December 31, 2024 are as follows:

	2025		2024	
	High	Low	High	Low
First	0.49	.48	₱.64	₱.59
Second			.58	.53
Third			.55	.53
Fourth			.51	.48

20. Basic/Diluted Earnings Per Share

Basic earnings (loss) per share is calculated by dividing the net loss attributable to stockholders of the Group by the weighted average number of ordinary shares in issue during the year.

Earnings per share attributable to the equity holders of the Group

	2024	2023
Net income (loss) from continuing operations attributable to equity holders of the Parent Company	(27,796,196)	2,170,012
Weighted average number of common shares – subscribed and paid up	832,831,688	832,831,688
Basic and diluted earnings (loss) per share	(0.03)	0.003
Number of shares beginning of year	832,831,688	832,831,688
Weighted average number of shares issued during the year		-
paid up	832,831,688	832,831,688.00

Earnings (Loss) per share attributable to the equity holders of the Parent Company from continuing operations

Net income (loss) from continuing operations attributable to equity holders of the Parent Company	(27,796,196)	2,170,012
Weighted average number of common shares – subscribed and paid up	832,831,688	830,774,088
per share	(0.03)	0.003

21. Related Party Transactions

The Group has the following transactions with related parties:

- Unsecured and noninterest-bearing cash advances to/from its related parties for the acquisition of operating machinery and equipment and other investing activities and for working capital purposes. These are payable on demand and usually settled in cash or other form of assets by way of liquidation.
- On December 28, 2018, the Parent Company and a third party individual entered into an agreement to form a joint venture to develop a property located in Taytay Rizal. Relative to this, the Parent Company made a deposit amounting to ₱300.0 million to acquire a portion of the 859 hectares, or a corresponding portion thereof, of titled and untitled parcels of land.

In 2019, the Parent Company made additional deposit amounting to ₱208.7 million which was advanced by one of its stockholders. As at reporting date, the third party is completing the titling of the whole portion of the property to fully execute the transactions. The deposit shall be recognized as property upon the determination of the final amount and upon taking control of the related property.

	2025	2024
Due from:		
Stockholders	191,259,733	167,532,824
Affiliates/Entity under common	142,196,664	165,471,088
	333,456,397	333,003,912
Allowance for impairment	(6,460,530)	(6,460,530)
	326,995,867	326,543,382
Due to:		
Stockholders	306,240,327	97,673,792
Affiliates/Entity under common	377,366,395	332,682,827
	683,606,722	430,356,619

The rollforward analysis of related party accounts follows:

	2025	2024
Balance at beginning of year	326,543,382	268,937,041
Advances made	452,485	(57,606,341)
Collections/liquidation		115,212,682
Balance at end of year	326,995,867	326,543,382
Direct write-off	-	
Net carrying value	326,995,867	326,543,382

Due to related parties:		
Balance at beginning of year	430,356,619	557,798,456
Advances received	253,250,103	
Payments made		(127,441,837)
Balance at end of year	683,606,722	430,356,619

c. Details of the related party balances follow:

The summary of the above related party transactions follows:

Category	2025 Amount	2025 Balance - Asset (Liability)	2024 Amount	2024 Balance - Asset (Liability)	Terms and condition/settlement	Guaranty/Provision
Stockholders						
Receivable		191,259,733		167,532,824	Non-interest bearing; payable on demand; to be settled in cash or other asset	Unsecured; no significant warranties and covenants; no
Advances made						
Collections	23,726,909		147,141,640			
Payable		(306,240,327)		(97,673,792)	Non-interest bearing; payable on demand; to be settled in cash or other asset	Unsecured; no significant warranties and covenants; no
Advances received						
Payments made	208,566,535		(258,361,061)			
Other common control						
Receivable		142,196,664		165,471,088	Non-interest bearing; payable on demand; to be settled in cash or other asset	Unsecured; no significant warranties and covenants; no
Advances made						
Collections	(23,274,424)		(83,074,769)			
Allowance for impairment		(6,460,530)		(6,460,530)		
Payable		(377,366,395)		(332,682,827)	Non-interest bearing; payable on demand; to be settled in cash or other asset	Unsecured; no significant warranties and covenants; no
Advances received						
Payments made	44,683,568		130,919,224			

Due from Stockholder

Due from stockholder is noninterest-bearing advances, unsecured, not guaranteed and no impairment and are generally collectible in cash and other assets through liquidation or offsetting with corresponding payable. In 2024 and 2023, the balances due from the stockholder are all current.

Compensation of Key Management Personnel

The Group considers its President, Chief Finance Officer and Asistant Vice President as key management personnel. Total remuneration of key management personnel, composed mainly of short-term employee benefits and provision for retirement benefits for executive officers, were included under "Personnel costs" in the statement of comprehensive income amounted to ₱2.7 million and ₱3.2 million in 2020 and 2019, respectively. There were no other benefits aside from the salaries and other short-term benefits.

There are no other related party transactions in 2025 and 2024.

22. Cost of Sales

	2025	2024
Inventories at beginning of year	1,218,254,622	1,255,146,325
Purchases and conversion of costs	5,706,595	488,696,833
Cost of goods available for sale	1,223,961,217	1,743,843,158
Less inventories at end of year	1,208,710,489	1,218,254,622
Cost of goods and services sold	15,250,728	525,588,536

Others include production supplies, freight and handling costs, contracted services, gas and oil, repairs and maintenance, tolling, sales commission and utilities.

23. General and Administrative Expenses

	2025	2024
Depreciation and amortization	16,567,052	14,339,864
Personnel costs	18,030,837	23,075,591
Taxes and licenses	3,015,655	21,755,281
Others	2,542,643	734,353
Communication, light and water	1,143,054	3,793,189
Transportation and travel	445,736	3,480,455
Contracted services	346,514	578,675
Freight and handling cost	327,410	519,227
Repairs and maintenance	84,870	659,227
Supplies	70,977	481,508
Dues and subscription	29,133	98,429
Advertising	28,800	616,134
Professional fees	26,000	90,417
Rentals	22,304	413,958
Representation and entertainment	21,166	793,742
Bank charges	19,391	148,244
Insurance		129,875
	42,721,542	₱71,708,169

Other employee benefits include SSS, HDMF, Philhealth employer contributions and 13th month bonus. Others pertains to trainings and seminars, pest controls, mails and postages and printing.

24. OTHER INCOME (CHARGES)

	2025	2024
Other income		
Rental Income		308,667
Others	85,140	39,903
	85,140	348,570
Other expenses:		
Realized foreign exchange loss (gain)		- 2,390
Others	-	- 2,390
	85,140	350,960

25. Retirement Liability

The Group has unfunded, noncontributory defined benefit retirement plan covering substantially all of its employees. Benefits are based on the employee's years of service and final plan salary.

Under the existing regulatory framework, Republic Act 7641 requires provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Retirement benefits are based on employees' years of service and compensation levels during their employment period. Actuarial valuations are made with sufficient regularity.

The last actuarial valuation was made as at and for the years ended December 31, 2023.

Movement of retirement liability recognized in the consolidated statements of financial position are as follows:

	2024	2023
Balance at beginning of year	25,912,579	22,723,726
Retirement benefits expense		6,142,815
Remeasurement loss		- 2,953,962
Balance at end of year	25,912,579	25,912,579

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension and post-employment benefit obligations for the defined benefit plans are shown below:

	2025	2024
Discount rate	6.20%	6.20%
Projected salary increase rate	5.20%	5.20%

All other assumptions are held constant in determining the sensitivity results above.

The estimated average remaining working lives of employees is 14 years for the years ended March 31, 2025 and December 31, 2024.

26. Income Taxes

- a) The Group and local subsidiaries are subject to RCIT or MCIT whichever is higher. Foreign subsidiaries are subject to corporate income tax at statutory tax rate applicable to their respective countries. Income tax expense amounted to ₱7,629,074, ₱15,594,340 and ₱35,796,749 in 2023, 2022, and 2021, respectively.
- b) A reconciliation of provision for income tax expense (benefit) for 2023, 2022 and 2021 applicable to income before income tax computed at the statutory income tax rates follows:

	2023	2022	2021
(Loss) Income before income tax	₱(151,595,127)	₱10,343,443	₱1,094,664,173
Multiplied by statutory rate	25%/20%	25%/20%	25%/20%
Income tax at statutory rate @ 25%	(57,155,653)	15,333,658	276,377,583
Income tax at statutory rate @ 20%	(19,226,588)	(10,198,238)	(2,169,232)
Income tax effects of:			
Changes in unrecognized deferred tax assets	60,838,704	8,787,952	(9,523,093)
Difference in tax rates	(626,149)	2,292,696	(222,504,739)
Income Taxes Nondeductible depreciation from piecemeal revaluation	1,788,467	2,581,886	2,469,859
Nondeductible expenses	1,311,431	829,738	169,347
Provision for retirement expense	701,750	175,546	-
Interest income subject to final tax	(1,944)	-	(5,765)
Amortization of security deposit	-	-	10,642
Effect of change in tax rate	-	-	(1,045,961)
Reversal of allowance	-	-	(2,235,600)
Nontaxable income	-	(3,665)	-
Unrealized foreign exchange gain	-	-	(665)
Application of NOLCO	-	(608,721)	(1,133,378)
Recognition of deferred tax assets	(4,872,138)	(11,110,819)	-
Loss on write off	12,418,651		
Applied/Expired MCIT	-	(236,913)	(3,606,125)
Total income tax – current and deferred	(4,823,469)	7,843,120	36,802,873
Deferred income tax expense (benefit)	(12,452,543)	(7,751,220)	1,006,124
Current income tax expense	₱7,629,074	₱15,594,340	₱35,796,749

- c. The Group reviews deferred tax assets at each financial reporting date and recognized these to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

- The Group have recognized deferred tax asset from the following:

	Retirement benefit obligation	PFRS 16	Allowance for impairment losses	NOLCO	Unrealized foreign exchange Losses	MCIT	Total
Balance at January 1, 2023	₱3,892,961	₱7,736	₱7,871,747	₱-	₱-	₱-	₱11,772,444
Recognized in profit or loss	658,517	(7,736)	-	2,246,171	161,016	2,411,851	5,469,819
Recognized in other comprehensive income	(738,490)	-	-	-	-	-	(738,490)
Balance at December 31, 2023	3,812,988	-	7,871,747	2,246,171	161,016	2,411,851	16,503,773
Recognized in profit or loss							
Recognized in other comprehensive income							
Balance at December 31, 2024	₱3,812,988	₱-	₱7,871,747	₱2,246,171	₱161,016	₱2,411,851	₱16,503,773

- The Group has unrecognized deferred taxes from the following:

	Notes	2024	2023	2022
Allowance for impairment losses	7, 9, 15	₱	₱13,362,948	₱72,231,359
NOLCO		59,313,833	22,351,051	25,126,814
Retirement liability	25		2,132,127	1,254,831
MCIT		52,965	251,420	495,145
Unrealized foreign exchange loss			-	-
		₱59,366,798	₱38,097,546	₱99,108,149

- d. The Group recognized deferred tax liabilities from the following;

	Revaluation increment	Gain on change in fair value of biological assets	Unrealized foreign exchange gain	Total
Balance at January 1, 2023	₱22,004,952	₱7,364,261	₱1,900,520	₱31,269,733
Recognized in profit or loss	-	(5,489,199)	(1,493,525)	(6,982,724)
Recognized in other comprehensive income	(3,569,413)	-	-	(3,258,569)
Balance at December 31, 2023	18,435,539	1,875,062	406,995	20,717,596
Recognized in profit or loss				
Recognized in other comprehensive income	(808,301)			(808,301)
Balance at December 31, 2024	₱17,627,238	₱1,875,062	₱406,995	₱19,909,295

- e. The deferred income tax expense (benefit) amounted to (₱32,037,530) (₱54,844,578) and (₱7,751,220) in 2024, 2023 and 2022. Income tax benefit in 2024, 2023 and 2022 also includes applied MCIT whose corresponding deferred tax asset was previously not recognized amounting to nil in 2023 and 2022 and ₱3,485,638 in 2021.

- f. Net Operating Loss Carry-Over (NOLCO)

- Details of NOLCO from 2022 are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2023	₱60,494,384	₱-	₱-	₱-	₱60,494,384	2026
2024	125,050,363				125,050,363	2027
	₱185,544,747	₱-	₱-	₱-	₱185,544,747	

- Details of NOLCO covered by Revenue Regulation No. 25-2020 is as follows:

Pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under Revenue Regulations (RR) No. 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2021	₱30,125,82	₱-	₱-	₱-	₱30,125,820	2026
2022						2027
	₱30,207	₱-	₱-	₱-	₱30,125,820	

- g. The Group incurred MCIT which can be claimed as deduction against future tax due as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2021	₱223,601	₱-	₱82,679	₱-	₱140,922	2024
2022	116,639	-	-	-	116,639	2025
2023	2,417,438	-	-	-	2,417,438	2026
2024	52,965				52,965	2027
	₱393,205	₱-	₱82,679	₱-	₱310,526	

- h. The Group opted for the itemized deduction scheme for its income tax reporting in 2024, 2023 and 2022.

27. Lease Agreements

Group as a Lessor

The Group has an operating lease arrangement of its property to a third-party construction company.

The lease has a term of one year commencing from January 1, 2018 subject to an annual review and renewable upon mutual agreement of the parties. The lease contract was renewed in 2023 and 2022 for another twelve (12) months from date of renewal. Refundable deposit pertaining to this lease amounted to ₱121,511 (see Note 16).

The lease agreement includes clause requiring the lessee to be liable when the property has been subjected to excess wear-and-tear during the lease term. This strategy minimizes the risk exposure to residual value of the underlying asset.

Rental income from the lease amounted to ₱508,340, ₱1,140,812 and ₱1,228,069 in 2024, 2023 and 2022, respectively (see Note 24).

Group as a Lessee

The Group leases machinery, transportation equipment and store premises from third parties under finance lease agreements ranging from four (4) to seven (7) years.

I. Right-of-use assets

The balance and movements of ROU assets relating to the lease of machinery, transportation equipment and store premises is as follows:

	Note	2024	
		Leases	Discount on rental deposit
Cost Balance		₱152,799,108	₱
Accumulated depreciation			
Balance at the beginning of year		133,369,707	133,369,707
Depreciation during the year	22	9,942,043	9,942,043
Balance at end of year		123,383,106	123,383,106
Net carrying value		₱29,416,000	₱

	Note	2023	
		Leases	Discount on rental deposit
Cost Balance		₱152,799,108	₱198,692
Accumulated depreciation			
Balance at the beginning of year		93,277,037	198,692
Depreciation during the year	22	20,163,978	-
Balance at end of year		113,441,015	198,692
Net carrying value		₱39,358,093	₱-

II. Refundable Deposit

	Note	2024	2023
Carrying value as of beginning of year		₱1,774,276	₱10,106,794
Deposits made during the year			484,178
Refund on deposits received during the year			-
Total refundable deposits			10,590,972
Refundable deposits on short term leases	9		(8,695,624)
Noncurrent refundable deposits			1,895,348
Refundable deposits other than leases	15		(121,072)
Carrying value as of end of year of refundable deposits related to leases	9	₱1,774,276	₱1,774,276

The balance and movements of refundable deposits as of December 31, 2024 and 2023 are as follow:

Relative to the leases, the Group's refundable deposit amounted to ₱15,320,407 and ₱15,768,838 as of December 31, 2024 and 2023, respectively, which is equivalent to one month lease rental based on rental rate applicable on the last year of the lease term. The refundable deposit is presented under "Prepayments and other current assets" and "Other noncurrent assets" account in the consolidated statements of financial position as of December 31, 2024 and 2023 (see Notes 9 and 15).

IV. Short-term Leases

The Group leases office spaces, warehouses, residential units, warehouse equipment under lease agreements usually for a period of one (1) year, renewable subject to the mutual consent of the lessor and the lessee without any escalation clause.

V. Amounts recognized in profit or loss:

	Note	2024	2023	2022
Cost of services:	22			
Amortization of ROU		₱20,163,978	₱20,163,978	₱20,163,978
Rent expense relating to short-term lease		19,884,185	11,499,838	14,861,923
Operating expenses:	23			
Rent expense relating to short-term lease		1,525,480	1,525,480	1,525,480
Other income:				
Interest cost on lease liability			15,739	43,051
Rental income	24	508,340	1,140,812	1,228,069

As a result of the COVID-19 pandemic, the lessors provided rent concessions to the Group in the form of rent-free periods and discounts. The Group accounted these rent concessions as not a lease modification. The rent concessions resulted to a decrease of lease liabilities amounting to ₱1,870,017 as of December 31, 2020 and to the recognition of gain on forgone leases in 2020 of the same amount.

28. Financial Risk Management and Capital Management Objectives and Policies

Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash, due to and from related parties and stockholders, loans and lease payable. The main purpose of these financial instruments is to finance the Group's normal course of its operating activities. The Group has various other financial assets and financial liabilities such as trade and other receivables (excluding advances to officers and employees), refundable deposits under "Prepayments and other

current assets" and "Other noncurrent assets" and trade and other payables (excluding government-regulated payables) which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest risk and foreign currency risk. The

BOD reviews and agrees policies for managing each of these risks and they are summarized below:

• Credit Risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the business as potential losses may arise due to the failure of its customers and counterparties to fulfill their obligations on maturity periods or due to adverse market conditions.

	2025	2024
<i>Financial assets at amortized costs:</i>		
Cash in bank	13,037,871	4,903,113
Trade and other receivables – net	616,821,925	569,172,724
Due from related parties – net	326,995,867	326,543,382
Refundable deposits – net	10,328,722	10,328,722
	967,184,385	910,947,941

a. Credit risk exposure

The table below shows the maximum exposure to credit risk for the Group's financial assets, without taking into account any collateral and other credit enhancements as at March 31, 2025 and December 31, 2024:

b. Credit quality per class of financial assets

The credit quality of financial assets is managed by the Group using internal credit ratings and is classified into three: (a) high grade which has no history of default; (b) standard grade which pertains to accounts with history of one (1) or two (2) defaults, and (c) substandard grade, which pertains to accounts with history of at least 3 payment defaults.

The table below summarizes the credit quality of the Group's financial assets based on its historical experience with the corresponding parties as at March 31, 2025 and December 31, 2024:

2025					
	Neither past due nor impaired		Past due but not impaired	Impaired	Total
	High grade	Standard grade			
Cash	12,518,639	519,231	-	-	13,037,870
Trade and other receivables	-	616,821,925	63,432,373	66,934,317	747,188,616
Due from related parties	-	326,995,867	-	6,460,530	333,456,397
Financial asset at FVOCI	-	47,403,600	-	-	47,403,600
Refundable deposits	-	10,328,722	-	7,214,392	17,543,114
	12,518,639	1,002,069,345	63,432,373	80,609,239	1,158,629,596

2024					
	Neither past due nor impaired		Past due but not impaired	Impaired	Total
	High grade	Standard grade			
Cash	4,903,112	510,711	-	-	5,413,823
Trade and other receivables	-	569,172,724	67,673,916	66,934,317	703,780,957
Due from related parties - net	-	326,543,382	-	6,460,530	333,003,912
Financial asset at FVOCI	-	47,698,800	-	-	47,698,800
Refundable deposits	-	10,328,722	-	7,214,392	17,543,114
	4,903,112	954,254,339	67,673,916	80,609,239	1,107,440,606

- Cash in banks classified as high grade are deposited and invested with banks with good credit training and can be withdrawn anytime. Standard grade cash in banks are those deposited under rural banks.
- High grade receivables pertain to receivables from third party buyers of real estate of the Group and program partners who consistently pay before the maturity date. Standard grade receivables are receivables that are collected on their due dates even without an effort from the Group to follow them up. Both high grade and standard grade receivables currently have no to minimal history of default.
- Due from related parties and stockholder are assessed as standard grade since the Group practices offsetting of receivables and payables.
- High-grade refundable deposits are accounts considered to be high value. The counterparties have a very remote likelihood of default. Refundable security deposits assessed as standard grade are refunded upon termination or fulfillment of agreement.

c. Risk concentrations of the maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the Group's financial strength and undermine public confidence. The Group is not exposed to large concentration of credit risks.

	30 to 60 days	61 to 90 days	More than 90 days	Total
Trade				
2025	9,514,856	21,567,007	32,350,510	63,432,373
2024	10,151,087	23,009,131	34,513,697	67,673,916

d. Impairment assessment

The Group applies general approach for determining the expected credit losses of cash in banks, nontrade receivables, due from related parties and refundable deposit. A credit loss is the difference between the cash flows that are expected to be received discounted at the original effective interest rate and contractual cash flows in accordance with the contract. The loss allowance for financial assets are based on the assumptions about risk of default and expected loss rates. In addition, management's assessment of the credit risk on cash in bank and nontrade receivables as at the reporting date is low. The management provided allowance for impairment

The Group applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. To measure expected credit loss, receivables were grouped based on days past due and grouped the customers according to their profile. The expected loss rates are based on the historical credit losses within the period of time. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables.

Aside from the ECL computation the management provided additional allowance for the year amounted to ₱6.0 million for the trade receivables management has assessed to be uncollectible.

• Liquidity Risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit the risk, the Group maintains sufficient cash to meet operating capital requirements. The Group also monitors the maturities of its financial assets and financial liabilities and ensures that it has sufficient current assets to settle the current liabilities.

	2025			
	On demand	Due within one year	Due beyond 1 year	Total
<i>Financial assets</i>				
Cash	13,037,871	-	-	13,037,871
Trade receivables – net	212,994,754	378,657,340	-	591,652,094
Due from related parties – net	326,995,867	-	-	326,995,867
Financial assets at FVOCI	47,403,600	-	-	47,403,600
Refundable deposits – net	5,652,496	2,965,707	1,774,276	10,392,479
	606,084,588	381,623,047	1,774,276	989,481,911
<i>Financial liabilities</i>				
Trade and other payables**	843,274,708	-	-	843,274,708
Due to related parties	683,606,722	-	-	683,606,722
Loans payable	-	752,937,853	-	752,937,853
	1,526,881,430	752,937,853	-	2,279,819,283

	2024			
	On demand	Due within one year	Due beyond 1 year	Total
<i>Financial assets</i>				
Cash	5,413,823	-	-	5,413,823
Trade receivables – net	210,815,243	374,782,653	-	585,597,896
Due from related parties – net	326,543,382	-	-	326,543,382
Financial assets at FVOCI	47,698,800	-	-	47,698,800
Refundable deposits – net	5,652,496	2,965,707	1,774,276	10,392,479
	596,123,744	377,748,360	1,774,276	975,646,380
<i>Financial liabilities</i>				
Trade and other payables**	694,460,281	-	-	694,460,281
Due to related parties	430,356,619	-	-	430,356,619
Borrowings	-	752,937,853	-	752,937,853
	1,124,816,900	752,937,853	-	1,877,754,753

- Market Risk**

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in foreign currency exchange rates and interest rates.

Foreign currency risk

Foreign currency risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its consolidated financial statements and cash flows.

The Group has transactional currency exposures. Such exposure generally arises from cash in banks, trade receivable and payables and loans payable in Renminbi (RMB), Hong Kong Dollar (HK\$), United States Dollar (US\$) and Australian Dollar (AU\$). The Group did not seek to hedge the exposure on the change in foreign exchange rates between the RMB, US\$, HK\$, AU\$ and the Philippine Pesos. The Group does not generally believe that active currency hedging would provide long-term benefits to stockholders.

	2025		2024	
	In USD	In Php	In USD	In Php
Cash in bank	\$ 42,096	P 2,415,527	\$ 4,293	P 249,042
	In RMB	In Php	In RMB	In Php
Cash in bank	\$ 792,186	P 6,258,743	\$ 254,444	P 2,022,776
	In HKD	In Php	In HKD	In Php
Cash in bank	\$ 7,898	P 58,259	\$ 7,801	P 58,259

The equivalent exchange rates of one foreign currency in Philippine peso as at March 31, 2025 and December 31, 2024 are as follows:

	2025	2024
US\$	P57.382	P56.28
AU\$	36.04	36.76
RMB	7.90	7.80
HK\$	7.38	7.19

Interest Rate Risk

The Group is exposed to interest rate fluctuations on their cash in banks, loans and lease payable. Other financial

assets and liabilities which principally arise in the ordinary course of its operations are generally short-term and noninterest-bearing.

Historically, the rate fluctuations relative to its cash in banks and lease liabilities are minimal.

As at March 31, 2025 and December 31, 2023, the Group's loans payable is at interest rates that is subject for evaluation regularly. Interest risk is managed through regular monitoring.

Capital Management

The primary objective of the Group's capital management is to ensure that the Group has sufficient funds in order to support their business, pay existing obligations and maximize shareholder value. The Group considers advances from related parties as capital.

The Group's policy is to maintain sufficient capital to cover working capital requirements. The Group obtains advances from related parties to cover inadequacy in working capital.

As at March 31, 2025 and December 31, 2024, the Group considers the following accounts as capital:

	2025	2024
Capital stock	872,831,688	872,831,688
Additional paid-in capital	1,974,005,425	1,974,005,425
Due to related parties	752,937,853	430,356,619
Total capital	3,599,774,966	3,277,193,732

The Group has no externally imposed capital requirement. No changes were made in the objectives, policies or processes during the years ended March 31, 2025 and December 31, 2024.

29. Fair Value Measurement

Set out below is a comparison by category of carrying values and estimated fair values of Group's financial instruments as at March 31, 2025 and December 31, 2024:

Going concern basis of accounting

2025			
	Carrying Value	Fair Value	Significant Observable inputs
<i>Financial asset at amortized cost</i>			
Cash	13,037,871	13,037,871	13,037,871
Trade and other receivables - net	591,652,094	591,652,094	591,652,094
Due from related parties - net	326,995,867	326,995,867	326,995,867
Refundable Deposit - Net	10,933,186	10,933,186	10,933,186
	942,619,018	942,619,018	942,619,018
Financial assets at FVOCI	47,403,600	47,403,600	47,403,600
	990,022,618	990,022,618	990,022,618
<i>Financial liabilities at amortized cost</i>			
Trade and other payables	843,274,708	843,274,708	843,274,708
Due to related parties	683,606,722	683,606,722	683,606,722
Loan payable	752,937,853	752,937,853	752,937,853
	2,279,819,283	2,279,819,283	2,279,819,283
2024			
	Carrying Value	Fair Value	Significant Observable inputs
<i>Financial asset at amortized cost</i>			
Cash	5,413,823	5,413,823	5,413,823
Trade and other receivables - net	585,597,896	585,597,896	585,597,896
Due from related parties - net	326,543,382	326,543,382	326,543,382
Refundable Deposit - Net	10,933,186	10,933,186	10,933,186
	928,488,287	928,488,287	928,488,287
Financial assets at FVOCI	47,698,800	47,698,800	47,698,800
	976,187,087	976,187,087	976,187,087
<i>Financial liabilities at amortized cost</i>			
Trade and other payables	694,460,281	694,460,281	694,460,281
Due to related parties	430,356,619	430,356,619	430,356,619
Loan payable	752,937,853	752,937,853	752,937,853
	1,877,754,753	1,877,754,753	1,877,754,753

Methods and Assumptions Used to Estimate Fair Value

The management assessed that the following financial instruments approximate their carrying amounts based on the methods and assumptions used to estimate the fair values:

Cash in banks, trade and other receivables, due to/from related parties and trade and other payables

The carrying amounts of cash in banks, trade and other receivables, due to/from related parties and trade and other payables approximate their fair values due to the short-term nature of these financial instruments.

Refundable deposits

The fair value of the refundable deposits on lease contracts cannot be readily determined and reliably measured because the actual timing of receipt cannot be reasonably predicted as these deposits are generally re-deposited every renewal of lease contract, the new terms and conditions thereof are not yet known. The amount of refundable deposits that will be actually received by the Group is also attached to a conditional repayment provision that is, the faithful performance by the Group of its obligations under the lease contracts. Accordingly, the refundable deposits are carried at costs less any impairment.

Loans and borrowings

The carrying value of loans and borrowings approximate their fair values as their interest rates are based on market rates for debt with the same maturity profiles at the end of the reporting period.

Lease payable

The fair values of lease payable are based on the present value of future cash flows discounted using the current rates available for debt with the same maturity profile as at the end of the reporting period.

30. Noncontrolling Interest

Noncontrolling interests represents the equity in subsidiaries not attributable directly or indirectly to the Group. The details of the account are as follows:

		2025	
	Balance at beginning of year	Comprehensive income (loss)	Balance at end of year
ANI HK	114,798,585.00		114,798,585.00
TBC	- 38,960,984.00	- 5,797,613.00	- 44,758,597.00
FFCI	- 19,905,925.00		- 19,905,925.00
FI	- 2,944,544.00		- 2,944,544.00
FGP	1,772,899.00		1,772,899.00
Heppy	- 851,816.00		- 851,816.00
	53,908,215.00	- 5,797,613.00	48,110,602.00

31. Business Combination

Incorporation of Lexian

As discussed in Note 1, Fucang acquired newly incorporated Guangzhou Lexian Fruit Industry Co., Ltd. (Lexian), a foreign entity incorporated in China engaged in wholesale industry in 2018. Fucang owns 70% equity interest in Lexian which is equivalent to RMB700,000 divided into 700,000 shares at RMB1.0 per share (equivalent to ₱ 7,160,000 divided into 700,000 at ₱10.23 per share.)

The cost of investment is equivalent to Fucang's share in net assets of Lexian at the date of incorporation. As such, no goodwill or investment income was recognized from the business combination. Segment Information

The Group has identified its operating segments based on internal reports that are reviewed and used by the Chief Executive Officer (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The operating segments identified by the management are as follows:

Exports

The Export segment is in charge of looking for markets abroad as well as sourcing the best quality produce possible to satisfy its growing number of clients abroad. Its main export products are fresh banana, fresh mango, and coco-water.

Distribution

The Distribution segment is responsible for the local sales and distribution of various products that the Group offers to a number of supermarkets around Luzon.

Retail

The Retail segment is responsible for the management and operation of the Group's retail businesses.

Foreign Trading

The Foreign Trading segment is in charge of the international distribution operations of the Group in Hong Kong and China.

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. In addition, the Group's reportable segments also include geographical areas for local and foreign operations. Foreign operations are included under "Foreign Trading" and local operations are included under the remaining reported segments.

REVENUE

(Philippine Peso)	31-Mar-25	31-Mar-24
Philippine Operations		
Export	3,700,138	₱ 6,466,611
Local Distribution and Others	10,776,889	80,482,903
Retail & Franchising	4,524,922	15,901,510
Subtotal	₱ 19,001,949	₱ 102,851,024
Foreign Operation		
Hongkong/China		467,830,113
Total	₱ 19,001,949	₱ 570,681,137

COVER SHEET
for
QUARTERLY 17-Q

SEC Registration Number

A	S	0	1	9	9	7	0	1	8	4	8
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COMPANY NAME

A	G	R	I	N	U	R	T	U	R	E	,		I	N	C	.		A	N	D		S	U	B	S	I	D	I	A
R	I	E	S																										

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

N	o	.		5	4		N	a	t	i	O	n	a	I		R	o	a	d	,		D	a	m	p	o	I		
I	I	-	A	,		P	u	I	i	I	A	n	,		B	u	I	a	c	a	n								

Form Type

1	7	Q-	2
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Department requiring the
report

C	R	M
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Secondary License Type, If
Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

www.ani.com.ph
--

Company's Telephone
Number

(02) 8997-5184

Mobile Number

N/A

No. of Stockholders

43

Annual Meeting (Month / Day)

Third Monday of May

Fiscal Year (Month / Day)

DECEMBER 31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Paul Kenneth Davis

Email Address

legal@ani.com.ph

Telephone Number/s

(02) 8997-5184

Mobile Number

N/A

CONTACT PERSON's ADDRESS

No. 54 National Road, Dampol II-A, Pulilan, Bulacan

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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. SEC Identification Number A199701848
3. BIR Tax Identification Code 200-302-092-000
4. Name of Issuer as specified in its charter AGRINURTURE, INC.
5. PHILIPPINES
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. NO. 54 NATIONAL ROAD, DAMPOL II-A, PULILAN, BULACAN PHILIPPINES3005
Address of issuer's principal office Postal Code
8. Issuer's telephone number, area code 044-815-6340
9. Former name, former address and former fiscal year, if changed since last report N. A.
10. Securities registered pursuant to Section 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Shares,	1,024,446,888 shares /Php 2,361,026,212 (Authorized 2,000,000,000 shares at P1.00 Par value)

11. Are any or all the securities listed on the Philippine Stock Exchange?

Yes ☒ [X] No ☐ []

The company's common shares are listed in the Philippine Stock Exchange.

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 and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period the registrant was required to file such report)

Yes ☒ [X] No ☐ []

(b) has been subject to such filing requirements for the past 90 days

Yes ☒ [X] No ☐ []

AGRINURTURE, INC. AND SUBSIDIARIES
Securities and Exchange Commission Form 17 - Q

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements

The interim consolidated financial statements of AgriNurture, Inc. and subsidiaries (collectively referred to as the "Group") as of and for the period ended June 30, 2025 and with comparative figures as of June 30, 2024 and December 31, 2024 - are filed as part of this Form 17-Q as Exhibit A.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following Management Discussion and Analysis should be read in conjunction with the attached interim consolidated financial statements of AgriNurture, Inc. and subsidiaries as of and for the three months ended June 30, 2025.

Business Overview

Incorporated on 04 February 1997, Agrinurture, Inc. (the "Company" or "ANI") started its business operations in the same year as an importer, trader and fabricator of post-harvest agricultural machineries intended to improve the productivity as well as increase the income of Filipino farmers. Formerly known as Mabuhay 2000 Enterprises, Inc., ANI was the first to bring into the Philippine market the Mega-Sun brand of grain dryers and thereafter established itself as one of the more reliable local supplier and manufacturer of conveyor systems and other rice mill equipment.

ANI eventually diversified into other various agro-commercial businesses, specifically focusing on the export trading of fresh Philippine Carabao Mangoes as its main revenue stream. Since then, ANI has become one of the Philippines' top fresh mango exporters to the world market. At present, ANI also supplies other home-grown fruits such as banana and pineapple to customers in Hong Kong, Mainland China, the Middle East and to the different European regions.

The following are the recent developments regarding its continuous business expansion:

- On December 20, 2019 and September 9, 2020, the BOD and the shareholders of the Group, respectively, have approved the issuance of shares to Plentex Philippines, Inc. (Plentex). Plentex has subscribed for 6,172,800 shares and the Group has agreed to issue the same at a value of ₱18 per share which is to be paid through the issuance of 30,000,000 shares of Plentex Limited.

Plentex is a Philippine Corporation that is developing a substantial large scale agri-business center in Tacloban, Leyte. Plentex is a subsidiary of Plentex Limited, unlisted Australian public company in Victoria, Australia.

As at date of report, the 6,172,800 shares were subscribed and 2,057,600 shares were paid.

- On February 1, 2021, the Group entered into a Memorandum of Agreement ("MOA") with the Unified Bagobo-Tagabawa Tribe ("UBTT") and the National Commission on Indigenous Peoples ("NCIP") to promote inclusive agricultural and economic growth by pursuing land productivity thru the development of rice and corn plantation in Bansalan, Davao del Sur. The Group will invest in the development, operation and management of the rice and corn plantation while the UBTT will be entitled to an annual royalty fee Annual Net Profit share in the project. Further, all employment and labor requirements of the project shall be primarily sourced from the UBTT. NCIP shall monitor and evaluate compliance of the parties in the terms and conditions of the MOA. The Group, along with the project shall develop programs on health, skills development and alternative livelihood for the communities. The parties, in collaboration with other national

government agencies shall likewise conduct tree planting activities in at least two thousand (2,000) hectares of land.

As at date of report, the parties have complied with the requirements to fully execute the agreement, including but not limited to the Free and Prior Informed Consent (FPIC), as indicated by the issuance of a Certification Precondition by the NCIP. An operation team has been set up to kick off the launch of the said project.

- On February 23 2021, Ocean Biochemistry Technology Research, Inc. ("OBTRI") and Greenergy Holdings, Inc. ("GHI") have entered into a subscription agreement for the issuance of 37,500 common shares of OBTRI at par value of ₱100 per share for a total aggregate value of ₱3,750,000. OBTRI is a corporation primarily engaged in manufacturing and trading, and is 51% owned by M2000 Imex Company, Inc. ("IMEX") prior to GHI's subscription while M2000 Imex Company, Inc. ("IMEX") is a wholly-owned subsidiary of ANI.

As at date of report, the subscription agreement has been executed and the foregoing transaction completed.

- On May 12, 2021, the Group received a Medium Green Rating from Cicero Shades of Green for its Green Bond offering. Cicero Shades of Green is a subsidiary of the climate research institute CICERO. It provides independent, research-based evaluations of green bond investment frameworks to determine their environmental strength. Their Second Opinions are graded Dark Green, Medium Green, Light Green and Brown to offer investors better insight into the environmental quality of green bonds.

The Group has previously secured the authority to issue long term Green Bonds of up to 75 million euro with maturity of up to 7 years, including the issuance of commercial papers, with terms and conditions to be recommended by management and to be approved by the BOD. The issuance shall fund the agricultural project expansion of the Group geared towards climate change adaptation and minimized environmental footprint.

As at date of report, the Group is completing the documentary requirements and securing necessary board approval for the incorporation of a wholly-owned foreign subsidiary for the issuance of green bonds.

- On May 12, 2021, the Group has entered into a Memorandum of Understanding (MOU) with the Department of Agriculture ("DA") and the Authority of Freeport Area of Bataan ("AFAB"). The MOU aims to establish an Agri-Sector Digitalization Program which shall have a "general purpose and objective of facilitating the implementation and rolling out of financial inclusion of all stakeholders in the agricultural sector, particularly the unbanked stakeholders such as the country's farmers and fisherfolk, through a regulated financial technology platform and licensed virtual currency. The clients of and/or participants in the financial technology exchange platform and licensed virtual currency shall be purely Non-Filipinos located outside the Philippines".

Under the MOU, the Group undertook to perform the following:

- i. facilitate, together with the DA and AFAB, the implementation of the 1ANI e-commerce platform as a financial technology (FinTech) ecosystem for the country's farmers and fisherfolks;
- ii. secure a license from AFAB for the issuance and use of Agri Token in the Freeport Area of Bataan ("FAB"), and upon issuance of said license, allow the issuance of the Agri Token to the participants of the FinTech ecosystem;
- iii. cause the establishment of a branch of an affiliate bank within FAB upon approval of the BSP, which shall be the custodian bank for the Agri Token, and which shall likewise service the banking needs of the locators within FAB;
- iv. establish and secure a license for an AgriXchange Commodities and Futures Trading Center ("AgriXchange") with AFAB; and
- v. ensure the capability of the AgriXchange to act as a Virtual Currency Exchange for the conversion of fiat to virtual currencies and vice versa, in accordance with applicable laws, rules and regulations.

The MOU also provided that the Group and the Local Government Units in FAB, with the support of the DA, shall develop and establish a food terminal, cold/dry storages, and logistics hub in FAB to boost the country's food security program. The MOU shall have immediate effect upon signing

by the parties.

As at date of report, the Group is still in the process of complying with its obligations under the MOU, including but not limited to securing a license from AFAB to use its virtual currency.

- On February 24, 2020, the Group's BOD approved to accept the Letter of Intent (LOI) of Vnesto Capital to finance the expansion project of the Group. Under the LOI, the Group was eligible to avail up to US\$100,000,000 of long-term financing. The financing shall be a long-term loan with interest pegged at treasury bill plus 3%. After the acceptance of the LOI, the formal application process shall commence. As at date of report, the LOI application process is not yet completed.
- On February 24, 2020, the Group's BOD approved the subscription of shares of Binangonan Rural Bank, Inc. (BRB). The subscription is in line with the inclusive growth thru the establishment of an agricultural ecosystem being envisioned by the Group. BRB has licensed financial technology platforms that can improve the access of Filipino farmers especially those in the remote area, to the Agri Agra Micro Financing. As at date of report, the subscription agreement between the Group and BRB is not yet completed. Also, the Group is in the process of securing letter of no objection from BSP to transfer to Greenergy Holdings, Inc.
- On March 20, 2020, the Group's BOD approved the amendment of the terms and conditions of the stock rights offering. It shall have the entitlement ratio of 2.5:1, with every existing shareholder of 2.5 shares shall be entitled to 1 stock rights share, with the offer price of ₱1 par value.

On August 19, 2021, the Group's BOD confirmed the authority to conduct the Stock Rights Offering of common shares to all eligible shareholders of the Company at the entitlement ratio of 2.5:1 and offer price of ₱1.00 per share. The number of shares to be offered shall be 288,000,027.

As at date of report, the Group is still in the process of application of the Stock Rights Offer of the 288,000,027 common shares which shall be listed and traded on the Philippine Stock Exchange.

- On March 20, 2020, the Group's BOD approved the amendment in the terms and conditions of the following issuances and listing of warrants:
 - a. Issuance and listing of up to 10,000,000 stock warrants in favor of the Group's employees credit cooperative as approved by the BOD on February 12, 2018. The warrants shall have the exercise price of a discounted rate of 5% of the weighted average price of trade 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Expiry date and other relevant terms and conditions shall be determined by the BOD, subject to the approval of the SEC.
 - b. The warrants shall have the exercise price of a discounted rate of 5% of the weighted average volume of trade 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Expiry date and other relevant terms and conditions shall be determined by the BOD, subject to the approval of the SEC.
 - c. Issuance and listing of stock warrants in favor of existing stockholders as of record date as approved by the BOD on February 12, 2018. The warrants shall have the exercise price of a discounted rate of 5% of the weighted average volume of trade 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. Existing stockholders owning 10 common shares as of record date, shall be entitled to 1 warrant. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Record date, expiry date and other relevant terms and conditions shall be determined by the BOD.
 - d. Issuance and listing of stock warrants in favor of current directors as approved by the BOD on February 12, 2018. The warrants shall have the exercise price of a discounted rate of 5% of the weighted average volume trade of 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Expiry date and other relevant terms and conditions shall be determined by the BOD. Each director serving at the time of issuance is entitled to up to 100,000 warrants. On October 10, 2020 and November 5, 2021, the Group's BOD and

shareholders, respectively, approved the amendment/s to the terms and conditions of the issuance of warrants to existing shareholders to be bundled to the Company's Stock Rights Offering. The issuance to shareholders participating in the Stock Rights Offering, with every shareholder availing of three (3) Stock Rights, shall be entitled to one (1) warrant. The ratio shall be one (1) warrant equivalent to one (1) underlying common share upon conversion. The warrants shall have the exercise price of a discounted rate of 5% of the volume weighted average price of trade fifteen (15) days prior to maturity, to be exercised after five (5) years from date of listing.

- e. Issuance and listing of 10,000,000 stock warrants in favor of ANI Foundation as approved by the BOD on April 30, 2018. The warrants shall have the exercise price of a discounted rate of 5% of the weighted average volume of trade 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Expiry date and other relevant terms and conditions shall be determined by the BOD. The issuance and listing of the warrants shall be for the purpose of generating funds for the corporate social responsibility programs of the Group.
- On May 5, 2020, the Group has entered into a Memorandum of Agreement with the Department of Agriculture ("DA"). Under the Agreement, the Group shall be an official program partner-participant of DA's e-KADIWA ni Ani at Kita Program. As such, the Group becomes an online seller of agricultural products.

The DA's e-KADIWA ni Ani at Kita Program is a market system which facilitates the selling of major agricultural goods at reasonably low prices to the consuming public through partnership with Local Government Units and the Private Sectors. To further the services of the KADIWA ni Ani at Kita Program, the DA has launched the e-KADIWA, an online market portal or platform whereby buyers and sellers of agricultural and fishery products can transact online.

As at date of report, the Group is actively participating in the foregoing program through its ANI Express online platform.

- On November 26, 2020, the Group has entered into a Memorandum of Agreement ("MOA") with the Philippine International Trading Corporation ("PITC") to collaborate on the importation of raw materials to provide healthier and more affordable "BigMa" Bigas-Mais (rice-corn) blend to the Filipino consumers. The Group is set to locally produce with its corn contract growers and include in its product portfolio the "BigMa" brand. The "BigMa" or Bigas-Mais blend is a Low Glycemic and rich in dietary fiber staple food alternative for the Filipino consumers. With the production of BigMa, the Group will be able to reduce carbon foot print, provide more livelihood to local farmers as the source of "Mais", help the country achieve food-staple sufficiency faster, while providing a healthier and affordable option to the public.

As at date of report, the Group made its initial shipment through the foregoing collaboration during the 1st quarter of 2021.

On December 28, 2020, the Group's BOD approved the acquisition of additional shareholdings in Fucang Trading Limited (Fucang) from 51% up to 71% for a price to be determined based on the audited net book value of Fucang as at December 31, 2021. As at date of report, the additional acquisition is not yet completed. Fucang, a subsidiary, acquired 70% ownership of Guangzhou Lexian Fruit Industry Co., Ltd. (Lexian) in 2018, a foreign entity incorporated in China engaged in wholesale trade (see Note 31).

- On October 13, 2018, the Group entered into a joint venture agreement for a development of the property located in Taytay, Rizal, bisected by the Manggahan Floodway. The property covers 859 hectares more or less of which is covered by titles under different names, all of which are either directly or indirectly under the third-party individual. Each square meter is valued at ₱1,500. The joint venture shall include but not limited to the formation of the following: Phase 1 – Transportation Hub, Phase 2 – Food Terminal and Phase 3 – Property Development Corporation. As at December 31, 2022 and 2021, the Group has made deposits totaling ₱508.7 million for the acquisition to the 859 hectares, corresponding to portions thereof. As at reporting date, the third party is still completing the titling of the whole portion of the property to fully execute the joint venture agreement. The parties are in the process of executing the projects

under the Joint Venture Agreement As of reporting period, the masterplan for the design of the food terminal were already completed (see Note 15).

- On October 25, 2018, the BOD of the Group authorizes the expansion of business operations in Australia through acquisition of existing companies. Accordingly, on December 28, 2018 the Group made a deposit amounting to AU\$172,000 or ₱6.3 million to BSK PTY LTD (see Note 15). The main activity of the Australian operations is primarily processing of fruit and vegetables for distribution to food processors, schools, restaurants, mining sites and airlines. As at reporting date, it is already in the process of finalizing the acquisition agreement.
- Group has signed a ₱1.9 billion deal with a Chinese Company for the purchase of various agriculture produce particularly tropical fruits. The contract was signed with SinoChem Group (SinoChem), a Beijing based conglomerate engaged in the production and trading of chemicals, fertilizers and other agricultural products. Under the agreement, SinoChem will buy tropical fruits from the Group's contract growers in the Philippines in the next three years. SinoChem will also provide support through the supply of affordable fertilizers. The deal aims to provide support to local farmers and boost country's market access to China.

Due to the health and mobility restrictions brought about by the COVID-19 pandemic, both parties opted to defer the implementation of the agreement in 2020 and plan to finalize the terms thereof in 2022. The parties intend to utilize this deal in the BigMa (rice-corn mix) Project and expansion of banana plantation.

- On December 20, 2019, the Board of Directors of the Group approved joint venture or any similar engagement with Department of Justice through Bureau of Corrections for the development of at least 2,000 hectares of integrated Agri-Tourism corn plantation in Palawan. The Group will fund the development while the Bureau of Corrections will provide the land. The proposed joint venture is intended to expand the Group's business through corn production and agri-tourism. As at reporting date, the Bureau of Corrections is awaiting the endorsement of the agreement by the Department of Justice to finalize the transaction. Also, due to the health and mobility restrictions brought about by the COVID-19 pandemic, the implementation of the agreement in 2020 was deferred. However, the parties plan to finalize the terms thereof in 2022.
- On November 5, 2021, the Group's BOD approved the authority to register, participate, and appoint a company administrator/s or representative/s in Rice Exchange, which is a digital marketplace for international rice trading. As at reporting date, the Group is completing its application for registration.
- On October 10, 2020 and November 5, 2021, the BOD and the shareholders of the Group, respectively, approved the increase of the Group's authorized capital stock from ₱2,000,000,000 to up to ₱5,000,000,000. The increase is intended for any future capital raising activities. This is also in anticipation of the issuance of warrants and stock rights offer of 288,000,027 common shares from the Group's existing capital stock.
- On November 5, 2021, the Group's BOD approved the subscription of Agrinurture Development Holdings, Inc. ("ADHI") of nine hundred ninety-nine (999) primary shares of Agrinurture HK Holdings, Ltd. (ANI HK) at par value of USD 1. ANI HK is a wholly owned subsidiary of the Group and ADHI is a wholly owned subsidiary of Greenergy Holdings, Inc.
- On September 7, 2021, the Group's BOD approved the authority to incorporate a wholly-owned foreign subsidiary, AgriNurture Financial S.à r.l. in the Grand Duchy of Luxembourg, for the issuance of the long-term green bonds of up to 75 million Euros. As at date of report, the Group is in the process of incorporating the foreign subsidiary.

On February 24, 2020, the Board has approved the decrease in the par value of the shares of the Group from one peso (₱1.00) to ten centavos (₱0.10). The Board has likewise approved the reclassification of 40 million (40,000,000) unissued common shares with par value of one peso (₱1.00) per share or an aggregate par value of forty million pesos (₱40,000,000) to 400,000,000 voting preferred shares with par value of ten centavos (₱0.10) per share or an aggregate par value of forty million pesos (₱40,000,000) subject to the approval of the SEC.

Upon approval of the SEC, the Group's authorized capital stock will increase to twenty billion (20,000,000,000) shares for a total par value of two billion pesos (₱2,000,000,000) which shall be divided into the following:

- a. Common shares, consisting of 19,600,000,000 shares with a par value of ten centavos (₱0.10) per share for a total par value of ₱1,960,000,000;
- b. Preferred shares, consisting of 400,000,000 shares with a par value of ten centavos (₱0.10) per share for a total par value of ₱40,000,000;

The preferred shares shall have the following rights, privileges, limitations and restrictions which shall also appear on the Certificates of the Preferred Shares of the Corporation:

- a. The right to vote and be voted for;
- b. The right to receive, out of unrestricted retained earnings of the Group, participating dividends at the rate as may be deemed proper by the BOD under the prevailing market conditions or such other relevant factors as the BOD may consider. Said dividend may be declared and payable at the discretion of the BOD after taking into account the Group's earning, cash flows, financial conditions and other factors as the BOD may consider relevant;
- c. In the liquidation, dissolution and winding up of the Group, whether voluntary or otherwise, the right to be paid in full or ratably, insofar as the assets of the Group will permit, the par value or face value of each preferred share as the BOD may determine upon their issuance, plus unpaid and accrued dividends up to the current dividend period, before any assets of the Group shall be paid or distributed to the holders of the common shares; and
- d. The common shares shall possess all the rights, privileges and prerogatives provided by law, including the right to vote and be voted for.

The stockholders of the Group shall have no pre-emptive right to subscribe to or purchase any or all issues or dispositions of shares of any class of the Group.

The change in par value is intended to increase the number of shares of the Group that will give more trading opportunities to the shareholders and investors. The decrease in par value will make the shares more affordable to small investors, hence will be more marketable and liquid in the market.

The reclassification is intended for any future capital raising activities. The amount to be raised shall be used as additional working capital and funding for the Group's expansion project particularly the creation of the Agricultural Ecosystem to benefit local farmers.

As at reporting date, the approval for the decrease in the par value of the shares was deferred by the stockholders.

On November 5, 2021, the Group's BOD confirmed the approval of the reclassification of the Group's Forty Million (40,000,000) unissued common shares with par value of One Peso (₱1.00) per share or an aggregate par value of Forty Million Pesos (₱40,000,000) to 400,000,000 voting preferred shares with par value of ₱0.10 per share or an aggregate par value of Forty Million Pesos (₱40,000,000), to be subscribed by Earthright Holdings, Inc. The reclassification of shares was filed, and approved by the SEC on November 16, 2022.

The Group's registered principal office address is at No. 54 National Road, Dampol II-A, Pulilan, Bulacan.

The Company operates its agro-commercial businesses through operating divisions and wholly-owned or majority-owned subsidiaries that are organized into business segments.

REVENUE		
(Philippine Peso)	30-Jun-25	30-Jun-24
Philippine operations		
Export	4,616,883	11,568,918
Local Distribution and Others	20,409,352	112,050,893
Retails & Franchising	12,142,446	23,097,520
Subtotal	37,168,681	146,717,331
Foreign Operations		
Hongkong/China		918,478,842
Total	37,168,681	1,065,196,173

Results of Operations

Six Months ended June 30, 2025 versus June 30, 2024

Net Sales

Total consolidated revenue for the six-month period ended June, 2025, stood at **₱37.17 million**, a dramatic decline of **₱1.03 billion** or **97%** from the **₱1.07 billion** earned during the same period in 2024.

Revenue from domestic operations fell from **₱146.72 million** in June 30, 2024 to **₱37.17 million** in June 30, 2025, reflecting a contraction of **74.67%**. Segment breakdown is as follows:

Export Revenue declined by **₱6.95 million** or **60.09%**, from **₱11.57 million** to **₱4.62 million**.

Local Distribution and Others experienced the largest drop, decreasing by **₱91.64 million** or **81.79%**, from **₱112.05 million** to **₱20.41 million**.

Retail & Franchising fell by **₱10.96 million** or **47.43%**, from **₱23.10 million** to **₱12.14 million**.

This decrease reflects lower domestic demand, reduced distribution activity, and possibly logistical or operational bottlenecks affecting both retail and export sales.

Cost of Sales

Cost of sales consists of:

- Cost of purchasing agricultural produce, fruits and vegetables and raw materials from growers and othertraders and suppliers including freight in charges;
- Cost of real estate includes development cost for all properties to be sold, including shops, office buildings and hotels located in China
- Personnel expenses, which include salary and wages, employee benefits and retirement costs for employees involved in the production process;
- Repairs/maintenance costs, depreciation costs relating to production equipment, vehicles, facilities and buildings;
- Fuel and oil costs relating to the production and distribution process

For the six months ended June 30, 2025, ANI Group's cost of sales amounted to **₱31.99 million** decreases by 97%from **₱980.42 million** for the same period in 2024, lower production volumes, as fixed costs could not be absorbed effectively.

Gross Profit

Consolidated gross profit down by Php 79.59 million or 94% from Php84.78million to Php 5.18 million for the six months ended June 30, 2025 for same period last year. This was due to significant decrease in revenue from export and foreign operation.

Operating Expenses

The Group's operating expenses consist of selling expenses and administrative expenses; which include the following major items:

- Taxes and licenses
- Salaries, wages and other employee benefits
- Advertising
- Rental
- Depreciation and amortization
- Freight out and handling cost

Consolidated operating expenses were significantly reduced to **₱57.14 million** from **₱137.73 million**, indicating active cost containment.

Finance Costs

Finance Costs: Rose to **₱30.53 million**, up from **₱6.69 million**, reflecting higher borrowing levels or interest rates.

Net Profit/Loss

The Group posted a **net loss before income tax of ₱30.54 million**, widening from the **₱4.75 million** loss in June 30, 2024 due to the sharp revenue decline and increased financial charges.

Financial Condition

Assets

ANI Group's consolidated total assets as of June 30, 2025 increased slightly from **₱4.81 billion** in December 2024 to **₱4.94 billion** in June 30 2025, or by **2.7%**. The following explain the movements in the asset accounts:

- The Group's cash balance increased by P4.04 million from ₱ 5.41 million in 2024 to ₱9.45 million in 2025
- Receivables increased by ₱7.27 million during the quarter from ₱585.60 million in 2024 to ₱ 592.87 million in 2025.
- Advances to related parties rose by P 17.83 million in 2025 from 326.54 million to 344.38 million primarily to provide operating capital to support other affiliates.
- Inventory balance decreases from ₱1.22 billion to ₱1.20 billion in 2025.
- Property, plant and equipment including intangibles and right-of- use assets decreased from 477.82 million in December 31, 2024 to **₱412.86** million in June 30, 2025 due to foreign exchange translation.

Liabilities

Consolidated liabilities amounted to P 2.36 billion as of June 30, 2025

Total current liabilities amounted to **₱2.31 billion** and **₱ 1.88 billion** as of June 30, 2025 and December 31, 2024, respectively. The significant increase indicating delayed payments or increased obligations to suppliers and creditors

Equity

The consolidated stockholders equity declined to **P2.58 billion** from **P2.88 billion**, a decrease of **P306.88 million** or **10.64%**, driven by increased deficit from **P226.47 million** to **P306.14 million**, reflecting Q2 2025 net losses.

Liquidity and Capital Resources

Net cash provided by operating activities for the first six months of 2025 was P209.93 million

Net cash flow used in investing activities is P220.36 million during the period.

Net cash provided by financing activities is P14.48 million which is due to loan availments and advances from related parties during the period.

Discussion and Analysis of Material Events and Uncertainties

The company has no knowledge and not aware of any material event/s and uncertainties known to the management that would address the past and would have an impact on the future operations of the following:

- a) Any known trends, demands, commitments, events or uncertainties that will have a material impact on our liquidity
- b) Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of obligation.
- c) All material off-balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated entities or other persons created during the period.
- d) Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.
- e) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.
- f) Any significant elements of income/loss did not arise from our continuing operation.

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

Issuer: **AGRINURTURE, INC.**

Signature and Title:



ANTONIO L. TIU

Chairman of the Board and President

Date:

Signature and Title:



TERESITA MAGANTE

Treasurer

Date: **August 19, 2025**

AGRINURTURE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025 AND DECEMBER 31, 2024

(Amounts in Philippine Pesos)

	Notes	2025	2024
ASSETS			
Current Assets			
Cash	6	9,450,552	5,413,823
Trade and other receivables – net	7	592,866,222	585,597,895
Due from related parties – net	21	344,375,368	326,543,382
Inventories	8	1,204,141,518	1,218,254,622
Prepayments and other current assets – net	9	412,863,345	477,819,006
Total Current Assets		2,563,697,005	2,613,628,728
Noncurrent Assets			
Financial assets at fair value through other comprehensive income (FVOCI)	10	47,321,400	47,698,800
Property and equipment – net	11	363,829,654	313,857,184
Investment property	12	1,078,520,050	938,818,717
Intangible assets – net	13	136,779,825	137,059,814
Right-of-use assets	27	9,531,814	19,473,903
Deferred tax asset	26	48,227,273	48,227,273
Deposits and other noncurrent assets – net	15	689,438,433	689,713,813
Total Noncurrent Assets		2,373,648,449	2,194,849,503
		4,937,345,454	4,808,478,231
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	16	861,488,760	694,460,281
Borrowings	17	752,937,853	752,937,853
Due to related parties	21	697,718,532	430,356,619
Income tax payable		781,498	787,711
Total Current Liabilities		2,312,926,643	1,878,542,463
Noncurrent Liabilities			
Retirement benefit liability	25	26,823,554	26,823,554
Deferred tax liabilities	26	21,389,738	19,909,295
Total Noncurrent Liabilities		48,213,292	46,732,849
Total Liabilities		2,361,139,935	1,925,275,312

(Forward)

(Carryforward)

	Notes	2025	2024
Equity			
Capital stock P1 par value			
Common shares-P1 par value	19	832,831,688	832,831,688
Authorized – 1,600,000,000 and 2,000,000,000 shares in 2022 and 2021			
Subscribed – 1,024,446,888 shares in 2022 and 2021 (net of subscriptions receivable at par value of P191,615,200 in 2022 and P193,672,800 in 2021)			
Preferred shares- P0.10 par value		P40,000,000	40,000,000
Authorized – 400,000,000 shares and nil in 2022 and 2021, respectively			
Subscribed – 400,000,000 shares and nil in 2022 and 2021, respectively			
Additional paid-in capital	19	1,974,005,425	1,974,005,425
Deficit		(306,528,390)	(226,469,197)
Net cumulative remeasurement gain on retirement benefits	25	1,809,424	1,809,426
Foreign currency translation reserve		(76,380,496)	146,448,186
Revaluation surplus - net of deferred tax	11	61,983,140	63,537,362
Noncontrolling interest	30	48,484,728	51,040,032
Total Equity		2,576,205,519	2,883,202,920
		4,937,345,454	4,808,478,232

See accompanying Notes to Consolidated Financial Statements.

AGRINURTURE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2025

(Amounts in Philippine Pesos)

	Notes	For the Quarter-ended June 30		For the Six months-ended June 30	
		2025	2024	2025	2024
NET REVENUE	18	18,166,732	494,515,034	37,168,681	1,065,196,172
COST OF SALES	22	16,736,838	454,831,558	31,987,566	980,420,094
GROSS PROFIT		1,429,894	39,683,476	5,181,115	84,776,078
GENERAL AND ADMINISTRATIVE EXPENSES	23	14,532,428	66,020,725	57,253,970	137,728,894
OPERATING PROFIT		(13,102,534)	(26,337,249)	(52,072,855)	(52,952,816)
OTHER INCOME (CHARGES)					
Gain on change in fair value of investment property	12	-	-	-	-
Gain on change in fair value of biological assets	14	-	-	-	-
Finance costs	17,27	(14,911,627)	(3,113,411)	(30,526,634)	(6,687,419)
Interest income	6	-	-	-	-
Other income – net	24	70,133	1,582,038	(15,007)	1,932,998
		(14,841,494)	(1,531,373)	(30,541,641)	4,754,421
PROFIT BEFORE INCOME TAX		(27,944,028)	(27,868,622)	(82,614,496)	(57,707,237)
INCOME TAX EXPENSE					
Current		-	-	-	-
Deferred		-	-	-	-
		-	-	-	-
NET PROFIT		(27,944,028)	(27,868,622)	(82,614,496)	(57,707,237)
OTHER COMPREHENSIVE INCOME (LOSS)					
Reclassifiable to profit or loss					
Exchange differences on translation of foreign operations		4,104,754	89,518,551	(222,828,686)	95,491,903
Not reclassifiable to profit or loss					
Revaluation increment – net of deferred tax	11	-	-	-	-
Remeasurement loss on retirement benefits	25	-	-	-	-
		-	-	-	-
TOTAL COMPREHENSIVE INCOME		(23,839,274)	61,649,929	(305,443,182)	37,784,666
Net profit (loss) attributable to:					
Equity holders of the Parent Company		(27,944,028)	(27,020,664)	(80,059,192)	(54,816,860)
Noncontrolling interest		-	(847,958)	(2,555,305)	(2,890,377)
		(27,944,028)	(27,868,622)	(82,614,496)	(57,707,237)
Total comprehensive income (loss) attributable to:					
Equity holders of the Parent Company		(23,839,274)	35,747,338	(302,887,877)	11,543,791
Noncontrolling interest		-	25,902,591	(2,555,305)	26,240,875
		(23,839,274)	61,649,929	(305,443,182)	37,784,666
Basic and diluted earnings (loss) per share attributable to equity holders of the Parent Company					
	20	(0.03)	(0.03)	(0.10)	(0.07)

See accompanying Notes to Consolidated Financial Statements.

AGRINURTURE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2025

(Amounts in Philippine Pesos)

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before income tax		(82,614,496)	(57,707,237)
Adjustments for:			
Depreciation and amortization	11,13,27	23,075,901	19,005,510
Finance cost	17,27	30,526,634	6,687,419
Unrealized foreign exchange losses – net	28	-	-
Interest income	6,27	-	-
Operating profit before working capital changes		(29,011,962)	(32,014,308)
Decrease (increase) in:			
Trade and other receivables	7	(7,268,327)	31,189,484
Inventories	8	14,113,104	39,189,421
Prepayments and other current assets	9	64,955,661	8,922,141
Increase (decrease) in trade other payables		167,028,479	29,786,683
Net cash provided by (used in) operations		209,816,956	77,073,420
Income taxes paid		(6,213)	29,456
Interest received	6	-	-
Net cash flows provided by operating activities		209,810,743	77,102,876
CASH FLOWS FROM INVESTING ACTIVITIES			
Collections received from:	21		
Related parties		(17,831,986)	(14,125,725)
Decrease (increase) in:			
Other noncurrent assets	15,33	275,380	(17,187,855)
Additions to:			
Investment property	13	(139,701,333)	(58,292,686)
Proceeds from sale of property and equipment	11	(63,106,282)	7,115,278
Net cash flows provided by (used in) investing activities		(220,364,221)	(82,490,988)
CASH FLOWS FROM FINANCING ACTIVITIES			
Movements in:			
Advances from related parties	21	45,116,840	(12,295,002)
Payments of :			
Interest	17,27	(30,526,634)	(6,687,419)
Net cash flows (used in) financing activities		14,590,207	(18,982,421)
NET INCREASE (DECREASE) IN CASH		4,036,729	(24,370,531)
CASH AT BEGINNING OF YEAR	6	5,413,823	35,506,940
CASH AT END OF YEAR	6	9,450,552	11,136,409

See accompanying Notes to Consolidated Financial Statements.

AGRINURTURE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2025

(Amounts in Philippine Pesos)

	Notes	2025	2024
COMMON STOCK - P1 par value	24		
Balance at beginning of year		832,831,688	832,831,688
Paid-up during the year		-	-
		832,831,688	832,831,688
PREFERRED STOCK - P1 par value	24		
Balance at beginning of year		40,000,000	40,000,000
Paid-up during the year		-	-
		40,000,000	40,000,000
ADDITIONAL PAID-IN CAPITAL	24		
Balance at beginning of year		1,974,005,425	1,974,005,425
Equity restructuring			-
Balance at end of year		1,974,005,425	1,974,005,425
DEFICIT			
Balance at beginning of year		(226,469,197)	(352,718,741)
Equity restructuring			
Increase in share in subsidiary			331,036,237
Net profit (loss), as restated		(79,945,472)	(54,816,859)
Other comprehensive income		-	-
Balance at end of year		(306,414,669)	(76,499,363)
NET CUMULATIVE REMEASUREMENT GAIN ON RETIREMENT BENEFITS			
Balance at beginning of year		1,809,426	1,809,425
Remeasurement loss		-	-
Balance at end of year	25	1,809,426	1,809,425
FOREIGN CURRENCY TRANSLATION RESERVE			
Balance at beginning of year		146,448,186	(22,885,514)
Exchange differences during the year		(222,828,682)	83,665,048
Balance at end of year	25	(76,380,496)	60,779,534
REVALUATION SURPLUS - NET OF DEFERRED TAX	11	61,983,140	63,571,472
NONCONTROLLING INTEREST	30		
Balance at beginning of year		51,040,032	617,172,004
Share in:			
Net profit during the year		(2,555,305)	(2,890,377)
Exchange difference on translation of foreign operations		-	
Additional subscription		-	(331,036,237)
Balance at end of year		48,484,727	283,245,390
TOTAL EQUITY		2,576,319,241	3,179,743,571

See accompanying Notes to Consolidated Financial Statements.

AGRINURTURE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Philippine Pesos)

1. Corporate Information and Status of Operations

AgriNurture, Inc. (the "Parent Company") was registered with the Philippine Securities and Exchange Commission (SEC) on February 4, 1997 to engage in the manufacturing, producing, growing, buying, selling, distributing, marketing at wholesale only insofar as may be permitted by law, all kinds of goods, commodities, wares and merchandise of every kind and description and to enter into all kinds of contracts for the export, import, purchase, acquisition, sale at wholesale only and other disposition for its own account as principal or in representative capacity as manufacturer's representative, up consignment of all kinds of goods, wares, merchandise or products, whether natural or artificial.

In March 2009, the SEC approved the change in the Parent Company's primary purpose to engage in corporate farming, in all its branches for the planting, growing, cultivating and producing of crops, plants and fruit bearing trees, of all kinds and in connection to engage in agri-tourism and other pleasurable pursuits for the enjoyments and appreciation of mother nature and ecology and to engage in the establishment, operation and maintenance of equipment, structures and facilities for the preservation, conservation and storage of foods, grains and supplies, like cold storage and refrigeration plants.

The Parent Company's secondary purpose include, among others, to purchase, acquire, lease, sell and convey real properties such as land, buildings, factories and warehouses and machines, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business, and to pay in cash, shares of capital stock, debentures and other evidences of indebtedness, or other securities, as may be deemed expedient for any business or property acquired by the Group.

The Parent and its subsidiaries (collectively referred to as the "Group") are involved in various agro-commercial businesses such as export trading and distribution of fruits and vegetables, retail franchising and real estate.

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to continue increasing revenues and improving operations despite losses from operations up to 2016. While the Group has incurred accumulated losses of ₱306,414,670 and ₱226,469,197 as of June 30, 2025 and December 31, 2024. The Group's management assessed that the going concern assumption remains to be appropriate since the Group has been continuously growing revenue and improving profitability and is continuing to expand its core business and increase the distribution (fruits, vegetables and rice) and export sales channels. Its retail arm is expanding the franchise network with steps to cover not only the Philippines on a national basis but overseas as well. The Group has started an active campaign to gain new and recover clients through marketing and selling activities in the Philippines and overseas. Part of these activities include looking for more opportunities in the greater Middle East, China and Asian markets.

Also, with the addition of Zhongshan Fucang Trading Co., to the Group in 2017, it will continuously deliver exceptional quality goods and services and improve its present business activities through commodity trading, real estate development, and set up of new platforms. The Group shall continue to grow organic business and expand new materials with new product introductions in the coming years to completely wipe out accumulated losses.

The consolidated financial statements do not indicate any adjustments to reflect possible future effects of recoverability and classification of assets or the amount and classification of liabilities that may result should the Group be unable to continue as a going concern. Moreover, most loans were already converted to term loans in order to increase the flexibility of the Group's capital and minimize the immediate impact on operational cash flows. As of June 30, 2025 and December 31, 2024, the Group's current assets already exceeded its current liabilities by ₱250,770,362 and ₱735,086,265, respectively. Further, the Group launched its own e-commerce platform through its mobile application and ANI Express website where customers can order fresh produce, canned beverages, rice and other essential goods for delivery to customers. The Group is also launching new products such as Plant Based Meat, Non-Dairy Ice Cream, Big Chill Healthy Drinks in cans for local and export distribution. These developments are expected to contribute to a positive growth in the future for the Group's revenue and net earnings.

On March 27, 2023, the Parent Company's application for equity restructuring to wipe-out the deficit as of December 31, 2021 in the amount of ₱1,628,045,535 against the additional paid-in capital (APIC) of ₱3,602,050,960 was approved considering that all the requirements have been complied with provided that the remaining APIC of ₱1,974,005,425 cannot be applied for future losses that may be incurred by the Parent Company without prior approval of the SEC.

The following are the recent developments to continuous business expansion:

- On December 20, 2019 and September 9, 2020, the BOD and the shareholders of the Group, respectively, have approved the issuance of shares to Plentex Philippines, Inc. (Plentex). Plentex has subscribed for 6,172,800 shares and the Group has agreed to issue the same at a value of ₱18 per share which is to be paid through the issuance of 30,000,000 shares of Plentex Limited.

Plentex is a Philippine Corporation that is developing a substantial large scale agri- businesscenter in Tacloban, Leyte. Plentex is a subsidiary of Plentex Limited, unlisted Australian public company in Victoria, Australia.

As of date of report, the 6,172,800 shares were subscribed and 2,057,600 shares were paid.

- On February 1, 2021, the Group entered into a Memorandum of Agreement ("MOA") with the Unified Bagobo-Tagabawa Tribe ("UBTT") and the National Commission on Indigenous Peoples ("NCIP") to promote inclusive agricultural and economic growth by pursuing land productivity thru the development of rice and corn plantation in Bansalan, Davao del Sur. The Group will invest in the development, operation and management of the rice and corn plantation while the UBTT will be entitled to an annual royalty fee Annual Net Profit share in the project. Further, all employment and labor requirements of the project shall be primarily sourced from the UBTT. NCIP shall monitor and evaluate compliance of the parties in the terms and conditions of the MOA. The Group, along with the project shall develop programs on health, skills development and alternative livelihood for the communities. The parties, in collaboration with other national government agencies shall likewise conduct tree planting activities in at least two thousand (2,000) hectares of land.

As of date of report, the parties have complied with the requirements to fully execute the agreement, including but not limited to the Free and Prior Informed Consent (FPIC), as indicated by the issuance of a Certification Precondition by the NCIP. An operation team has been set up to kick off the launch of the said project.

- On February 23 2021, Ocean Biochemistry Technology Research, Inc. ("OBTRI") and Greenergy Holdings, Inc. ("GHI") have entered into a subscription agreement for the issuance of 37,500 common shares of OBTRI at par value of ₱100 per share for a total aggregate value of ₱3,750,000. OBTRI is a corporation primarily engaged in manufacturing and trading, and is 51% owned by M2000 Imex Company, Inc. ("IMEX") prior to GHI's subscription while M2000 Imex Company, Inc. ("IMEX") is a wholly-owned subsidiary of ANI.

As of date of report, the subscription agreement has been executed and the foregoing transaction completed.

- On May 12, 2021, the Group received a Medium Green Rating from Cicero Shades of Green for its Green Bond offering. Cicero Shades of Green is a subsidiary of the climate research institute CICERO. It provides independent, research-based evaluations of green bond investment frameworks to determine their environmental strength. Their Second Opinions are graded Dark Green, Medium Green, Light Green and Brown to offer investors better insight into the environmental quality of green bonds.

The Group has previously secured the authority to issue long term Green Bonds of up to 75 million euro with maturity of up to 7 years, including the issuance of commercial papers, with terms and conditions to be recommended by management and to be approved by the BOD. The issuance shall fund the agricultural project expansion of the Group geared towards climate change adaptation and minimized environmental footprint.

As of date of report, the Group is completing the documentary requirements and securing necessary board approval for the incorporation of a wholly-owned foreign subsidiary for the issuance of green bonds.

- On May 12, 2021, the Group has entered into a Memorandum of Understanding (MOU) with the Department of Agriculture (“DA”) and the Authority of Freeport Area of Bataan (“AFAB”). The MOU aims to establish an Agri-Sector Digitalization Program which shall have a “general purpose and objective of facilitating the implementation and rolling out of financial inclusion of all stakeholders in the agricultural sector, particularly the unbanked stakeholders such as the country’s farmers and fisherfolk, through a regulated financial technology platform and licensed virtual currency. The clients of and/or participants in the financial technology exchange platform and licensed virtual currency shall be purely Non-Filipinos located outside the Philippines”.

Under the MOU, the Group undertook to perform the following:

- i. facilitate, together with the DA and AFAB, the implementation of the 1ANI e-commerce platform as a financial technology (FinTech) ecosystem for the country’s farmers and fisherfolks;
- ii. secure a license from AFAB for the issuance and use of Agri Token in the Freeport Area of Bataan (“FAB”), and upon issuance of said license, allow the issuance of the Agri Token to the participants of the FinTech ecosystem;
- iii. cause the establishment of a branch of an affiliate bank within FAB upon approval of the BSP, which shall be the custodian bank for the Agri Token, and which shall likewise service the banking needs of the locators within FAB;
- iv. establish and secure a license for an AgriXchange Commodities and Futures Trading Center (“AgriXchange”) with AFAB; and
- v. ensure the capability of the AgriXchange to act as a Virtual Currency Exchange for the conversion of fiat to virtual currencies and vice versa, in accordance with applicable laws, rules and regulations.

The MOU also provided that the Group and the Local Government Units in FAB, with the support of the DA, shall develop and establish a food terminal, cold/dry storages, and logistics hub in FAB to boost the country’s food security program. The MOU shall have immediate effect upon signing by the parties.

As of date of report, the Group is still in the process of complying with its obligations under the MOU, including but not limited to securing a license from AFAB to use its virtual currency.

- On February 24, 2020, the Group’s BOD approved to accept the Letter of Intent (LOI) of Vnesto Capital to finance the expansion project of the Group. Under the LOI, the Group was eligible to avail up to US\$100,000,000 of long-term financing. The financing shall be a long-term loan with interest pegged at treasury bill plus 3%. After the acceptance of the LOI, the formal application process shall commence. As of date of report, the LOI application process is not yet completed.

- On February 24, 2020, the Group's BOD approved the subscription of shares of Binangonan Rural Bank, Inc. (BRB). The subscription is in line with the inclusive growth thru the establishment of an agricultural ecosystem being envisioned by the Group. BRB has licensed financial technology platforms that can improve the access of Filipino farmers especially those in the remote area, to the Agri Agra Micro Financing. As of date of report, the subscription agreement between the Group and BRB is not yet completed. Also, the Group is in the process of securing letter of no objection from BSP to transfer to Greenergy Holdings, Inc.
- March 20, 2020, the Group's BOD approved the amendment of the terms and conditions of the stock rights offering. It shall have the entitlement ratio of 2.5:1, with every existing shareholder of 2.5 shares shall be entitled to 1 stock rights share, with the offer price of ₱1 par value.

On August 19, 2021, the Group's BOD confirmed the authority to conduct the Stock Rights Offering of common shares to all eligible shareholders of the Company at the entitlement ratio of 2.5:1 and offer price of ₱1.00 per share. The number of shares to be offered shall be 288,000,027.

As of date of report, the Group is still in the process of application of the Stock Rights Offer of the 288,000,027 common shares which shall be listed and traded on the Philippine Stock Exchange.

- On March 20, 2020, the Group's BOD approved the amendment in the terms and conditions of the following issuances and listing of warrants:
 - a. Issuance and listing of up to 10,000,000 stock warrants in favor of the Group's employees credit cooperative as approved by the BOD on February 12, 2018.
The warrants shall have the exercise price of a discounted rate of 5% of the weighted average price of trade 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Expiry date and other relevant terms and conditions shall be determined by the BOD, subject to the approval of the SEC.
 - b. The warrants shall have the exercise price of a discounted rate of 5% of the weighted average volume of trade 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Expiry date and other relevant terms and conditions shall be determined by the BOD, subject to the approval of the SEC.
 - c. Issuance and listing of stock warrants in favor of existing stockholders as of record date as approved by the BOD on February 12, 2018.
The warrants shall have the exercise price of a discounted rate of 5% of the weighted average volume of trade 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. Existing stockholders owning 10 common shares as of record date, shall be entitled to 1 warrant. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Record date, expiry date and other relevant terms and conditions shall be determined by the BOD.
 - d. Issuance and listing of stock warrants in favor of current directors as approved by the BOD on February 12, 2018.
The warrants shall have the exercise price of a discounted rate of 5% of the weighted average volume trade of 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Expiry date and other relevant terms and conditions shall be determined by the BOD. Each director serving at the time of issuance is entitled to up to 100,000 warrants.

On October 10, 2020 and November 5, 2021, the Group's BOD and shareholders, respectively, approved the amendment/s to the terms and conditions of the issuance of warrants to existing shareholders to be bundled to the Company's Stock Rights Offering. The issuance to shareholders participating in the Stock Rights Offering, with every shareholder availing of three (3) Stock Rights, shall be entitled to one (1) warrant. The ratio shall be one (1) warrant equivalent to one (1) underlying common share upon conversion. The warrants shall have the exercise price of a discounted rate of 5% of the volume weighted average price of trade fifteen (15) days prior to maturity, to be exercised after five (5) years from date of listing.

- e. Issuance and listing of 10,000,000 stock warrants in favor of ANI Foundation as approved by the BOD on April 30, 2018.

The warrants shall have the exercise price of a discounted rate of 5% of the weighted average volume of trade 30 days prior to date of expiration, to be exercised after 5 years from date of issuance. The ratio shall be 1 warrant equivalent to 1 underlying common share upon conversion. Expiry date and other relevant terms and conditions shall be determined by the BOD. The issuance and listing of the warrants shall be for the purpose of generating funds for the corporate social responsibility programs of the Group.

- On May 5, 2020, the Group has entered into a Memorandum of Agreement with the Department of Agriculture ("DA"). Under the Agreement, the Group shall be an official program partner-participant of DA's e-KADIWA ni Ani at Kita Program. As such, the Group becomes an online seller of agricultural products.

The DA's e-KADIWA ni Ani at Kita Program is a market system which facilitates the selling of major agricultural goods at reasonably low prices to the consuming public through partnership with Local Government Units and the Private Sectors. To further the services of the KADIWA ni Ani at Kita Program, the DA has launched the e-KADIWA, an online market portal or platform whereby buyers and sellers of agricultural and fishery products can transact online.

As of date of report, the Group are not actively participating since it is under redevelopment to enhance new features.

On November 26, 2020, the Group has entered into a Memorandum of Agreement ("MOA") with the Philippine International Trading Corporation ("PITC") to collaborate on the importation of raw materials to provide healthier and more affordable "BigMa" Bigas-Mais (rice-corn) blend to the Filipino consumers. The Group is set to locally produce with its corn contract growers and include in its product portfolio the "BigMa" brand. The "BigMa" or Bigas-Mais blend is a Low Glycemic and rich in dietary fiber staple food alternative for the Filipino consumers. With the production of BigMa, the Group will be able to reduce carbon foot print, provide more livelihood to local farmers as the source of "Mais", help the country achieve food-staple sufficiency faster, while providing a healthier and affordable option to the public.

As of date of report, the Group made its initial shipment through the foregoing collaboration during the 1st quarter of 2021.

- On December 28, 2020, the Group's BOD approved the acquisition of additional shareholdings in Fucang Trading Limited (Fucang) from 51% up to 71% for a price to be determined based on the audited net book value of Fucang as of December 31, 2021. As of date of report, the additional acquisition is completed. Fucang, a subsidiary, acquired ownership of Guangzhou Lexian Fruit Industry Co., Ltd. (Lexian) in 2018, a foreign entity incorporated in China engaged in wholesale trade (see Note 31).

- On October 13, 2018, the Group entered into a joint venture agreement for a development of the property located in Taytay, Rizal, bisected by the Manggahan Floodway. The property covers 859 hectares more or less of which is covered by titles under different names, all of which are either directly or indirectly under the third-party individual. Each square meter is valued at ₱1,500. The joint venture shall include but not limited to the formation of the following: Phase 1 – Transportation Hub, Phase 2 – Food Terminal and Phase 3 – Property Development Corporation. As of December 31, 2022, the Group has made deposits totaling ₱508,7000,000 for the acquisition to the 859 hectares, corresponding to portions thereof. As of reporting date, the third party is still completing the titling of the whole portion of the property to fully execute the joint venture agreement. The parties are in the process of executing the projects under the Joint Venture Agreement. As of reporting period, the masterplan for the design of the food terminal were already completed (see Note 15).
- On October 25, 2018, the BOD of the Group authorizes the expansion of business operations in Australia through acquisition of existing companies. Accordingly, on December 28, 2018 the Group made a deposit amounting to AUD172,000 or ₱6,300,000 to BSK PTY LTD (see Note 15). The main activity of the Australian operations is primarily processing of fruit and vegetables for distribution to food processors, schools, restaurants, mining sites and airlines. As of reporting date, it is already in the process of finalizing the acquisition agreement.
- Group has signed a ₱1.9 billion deal with a Chinese Company for the purchase of various agriculture produce particularly tropical fruits. The contract was signed with SinoChem Group (SinoChem), a Beijing based conglomerate engaged in the production and trading of chemicals, fertilizers and other agricultural products. Under the agreement, SinoChem will buy tropical fruits from the Group's contract growers in the Philippines in the next three years. SinoChem will also provide support through the supply of affordable fertilizers. The deal aims to provide support to local farmers and boost country's market access to China.

Due to the health and mobility restrictions brought about by the COVID-19 pandemic, both parties opted to defer the implementation of the agreement in 2020 and plan to finalize the terms thereof in 2022. The parties intend to utilize this deal in the Big-Ma (rice-corn mix) Project and expansion of banana plantation.

- On December 20, 2019, the Board of Directors of the Group approved joint venture or any similar engagement with Department of Justice through Bureau of Corrections for the development of at least 2,000 hectares of integrated Agri-Tourism corn plantation in Palawan. The Group will fund the development while the Bureau of Corrections will provide the land. The proposed joint venture is intended to expand the Group's business through corn production and agri-tourism. As of reporting date, the Bureau of Corrections is awaiting the endorsement of the agreement by the Department of Justice to finalize the transaction. Also, due to the health and mobility restrictions brought about by the COVID-19 pandemic, the implementation of the agreement in 2020 was deferred. However, the parties have not finalized the terms thereof as of December 31, 2023.
- On November 5, 2021, the Group's BOD approved the authority to register, participate, and appoint a company administrator/s or representative/s in Rice Exchange, which is a digital marketplace for international rice trading. As of reporting date, the Group has completed its registration.
- On October 10, 2020 and November 5, 2021, the BOD and the shareholders of the Group, respectively, approved the increase of the Group's authorized capital stock from ₱2,000,000,000 to up to ₱5,000,000,000. The increase is intended for any future capital raising activities. This is also in anticipation of the issuance of warrants and stock rights offer of 288,000,027 common shares from the Group's existing capital stock.
- On November 5, 2021, the Group's BOD approved the subscription of Agrinurture Development Holdings, Inc. ("ADHI") of nine hundred ninety-nine (999) primary shares of Agrinurture HK Holdings, Ltd. (ANI HK) at par value of USD 1. ANI HK is a wholly owned subsidiary of the Group and ADHI is a wholly-owned subsidiary of Greenergy Holdings, Inc.

- On September 7, 2021, the Group's BOD approved the authority to incorporate a wholly-owned foreign subsidiary, AgriNurture Financial S.à r.l. in the Grand Duchy of Luxembourg, for the issuance of the long-term green bonds of up to 75 million Euros. As of date of report, the Group is in the process of incorporating the foreign subsidiary.

On February 24, 2020, the Board has approved the decrease in the par value of the shares of the Group from one peso (₱1.00) to ten centavos (₱0.10). The Board has likewise approved the reclassification of 40 million (40,000,000) unissued common shares with par value of one peso (₱1.00) per share or an aggregate par value of forty million pesos (₱40,000,000) to 400,000,000 voting preferred shares with par value of ten centavos (₱0.10) per share or an aggregate par value of forty million pesos (₱40,000,000) subject to the approval of the SEC.

Upon approval of the SEC, the Group's authorized capital stock will increase to 20,000,000,000 shares for a total par value of ₱2,000,000,000 which shall be divided into the following:

- Common shares, consisting of 19,600,000,000 shares with a par value of ten centavos (₱0.10) per share for a total par value of ₱1,960,000,000;
- Preferred shares, consisting of 400,000,000 shares with a par value of ten centavos (₱0.10) per share for a total par value of ₱40,000,000;

The preferred shares shall have the following rights, privileges, limitations and restrictions which shall also appear on the Certificates of the Preferred Shares of the Corporation:

- The right to vote and be voted for;
- The right to receive, out of unrestricted retained earnings of the Group, participating dividends at the rate as may be deemed proper by the BOD under the prevailing market conditions or such other relevant factors as the BOD may consider. Said dividend may be declared and payable at the discretion of the BOD after taking into account the Group's earning, cash flows, financial conditions and other factors as the BOD may consider relevant;
- In the liquidation, dissolution and winding up of the Group, whether voluntary or otherwise, the right to be paid in full or ratably, insofar as the assets of the Group will permit, the par value or face value of each preferred share as the BOD may determine upon their issuance, plus unpaid and accrued dividends up to the current dividend period, before any assets of the Group shall be paid or distributed to the holders of the common shares; and
- The common shares shall possess all the rights, privileges and prerogatives provided by law, including the right to vote and be voted for.

The stockholders of the Group shall have no pre-emptive right to subscribe to or purchase any or all issues or dispositions of shares of any class of the Group.

The change in par value is intended to increase the number of shares of the Group that will give more trading opportunities to the shareholders and investors. The decrease in par value will make the shares more affordable to small investors, hence will be more marketable and liquid in the market.

The reclassification is intended for any future capital raising activities. The amount to be raised shall be used as additional working capital and funding for the Group's expansion project particularly the creation of the Agricultural Ecosystem to benefit local farmers.

As of reporting date, the approval for the decrease in the par value of the shares was deferred by the stockholders.

On November 5, 2021, the Group's BOD confirmed the approval of the reclassification of the Group's 40,000,000 unissued common shares with par value of One Peso (₱1.00) per share or an aggregate par value of Forty Million Pesos ₱40,000,000 to 400,000,000 voting preferred shares with par value of ₱0.10 per share or an aggregate par value of ₱40,000,000, to be subscribed by Earthright Holdings, Inc. The reclassification of shares was filed and approved by the SEC on November 16, 2022.

The Group's registered principal office address is No. 54 National Road, Dampol II-A, Pulilan, Bulacan.

The consolidated financial statements as of and for the years ended December 31, 2023 and 2022 were authorized and approved for issuance by the Group's BOD on May 15, 2024.

2. Basis of Preparation

Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements of the Group have been prepared using the historical cost basis, except for certain financial instruments carried at either amortized cost or at fair value, inventories which is carried at lower of cost or net realizable value, biological assets which is presented using the fair value less estimated cost to sell, investment property which is presented using the fair value method and property and equipment which is presented using revaluation model. These consolidated financial statements are presented in Philippine Peso (₱), the Group's functional and reporting currency under Philippine Financial Reporting Standards (PFRS). All values are rounded to the nearest peso, except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with PFRS. PFRS includes statements named PFRS and Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

Functional Currency

Items included in the consolidated financial statements of the Group are measured using the Philippine Peso (₱), the currency of the primary economic environment in which the Group operates (the "functional currency") and all values are rounded to the nearest peso except when otherwise indicated.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The Group chose to present its consolidated financial statements using the Group's functional currency.

Current and Non-current Presentation

The Group classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within twelve (12) months after the reporting period; or
- The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

The Group classifies all other assets as non-current.

The Group classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve (12) months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

Principles of Consolidation

The consolidated financial statements of the Group comprise the accounts of the Group and its subsidiaries where the Group has control.

Specifically, the Parent controls an investee if it has:

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

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

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangement; and
- the Group's voting rights and potential voting rights.

The Parent re-assesses its control over an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses are eliminated.

When the Parent loses control over a subsidiary, at the date when control is lost, it:

- (a) derecognizes the assets (including any goodwill) and liabilities of the subsidiary at their carrying amount; (b) derecognizes the carrying amount of any noncontrolling interests including any components of other comprehensive income attributable to them;
- (c) recognizes the fair value of the consideration received; (d) recognizes the fair value of any investment retained in the former subsidiary at its fair value; (e) accounts for all amounts recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the parent had directly disposed of the related assets and liabilities; and (f) recognizes any resulting difference as gain or loss in profit or loss attributable to the Parent.

The financial statements of the subsidiaries are prepared for the same reporting year as the Group using consistent accounting policies. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

Non-controlling interests represent interests in certain subsidiaries not held by the Group and are presented separately in the consolidated statements of comprehensive income and consolidated statements of changes in equity and within equity in the consolidated statements of financial position, separately from equity attributable to the equityholders of Group.

Noncontrolling interest represents the portion of profit or loss and the net assets not held by the Group. Transactions with noncontrolling interest are accounted for using the entity concept method, whereby the difference between the consideration and the book value of the share of the net assets acquired is recognized as an equity transaction.

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

The consolidated financial statements include the Group and the following subsidiaries (collectively referred to as the Group):

Investee	Country of Incorporation	Principal Activity	Functional Currency	Ownership interest	
				2025	2024
First Class Agriculture Corporation (FCAC)	Philippines	Trading (Agricultural goods)	Philippine Peso (PHP)	100%	100%
M2000 IMEX Company, Inc. (IMEX)	Philippines	Toll and manufacturing	Philippine Peso (PHP)	100%	100%
Best Choice Harvest Agricultural Corp. (BCHAC)	Philippines	Farm management	Philippine Peso (PHP)	100%	100%
Fresh and Green Harvest Agricultural Company, Inc. (FGH*)	Philippines	Trading (agricultural goods)	Philippine Peso (PHP)	100%	100%
Lucky Fruit & Vegetable Products, Inc. (LFVPI)*	Philippines	Trading (agricultural goods)	Philippine Peso (PHP)	100%	100%
Fruitilicious Company, Inc. (FCI)	Philippines	Manufacturing/processing/trading frozen agricultural products	Philippine Peso (PHP)	100%	100%
Farmville Farming Co., Inc. (FFCI)	Philippines	Trading (agricultural goods)	Philippine Peso (PHP)	51%	51%
Fresh and Green Palawan Agriventures, Inc. (FGP)*	Philippines	Farm management	Philippine Peso (PHP)	51%	51%
The Big Chill, Inc. (TBC)	Philippines	Food and beverage retailing	Philippine Peso (PHP)	80%	80%
Heppy Corporation (HC)*	Philippines	Food and beverage retailing	Philippine Peso (PHP)	80%	80%
Goods and Nutrition for All, Inc. (GANNA)*	Philippines	Retail and wholesale	Philippine Peso (PHP)	100%	100%
Agrinurture HK Holdings Ltd. (ANI HK)	Hong Kong	Holding Company	Hong Kong Dollar (HKD)	100%	100%
Agrinurture Int'l Ltd. (ANI IL) *	Hong Kong	Trading and retail	Hong Kong Dollar (HKD)	100%	100%
Joyful Fairy (Fruits) Limited (JFF) *	British Virgin Islands	Trading (agricultural goods)	US Dollar (USD)	51%	51%
Zongshan Fucang Trade Co. Ltd. (Fucang)	China	Trading and real estate	Chinese Yuan (CNY)	100%	51%

* Direct and indirect ownership

3. Adoption of New and Revised Accounting Standards

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS). The term “PFRS” in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FSRSC and adopted by SEC.

These new and revised PFRS prescribe new accounting recognition, measurement and disclosure requirements applicable to the Company. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

3.01 New and Revised PFRSs Applied with No Material Effect on the Consolidated Financial Statements

The following new and revised PFRSs have been adopted in these consolidated financial statements. The application of these new and revised PFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

3.01.01 Standard Adopted by FSRSC and Approved by the Board of Accountancy (BOA)

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

The amendments to PAS 1 are the following:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments defer the effective date of the January 2020 Classification of Liabilities as Current or Non-Current (Amendments to PAS 1) to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

- Amendments to PAS 7 and PFRS 7, *Supplier Finance Arrangements*

The amendments introduce new disclosure requirements to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

- Amendments to PAS 1, *Non-current Liabilities with Covenants*

The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current. Additional disclosures are required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

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

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

The amendments are effective to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

3.02 New and Revised PFRSs in Issue but Not Yet Effective

The Parent Company will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PFRS, to have significant impact on the financial statements.

- Amendment to PFRS 17, *Initial Application of PFRS 17 and PFRS 9—Comparative Information*

The amendment is a transition option relating to comparative information about financial assets presented on initial application of PFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and Insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2025.

- PFRS 17, *Insurance Contracts*

PFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. It requires an entity that issues insurance contracts to report them on the balance sheet as the total of the fulfilment cash flows and the contractual service margin. It requires an entity to provide information that distinguishes two ways insurers earn profits from insurance contracts: the insurance service result and the financial result. It requires an entity to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the entity receives premium. It requires that insurance revenue to exclude the deposits that represent the investment of the policyholder, rather than an amount charged for services. Similarly, it requires the entity to present deposit repayments as settlements of liabilities rather than as insurance expense.

PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Early application is permitted for entities that apply PFRS 9 Financial Instruments and PFRS 15 Revenue from Contracts with Customers on or before the date of initial application of PFRS 17.

An entity shall apply PFRS 17 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and an entity shall not apply the option in paragraph B115 for periods before the date of initial application of PFRS 17. If, and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- Amendments to PFRS 17, *Insurance Contracts*

The amendments cover the following areas:

- Insurance acquisition cash flows for renewals outside the contract boundary;
- Reinsurance contracts held—onerous underlying insurance contracts;
- Reinsurance contracts held—underlying insurance contracts with direct participation features; and
- Recognition of the contractual service margin in profit or loss in the general model.

The amendments are effective to annual reporting periods beginning on or after January 1, 2025.

3.02.02 Deferred

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

The amendments clarify the treatment of the sale or contribution of assets between an investor and its associate and joint venture. This requires an investor in its financial statements to recognize in full the gains and losses arising from the sale or contribution of assets that constitute a business while recognize partial gains and losses if the assets do not constitute a business (i.e. up to the extent only of unrelated investor share).

On January 13, 2016, the FSRSC decided to postpone the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. Summary of Material Accounting and Financial Reporting Policies

Principal accounting and financial reporting policies applied by the Group in the preparation of its consolidated financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value the Group takes into consideration the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions. In addition, it assumes that the transaction takes place either: (a) in the principal market; or (b) in the absence of a principal market, in the most advantageous market.

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

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

A fair value measurement assumes that a financial or non-financial liability or an entity's own equity instruments (e.g. equity interests issued as consideration in a business combination) is transferred to a market participant at the measurement date. The transfer of a liability or an entity's own equity instrument assumes the following:

- A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date.
- An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

4.02 Segment Information

An operating segment is a component of the Group: (a) that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Group; (b) whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

The Group reports separately, information about an operating segment that meets any of the following quantitative thresholds: (a) its reported revenue, including both sales to external customers and inter-

segment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments, provided that; (b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of the combined reported profit of all operating segments that did not report a loss and the combined reported loss of all operating segments that reported a loss; and (c) its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the consolidated financial statements.

The Group is currently organized into four (4) segments namely as: Exports, Local Distribution, Retail and Foreign Trading. These divisions are the basis on which the Group reports its primary segment information.

4.03 Financial Assets

4.03.01 Initial Recognition and Measurement

The Group recognizes a financial asset in its consolidated statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Except for trade receivables that do not have a significant financing component, at initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, the Group measures trade receivables that do not have a significant financing component at their transaction price.

4.03.02 Classification

➤ Financial Asset at Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

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

The Group's financial assets measured at amortized cost include cash in banks, trade and other receivable (except advances to officers and employees), due from related parties, due from stockholders, refundable deposits presented under 'prepayments and other current assets' and deposits and other non-current assets.

a) Cash in Banks

Cash in banks include cash deposits held at call with bank that are subject to insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

b) Trade and Other Receivables and Due from Related Parties

Trade and other receivables (except advances to officers and employees) and due from related parties are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of the foregoing receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

c) Refundable Deposits

Refundable deposits pertain to the amount surrendered to the Group's lessor as part of the lease agreement. This amount will be refunded upon termination of the contract. This is measured at amortized cost using the effective interest method, less any impairment.

➤ Financial Asset at Fair Value through Other Comprehensive Income

The Group makes an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value through other comprehensive income.

The Group's financial assets measured at FVOCI pertains to equity securities.

The Group does not have financial assets measured at fair value through profit and loss in both years.

4.03.03 Effective Interest Method

Interest income is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets and financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired.

4.03.04 Impairment

The Group measures expected losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Group adopted the following approaches in accounting for impairment:

- General Approach

The Group applies general approach to cash in banks, other receivables (except advances to officers and employees), due from related parties, refundable deposit presented under 'prepayments and other current assets' and deposits and other non-current assets. At each reporting date, the Group measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. However, if the credit risk has not increased significantly, the Group measures the loss allowance equal to 12-month expected credit losses.

The Group compares the risk of default occurring as of the reporting date with the risk of a default occurring as of the date of initial recognition and consider the macro-economic factors such as GDP, interest, and inflation rates, the performance of the counterparties' industry, that is available without undue cost or effort, to determine whether there is a significant increase in credit risk or not since initial recognition.

The Group determines that there has been a significant increase in credit risk when there is a significant decline in the factors. The Group assumes that the credit risk on cash in banks has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

The Group did not apply the 30 days past due rebuttable presumption because based on the Company's historical experience, credit risk has not increased significantly even the amounts are past due for more than 30 days.

If the Group has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (i.e. there is no longer a significant increase in credit risk since initial recognition), then the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

The Group recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The Group performs the assessment of significant increases in credit risk on an individual basis by considering information that is indicative of significant increases in credit risk.

The Group did not apply the 90 days past due rebuttable presumption in determining whether a financial asset is credit impaired and considers a financial asset in default when contractual payments are 90 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 amounts in full before taking into account any credit enhancements held by the Group.

The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
 - A breach of contract, such as a default or past due event;
 - The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
 - It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.
- **Simplified Approach**

The Group always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

4.03.05 Derecognition

The Group derecognizes a financial asset when, and only when the contractual rights to the cash flows of the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

4.03.06 Write-off

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

4.04 Prepayments and Other Current Assets

4.04.01 Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire through passage of time.

These are classified in the consolidated statements of financial position as current assets when the expenses are expected to be incurred within one (1) year or the Group's normal operating cycle, whichever is longer. Otherwise, these are classified as other non-current assets.

4.04.02 Input VAT

Input VAT arises from the purchase of goods or services.

For regular sales, input VAT is applied against output VAT. The remaining balance is recoverable in future periods. This is carried at cost less allowance for impairment loss, if any. Impairment loss is recognized when input VAT can no longer be recovered.

For zero rated sales, input VAT is initially recorded as an asset and measured at the amount of cash paid. Subsequently, the Group may apply within two (2) years after the close of the taxable quarter when such sale was made for the tax refund of creditable input tax due or paid attributable to sales that are zero-rated or effectively zero-rated.

4.04.03 Advances to Suppliers

Advances to suppliers represent amount paid in advance for goods or services that are yet to be delivered and from which future economic benefits are expected to flow to the Group within the normal operating cycle or within twelve (12) months from the financial reporting date. These are initially recorded at actual cash advanced and are subsequently applied against subsequent asset purchases, costs or expenses incurred.

4.05 Interests in Joint Arrangement

A joint arrangement is a contractual arrangement whereby the Group and other parties have agreed sharing of control of an arrangement, which exist only when decisions about relevant activities require the unanimous consent of the parties sharing. The sharing of control is also known as joint control. A joint arrangement can either be a joint venture or a joint operation.

4.05.01 Joint Venture

A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group reports its interests in a joint venture using equity method, except when the investment is classified as held for sale, in which case it is accounted for in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*.

The Group accounts the investment under the cost method. The Group recognizes as income the dividends received that are distributed from net accumulated earnings of the investee since the date of acquisition by the investor. Dividends received that are in excess of the earnings subsequent to the date of acquisition are not income and therefore considered as return or reduction of investment.

The requirements of PFRS 9 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with PAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with PAS 36 to the extent that the recoverable amount of the investment subsequently increases.

4.06 Inventories

Inventories are initially recorded at cost. Subsequent to initial recognition, inventories are stated at lower of cost and net realizable value (NRV). Costs incurred in bringing each product to its present location and condition is accounted for as follows:

Property for sale	- at construction cost
Merchandise, furniture and appliances	- at purchase price on a first-in, first-out (FIFO) method
Agricultural produce, beverages and vegan products	- at purchase price on a FIFO method
Packaging materials and other supplies	- at purchase cost on a FIFO method

NRV of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell. For property for sale, NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale. For packaging materials and other supplies, NRV is the current replacement cost. Inventories are classified as current when they are expected to be realized within the normal operating cycle.

Cost of property for sale includes:

- Land cost;
- Land improvement cost;
- Amounts paid to contractors for construction and development; and
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs

Provision for inventory loss is established for estimated losses on inventories which are determined based on specific identification of slow-moving, damaged and obsolete inventories and charged to operations.

Inventories are derecognized when sold. The carrying amount of inventories sold is recognized as an expense and reported under cost of sales in profit or loss in the period in which the related revenue is recognized.

When the circumstances that previously caused inventories to be impaired no longer exist or when there is clear evidence of an increase in selling price less costs to complete and sell because of changed economic circumstances, a reversal of the impairment is recognized so that the new carrying amount is the lower of the cost and the revised selling price less costs to complete and sell. Any impairment reversal is recognized in profit or loss but is limited to the amount of the original impairment loss recognized.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

4.07 Business Combination

The Group applies the standard on business combination under PFRS 3 as amended and adopted in 2009. The standard outlines the accounting when an acquirer obtains control of a business (e.g. acquisition or merger). Such business combinations are accounted for using the "acquisition method", which generally requires assets acquired and liabilities assumed to be measured at their fair values at date of acquisition.

PFRS 3 seeks to enhance the relevance, reliability and comparability of information provided about business combinations (e.g. acquisition and mergers) and their effects. It sets out the principles on the recognition and measurement of acquired assets and liabilities, the determination of goodwill and the necessary disclosures.

In determining whether a transaction is a business combination, PFRS 3 provides additional guidance on determining whether a transaction meets the definition of a business combination and accounted for in accordance with its requirements. This guidance includes:

- Business combinations can occur in various ways such as by transferring cash, including liabilities, issuing equity instrument (or any combination thereof), or by not issuing consideration at all (i.e. by contract alone); and
- Business combinations can be structured in various ways to satisfy legal, taxation or other objectives, including one entity becoming a subsidiary of another, the transfer of net assets from one entity to another or to new entity;

The business combination must involve the acquisition of a business, which generally has three elements:

- Inputs – an economic resource (e.g. non-current assets, intellectual property) that creates outputs when one or more processes are applied to it;
- Process – a system standard, protocol, convention or rule that when applied to an input or inputs, creates outputs (e.g. strategic management, operational processes, resource management); and
- Output – the result of inputs and processes applied to those input.

4.07.01 Acquisition Method

In every acquisition of business, the Group determines the acquisition date, recognize and measures all identifiable assets acquired, the liabilities assumed and non-controlling interest (NCI, formerly called minority interest) in the acquiree, and determines if there is goodwill or gain from a bargain purchase if applicable.

The Group recognizes the acquisition date as the date on which the Group obtains control over the acquiree. Generally, this is the date on which the Group legally transfer the consideration, acquires the assets and assumes the liabilities of the acquiree – the closing date. However, the Group as the acquirer may obtain control on a date that is either earlier or later than the closing date depending on what was agreed upon with the acquiree.

In recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree, the Group observes the definition of assets and liabilities in accordance with the Framework for the Preparation and Presentation of Financial Statements at the acquisition date. Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values.

On income taxes, the Group recognizes and measures a deferred tax asset or liability arising from the assets acquired and liabilities assumed in accordance with PAS 12 while the standard under PAS 19 is relied on for employee benefits.

The Group recognizes and measures goodwill in accordance with PFRS 3, as the difference between:

- Aggregate of (1) the value of the consideration transferred (generally at fair value), (2) the amount of any non-controlling interest in the acquiree, and (3) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, and
- The net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (measured in accordance with PFRS 3).

4.07.02 Consolidation

The consolidated financial statements include the financial statements of the Group and its subsidiaries.

The consolidated financial statements incorporate the financial statements of the Parent and the entities controlled by the Parent (its subsidiaries) up to December 31 of each year. Control is achieved when the Parent has exposure or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over an investee. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account.

Subsidiary is consolidated from the date when control is transferred to the Parent and ceases to be consolidated from the date when control is transferred out of the Parent.

4.07.03 Measurement

The assets and liabilities and the contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the profit and loss in the period of acquisition.

4.07.04 Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of fair value of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

4.07.05 Inter-group Balances

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Inter-group balances and transactions, including inter-group profits and unrealized profits and losses, are eliminated. When necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used in line with those used by the Group. All inter-group transactions, balances, income and expenses are eliminated during consolidation.

4.07.06 Loss of Control

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of controls is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date the control is lost. Subsequently, it is accounted for as entity-accounted investee or as financial assets at FVTPL or FVOCI depending on the level of influence retained.

4.08 Investment Property

Investment property comprises properties under construction or redevelopments that are held to earn rentals or capital appreciation or both and that are not occupied by the companies in the Group. These are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at its fair value.

Investment property is accounted for under the fair value model. Fair value is supported by market evidence and is determined by independent appraisers with sufficient experience with respect to both the location and the nature of the investment property.

Any gain or loss resulting from either a change in the fair value or the sale or retirement of an investment property is immediately recognized in profit or loss as fair value gains (losses) from investment property under the other income in the consolidated statements of comprehensive income.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefits are expected from its disposal.

A transfer is made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. A transfer is made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes.

4.09 Property and Equipment

Property and equipment are initially measured at cost. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition, property and equipment are carried at revalued amount (except for certain property and equipment carried at cost) less accumulated depreciation and accumulated impairment losses.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Property and equipment are stated in the consolidated statements of financial position at their revalued amounts, being the fair value at the date of revaluation, determined from market-based evidence by appraisal undertaken by professional appraisers, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such property and equipment is credited to the properties revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense, in which case the increase is credited to the profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such revalued assets is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation surplus relating to a previous revaluation of those assets. Revaluation surplus is transferred directly to retained earnings as the asset is being used by the Group.

Land is not depreciated. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Building	15 years
Delivery and transportation equipment	3 to 12 years
Machinery and equipment	3 to 12 years
Office furniture and fixtures	3 to 12 years
Store and warehouse equipment	3 to 5 years

Leasehold improvements are depreciated over the shorter between the improvements' useful life of five (5) years or the lease term.

Properties in the course of construction for production are carried at cost less any recognized impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Bearer plants are living plants that are used in the production or supply of agricultural produce over a several periods and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

The property and equipment's residual values, useful lives and depreciation method are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Depreciation on revalued assets is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.10 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of profit or loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit 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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated profit or loss when the asset is derecognized.

4.10.01 Trademark

Trademarks acquired separately are initially recognized at cost. Following initial recognition, trademarks are carried at cost less accumulated amortization and any impairment losses. The Group assesses for impairment whenever there is an indication that these assets may be impaired.

The Group has assessed that certain trademark acquired in a business combination in the past has indefinite useful lives, thus are not amortized, but tested for impairment annually, either individually or at the cash-generating unit 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.

The remaining trademark at current year has finite useful life and is amortized over straight-line basis over its estimated useful life of 20 years. The amortization period and the amortization method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense is recognized in the consolidated profit or loss under "Depreciation and amortization" account in the expense category consistent with the function of the intangible asset.

4.10.02 Goodwill

Goodwill represents the excess of the purchase consideration of an acquisition over the fair value of the Group's share of the net identifiable assets acquired at the date of acquisition. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that might be impaired, and is carried at cost less accumulated impairment losses, if any. Any impairment losses recognized for goodwill are not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. When the recoverable amount of cash-generating units is less than the carrying amount, an impairment loss is recognized. The Group performs its impairment testing at the reporting date using a value-in-use, discounted cash flow methodology.

4.10.03 Franchise

The Group recognizes franchise as part of its intangible assets when the franchise produces revenue to the Group and the cost is measurable. At initial recognition, franchise is valued at cost which is the amount incurred in acquiring the franchise. Franchise whose life has been determined to be finite is amortized over the years identified. If the life of the franchise is determined to be indefinite, such franchise is not amortized but tested for impairment. Franchise is derecognized upon sale or retirement. The difference between the carrying value and the proceeds shall be recognized in the consolidated statements of profit or loss. Franchise is amortized on a straight-line basis over its estimated useful life of ten (10) years.

4.10.04 Computer software

Computer software acquired separately are measured on initial recognition at cost. The initial cost of computer software consists of its purchase price, including import duties, taxes and any directly attributable cost of bringing the assets to its working condition and location for intended use. Subsequently, computer software is carried at cost less accumulated amortization and any accumulated impairment loss.

Acquired computer software is capitalized on the basis of costs incurred to acquire and bring to use the specific software. Computer software is amortized on a straight-line basis over its estimated useful life of five (5) years. Costs associated with the development or maintenance of software cost programs are recognized as expense when incurred in the Group's consolidated statements of profit or loss. Software cost is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset is included in the Group's consolidated statements of profit or loss in the year of derecognition.

4.11 Deposits and Investments

4.11.01 Deposit for Land Acquisition

Deposit for land acquisition which represents mainly the usufruct rights over a property are initially stated at actual amount paid and subsequently recognized at cost less any impairment.

4.11.02 Deposit for Business Acquisitions

Deposit for business acquisitions which are paid in view of call for the future investments are initially stated at actual amount paid and subsequently recognized at cost less any impairment.

4.11.03 Advances to Producers

Advances to producers pertain to advances made for the initial cost of cultivation and development of farm lots owned by third-party. This is initially stated at actual amount paid and subsequently recognized at cost less any impairment.

4.11.04 Advances to Projects

Advances to projects pertains to unliquidated expenditures made for the processing fees in connection with the investment of the Group to a foreign company. This is initially stated at actual amount paid and subsequently recognized at cost less any impairment.

4.12 Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that any assets other than inventories, biological assets, deferred tax assets, investment properties and financial assets that are within the scope of PFRS 9, *Financial Instruments* may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible asset with indefinite useful life is tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income.

4.13 Biological Assets

Biological assets or agricultural produce are recognized only when the Group controls the assets as a result of past events, it is probable that future economic benefits associated with the assets will flow to the entity; and the fair value or cost of the assets can be measured reliably.

The Group measures its biological assets on initial recognition and at each reporting date at their fair value less estimated costs to sell. Estimated costs to sell include commissions to brokers and dealers, levies by regulatory agencies and commodity exchanges, and transfer taxes and duties.

Harvested agricultural produce are also carried at fair value less estimated costs to sell at the point of harvest.

The Group classifies its biological assets between consumable and bearer biological assets. Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets. The Group further classifies its bearer biological assets between mature or immature biological assets.

Gains or losses arising on initial recognition of a biological asset at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell of a biological asset are included in profit or loss for the period in which they arise.

4.14 Borrowing Costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.15 Financial Liabilities

4.15.01 Initial Recognition and Measurement

The Group shall recognize a financial liability in its consolidated statements of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument.

At initial recognition, the Group shall measure a financial liability at its fair value minus, in the case of financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the liability.

4.15.02 Classification

The Group shall classify all financial liabilities as subsequently measured at amortized, except for:

- financial liabilities at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate;
- contingent consideration recognized by an acquirer in a business combination.

The Group's financial liabilities measured at amortized cost include trade and other payables (excluding customers' deposits and government payables), borrowings, lease liabilities and due to related parties.

The Group does not have financial liabilities at fair value through profit or loss in both years.

4.15.03 Derecognition

The Group removes a financial liability (or part of a financial liability) from its consolidated statements of financial position when, and only when, it is extinguished (i.e., when the obligation in the contract is discharged or cancelled or expired).

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4.16 Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

4.16.01 Costs to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

4.16.02 Amortization, derecognition and impairment of capitalized costs to obtain a contract

The Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgment is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits.

Where a contract is anticipated to make a loss, these judgments are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

4.17 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity.

4.17.01 Additional Paid-in Capital

Additional paid-in capital represents the proceeds and/or fair value of consideration received in excess of the par value of the shares issued.

4.18 Employee Benefits

4.18.01 Short-term Benefits

The Group recognizes a liability, net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Group to its employees include salaries and wages, SSS, HDMF, PhilHealth employer contributions and 13th month pay.

4.18.02 Post-employment Benefits

The Group has an unfunded, non-contributory defined benefit retirement plan. This benefit defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The cost of providing benefits is determined using the Projected Unit Credit Method (PUCM) which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. Post-employment expenses include current service cost, past service cost, and net interest on defined benefit asset/liability. Remeasurements which include cumulative actuarial gains and losses return on plan assets, and changes in the effects of asset ceiling are recognized directly in other comprehensive income and are also presented under equity in the consolidated statements of financial position.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in profit or loss.

The liability recognized in the consolidated statements of financial position in respect of defined benefit pension plans is the present value of the accrued retirement benefits at the end of the reporting period. The accrued retirement benefits is calculated annually by an independent actuary using the PUCM. The present value of the accrued retirement benefits is determined by discounting the estimated future cash outflows using interest rates based on the market yields on government bonds as of the valuation dates that have terms to maturity approximating to the terms of the related pension obligation.

The Group's retirement plan is still unfunded, benefit claims under the plan are paid directly by the Group when they become due.

4.19 Provisions and Contingent Asset

4.19.01 Provisions

Provisions are recognized when the Group has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.19.02 Contingent Liabilities and Assets

Contingent liabilities and assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.20 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue related cost incurred or to be incurred/costs to complete the transactions can be reliably measured. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. Revenue is measured at the fair value of the consideration received or receivable taking into account any trade discounts, prompt settlement of discounts and volume rebates allowed by the Group, if any. Revenue excludes any value added tax.

The Group recognizes revenue when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

4.20.01 Revenue Contracts with Customers

The Group recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group applies the following five (5) steps:

1. Identify the contract(s) with a customer;
2. Identify the performance obligations in the contract. Performance obligations are promises in a contract to transfer to a customer goods or services that are distinct;
3. Determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, an entity must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer;
4. Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract;
5. Recognize revenue when a performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer). For a performance obligation satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognized as the performance obligation is satisfied.

4.20.02 Sale of goods

Revenue from the sale of goods in the ordinary course of business is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. The revenue from the sale of goods is recognized upon delivery of the goods when the significant risks and rewards of ownership of the goods are transferred to the buyer.

4.20.03 Real estate sales

The Group derives its real estate revenue from sale of residential and commercial units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the input method. The Group recognizes revenue on the basis of the efforts or inputs to the satisfaction of a performance obligation (resources consumed, labor hours expended, costs incurred) relative to the total expected inputs to the satisfaction of that performance obligation.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as residential and office development receivables, under trade receivables, is included in the "contract asset" account in the asset section of the consolidated statements of financial position.

Any excess of collections over the total of recognized trade receivables and contract assets is included in the "contract liabilities" account in the liabilities section of the consolidated statements of financial position.

4.20.04 Cost recognition

The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

4.20.05 Franchise

Franchise fees may cover the supply of initial and subsequent services, equipment and other tangible assets, and know-how. Accordingly, franchise fees are recognized as revenue on a basis that reflects the purpose for which the fees were charged. Fees charged for the use of continuing rights granted by the agreement, or for other services provided during the period of the agreement, are recognized as revenue as the services are provided or the rights used.

4.20.06 Royalty

Royalty is recognized on an accrual basis in accordance with substance of the relevant agreement.

4.20.07 Rental Income

Rental income is recognized in the profit or loss on a straight-line basis over the lease term (See note 4.22.01).

4.20.08 Gain from Sale of Property and Equipment

Realized gains and losses are recognized when the sale transaction occurs.

4.20.09 Interest Income

Interest income is recognized using the effective interest method on a time proportion basis that reflects the effective yield on the assets.

4.20.10 Other Income

Other income is recognized when the related income is earned on an accrual basis in accordance with the relevant structure of transaction or agreements.

4.20.11 Principal versus Agent Considerations

The Group should determine whether it is a principal or an agent in a transaction through the nature of its promise in a performance obligation.

The Group determines whether the nature of its promise is a performance obligation to provide a specified service itself (i.e. the Group is an agent).

The Group is a principal if it controls a promised service before it transfers the service to a customer. It recognizes revenue in the gross amount of consideration to which it expects to be entitled in exchange for those services transferred.

The Group is an agent if its performance obligation is to arrange for the provision of services by another party. It recognizes revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its services.

4.21 Expense Recognition

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Group.

The Group recognizes expenses in the consolidated statements of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

4.22 Leases

4.22.01 The Group as a Lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

4.22.02 The Group as a Lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- a. the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- b. the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- c. the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Right-of-Use (ROU) Asset

At the commencement date, the Group measures the ROU asset at cost, which comprises of:

- initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any incentives received;
- any initial direct costs incurred by the Group;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Subsequent to initial recognition, ROU asset is carried at cost less accumulated depreciation and accumulated impairment losses.

The Group depreciates the ROU asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The Group also assesses the ROU asset for impairment when such indicators exist.

The Group has elected to account for short-term leases and low-value assets using the practical expedients. Instead of recognizing ROU asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

ROU asset is presented as a separate line item on the consolidated statements of financial position.

Lease Liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or if not, the Group uses the incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments), less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as of the commencement date;
- amounts expected to be payable by the lessee under the residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect in-substance fixed lease payments.

The Group recognizes the amount of remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Lease liabilities are presented as a separate line item on the consolidated statements of financial position.

4.23 Foreign Currency Transactions and Translation

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Parent's functional currency, i.e., foreign currencies, are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, financial accounts which include cash in banks, trade receivable and deposits denominated in foreign currencies are revalued using the reference foreign exchange rates provided by the Bangko Sentral ng Pilipinas (BSP) on the date of reporting. Exchange differences are recognized in profit or loss as unrealized foreign exchange gain or loss at the end of each reporting period.

Exchange differences are recognized in profit or loss in the period in which they arise except for exchange differences arising on non-monetary assets and liabilities where the gains and losses of such non-monetary items are recognized directly in equity.

Assets and liabilities from foreign operation are translated at exchange rates at the end of the reporting period. Exchange differences are recognized initially in OCI and reclassified from equity to profit or loss on disposal of the net investment. On the other hand, income and expenses for each consolidated statements presenting profit or loss and OCI are translated at the average exchange rate for the period. All the resulting exchange differences are recognized in the OCI.

4.24 Related Parties and Related Party Transactions

A related party is a person or entity that is related to the Group that is preparing its consolidated financial statements. A person or a close member of that person's family is related to Group if that person has control or joint control over the Group, has significant influence over the Group, or is a member of the key management personnel of the Group or of a parent of the Group.

An entity is related to the Group if any of the following conditions applies:

- The entity and the Group are members of the same group (which means that a parent, subsidiary and fellow subsidiary are related parties to each other); or
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or
- Both entities are joint ventures of the same third party; or
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
- The entity holds a post-employment benefit plan for the benefit of the employees of either the Group or an entity related to the Group; or
- The entity is controlled or jointly controlled by a person identified above; or
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of an entity); or
- Management entity providing key management personnel services to a reporting entity.

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Group and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

4.25 Taxation

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

4.25.01 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax for the current and prior periods is recognized as a liability to the extent that it has not been settled, and as an asset to the extent that the amounts already paid exceeds the amount due.

4.25.02 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred tax asset however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are recognized for all taxable temporary differences except in three cases as follows:

- Liabilities arising from the initial recognition of goodwill;
- Liabilities arising from the initial recognition of asset/liability other than in a business combination which, at the time of the transaction, does not affect either the accounting profit or the taxable profit;
- Liabilities arising from temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, but only to the extent that the entity is able to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4.25.03 Current and Deferred Tax for the Period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss, whether in OCI or directly in equity, in which case the tax is also recognized outside profit or loss.

4.25.04 Impact of Change in Tax Regime

Components of tax expense include any adjustments recognized in the period for current tax of prior period and the amount of deferred tax expense (income) relating to changes in tax rates. The provision for current income tax during the year include the difference between income tax per prior year financial statements and prior year income tax return.

Deferred tax assets and liabilities as of reporting period is remeasured using the new tax rates. The impact of remeasurement is recognized in profit or loss (i.e., provision for/benefit from deferred income tax), unless it can be recognized in other comprehensive income or another equity account.

4.26 Earnings per Share

The Group computes its basic earnings per share by dividing net income or loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period.

4.27 Events after the Reporting Period

The Group identifies subsequent events as events that occurred after the reporting date but before the date when the consolidated financial statements were authorized for issue. Any subsequent events that provide additional information about the Group's position at the reporting period, adjusting events, are reflected in the consolidated financial statements, while subsequent events that do not require adjustments, non-adjusting events, are disclosed in the notes to consolidated financial statements when material.

4.28 Changes in Accounting Policies

The adoption of the new and revised standards and as disclosed in Notes 3.01 was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

5. Critical Accounting Judgement and Key Sources of Estimation Uncertainties

In the application of the Group's accounting policies, which are described in Note 4, 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 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.

5.01 Critical Judgments in Applying Accounting Policies

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

5.01.01 Assessment of Going Concern Issue

The management has made an assessment at the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue the business for the foreseeable future. The Group's continued operations as a going concern depends upon the successful outcome of efforts to achieve profitable operations and generate sufficient cash flows to meet obligations on a timely basis. Management believes that with its continued efforts in building up equity and profitability, the Group will continue to operate in the normal course. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

5.01.02 Functional Currency

PAS 21 requires Management to use its judgment to determine the Group's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the Group. In making this judgment, the Group considers the following:

- the currency that mainly influences sales prices for financial instruments and services (this will often be the currency in which sales prices for its financial instruments and services are denominated and settled);
- the currency in which funds from financing activities are generated; and

- the currency in which receipts from operating activities are usually retained.

Functional currency is the currency of the primary economic environment in which the Group operates. The Group has determined that its functional currency is the Philippine Peso. The Group's functional currency is evidenced by its costs of labor, and other costs of providing services and majority of its remittance transactions are settled in Philippine Peso.

The Group determined its functional currency to be Philippine peso being the currency of the primary economic environment in which the Group operates. It is the currency that mainly influences the sale of real properties, services, and investments and the costs of providing the services and of the sold investments.

5.01.03 Uniform Accounting Policies

Consolidated financial statements are prepared under line-by-line basis for consolidation. Full amount of subsidiaries' accounts, irrespective of the percentage of ownership, are combined with those of the Group on a line-by-line bases by adding together similar or like items of assets, liabilities, revenues and expenses. Application of line-by-line basis for consolidation requires judgment in determining that the Parent and its subsidiaries have uniform accounting policy for like transactions and events in similar circumstances between the Parent and the subsidiaries. While the Group regularly conducts review of the subsidiaries' accounting policy to ensure the uniformity in accounting policy, there would be instances that the policy over these transactions would be different from that of the Parent. In the event that significant differences in the accounting policy for a given transaction exist between the Parent and its subsidiaries, the Parent makes appropriate adjustment in the financial statements of the subsidiary to conform to the Group's policy for the purpose of consolidation.

The consolidated financial statements are prepared under PFRS. Management assessed that the accounting policies of the Parent and its subsidiaries are substantially similar for like transactions and events, thus, no adjustment has been made in the consolidated financial statements.

5.01.04 Assessment of Control

The Group determines whether an entity qualifies as a subsidiary when it has control over an entity. The Group controls an entity when it has the three elements of control as disclosed in Note 4. In making its judgments, the Group considers all facts and circumstances when assessing control over an investee. A reassessment of control is conducted when there are changes to one or more of the three elements of control. Any changes from at least one of the elements would result to lose or gain of control over an entity.

The Group having fifty-one percent (51%) to one hundred percent (100%) ownership and voting interest, assessed that it has control over all of its subsidiaries since it has power over the subsidiaries, exposure or rights to variable returns from its involvement and ability to use its power to affect the component of its returns.

5.01.05 Aggregation of Operating Segments

In accordance with the provisions of PFRS 8, *Operating Segments*, the Group's reporting segment is based on the management approach with regard to the segment identification, under which information regularly provided to the chief operating decision maker for decision-making purposes is considered as decisive. The segments are also evaluated under the management approach.

The Group reports its segment based on geographic areas. The Management identifies its operating segments as generally based on nature and location of its customers. The Group has four (4) reportable segments: Exports, Distribution, Retail and Foreign Trading. The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of net trading gains (losses), other income, equity in net earnings, operating expenses and income tax.

5.01.06 Assessment of Contractual Terms of a Financial Asset

The Group determines whether the contractual terms of a financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. In making its judgements, the Group considers whether the cash flows before and after the changes in timing or in the amount of payments represent only payments of principal and interest on the principal amount outstanding.

Management assessed that the contractual terms of its financial assets are solely payments of principal and interest and consistent with basic lending arrangement.

The Group's financial asset at FVTOCI is an equity instrument and its contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest.

5.01.07 Existence of a Contract Sales of Real Estate

The Group's primary document for a contract with a customer from real estate sale is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer.

In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

5.01.08 Assessment of Timing of Satisfaction of Performance Obligations

An entity satisfies a performance obligation by transferring control of a promised good or service to the customer, which could occur over time or at a point in time.

5.01.08.01 Sale of Real Estate

The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract.

In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer of about ten percent (10%) would demonstrate the buyer's commitment to pay.

The Group has determined that input method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers.

5.01.08.02 Sale of Goods

The Group identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract. The Group delivers the best quality produce by exporting and locally distributing all kinds of fruits and vegetables and other agri-products but its main products are bananas, mangoes, and coconut water. The Group determined that the delivered various agri-products are capable of being distinct and therefore considered as separate performance obligations.

5.01.09 Assessment of the Allocation of Transaction Price to Performance Obligations

A performance obligation is a vendor's promise to transfer a good or service that is 'distinct' from other goods and services identified in the contract.

Management assessed that allocation of transaction price to performance obligation is not applicable because each performance obligation has stand-alone transaction price which is distinct from one another.

5.01.10 Assessment of 30 days Rebuttable Presumption

The Group determines when a significant increase in credit risk occurs on its financial assets based on the credit Management practice of the Group.

Management believes that the thirty (30) days rebuttable presumption on determining whether there is a significant increase in credit risk in financial assets is not applicable because based on the Group's historical experience, credit risk has not increased significantly even the amounts are past due for more than 30 days.

5.01.11 Assessment of 90 days rebuttable presumption

The Group determines when a default occurs on its financial assets based on the credit management practice of the Group.

Management believes that the 90 days rebuttable presumption on determining whether financial assets are credit-impaired is not applicable based on the Group's historical experience the Group determines that past due amounts even over 90 days are still collectible.

5.01.12 Distinction Between Property and Equipment and Investment Properties

The Group determines whether a property qualifies as investment properties. In making its judgments, the Group considers whether the property generates cash flows largely independent of the other assets held by the entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease), the Group accounts for the portions separately. If the portion cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

5.01.13 Assessment of Frequency of Revaluation of Property and Equipment and Deductibility of Depreciation Thereon

After recognition as an asset, an item of property and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The frequency of revaluation depends upon the changes in fair values of the items of property and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Some items of property and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three (3) to five (5) years.

The revaluation surplus included in equity in respect of an item of property and equipment may be transferred directly to retained earnings when the asset is derecognized. This may involve transferring the whole amount of surplus when the asset is retired or disposed of. However, some of the surplus may be transferred as the asset is used by an entity. In such a case, the amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

In making its judgment on the frequency of revaluation, management considered the significant changes in the fair value of its revalued assets. Hence, a new revaluation was adopted as of reporting periods. The Group also determined whether depreciation of its fixed assets relates to property and equipment subsequently measured using cost model and revaluation model. In doing so, Management considered the tax effect of the depreciation of the revaluation surplus which corresponds to the revalued amount of property and equipment. Since transfers from revaluation surplus to retained earnings resulting from piecemeal amortization are not made through profit or loss but are transferred directly to equity, depreciation related to revalued assets is not deductible for tax purposes.

5.01.14 Determining whether or not a Contract Contains a Lease

Management assessed that the lease of machinery, transportation equipment and store premises qualified as a lease since each contract contains an identified asset, the Group has the right to obtain substantially all of the economic benefits, and the Group has the right to direct the use of the identified asset throughout the period of use.

5.01.15 Determining whether or not it is Reasonably Certain that an Extension Option will be Exercised and Termination Option will not be Exercised

Lease term is the non-cancellable period for which the Group has the right to use an underlying asset including optional periods when the Group is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term and the enforceability of the option. The option to extend the lease term should be included in the lease term if it is reasonably certain that the lessee will exercise the option and the option is enforceable. The Group is required to reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

For lease contracts entered into in both years, most are renewable by mutual agreement, except for contracts which does not contain a provision on renewal option. Management assessed that these lease contracts cannot be extended beyond the non-cancelable lease period since such are not enforceable under the Philippine law.

In both years, the Management used the lease term of four (4) to seven (7) years in the computation of right-of-use-assets and lease liabilities.

5.01.16 Assessment of Principal-Agency Arrangement

When another party is involved in providing goods or services to a customer, the entity shall determine whether the nature of its promise is a performance obligation to provide the specified goods or services itself (ie the entity is a principal) or to arrange for the other party to provide those goods or services (ie the entity is an agent).

5.02 Key Sources of Estimation Uncertainties

The following are the key assumptions concerning the future, and other key sources of estimation uncertainties at the end of the reporting periods that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.02.01 Revenue and Cost Recognition on Real Estate Projects

The Group's revenue recognition and cost policies require management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Group's revenue from real estate and construction contracts is recognized based on the percentage of completion (POC) are measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the POC is complex and the estimated project development costs requires technical determination by management's specialists z(project engineers).

5.02.02 Estimating Allowances for Expected Credit Losses (ECL)

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios. The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The Group applies general approach for determining the ECL of cash in banks, other receivables (except advances to officers and employees), due from related, refundable deposits presented under 'prepayments and other current assets' and 'deposits and other non-current assets'. An expected credit losses is the difference between the cash flows that are expected to be received discounted at the original effective interest rate and contractual cash flows in accordance with the contract. The loss allowance for financial assets is based on the assumptions about risk of default and expected loss rates.

The Group recognized provision for expected credit losses on other receivables amounting to ₱15,176,537 in 2023 and nil in 2022 and 2021. The Group also made a reversal of allowance for expected credit losses amounting to nil in 2023 and 2022 and ₱43,316,857 in 2021, respectively. As of December 31, 2023 and 2022, allowance for expected credit losses on other receivables amounted to ₱18,692,655 and ₱3,516,118, respectively, as disclosed in Notes 7, 23 and 24.

As of December 31, 2023 and 2022, allowance for expected credit losses on due from related parties and stockholders amounted to ₱6,460,530, as disclosed in Notes 21, 23 and 24.

As of December 31, 2023 and 2022, allowance for expected credit losses on refundable deposits presented under 'prepayments and other current assets' and 'deposits and other non-current assets' amounted to ₱7,214,392 and ₱6,711,100, respectively, as disclosed in Notes 9 and 15.

The Group applies the simplified approach in trade receivables to measure expected credit losses which uses a lifetime expected loss allowance for all receivables and financial asset at amortized costs. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Detailed information regarding the Company's impairment of financial assets is discussed in Note 28.

The Group recognized provision for expected credit losses on trade receivables amounting to ₱185,974 in 2023 and nil in 2022 and 2021. The Group also made a reversal of allowance for expected credit losses amounting to nil in 2023 and 2022 and ₱36,728,895 in 2021, respectively. As of December 31, 2023 and 2022, allowance for expected credit losses on trade receivables amounted to ₱48,241,662 and ₱48,055,688, as disclosed in Notes 7, 23 and 24.

5.02.03 Estimating Inventories at Net Realizable Values

Net realizable values of inventories are assessed regularly based on the prevailing selling prices of inventories less estimated costs to sell. The Group recognizes expense and provides allowance for decline in value of inventories whenever net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes on price levels or other causes. Inventory items identified to be obsolete and unusable is written off and charged against allowance account. Increase in the net realizable values will increase the carrying amount through reduction of allowance for decline but only to the extent of original acquisition cost.

5.02.04 Fair Value of Investment Property

The Group has adopted the fair value approach in determining the carrying value of its investment property. While the Group has opted to rely on independent appraisers to determine the fair value of its investment properties, such fair value was determined based on recent prices of similar properties, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices. The amounts and timing of recorded changes in fair value for any period would differ if the Group made different judgments and estimates or utilized different basis for determining fair value.

In 2021, the Management recognized gain on change in fair value of investment property based on the valuation report dated December 27, 2020 by Guangdong Tianshun Land Real Estate Asset Appraisal Co., Ltd. amounting to ₱908,745,817 as disclosed in Note 12. The Royal Chartered Surveyor has thoroughly and meticulously analyzed the characteristics and actual conditions project, and has studied the information provided by the client. On the basis of market research, the property to be assessed is commercial (agricultural commodity trading center) and leasing in nature. In order to make the valuation results scientific, accurate and objective, the appraiser use the market comparison method and the income method to evaluate their value. The comparative method is to compare the real estate of the object of valuation with the similar real estate that has been traded recently at the time of value, and to make appropriate amendments to the transaction price of these similar real estate. The income method is a method to convert the net income of the expected valuation object real estate in the future period into the present value of the value point by using the appropriate reduction interest rate, and to find the sum of its present value to determine the real estate price.

5.02.05 Fair Value of Biological Assets

The Group has adopted the fair value approach in determining the carrying value of its biological assets. The Group determines its fair value based on recent prices of similar assets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices. The amounts and timing of recorded changes in fair value for any period would differ if the Group made different judgments and estimates or utilized different basis for determining fair value.

5.02.06 Fair Value of Property and Equipment

The valuation has been carried out on January 6, 2021, in accordance with the Santos Knight Frank, Inc. incorporating the International Valuation Standards of the International Valuation Standards Council (IVSC), and the Philippine Valuation Standards (PVS). In valuing the land, Market Approach was used which is the most common technique for valuing land, and is the most preferred method when comparable sales are available. With this method, sales of similar property or parcels of land are analyzed, compared, and adjusted to provide a value indication for the property being appraised. The comparison process is based on an analysis of the similarity or dissimilarity of the comparable. Cost Approach was used for the improvements while a combination of the Market and Cost Approach was used for the machinery and equipment. The Cost Approach generally involves the following steps: (a) The value of the subject land is normally estimated by the Market Data or Sales Comparison Approach. In instances where available market data is sufficient, the Income Approach (Residual Method) can be used, (b) The depreciated cost of the subject improvement is estimated by calculating the direct cost of reproducing or replacing the improvement, deducting accrued depreciation from all sources, and adding the indirect costs attributed to the improvement. Combining the estimates shown above results in the indicated value of the subject property by the Cost Approach.

5.02.07 Reviewing Residual Values, Useful Lives and Depreciation Method of Property and Equipment

The residual values, useful lives and depreciation method of the Group's property and equipment are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; significant unexpected wear and tear; technological advancement; and changes in market prices since the most recent annual reporting date. The useful lives of the Group's property and equipment are estimated based on the period over which the assets are expected to be available for use. In determining the useful life of property and equipment, the Group considers the expected usage, expected physical wear and tear, technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output and legal or other limits on the use of the Group's assets.

In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected

by changes in these factors and circumstances.

A reduction in the estimated useful lives of property and equipment would increase the recognized expenses and decrease non-current assets. The Group uses a depreciation method that reflects the pattern in which it expects to consume the property and equipment's future economic benefits. If there is an indication that there has been a significant change in the pattern used by which the Group expects to consume the property and equipment's future economic benefits, the entity shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern.

In both years, Management assessed that there are no indications that there has been any change in pattern used by the Group in consuming its property and equipment's future economic benefits.

5.02.08 Reviewing Residual Value, Useful Life and Amortization Method of Intangible Assets

The residual value, useful life and amortization method of the Group's intangible assets are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; technological advancement; and changes in market prices since the most recent annual reporting date. Amortization begins when the intangible asset is available for use, i.e., when it is in the location and condition necessary for it to be usable in the manner intended by Management. Amortization ceases when the intangible asset is derecognized. The Group uses a straight-line method of amortization since it cannot determine reliably the pattern in which it expects to consume the intangible asset's future economic benefits.

5.02.09 Asset Impairment

The Group performs an impairment review when certain impairment indicators are present. Determining the fair value of advances to officers and employees, prepayments and other current assets (except refundable deposits), property and equipment, right-of use assets, intangible assets and deposits and other non-current assets (except refundable deposits), which require 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 financial statements. Future events could cause the Group to conclude that aforementioned assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Group believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

The Group recognized provision for impairment on prepayments and other current assets amounting to ₱487,236 in 2023 and nil in 2022 and 2021 as disclosed in Notes 9 and 23.

In both years, Management assessed that no indicators of impairment had existed on property and equipment, investment property, right-of use assets and intangible assets.

As of December 31, 2023 and 2022, the aggregate carrying amounts of advances to officers and employees, prepayments and other current assets (except refundable deposits), property and equipment, investment property, right-of use assets, intangible assets and deposits and other non-current assets (except refundable deposits) amounted to ₱2,789,765,280 and ₱3,150,907,753, respectively, as disclosed in Notes 7, 9, 11, 12, 13, 15 and 27.

5.02.10 Deferred Tax Assets

The Group reviews the carrying amounts at each reporting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized prior to its expiration.

As of December 31, 2023 and 2022, the Group recognized deferred tax assets from effect of PFRS 16, retirement obligation and allowance for impairment losses amounting to ₱11,684,735 and ₱11,772,444, respectively, as disclosed in Note 26. In both years, Management believes that future taxable profits will be available to allow all or part of deferred tax assets to be utilized prior to expiration.

5.02.11 Post-employment Benefits

The determination of the retirement obligation and cost and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates, mortality of plan members and rates of compensation increase. In accordance with PFRS, actual results that differ from the assumptions and the effects of changes in actuarial assumptions are recognized directly as remeasurements in other comprehensive income and therefore, generally affect related obligation.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations.

5.02.12 Assessment of Joint Control

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. An entity has a control when it is exposed, or has rights to variable returns from involvement with the arrangement and has the ability to affect those returns through their power over the arrangement.

In both years, Management assessed that the contractual arrangement with a third party and the landowners gives both parties joint control since decision about the relevant activities requires the unanimous consent of both parties sharing control.

5.02.13 Classification of Joint Arrangement as a Joint Venture

The joint arrangement is classified into joint operations and joint ventures. The joint operations are a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement while the joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The joint arrangement agreed by the Group and a third party and the landowners was mutually classified by both parties as a joint venture.

Management believes that a joint venture arrangement will maintain the parties' rights to net assets.

5.02.14 Estimation of Impairment of Goodwill

The Group reviews the carrying value of goodwill for impairment annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. Assessments require the use of estimates and assumptions such as market evaluation and trends, discount rates, future capital requirements and operating performance. If the recoverable amount of the unit exceeds the carrying amount of the goodwill, the goodwill shall be regarded as not impaired.

No provision for impairment of goodwill was recognized in 2023, 2022 and 2021.

5.02.15 Contingencies

The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense of these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material effect on the Group's consolidated financial statements (see Notes 7 and 37).

6. Cash

	2025	2024
Cash on hand	511,584	510,710
Cash in banks	8,938,966	4,903,113
	9,450,550	5,413,823

Cash in banks earn interest at the prevailing bank deposit rates of less than 1.0% annually. Interest income earned from cash in banks, net of final taxes withheld, amounted to 304 in 2024 and 2,805 in 2023.

The Group has cash in banks denominated in foreign currency such as USD, HKD and RMB. These cash in banks were translated as at June 30, 2025 and December 31, 2024 closing rates (see Note 28).

7. Trade and Other Receivables

This account consists of:

	2025	2024
Trade	529,869,303	543,131,394
Advances to employees	62,450,064	63,394,791
Others	89,149,060	67,673,916
	681,468,427	674,200,101
Less allowance for impairment losses:		
Trade	64,540,034	64,540,034
Advances to officers and employees	5,369,517	5,369,517
Others	18,692,655	18,692,655
	88,602,206	88,602,206
	592,866,221	585,597,895

Trade receivables are non-interest bearing and are collectible within 30 to 90 days. These are generally settled through cash payment or application of customers' deposit, if any.

Advances to officers and employees are noninterest bearing and subject to liquidation.

Other receivables as at June 30, 2025 and December 31, 2024 include non-interest-bearing receivables from sales of scraps and first-class rejects, which are sold to local wet market at a lower price. This is generally collectible on 15 to 30-day terms.

Other receivables also include receivable from a third party amounting to P64,655,714 which is included in an ongoing criminal action initiated by the Group to recover the said receivable among others (see Note 15). The amount is guaranteed by a stockholder in the event of an adverse result of the ongoing case and is provided with an allowance for impairment amounting to P43,316,857 as at December 31, 2020. In 2021, the allowance was reversed since the Management believes that it can still recover the amount since it is guaranteed by the stockholders.

Movements in allowance for expected credit losses pertaining to trade receivables, advances to officers and employees and other receivables follows:

Balance at beginning of year	88,602,206	88,602,206
Provision for impairment during the year		
Reversal during the year		-
Write off during the year	-	
Balance at end of year	88,602,206	88,602,206

None of the Group's receivables were pledged to any of its liabilities.

All receivables are unsecured and noninterest-bearing.

8. Inventories

This account consists of the following at cost:

	2025	2024
Property for sale	897,887,229	905,434,729
Merchandise, furniture and appliances	191,494,992	178,956,912
Agricultural produce, beverages and vegan products	93,190,907	110,452,364
Packaging materials and other supplies	21,568,388	23,410,618
	1,204,141,516	1,218,254,622

Property for sale represents development costs and construction materials for residential and commercial units of Shengmei Century Plaza Development Project located in Jiawang District, Xuzhou, China.

The carrying amounts of the total inventories as at June 30, 2025 and December 31, 2024 approximate their NRVs. There were no purchase commitments and accrued net losses on inventories in June 30, 2025 and December 31, 2025.

No provision for inventory obsolescence or impairment was recognized in June 30, 2025 and December 31, 2024

Inventories are not pledged as security for any of the Group's liabilities.

The inventories are expected to be recovered within the Group's normal operating cycle

8. Prepayments and Other Current Assets

This account consists of:

	2025	2024
Input VAT	146,379,642	145,708,368
Advances to suppliers	246,821,085	316,006,714
Refundable deposits	15,416,041	15,320,407
Creditable withholding taxes (CWTs)	3,590,388	3,764,329
Prepaid expense	13,597,998	9,960,997
	425,805,154	490,760,815
Less allowance for impairment losses:		
Refundable deposits	7,174,987	7,174,987
Input VAT	5,573,606	5,573,606
Prepaid Taxes	102,351	102,351
CWTs	85,865	85,865
Advances for liquidation	5,000	5,000
	12,941,809	12,941,809
	412,863,345	477,819,006

Prepaid expense includes insurance, short-term lease rental and IT services. Prepaid insurance refers to insurances of vehicles, equipment and construction in progress.

Input VAT arises from purchase of goods and services. Purchase of goods include packaging and other supplies while purchase of services include but not limited to tolling and professional fees and other contracted services.

Advances to suppliers represent non-interest bearing advanced payments to third-party foreign and local suppliers for various future delivery of purchases of goods and performance of services.

Refundable deposits are made for short-term store-leased spaces of the Group. These deposits will be refunded upon end of lease term.

Creditable withholding taxes are considered prepayments which are claimed for the tax to be paid during the year and are carried over in the succeeding period for the same purpose.

Movements in allowance for impairment losses pertaining to prepayments and other current assets follows:

Balance at beginning of year	12,941,809	12,941,809
Reversal during the year		
Balance at end of year	12,941,809	12,941,809

9. Financial Asset at Fair Value through Other Comprehensive Income (FVOCI)

On April 3, 2018, the Group acquired 15% ownership of CMP Supply Chain Management (Shanghai) Co. Ltd, a company incorporated in China. The acquired shares are classified as financial assets at FVOCI amounting to ₱46,803,000 (CNY6,000,000) and ₱46,951,800 (CNY6,000,000) as at June 30, 2025 and December 31, 2024, respectively.

This account was translated as at June 30, 2025 and December 31, 2024 at closing rates.

10. Property and Equipment

Rollforward analysis of the Group's property and equipment as at June 30, 2025 and December 31, 2024 follows:

	2025									
	Land	Building	Store and warehouse equipment	Delivery and transportation equipment	Machinery and equipment	Office furniture and fixtures	Leasehold improvement	Construction in progress	Bearer Plants	Total
Balance, January 1, 2024										
Cost	131,735,330	250,214,691	124,890,124	64,502,612	262,648,805	63,403,628	76,009,889	-	(9,225,570)	964,179,509
Revaluation surplus	29,124,170	42,901,145	4,666,459	1,290,761	31,163,062	1,888,297	263,196	-	9,225,570	120,522,661
Accumulated depreciation										-
Cost	-	(168,631,021)	(116,636,307)	(60,552,461)	(262,531,428)	(56,598,441)	(75,546,269)	-	2,707,537	(737,788,390)
Revaluation surplus	-	(4,400,117)	(1,866,584)	(1,290,761)	(20,699,520)	(1,828,879)	(263,196)	-	(2,707,537)	(33,056,593)
Carrying amount	160,859,500	120,084,698	11,053,692	3,950,151	10,580,920	6,864,605	463,620	-	0	313,857,186
Movements during the 2025										
Additions		24,521,955	15,000					39,325,720	-	63,862,675
Revaluation surplus										-
Reclassification										-
Disposal									-	-
Accumulated depreciation										-
Cost		(11,516,623)	(746,386)	(25,454)	(827,010)		(65,391)		-	(13,180,864)
Revaluation surplus		(550,015)	(139,894)						-	(689,909)
Effect of foreign balance translation								(19,434)		(19,434)
Balance, June 30, 2025	160,859,500	132,540,015	10,182,413	3,924,697	9,753,909	6,864,605	398,229	39,306,286	0	363,829,654
June 30, 2025										
Cost	131,735,330	274,736,646	124,905,124	64,502,612	262,648,805	63,403,628	76,009,889	39,306,286	(9,225,570)	1,028,022,750
Revaluation surplus	29,124,170	42,901,145	4,666,459	1,290,761	31,163,062	1,888,297	263,196	-	9,225,570	120,522,661
Accumulated depreciation										-
Cost	-	(180,147,644)	(117,382,693)	(60,577,915)	(263,358,438)	(56,598,441)	(75,611,660)	-	2,707,537	(750,969,255)
Revaluation surplus	-	(4,950,131)	(2,006,478)	(1,290,761)	(20,699,520)	(1,828,879)	(263,196)	-	(2,707,537)	(33,746,502)
Carrying amount	160,859,500	132,540,015	10,182,413	3,924,697	9,753,909	6,864,605	398,229	39,306,286	0	363,829,654

	2024									
	Land	Building	Store and warehouse equipment	Delivery and transportation equipment	Machinery and equipment	Office furniture and fixtures	Leasehold improvement	Construction in progress	Bearer Plants	Total
Balance, January 1, 2024										
Cost	149,152,330	216,933,632	131,311,333	64,502,612	263,317,398	63,382,106	75,991,349	55,295,471	(9,225,570)	1,010,660,662
Revaluation surplus	29,124,170	42,901,145	4,666,459	1,290,761	31,163,062	1,888,297	263,196	-	9,225,570	120,522,661
Accumulated depreciation										-
Cost	-	(140,987,502)	(112,746,325)	(60,433,527)	(261,314,306)	(55,967,427)	(74,609,376)	-	2,707,537	(703,350,927)
Revaluation surplus	-	(3,300,087)	(1,399,938)	(1,290,761)	(19,391,577)	(1,769,460)	(263,196)	-	(2,707,537)	(30,122,556)
Carrying amount	178,276,500	115,547,187	21,831,529	4,069,085	13,774,578	7,533,516	1,381,973	55,295,471	0	397,709,839
Movements during the 2024										
Additions	-	-	302,435	-	272,079	22,321	18,540	-	-	615,375
Revaluation surplus										-
Reclassification		55,295,471						(55,295,471)		-
Disposal	(17,417,000)	(25,206,853)	(6,723,644)	-	(940,672)	(800)	-	-	-	(50,288,969)
Accumulated depreciation										-
Cost	-	(27,643,519)	(3,889,982)	(118,934)	(1,217,122)	(631,014)	(936,893)	-	-	(34,437,463)
Revaluation surplus	-	(1,100,029)	(466,646)	-	(1,307,943)	(59,419)	-	-	-	(2,934,037)
Effect of foreign balance translation		3,192,441								3,192,441
Balance, December 31, 2024	160,859,500	120,084,698	11,053,692	3,950,151	10,580,920	6,864,605	463,620	-	0	313,857,186
December 31, 2024										
Cost	131,735,330	250,214,691	124,890,124	64,502,612	262,648,805	63,403,628	76,009,889	-	(9,225,570)	964,179,509
Revaluation surplus	29,124,170	42,901,145	4,666,459	1,290,761	31,163,062	1,888,297	263,196	-	9,225,570	120,522,661
Accumulated depreciation										-
Cost	-	(168,631,021)	(116,636,307)	(60,552,461)	(262,531,428)	(56,598,441)	(75,546,269)	-	2,707,537	(737,788,390)
Revaluation surplus	-	(4,400,117)	(1,866,584)	(1,290,761)	(20,699,520)	(1,828,879)	(263,196)	-	(2,707,537)	(33,056,593)
Carrying amount	160,859,500	120,084,698	11,053,692	3,950,151	10,580,920	6,864,605	463,620	-	0	313,857,186

Certain assets such as delivery and transportation equipment, buildings and machinery equipment are covered by insurance. In 2018, three (3) delivery trucks under transportation equipment of the Group, amounting to ₱3,022,800, is mortgaged as collateral for its own auto-loan (see Note 17). The carrying value of the trucks as at December 31, 2022 and 2021 amounted to ₱562,246 and ₱1,236,994, respectively.

The Group's commitment to acquire property is discussed in Note 15. The Group's Management had reviewed the carrying values of property and equipment as at December 31, 2022 and 2021 for any possible impairment. Based on the evaluation, there are no indications that the property and equipment are impaired.

The remaining property and equipment of the Group are not pledged as security to any of the Group's liabilities.

11. Investment Property

This pertains to construction-in-progress for retail and office spaces intended for lease.

The rollforward analysis of construction-in-progress under investment property follow:

	2025	2024
Balance at beginning of year	938,818,717	1,292,960,226
Effect of foreign exchange translation	139,701,333	(354,141,509)
Balance at end of the year	1,078,520,050	938,818,717

The Group's Management had reviewed the carrying values of investment property as at June 30, 2025 and December 31, 2024 for any possible impairment. Based on the evaluation, there are no indications that the investment property is impaired.

In 2021, the Management recognized gain on change in fair value of investment property based on the valuation report dated December 27, 2020 by Guangdong Tianshun Land Real Estate Asset Appraisal Co., Ltd. amounting to ₱908,745,817. The Royal Chartered Surveyor has thoroughly and meticulously analyzed the characteristics and actual conditions of the project, and has studied the information provided by the client. On the basis of market research, the property to be assessed is commercial (agricultural commodity trading center) and leasing in nature. In order to make the valuation results scientific, accurate and objective, the appraiser use the market comparison method and the income method to evaluate their value. The comparative method is to compare the real estate of the object of valuation with the similar real estate that has been traded recently at the time of value, and to make appropriate amendments to the transaction price of these similar real estate. The income method is a method to convert the net income of the expected valuation object real estate in the future period into the present value of the value point by using the appropriate reduction interest rate, and to find the sum of its present value to determine the real estate price.

The Group's investment properties are not pledged as security for any of the Group's liabilities. The Group has no contractual commitment to purchase investment property.

12. Intangible Assets

This account consists of the following, net of any accumulated amortization and impairment:

	2025				
	Trademark	Goodwill	Franchise	Computer Software	Total
Cost:					
Balance at beginning of year	200,184,539	95,014,063	9,133,598	8,159,797	312,491,997
Additions during the year					-
Balance at end of the year	200,184,539	95,014,063	9,133,598	8,159,797	312,491,997
Accumulated amortization and impairment:					
Balance at beginning of year	92,684,539	66,098,458	9,049,750	7,599,437	175,432,184
Amortization				51,204	51,204
Effect of foreign currency translation		228,785			228,785
Balance at end of the year	92,684,539	66,327,243	9,049,750	7,650,640	175,712,172
Net carrying value	107,500,000	28,686,820	83,848	509,157	136,779,825
	2024				
	Trademark	Goodwill	Franchise	Computer Software	Total
Cost:					
Balance at beginning of year	200,000,000	95,014,063	9,049,750	8,159,797	312,223,610
Additions during the year	184,539		83,848	-	268,387
Balance at end of the year	200,184,539	95,014,063	9,133,598	8,159,797	312,491,997
Accumulated amortization and impairment:					
Balance at beginning of year	92,500,000	66,551,298	9,049,750	7,497,030	175,598,078
Amortization	184,539			102,407	286,946
Effect of foreign currency translation		(452,840)			(452,840)
Balance at end of the year	92,684,539	66,098,458	9,049,750	7,599,437	175,432,184
Net carrying value	107,500,000	28,915,605	83,848	560,360	137,059,814

Trademark

The trademark is related to the acquisition of TBC in 2011. During the acquisition of TBC, net assets acquired includes trademark for the use of "Big Chill" brand, amounting to ₱200,000,000 which was included in the purchase price.

Goodwill

The goodwill of the Group is attributable mainly to the business acquisitions made in 2017 to expand the Group's operations.

The calculations of value in use are most sensitive to the following assumptions:

- **Gross Margins.** Gross margins are based on average values achieved in the period immediately before the budget period. These are increases over the budget period for anticipated efficiency improvements. Values assigned to key assumptions reflect past experience, except for efficiency improvement.
- **Discount Rates.** The Group uses the weighted-average cost of capital as the discount rate, which reflects management's estimate of the risk specific to each unit. This is the benchmark used by management to assess operating performance and to evaluate future investments proposals.
- **Raw Material Price Inflation.** Consumer price forecast is obtained from indices during the budget period from which raw materials are purchased. Values assigned to key assumptions are consistent with external sources of information.

No impairment loss for goodwill was recognized in all years.

Franchise

On January 7, 2011, the Group entered into a Master Licensing Agreement with Tully's Coffee International Pte. Ltd. for the operation of coffee shops and sale of coffee products under the brand "Tully's". The term of the license is for a period of ten (10) years but may be extended for another ten (10) years. Under the agreement, the Group paid \$200,000 equivalent to ₱9.05 million as a sign-up fee.

In 2021, the term of the franchise is extended for another 10 years.

Computer software

Computer software pertains to the accounting software used by the Group. The carrying value of computer software is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

No impairment loss for trademark and computer software were recognized in all years.

The Group's intangible assets are not pledged as security to any of the Group's liabilities.

The Group has no contractual commitment to purchase intangible assets.

13. Deposits and Other Noncurrent Assets – net

This account consists of:

	2025	2024
Advances and deposits	694,579,537	694,579,537
Refundable deposits	1,774,276	1,774,276
Subtotal	696,353,813	696,353,813
Less : Allowance for impairment loss	(6,640,000)	(6,640,000)
	689,713,813	689,713,813

Details of advances and deposits include the following:

13.01.01 Deposit for Land Acquisition

On December 28, 2018, the Group and a third-party individual entered into an agreement to form a joint venture to develop a property located in Taytay Rizal. Relative to this, the Parent Company made a deposit amounting to ₱300,000,000 to acquire a portion of the 859 hectares, or a corresponding portion thereof, of titled and untitled parcels of land.

In 2019, the Group made additional deposit amounting to ₱208,700,000 which was advanced by one of its stockholders. The parties are in the process of executing the projects under the Joint Venture Agreement. The joint venture shall include but not limited to the formation of the following: Phase 1 - Transportation Hub, Phase 2 – Food Terminal and Phase Property Development Corporation. As of reporting period, the masterplan for the design of the food terminal were already completed.

As of June 30, 2025 and December 31, 2024, deposit for land acquisition amounted to ₱508,700,000.

13.01.02 Deposit for Business Acquisition

Breakdown of deposit for business acquisition is as follows:

	2024	2023
Freshness First Pty Ltd. (Note 13.01.02.01)	₱64,712,032	₱64,712,032
Plentex Philippines, Inc. (Note 13.01.02.02)	73,376,800	73,376,800
Agricultural Bank of the Philippines, Inc. (Note 13.01.02.03)	6,250,000	6,250,000
	₱144,338,832	₱144,338,832

14. Trade and other payables

	2025	2024
Trade payables	120,890,092	125,688,324
Nontrade payables		395,035,483
Customers' deposits	541,261,952	48,795,141
Real estate	29,253,000	
Sale of goods	23,232,280	
Government payables	3,392,724	2,707,735
Others	3,736,704	3,659,399
Accrued expenses	37,143,171	44,744,841
Accrued interest	104,059,279	73,829,358
	862,969,203	694,460,281

Trade payables are unsecured, non-interest bearing and are generally settled within one (1) month.

Non-trade payables mainly include unsecured and non-interest bearing payable to ThomasLloyd Cleantech Infrastructure Fund GMHB (TLCIF) subsequently assigned by TLCIF to Greenergy Holdings Inc. (GHI), as consented by GHI on December 29, 2014, with the following terms and conditions:

- a. The Group shall pay the non-trade payables on or before December 31, 2016 in cash or non-cash assets acceptable to GHI; and
- b. If the non-trade payables will be paid with non-cash assets, the appraised value thereof shall be determined by an independent appraiser mutually acceptable to the Group and GHI.

As at June 30, 2025 and December 31, 2024, non-trade payables to GHI amounting to ₱250,118,737 are not yet settled. Non-trade payables also include outstanding liabilities to nontrade suppliers.

Customers' deposits pertain to advanced collections from customers for goods to be delivered and excess of collections over the progress of work for sale of real estate projects under pre-completion stage.

Accrued expenses are obligations on the basis of normal credit terms and do not bear interest. These pertain to accruals made for utilities, association dues, security services, salaries and wages and professional fees. Accruals are made based on the prior month's billings and/or contracts and are normally settled within 12 months from the end of the reporting period.

Government payables include expanded withholding taxes, withholding taxes on compensation, final taxes, social security, government health and other fund premiums which are paid within 12 months from the end of the reporting period.

15. Loans Payable and Redeemable Convertible Loan

Details of this account follow:

	2025 	2024
<i>Long term:</i>		
Peso Currency		
Others	7,201,220	7,201,220
	7,201,220	7,201,220
Less noncurrent portion	-	
Current portion	7,201,220	7,201,220
<i>Short term:</i>		
Peso Currency		
Bank 1	276,200,079	276,200,079
Bank 2	221,600,000	221,600,000
Bank 3	96,249,432	96,249,432
Bank 4	99,300,000	99,300,000
Bank 5	48,842,122	48,842,122
Bank 6	545,000	545,000
Others	3,000,000	3,000,000
Others	-	
	745,736,632	745,736,632

The rollforward analysis of borrowings follows:

Balance at beginning of	752,937,853	746,143,421
Availments during the year		6,794,432
Balance at end of year	752,937,853	752,937,853

15.01 Short-term Borrowings

Bank 1

In both years, the Group availed various short-term, unsecured loans, bearing an interest rate of 8.50% per annum, with the interest payable on a monthly basis. The loan is to be repriced every 30 to 180 days upon mutual agreement of both parties.

Bank 2

In both years, the Parent Company availed unsecured, short-term loans with interest rate of 7% to 7.75% per annum, payable in three (3) months.

Bank 3

In both years, the Parent Company availed unsecured, short-term loans with interest rate ranging from

8.25% to 9% per annum, payable in six (6) months

Bank 4

In 2022, the Parent Company availed unsecured, short-term loans with interest rate of 8.25% to 10.25% per annum, payable in six (6) months.

Bank 5

In 2022, the Parent Company availed unsecured, short-term loans with interest rate of 8.60% per annum, payable in six (6) months.

Other loans include the following:

- In 2018, TBC availed a loan from a local bank, amounting to ₱3,022,800 for acquisition of three units of delivery trucks, with an interest rate of 9.4% per annum, payable in five (5) years. Outstanding balance of loan as at December 31, 2022 and 2021 amounted to ₱562,246 and ₱1,236,994, respectively, which are secured by a chattel mortgage (see Note 11).
- In May 2004, the previous owners of FCI obtained a noninterest-bearing, unsecured loan amounting to ₱13,650,000 from the Agricultural Competitiveness Enhancement Fund (ACEF) of the Department of Agriculture (DA) through the chosen conduit bank, Land Bank of the Philippines for the additional working capital and expansion of fruit processing facilities. The loan is payable quarterly within five (5) years starting September 2005 to June 2009.

Due to unfavorable effects of economic conditions, FCI proposed to settle the ACEF loan with monthly payments of ₱30,000 starting October 2007. The Company also has the option to pay the loan at ₱100,000 quarterly. The DA subsequently approved the proposal in September 2012.

The loan was restructured as a result of the decision made by the ACEF Executive Committee (EXECOM) with FCI proposed for deferment of 10% outstanding balance amounting to ₱1,046,000 to be paid on January 31, 2019. The corresponding balance to be paid at ₱831,570, quarterly, for three (3) years, starting on March 31, 2019, amount inclusive of fixed annual interest of 2%. Interest of ₱47,070 is payable on a quarterly basis, upon payment of principal. Outstanding balance of the loan amounted to ₱7,060,500 as at March 31, 2023 and December 31, 2022.

- ANI availed short-term, unsecured loans from third-party individuals which bear interest ranging from 1% to 2% and have terms of 1-12 months. Outstanding balance of these loans amounted to ₱5.7 million as at December 31, 2020. The loan was settled in 2021.

FFCI availed short term, unsecured loans which bear interest rate of 1% per month, payable on a monthly basis and have maximum terms of three (3) to six (6) months. Outstanding balance of these loans amounted to ₱3,000,000 as at June 30, 2025 and December 31, 2024.

16. REVENUE

The table below shows the analysis of revenues of the Group by major sources for the period ended June 30, 2025 and 2024:

Category	2025				Total
	Export	Local distribution	Retail	Foreign trading	
<i>Geographical</i>					
China	4,443,167				4,443,167
Philippines		20,409,352	12,142,446		32,551,798
Macau					-
Canada					-
Middle East	173,716				173,716
Japan					-
Others					-
Total	4,616,883	20,409,352	12,142,446	-	37,168,681
<i>Major Goods/ Services Line</i>					
Banana					-
Merchandise					-
Fruits and vegetables	173,716	7,898,253			8,071,970
Seafood					-
Building materials					-
Furniture and gadget					-
Residential and commercial real estate					-
Tolling		178,692			178,692
Coconut water		137,788			137,788
Restaurants food and beverages			12,142,446		12,142,446
Puree	4,443,167	11,823,084			16,266,251
Rice					-
Sales commission		323,257			323,257
Others		48,277			48,277
Total	4,616,883	20,409,352	12,142,446	-	37,168,681

Category	2024				
	Export	Local Distribution	Retail	Foreign Trading	Total
Geographical					
China	5,264,757			918,478,842	923,743,599
Philippines		112,050,893	23,097,520		135,148,412
Macau	5,836,339				
HongKong					-
Middle east	467,822				467,822
Japan					-
Total	11,568,918	112,050,893	23,097,520	918,478,842	1,065,196,173
Major Goods/Services Line					
Banana					-
Merchandise				327,645,923	327,645,923
Fruits and vegetables	441,329	54,501,103		176,393,392	231,335,824
Seafood				100,317,479	100,317,479
Building and materials				139,541,941	139,541,941
Furniture and gadget				144,184,215	144,184,215
Residential and commercial real estate				30,395,892	30,395,892
Tolling		139,113			139,113
Rice		40,950,000			40,950,000
Coconut water	26,493	1,194,151			1,220,644
Restaurant food and beverages			23,097,520		23,097,520
Puree	11,101,096	14,985,739			26,086,835
Others (Vegan)		280,787			280,787
Total	11,568,918	112,050,892	23,097,520	918,478,842	1,065,196,172

Performance Obligations

Information about the Group's performance obligations are summarized below:

Export and local distribution

The Group delivers the best quality produce by exporting and locally distributing all kinds of fruits and vegetables and other fresh produce fruits and vegetables and other agri-products such as bananas, mangoes, coconut water and puree. The performance obligation of the Group is satisfied at a point in time upon delivery and sale of the goods.

Retail

- *Restaurants' and kiosks' food and beverage – finished and prepared products*

The performance obligation is satisfied when the refreshments and other products are delivered and sold. *Franchise and royalty income*

Recognition of franchise fees is based on the purpose of charging the specific fees. Fees relating to performance obligations are recognized when substantial obligations were already performed. Royalty fees are recognized on a monthly basis at a certain percentage of sales of the franchisees.

Foreign trading

- *Sale of real estate property*
The Group recognized revenue on the sale of real estate projects under pre-completed contract over time during the course of construction. Sale of completed real property is recognized in full at a point in time upon transfer of control of the asset to the customer.
- *Sale of merchandise, fruit and vegetables, building materials, furniture and gadgets, seafood - finished and prepared products*
The performance obligation is satisfied at a point in time when the goods are delivered and sold.

17. Equity

The issued capital of the Group are as follows:

		2025		2024
Capital stock	P	872,831,688	P	872,831,688
Additional paid-in capital		1,974,005,425		1,974,005,425
	P	2,846,837,113	P	2,846,837,113

Components of capital stock are as follows:

		2025		2024
Preferred shares (Note 19.01)	P	40,000,000	P	40,000,000
Ordinary shares (Note 19.02)		832,831,688		832,831,688
	P	872,831,688	P	872,831,688

The movement in the Group's subscribed and paid-up capital is shown below:

		2025		2024
Balance at beginning	P	832,831,688	P	832,831,688
Paid-up during the year		40,000,000		40,000,000
Balance at end of year	P	872,831,688	P	872,831,688

Rollforward analysis of subscribed capital at par value is shown below:

	2025		2024	
Balance at beginning of year	P	1,064,446,888	P	1,064,446,888
Subscription during the year				
Balance at end of year	P	1,064,446,888	P	1,064,446,888

The movement in the Group's additional paid-in capital is shown below:

	2025		2024	
Balance at beginning of year	P	3,602,050,960	P	3,602,050,960
Equity restructuring		(1,628,045,535)		-
Additions during the year (net of subscriptions receivable of P307,481,882 in 2022 and 2021)*		-		-
Balance at end of year	P	1,974,005,425	P	3,602,050,960

*The subscription receivable will be credited to additional paid-in capital upon collection.

17.01 Preference Shares

The movements in the carrying amount of the Group's preference shares are shown below.

	2025		2024	
	Shares	Amount	Shares	Amount
Authorized				
P0.10 par value	400,000,000	P 40,000,000	400,000,000	P 40,000,000
Issued and fully paid				
Balance, January 1	-	-	-	-
Paid up during the year	-	-	400,000,000	40,000,000
Balance, December 31	400,000,000	P 40,000,000	400,000,000	P 40,000,000

At the annual meeting of the stockholders, held at its principal offices on September 9, 2022, at which meeting a quorum was present and acted throughout, the stockholders representing at least two-thirds (2/3) of the outstanding capital stock approved the reclassification of the Corporation's Forty Million (40,000,000) unissued common shares with par value of One Peso (P1.00) per share, or an aggregate par value of Forty Million Pesos (P40,000,000), into Four Hundred Million (400,000,000) voting preferred shares with par value of Ten Centavos (P0.10) per share, or an aggregate par value of Forty Million Pesos (P40,000,000), with the following features:

The preferred shares shall have the following rights, privileges, limitations, and restrictions, which shall also appear on the Certificates of the Preferred Shares of the Corporation:

- The right to vote and be voted for;
- The right to receive, out of unrestricted retained earnings of the Corporation, participating dividends at the rate as may be deemed proper by the Board of Directors under the prevailing market conditions or such other relevant factors as the Board of Directors may consider. Said dividend maybe declared and payable at the discretions of the Board of Directors after taking into account the Corporation's earning, cash flows, financial conditions and other factors as the Board of Directors may consider relevant; and
- In the liquidation, dissolution and winding up the Corporation, whether voluntary or otherwise, the right to be paid in full or ratably, insofar as the assets of the Corporation will permit, the par value or face value of each preferred share as the Board of Directors may determine upon their issuance, plus unpaid and accrued dividends up to the current dividend period, before any assets of the Corporation shall be paid or distributed to the holders of the common shares.

The reclassification of shares was filed, and approved by the SEC on November 16, 2022.

17.02 Ordinary Shares

Shown below are the details on the movements of ordinary shares.

The movement in the Group's authorized number of shares is shown below:

		2025		2024
Balance at beginning	₱	1,600,000,000	₱	2,000,000,000
Reclassification to preferred shares		-		(400,000,000)
Balance at end of year	₱	1,600,000,000	₱	1,600,000,000

The movement in the Group's subscribed and paid-up capital is shown below:

		2025		2024
Balance at beginning	₱	832,831,688	₱	832,831,688
Paid-up during the year		-		-
Balance at end of year	₱	832,831,688	₱	832,831,688

Rollforward analysis of subscribed capital at par value is shown below:

		2025		2024
Balance at beginning and end of year	₱	1,024,446,888	₱	1,024,446,888

The movement in the Group's additional paid-in capital is shown below:

		2025		2024
Balance at beginning of year	₱	1,974,005,425	₱	3,602,050,960
Equity restructuring				(1,628,045,535)
Additions during the year (net of subscriptions receivable of ₱307,481,882 in 2022 and 2021)*		-		
Balance at end of year	₱	1,974,005,425	₱	1,974,005,425

**The subscription receivable will be credited to additional paid-in capital upon collection.*

17.02.01 Subscription Agreement with Plentex Philippines, Inc.

In 2020, Plentex Philippines, Inc. and the Group entered into a subscription agreement in which the former agreed to subscribe for and the latter has agreed to issue a total of 6,172,800 common shares of the Group's authorized capital stock. The parties have agreed that Plentex will subscribe for the shares in three (3) separate batches each of 2,057,600 common shares at a price of ₱18 per share. The subscription agreements have no definite timeline and are based on the mutual agreement of both parties.

In 2021, the first batch of the issuance of shares pertaining to the subscription agreement with Plentex Philippines, Inc. were made resulting to an increase in subscribed and paid-up capital amounting to ₱2,057,600 and additional paid-in capital amounting ₱34,979,199.

The total number of shareholders of the Group is 42 as at June 30, 2025 and December 31, 2024.

The principal market for the Group's capital stock is the PSE. The high and low trading prices of the Group's shares as at June 30, 2025 and December 31, 2024 are as follows:

	2025		2024	
	High	Low	High	Low
First	0.49	.48	₱.64	₱.59
Second	0.48	.46	.58	.53
Third			.55	.53
Fourth			.51	.48

18. Basic/Diluted Earnings Per Share

Basic earnings (loss) per share is calculated by dividing the net loss attributable to stockholders of the Group by the weighted average number of ordinary shares in issue during the year.

Earnings per share attributable to the equity holders of the Group

	2024	2023
Net income (loss) from continuing operations attributable to equity holders of the Parent Company	(27,796,196)	2,170,012
Weighted average number of common shares – subscribed and paid up	832,831,688	832,831,688
Basic and diluted earnings (loss) per share	(0.03)	0.003
Number of shares beginning of year	832,831,688	832,831,688
Weighted average number of shares issued during the year		-
paid up	832,831,688	832,831,688.00

Earnings (Loss) per share attributable to the equity holders of the Parent Company from continuing operations

Net income (loss) from continuing operations attributable to equity holders of the Parent Company	(27,796,196)	2,170,012
Weighted average number of common shares – subscribed and paid up	832,831,688	830,774,088
per share	(0.03)	0.003

19. Related Party Transactions

The Group has the following transactions with related parties:

- Unsecured and noninterest-bearing cash advances to/from its related parties for the acquisition of operating machinery and equipment and other investing activities and for working capital purposes. These are payable on demand and usually settled in cash or other form of assets by way of liquidation.
- On December 28, 2018, the Parent Company and a third party individual entered into an agreement to form a joint venture to develop a property located in Taytay Rizal. Relative to this, the Parent Company made a deposit amounting to ₱300.0 million to acquire a portion of the 859 hectares, or a corresponding portion thereof, of titled and untitled parcels of land.

In 2019, the Parent Company made additional deposit amounting to ₱208.7 million which was advanced by one of its stockholders. As at reporting date, the third party is completing the titling of the whole portion of the property to fully execute the transactions. The deposit shall be recognized as property upon the determination of the final amount and upon taking control of the related property.

Details of related party balances

	2025	2024
Due from:		
Stockholders	190,370,800	167,532,824
Affiliates/Entity under common control	160,465,098	165,471,088
	350,835,898	333,003,912
Allowance for impairment	(6,460,530)	(6,460,530)
	344,375,368	326,543,382
Due to:		
Stockholders	310,179,738	97,673,792
Affiliates/Entity under common control	387,538,794	332,682,827
	697,718,532	430,356,619

The rollforward analysis of related party accounts follows:

	2025	2024
Balance at beginning of year	326,543,382	268,937,041
Advances made	17,831,986	(57,606,341)
Collections/liquidation		115,212,682
Balance at end of year	344,375,368	326,543,382
Direct write-off	-	
Net carrying value	344,375,368	326,543,382
Due to related parties:		
Balance at beginning of year	430,356,619	557,798,456
Advances received	267,361,913	
Payments made		(127,441,837)
Balance at end of year	697,718,532	430,356,619

c. Details of the related party balances follow:

The summary of the above related party transactions follows:

Category	2025 Amount	2025 Balance - Asset (Liability)	2024 Amount	2024 Balance - Asset (Liability)	Terms and condition/settlement	Guaranty/Provision
Stockholders						
Receivable		190,370,800		167,532,824	Non-interest bearing; payable on demand; to be settled in cash or other asset	Unsecured; no significant warranties and covenants; no
Advances made						
Collections	22,837,976		147,141,640			
Payable		(310,179,738)		(97,673,792)	Non-interest bearing; payable on demand; to be settled in cash or other asset	Unsecured; no significant warranties and covenants; no
Advances received						
Payments made	212,505,946		(258,361,061)			
Other common control						
Receivable		160,465,098		165,471,088	Non-interest bearing; payable on demand; to be settled in cash or other asset	Unsecured; no significant warranties and covenants; no
Advances made						
Collections	(5,005,990)		(83,074,769)			
Allowance for impairment		(6,460,530)		(6,460,530)		
Payable		(387,538,794)		(332,682,827)	Non-interest bearing; payable on demand; to be settled in cash or other asset	Unsecured; no significant warranties and covenants; no
Advances received						
Payments made	54,855,967		130,919,224			

Due from Stockholder

Due from stockholder is noninterest-bearing advances, unsecured, not guaranteed and no impairment and are generally collectible in cash and other assets through liquidation or offsetting with corresponding payable. In 2024 and 2023, the balances due from the stockholder are all current.

Compensation of Key Management Personnel

The Group considers its President, Chief Finance Officer and Asistant Vice President as key management personnel. Total remuneration of key management personnel, composed mainly of short-term employee benefits and provision for retirement benefits for executive officers, were included under "Personnel costs" in the statement of comprehensive income amounted to ₱2.7 million and ₱3.2 million in 2020 and 2019, respectively. There were no other benefits aside from the salaries and other short- term benefits.

There are no other related party transactions in 2025 and 2024.

22. Cost of Sales

	2025	2024
Inventories at beginning of year	1,218,254,622	1,255,146,325
Purchases and conversion of costs	17,874,462	943,528,391
Cost of goods available for sale	1,236,129,084	2,198,674,716
Less inventories at end of year	1,204,141,518	1,218,254,622
Cost of goods and services sold	31,987,566	980,420,094

Others include production supplies, freight and handling costs, contracted services, gas and oil, repairs and maintenance, tolling, sales commission and utilities.

23. General and Administrative Expenses

	2025	2024
Depreciation and amortization	23,075,901	19,005,510
Rentals	12,617,751	10,422,413
Personnel costs	10,113,684	41,288,563
Others	3,016,511	3,290,647
Taxes and licenses	2,785,202	39,925,718
Communication, light and water	2,450,939	7,698,960
Freight and handling cost	817,740	900,442
Professional fees	709,360	215,417
Transportation and travel	634,159	6,514,788
Contracted services	423,372	1,332,141
Repairs and maintenance	255,141	1,325,428
Supplies	100,909	789,939
Representation and entertainment	73,667	1,483,994
Bank charges	68,494	293,629
Dues and subscription	48,555	169,154
Advertising	34,754	2,706,821
Insurance	27,832	365,333
	57,253,970	137,728,897

Other employee benefits include SSS, HDMF, Philhealth employer contributions and 13th month bonus. Others pertain to trainings and seminars, pest controls, mails and postages and printing.

24. OTHER INCOME (CHARGES)

	2025	2024
Other income		
Rental Income		431,357
Others		1,102,617
	-	1,533,974
Other expenses:		
Finance Cost	30,526,634	6,687,419
Realized foreign exchar	15,007	399,024
Others	30,541,641	6,288,395
	30,541,641	4,754,421

25. Retirement Liability

The Group has unfunded, noncontributory defined benefit retirement plan covering substantially all of its employees. Benefits are based on the employee's years of service and final plan salary.

Under the existing regulatory framework, Republic Act 7641 requires provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Retirement benefits are based on employees' years of service and compensation levels during their employment period. Actuarial valuations are made with sufficient regularity.

The last actuarial valuation was made as at and for the years ended December 31, 2023.

Movement of retirement liability recognized in the consolidated statements of financial position are as follows:

	2025	2024
Balance at beginning of year	26,823,554	25,912,579
Retirement benefits expense		910,975
Remeasurement loss		
Balance at end of year	26,823,554	26,823,554

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension and post-employment benefit obligations for the defined benefit plans are shown below:

	2025	2024
Discount rate	6.20%	6.20%
Projected salary increase rate	5.20%	5.20%

All other assumptions are held constant in determining the sensitivity results above.

The estimated average remaining working lives of employees is 14 years for the years ended June 30, 2025 and December 31, 2024.

26. Income Taxes

- a) The Group and local subsidiaries are subject to RCIT or MCIT whichever is higher. Foreign subsidiaries are subject to corporate income tax at statutory tax rate applicable to their respective countries. Income tax expense amounted to ₱7,629,074, ₱15,594,340 and ₱35,796,749 in 2023, 2022, and 2021, respectively.
- b) A reconciliation of provision for income tax expense (benefit) for 2023, 2022 and 2021 applicable to income before income tax computed at the statutory income tax rates follows:

	2023	2022	2021
(Loss) Income before income tax	₱(151,595,127)	₱10,343,443	₱1,094,664,173
Multiplied by statutory rate	25%/20%	25%/20%	25%/20%
Income tax at statutory rate @ 25%	(57,155,653)	15,333,658	276,377,583
Income tax at statutory rate @ 20%	(19,226,588)	(10,198,238)	(2,169,232)
Income tax effects of:			
Changes in unrecognized deferred tax assets	60,838,704	8,787,952	(9,523,093)
Difference in tax rates	(626,149)	2,292,696	(222,504,739)
Income Taxes Nondeductible depreciation from piecemeal revaluation	1,788,467	2,581,886	2,469,859
Nondeductible expenses	1,311,431	829,738	169,347
Provision for retirement expense	701,750	175,546	-
Interest income subject to final tax	(1,944)	-	(5,765)
Amortization of security deposit	-	-	10,642
Effect of change in tax rate	-	-	(1,045,961)
Reversal of allowance	-	-	(2,235,600)
Nontaxable income	-	(3,665)	-
Unrealized foreign exchange gain	-	-	(665)
Application of NOLCO	-	(608,721)	(1,133,378)
Recognition of deferred tax assets	(4,872,138)	(11,110,819)	-
Loss on write off	12,418,651		
Applied/Expired MCIT	-	(236,913)	(3,606,125)
Total income tax – current and deferred	(4,823,469)	7,843,120	36,802,873
Deferred income tax expense (benefit)	(12,452,543)	(7,751,220)	1,006,124
Current income tax expense	₱7,629,074	₱15,594,340	₱35,796,749

- c. The Group reviews deferred tax assets at each financial reporting date and recognized these to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

- The Group have recognized deferred tax asset from the following:

	Retirement benefit obligation	PFRS 16	Allowance for impairment losses	NOLCO	Unrealized foreign exchange Losses	MCIT	Total
Balance at January 1, 2023	₱3,892,961	₱7,736	₱7,871,747	₱-	₱-	₱-	₱11,772,444
Recognized in profit or loss	658,517	(7,736)	-	2,246,171	161,016	2,411,851	5,469,819
Recognized in other comprehensive income	(738,490)	-	-	-	-	-	(738,490)
Balance at December 31, 2023	3,812,988	-	7,871,747	2,246,171	161,016	2,411,851	16,503,773
Recognized in profit or loss							
Recognized in other comprehensive income							
Balance at December 31, 2024	₱3,812,988	₱-	₱7,871,747	₱2,246,171	₱161,016	₱2,411,851	₱16,503,773

- The Group has unrecognized deferred taxes from the following:

	Notes	2024	2023	2022
Allowance for impairment losses	7, 9, 15	₱	₱13,362,948	₱72,231,359
NOLCO		59,313,833	22,351,051	25,126,814
Retirement liability	25		2,132,127	1,254,831
MCIT		52,965	251,420	495,145
Unrealized foreign exchange loss			-	-
		₱59,366,798	₱38,097,546	₱99,108,149

- d. The Group recognized deferred tax liabilities from the following;

	Revaluation increment	Gain on change in fair value of biological assets	Unrealized foreign exchange gain	Total
Balance at January 1, 2023	₱22,004,952	₱7,364,261	₱1,900,520	₱31,269,733
Recognized in profit or loss	-	(5,489,199)	(1,493,525)	(6,982,724)
Recognized in other comprehensive income	(3,569,413)	-	-	(3,258,569)
Balance at December 31, 2023	18,435,539	1,875,062	406,995	20,717,596
Recognized in profit or loss				
Recognized in other comprehensive income	(808,301)			(808,301)
Balance at December 31, 2024	₱17,627,238	₱1,875,062	₱406,995	₱19,909,295

- e. The deferred income tax expense (benefit) amounted to (₱32,037,530) (₱54,844,578) and (₱7,751,220) in 2024, 2023 and 2022. Income tax benefit in 2024, 2023 and 2022 also includes applied MCIT whose corresponding deferred tax asset was previously not recognized amounting to nil in 2023 and 2022 and ₱3,485,638 in 2021.

- f. Net Operating Loss Carry-Over (NOLCO)

- Details of NOLCO from 2022 are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2023	₱60,494,384	₱-	₱-	₱-	₱60,494,384	2026
2024	125,050,363				125,050,363	2027
	₱185,544,747	₱-	₱-	₱-	₱185,544,747	

- Details of NOLCO covered by Revenue Regulation No. 25-2020 is as follows:

Pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under Revenue Regulations (RR) No. 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2021	₱30,125,82	₱-	₱-	₱-	₱30,125,820	2026
2022						2027
	₱30,207	₱-	₱-	₱-	₱30,125,820	

- g. The Group incurred MCIT which can be claimed as deduction against future tax due as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2021	₱223,601	₱-	₱82,679	₱-	₱140,922	2024
2022	116,639	-	-	-	116,639	2025
2023	2,417,438	-	-	-	2,417,438	2026
2024	52,965				52,965	2027
	₱393,205	₱-	₱82,679	₱-	₱310,526	

- h. The Group opted for the itemized deduction scheme for its income tax reporting in 2024, 2023 and 2022.

27. Lease Agreements

Group as a Lessor

The Group has an operating lease arrangement of its property to a third-party construction company.

The lease has a term of one year commencing from January 1, 2018 subject to an annual review and renewable upon mutual agreement of the parties. The lease contract was renewed in 2023 and 2022 for another twelve (12) months from date of renewal. Refundable deposit pertaining to this lease amounted to ₱121,511 (see Note 16).

The lease agreement includes clause requiring the lessee to be liable when the property has been subjected to excess wear-and-tear during the lease term. This strategy minimizes the risk exposure to residual value of the underlying asset.

Rental income from the lease amounted to ₱508,340, ₱1,140,812 and ₱1,228,069 in 2024, 2023 and 2022, respectively (see Note 24).

Group as a Lessee

The Group leases machinery, transportation equipment and store premises from third parties under finance lease agreements ranging from four (4) to seven (7) years.

I. Right-of-use assets

The balance and movements of ROU assets relating to the lease of machinery, transportation equipment and store premises is as follows:

	Note	2024	
		Leases	Discount on rental deposit
Cost Balance		₱152,799,108	₱
Accumulated depreciation			₱152,799,108
Balance at the beginning of year		133,369,707	133,369,707
Depreciation during the year	22	9,942,043	9,942,043
Balance at end of year		123,383,106	123,383,106
Net carrying value		₱29,416,000	₱

	Note	2023	
		Leases	Discount on rental deposit
Cost Balance		₱152,799,108	₱198,692
Accumulated depreciation			₱152,997,800
Balance at the beginning of year		93,277,037	198,692
Depreciation during the year	22	20,163,978	-
Balance at end of year		113,441,015	198,692
Net carrying value		₱39,358,093	₱-

II. Refundable Deposit

	Note	2025	2024
Carrying value as of beginning of year		₱1,774,276	₱1,774,276
Refundable deposits other than leases	15		
Carrying value as of end of year of refundable deposits related to leases	9	₱1,774,276	₱1,774,276

Relative to the leases, the Group's refundable deposit amounted to ₱15,320,407 and ₱15,768,838 as of December 31, 2024 and 2023, respectively, which is equivalent to one month lease rental based on rental rate applicable on the last year of the lease term. The refundable deposit is presented under "Prepayments and other current assets" and "Other noncurrent assets" account in the consolidated statements of financial position as of December 31, 2024 and 2023 (see Notes 9 and 15).

IV. Short-term Leases

The Group leases office spaces, warehouses, residential units, warehouse equipment under lease agreements usually for a period of one (1) year, renewable subject to the mutual consent of the lessor and the lessee without any escalation clause.

V. Amounts recognized in profit or loss:

	Note	2024	2023	2022
Cost of services:	22			
Amortization of ROU		₱20,163,978	₱20,163,978	₱20,163,978
Rent expense relating to short-term lease		19,884,185	11,499,838	14,861,923
Operating expenses:	23			
Rent expense relating to short-term lease		1,525,480	1,525,480	1,525,480
Other income:				
Interest cost on lease liability			15,739	43,051
Rental income	24	508,340	1,140,812	1,228,069

As a result of the COVID-19 pandemic, the lessors provided rent concessions to the Group in the form of rent-free periods and discounts. The Group accounted these rent concessions as not a lease modification. The rent concessions resulted to a decrease of lease liabilities amounting to ₱1,870,017 as of December 31, 2020 and to the recognition of gain on forgone leases in 2020 of the same amount.

28. Financial Risk Management and Capital Management Objectives and Policies

Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash, due to and from related parties and stockholders, loans and lease payable. The main purpose of these financial instruments is to finance the Group's normal course of its operating activities. The Group has various other financial assets and financial liabilities such as trade and other receivables (excluding advances to officers and employees), refundable deposits under "Prepayments and other

current assets" and "Other noncurrent assets" and trade and other payables (excluding government-regulated payables) which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest risk and foreign currency risk. The

BOD reviews and agrees policies for managing each of these risks and they are summarized below:

• Credit Risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the business as potential losses may arise due to the failure of its customers and counterparties to fulfill their obligations on maturity periods or due to adverse market conditions.

	2025	2024
<i>Financial assets at amortized costs:</i>		
Cash in bank	8,938,966	4,903,113
Trade and other receivables – net	581,664,902	569,172,724
Due from related parties – net	344,375,368	326,543,382
Refundable deposits – net	10,328,722	10,328,722
	945,307,958	910,947,941

a. Credit risk exposure

The table below shows the maximum exposure to credit risk for the Group's financial assets, without taking into account any collateral and other credit enhancements as at June 30, 2025 and December 31, 2024:

b. Credit quality per class of financial assets

The credit quality of financial assets is managed by the Group using internal credit ratings and is classified into three: (a) high grade which has no history of default; (b) standard grade which pertains to accounts with history of one (1) or two (2) defaults, and (c) substandard grade, which pertains to accounts with history of at least 3 payment defaults.

The table below summarizes the credit quality of the Group's financial assets based on its historical experience with the corresponding parties as at June 30, 2025 and December 31, 2024:

	2025				
	Neither past due nor impaired		Past due but not impaired	Impaired	Total
	High grade	Standard grade			
Cash	8,938,965	511,587	-	-	9,450,552
Trade and other receivables	-	581,664,902	63,432,373	66,934,317	712,031,592
Due from related parties	-	344,375,368	-	6,460,530	350,835,898
Financial asset at FVOCI	-	47,321,400	-	-	47,321,400
Refundable deposits	-	10,328,722	-	7,214,392	17,543,114
	8,938,965	984,201,979	63,432,373	80,609,239	1,137,182,556

	2024				
	Neither past due nor impaired		Past due but not impaired	Impaired	Total
	High grade	Standard grade			
Cash	4,903,112	510,711	-	-	5,413,823
Trade and other receivables	-	569,172,724	67,673,916	66,934,317	703,780,957
Due from related parties – net	-	326,543,382	-	6,460,530	333,003,912
Financial asset at FVOCI	-	47,698,800	-	-	47,698,800
Refundable deposits	-	10,328,722	-	7,214,392	17,543,114
	4,903,112	954,254,339	67,673,916	80,609,239	1,107,440,606

- Cash in banks classified as high grade are deposited and invested with banks with good credit training and can be withdrawn anytime. Standard grade cash in banks are those deposited under rural banks.
- High grade receivables pertain to receivables from third party buyers of real estate of the Group and program partners who consistently pay before the maturity date. Standard grade receivables are receivables that are collected on their due dates even without an effort from the Group to follow them

up. Both high grade and standard grade receivables currently have no to minimal history of default.

- Due from related parties and stockholder are assessed as standard grade since the Group practices offsetting of receivables and payables.
- High-grade refundable deposits are accounts considered to be high value. The counterparties have a very remote likelihood of default. Refundable security deposits assessed as standard grade are refunded upon termination or fulfillment of agreement.

c. Risk concentrations of the maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the Group's financial strength and undermine public confidence. The Group is not exposed to large concentration of credit risks.

	Trade	30 to 60 days	61 to 90 days	More than 90 days	Total
2025		9,514,856	21,567,007	32,350,510	63,432,373
2024		10,151,087	23,009,131	34,513,697	67,673,916

d. Impairment assessment

The Group applies general approach for determining the expected credit losses of cash in banks, nontrade receivables, due from related parties and refundable deposit. A credit loss is the difference between the cash flows that are expected to be received discounted at the original effective interest rate and contractual cash flows in accordance with the contract. The loss allowance for financial assets are based on the assumptions about risk of default and expected loss rates. In addition, management's assessment of the credit risk on cash in bank and nontrade receivables as at the reporting date is low. The management provided allowance for impairment

The Group applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. To measure expected credit loss, receivables were grouped based on days past due and grouped the customers according to their profile. The expected loss rates are based on the historical credit losses within the period of time. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables.

Aside from the ECL computation the management provided additional allowance for the year amounted to ₱6.0 million for the trade receivables management has assessed to be uncollectible.

• Liquidity Risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit the risk, the Group maintains sufficient cash to meet operating capital requirements. The Group also monitors the maturities of its financial assets and financial liabilities and ensures that it has sufficient current assets to settle the current liabilities.

	2025			
	On demand	Due within one year	Due beyond 1 year	Total
<i>Financial assets</i>				
Cash	8,938,966	-	-	8,938,966
Trade receivables – net	213,431,840	379,434,382	-	592,866,222
Due from related parties – net	344,375,368	-	-	344,375,368
Financial assets at FVOCI	47,321,400	-	-	47,321,400
Refundable deposits – net	5,652,496	2,965,707	1,774,276	10,392,479
	619,720,070	382,400,089	1,774,276	1,003,894,435
<i>Financial liabilities</i>				
Trade and other payables**	843,274,708	-	-	843,274,708
Due to related parties	697,718,532	-	-	697,718,532
Loans payable	-	752,937,853	-	752,937,853
	1,540,993,240	752,937,853	-	2,293,931,093

	2024			
	On demand	Due within one year	Due beyond 1 year	Total
<i>Financial assets</i>				
Cash	5,413,823	-	-	5,413,823
Trade receivables – net	210,815,243	374,782,653	-	585,597,896
Due from related parties – net	326,543,382	-	-	326,543,382
Financial assets at FVOCI	47,698,800	-	-	47,698,800
Refundable deposits – net	5,652,496	2,965,707	1,774,276	10,392,479
	596,123,744	377,748,360	1,774,276	975,646,380
<i>Financial liabilities</i>				
Trade and other payables**	694,460,281	-	-	694,460,281
Due to related parties	430,356,619	-	-	430,356,619
Borrowings	-	752,937,853	-	752,937,853
	1,124,816,900	752,937,853	-	1,877,754,753

- **Market Risk**

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in foreign currency exchange rates and interest rates.

Foreign currency risk

Foreign currency risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its consolidated financial statements and cash flows.

The Group has transactional currency exposures. Such exposure generally arises from cash in banks, trade receivable and payables and loans payable in Renminbi (RMB), Hong Kong Dollar (HK\$), United States Dollar (US\$) and Australian Dollar (AU\$). The Group did not seek to hedge the exposure on the change in foreign exchange rates between the RMB, US\$, HK\$, AU\$ and the Philippine Pesos. The Group does not

generally believe that active currency hedging would provide long-term benefits to stockholders.

2025				2024			
	In USD		In Php		In USD		In Php
Cash in bank	\$	4,455	P 252,047	\$	4,293	P 249,042	
	In RMB		In Php		In RMB		In Php
Cash in bank	\$	792,686	P 6,276,380	\$	254,444	P 2,022,776	
	In HKD		In Php		In HKD		In Php
Cash in bank	\$	7,898	P 58,259	\$	7,801	P 58,259	

The equivalent exchange rates of one foreign currency in Philippine peso as at June 30, 2025 and December 31, 2024 are as follows:

	2025	2024
US\$	P56.581	P56.28
AU\$	36.99	36.76
RMB	7.89	7.80
HK\$	7.21	7.19

Interest Rate Risk

The Group is exposed to interest rate fluctuations on their cash in banks, loans and leasepayable. Other financial assets and liabilities which principally arise in the ordinary course of its operations are generally short-term and noninterest-bearing.

Historically, the rate fluctuations relative to its cash in banks and lease liabilities are minimal.

As at June 30, 2025 and December 31, 2024, the Group's loans payable is at interest rates that is subject for evaluation regularly. Interest risk is managed through regular monitoring.

Capital Management

The primary objective of the Group's capital management is to ensure that the Group has sufficient funds in order to support their business, pay existing obligations and maximize shareholder value. The Group considers advances from related parties as capital.

The Group's policy is to maintain sufficient capital to cover working capital requirements. The Group obtains advances from related parties to cover inadequacy in working capital.

As at June 30, 2025 and December 31, 2024, the Group considers the following accounts as capital:

	2025	2024
Capital Stock	872,831,688	872,831,688
Additional paid-in capital	1,974,005,425	1,974,005,425
Due to related party	697,718,532	430,356,619
	3,544,555,645	3,277,193,732

The Group has no externally imposed capital requirement. No changes were made in the objectives, policies or processes during the years ended June 30, 2025 and December 31, 2024.

29. Fair Value Measurement

Set out below is a comparison by category of carrying values and estimated fair values of Group's financial instruments as at June 30, 2025 and December 31, 2024:

Going concern basis of accounting

2025			
	Carrying Value	Fair Value	Significant Observable inputs
<i>Financial asset at amortized cost</i>			
Cash	8,938,966	8,938,966	8,938,966
Trade and other receivables - net	592,866,222	592,866,222	592,866,222
Due from related parties - net	344,375,368	344,375,368	344,375,368
Refundable Deposit - Net	10,933,186	10,933,186	10,933,186
	957,113,742	957,113,742	957,113,742
Financial assets at FVOCI	47,321,400	47,321,400	47,321,400
	1,004,435,142	1,004,435,142	1,004,435,142
<i>Financial liabilities at amortized cost</i>			
Trade and other payables	843,274,708	843,274,708	843,274,708
Due to related parties	697,718,532	697,718,532	697,718,532
Loan payable	752,937,853	752,937,853	752,937,853
	2,293,931,093	2,293,931,093	2,293,931,093
2024			
	Carrying Value	Fair Value	Significant Observable inputs
<i>Financial asset at amortized cost</i>			
Cash	5,413,823	5,413,823	5,413,823
Trade and other receivables - net	585,597,896	585,597,896	585,597,896
Due from related parties - net	326,543,382	326,543,382	326,543,382
Refundable Deposit - Net	10,933,186	10,933,186	10,933,186
	928,488,287	928,488,287	928,488,287
Financial assets at FVOCI	47,698,800	47,698,800	47,698,800
	976,187,087	976,187,087	976,187,087
<i>Financial liabilities at amortized cost</i>			
Trade and other payables	694,460,281	694,460,281	694,460,281
Due to related parties	430,356,619	430,356,619	430,356,619
Loan payable	752,937,853	752,937,853	752,937,853
	1,877,754,753	1,877,754,753	1,877,754,753

Methods and Assumptions Used to Estimate Fair Value

The management assessed that the following financial instruments approximate their carrying amounts based on the methods and assumptions used to estimate the fair values:

Cash in banks, trade and other receivables, due to/from related parties and trade and other payables

The carrying amounts of cash in banks, trade and other receivables, due to/from related parties and trade and other payables approximate their fair values due to the short-term nature of these financial instruments.

Refundable deposits

The fair value of the refundable deposits on lease contracts cannot be readily determined and reliably measured because the actual timing of receipt cannot be reasonably predicted as these deposits are generally re-deposited every renewal of lease contract, the new terms and conditions thereof are not yet known. The amount of refundable deposits that will be actually received by the Group is also attached to a conditional repayment provision that is, the faithful performance by the Group of its obligations under the lease contracts. Accordingly, the refundable deposits are carried at costs less any impairment.

Loans and borrowings

The carrying value of loans and borrowings approximate their fair values as their interest rates are based on market rates for debt with the same maturity profiles at the end of the reporting period.

Lease payable

The fair values of lease payable are based on the present value of future cash flows discounted using the current rates available for debt with the same maturity profile as at the end of the reporting period.

30. Noncontrolling Interest

Noncontrolling interests represents the equity in subsidiaries not attributable directly or indirectly to the Group. The details of the account are as follows:

	2025		
	Balance at	Comprehensive	Balance at
	beginning of year	income (loss)	end of year
ANI HK	114,798,585		114,798,585
TBC	-41,429,194	-2,555,305	-43,984,498
FFCI	-20,305,898		-20,305,898
FI	-2,944,544		-2,944,544
FGP	1,772,899		1,772,899
Heppy	-851,816		-851,816
	51,040,032	-2,555,305	48,484,728

31. Business Combination

Incorporation of Lexian

As discussed in Note 1, Fucang acquired newly incorporated Guangzhou Lexian Fruit Industry Co., Ltd. (Lexian), a foreign entity incorporated in China engaged in wholesale industry in 2018. Fucang owns 70% equity interest in Lexian which is equivalent to RMB700,000 divided into 700,000 shares at RMB1.0 per share (equivalent to ₱ 7,160,000 divided into 700,000 at ₱10.23 per share.)

The cost of investment is equivalent to Fucang's share in net assets of Lexian at the date of incorporation. As such, no goodwill or investment income was recognized from the business combination. Segment Information

The Group has identified its operating segments based on internal reports that are reviewed and used by the Chief Executive Officer (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The operating segments identified by the management are as follows:

Exports

The Export segment is in charge of looking for markets abroad as well as sourcing the best quality produce possible to satisfy its growing number of clients abroad. Its main export products are fresh banana, fresh mango, and coco-water.

Distribution

The Distribution segment is responsible for the local sales and distribution of various products that the Group offers to a number of supermarkets around Luzon.

Retail

The Retail segment is responsible for the management and operation of the Group's retail businesses.

Foreign Trading

The Foreign Trading segment is in charge of the international distribution operations of the Group in Hong Kong and China.

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. In addition, the Group's reportable segments also include geographical areas for local and foreign operations. Foreign operations are included under "Foreign Trading" and local operations are included under the remaining reported segments.

REVENUE

(Philippine Peso)	30-Jun-25	30-Jun-24
Philippine operations		
Export	4,616,883	11,568,918
Local Distribution and Others	20,409,352	112,050,893
Retails & Franchising	12,142,446	23,097,520
Subtotal	37,168,681	146,717,331
Foreign Operations		
Hongkong/China		918,478,842
Total	37,168,681	1,065,196,173