SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

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 2023**

2. SEC Identification Number **CS201320778**

3. BIR Tax Identification No. **008-647-589**

4. Exact name of issuer as specified in its charter **CENTURY PACIFIC FOOD, INC.**

5. **MANILA, PHILIPPINES**
Province, Country or other jurisdiction of incorporation or organization

6. [ ] (SEC Use Only)
Industry Classification Code:

7. **7/F Centerpoint Building, Julia Vargas Avenue, Ortigas Center, Pasig City** **1605**
Address of principal office Postal Code

8. **(632) 8633-8555**
Issuer's telephone number, including area code

9. **NA**
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	3,542,258,595

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

Yes [/] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange **Common Shares**

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 141,690,343,800.00 COMPUTED USING THE CLOSING PRICE OF PHP 40.00 AND ISSUED SHARES OF 3,542,258,595 AS OF MARCH 27, 2024

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 [ ]

DOCUMENTS INCORPORATED BY REFERENCE

15. List of Stockholders attached as Annexes A-1 and A-2referred to in Item 11 on page 22.

2024 Sustainability Report attached as Annex B.

2023 Consolidated Financial Statements of Century Pacific Food, Inc. and its Subsidiaries attached as Annex C and Financial Statements of Parent Company attached as Annex D referred to in Item 7 on page 11.

CENTURY PACIFIC FOOD, INC.

PART I - BUSINESS AND GENERAL INFORMATION

PART II - OPERATIONAL AND FINANCIAL INFORMATION

PART III - CONTROL AND COMPENSATION INFORMATION

PART IV - EXHIBITS AND SCHEDULES

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

a) Overview

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

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

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

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

The canned and processed fish segment is CPFI's largest business segment. It produces and markets a mix of tuna, sardine, and other fish and seafood-based products under the Century Tuna, 555, Ligo, Blue Bay, Fresca, Ligo, and Lucky 7 brands.

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

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

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

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

During 2016, CPFI also acquired the license to the *Kamayan* trademark for North America and the Middle East. The brand is one of the top names in the U.S. market for shrimp paste – a popular condiment in Philippine cuisine, locally known as *bagoong*. CPFI also acquired distribution companies in China which sell *Century Tuna*, the number one canned tuna brand in China.

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

In 2020, the Company entered the meat-free market with the launch of the *unMEAT* brand - the first vegan meat alternative brand in the Philippines. The brand is rolled out in the retail and institutional markets in the Philippines and in international locations such as the USA, Singapore, China, and the Middle East.

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

The Company launched its pet food business in 2021, through a brand called *Goodest*.

In 2022, CPFI acquired *Ligo*, a legacy brand known for its range of high quality sardines and other marine products. Under the deal, CPFI purchased assets and intellectual property related to the manufacturing of *Ligo's* product lineup, which is composed of shelf-stable marine products.

b) Key Risks

Actual or alleged contamination or deterioration of, or safety concerns about, CPFI's food products or similar products produced by third parties could give rise to product liability claims and harm CPFI's reputation.

CPFI's financial performance may be materially and adversely affected by fluctuations in prices or disruption in the supply of key raw materials.

CPFI's revenue growth depends on successful introduction of new products and new product extensions, which is subject to consumer preference and other market factors at the time of introduction.
Competition in CPFI's businesses may adversely affect its financial condition and results of operations.

CPFI relies on key suppliers for certain raw materials and the failure by such suppliers to adhere to and perform contractual obligations may adversely affect CPFI's business and results of operations.

CPFI has a limited history as a separate entity.

CPFI generally does not have long-term contracts with its customers, and it is subject to uncertainties and variability in demand and product mix.

CPFI is exposed to the credit risks of its customers, and delays or defaults in payment by its customers could have a material adverse effect on CPFI's financial condition, results of operations and liquidity.

Any infringement or failure to protect CPFI's trademarks and proprietary rights could materially and adversely affect its business.

CPFI's strategy of growth, including acquisitions, entering new product categories and international expansion, may not always be successful or may entail significant costs, which could adversely affect its business, financial condition, and results of operations.

CPFI may be subject to labor unrest, slowdowns, and increased wage costs.

CPFI is effectively controlled by the Po family and their interests may differ from the interests of other shareholders.

CPFI's international operations may present operating, financial, and legal challenges, particularly in countries where CPFI has little or no experience.

CPFI's existing insurance policies and self-insurance measures may not be sufficient to cover the full extent of all losses.

CPFI's businesses and operations are substantially dependent upon key executives.

CPFI's major raw materials are agriculture and fisheries based. Climate-change impact on raw materials sources may adversely affect the Company's long-term operational performance.

CPFI imports key raw materials, and supply chain disruptions may adversely impact the Company's business and results of operations.

Item 2. Properties

As of December 31, 2023, CPFI does not own land. CPFI leases several properties, including the Company's head office in Pasig City, Metro Manila, its tuna and coconut processing facilities in General Santos City, and its meat processing facility in Laguna, among others. The relevant lease agreements are typically for a term of 10 years at the prevailing market rates in their respective areas, renewable upon mutual agreement of the parties.

None of the leased premises is mortgaged or encumbered.

Item 3. Legal Proceedings

CPFI and its subsidiaries and affiliates are subject to various civil and criminal lawsuits and legal actions arising in the ordinary course of business. As of December 31, 2023, neither CPFI nor any of its subsidiaries are involved in, or the subject of, any legal proceedings which, if determined adversely to CPFI or the relevant subsidiary's interests, would have a material adverse effect on the business or financial position of CPFI or any of its subsidiaries.

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

Except for matters taken up during the annual meeting of the stockholders, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

a) Market Information

The Company's common shares are traded in the Main Board of The Philippine Stock Exchange, Inc. ("PSE"). The common shares were listed on May 6, 2014.

The following table shows the high and low prices (in pesos per common share) of the Company's shares in the PSE for each quarter within the last 2 years (2021 to 2023):

Period	High	Low
1st Quarter of 2021	19.36	16.58
2nd Quarter of 2021	24.50	18.32
3rd Quarter of 2021	29.60	22.60
4th Quarter of 2021	29.25	24.00
January 1, 2021 to December 31, 2021	**29.60**	**16.58**
1st Quarter of 2022	29.00	19.80
2nd Quarter of 2022	24.60	20.10
3rd Quarter of 2022	26.35	21.00
4th Quarter of 2022	26.00	22.00
January 1, 2022 to December 31, 2022	**29.00**	**19.80**
1st Quarter of 2023	**26.45**	**23.70**
2nd Quarter of 2023	**26.80**	**21.70**
3rd Quarter of 2023	**31.80**	**24.65**
4th Quarter of 2023	**33.40**	**27.10**
January 1, 2023 to December 31, 2023	**33.40**	**27.10**
January 1, 2024 to March 31, 2024	**40.00**	**30.15**

Source: Daily Quotation Reports of the Philippine Stock Exchange

The market capitalization of the Company's common shares as of end of 2023, based on the closing price of Php30.95 per share was Php109,632,903,515.25. The market capitalization of the Company's common shares as of March 27, 2023, based on the closing price of Php 40.00 per share was Php141,690,343,800.00.

b) Holders

Total shares outstanding as of December 31, 2023, was 3,542,258,595 with a par value of P1.00

The number of shareholders of record as of December 31, 2023, was 34. The shareholders as of the same date are as follows:

Name of Shareholder	Number of Shares	% Ownership
Century Pacific Group, Inc.	*2,320,120,781	65.49%*
PCD Nominee Corp. (Non-Fil)	897,070,024	25.32%

PCD Nominee Corp. (Filipino)	413,723,689	11.68%
Shinji Miyamoto	32,000	-
Alvin S. Tan	15,000	-
Myra P. Villanueva	3,000	-
Owen Nathaniel S. Au ITF: Li Marcus Au	2,365	-
Giselle Karen Y. Go	2,250	-
Rosauro Panergo Babia	1,500	-
Milagros P. Villanueva	1,500	-
Myrna P. Villanueva	1,500	-
John T. Lao	1,000	-
Christine F. Herrera	750	-
Leopoldo E. San Buenaventura ITF Mayrhilyn M. San Buenaventura	750	-
Julius Victor Emmanuel D. Sanvictores	750	-
Felicitas F. Tacub	750	-
Marietta Villanueva-Cabreza	750	-
Ernesto Kiong Lim and/or Iris Veronica Go Lim	400	-
Guillermo F. Gili, Jr.	150	-
Shareholders Association of the Philippines, Inc.	100	-
Jesus San Luis Valencia	100	-
M. J. Soriano Trading, Inc.	50	-
Gerardo L. Salgado	8	-
Joselito T. Bautista	1	-
Botschaft N. Cheng or Sevila Ngo	1	-
Johnip G. Cua	1	-
Fernan Victor P. Lukban	1	-
Christopher Paulus Tan Po	1	-
Leonardo Arthur Tan Po	1	-
Ricardo Sy Po	1	-
Ricardo Gabriel Tan Po	1	-
Teodoro Alexander Tan Po	1	-

* Century Pacific Group, Inc.'s owns 2,231,400,000 shares of the Registrant in its own name and another 88,720,781 shares of the Registrant lodged under PCD Nominee Corp. (Filipino).

c) Dividends

The company declared cash dividends last February 20, 2023 in the amount of Forty Centavos (Php 0.40) per share representing a regular dividend of twenty centavos (Php 0.20) and special dividend of twenty centavos (Php 0.20) per share.

d) Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

The following shares were issued to/subscribed by the Company's employees pursuant to its Employee Stock Purchase Plan (ESPP) confirmed by the Securities and Exchange Commission (SEC), in resolutions dated December 19, 2014, and June 2, 2016, to be exempt from the registration requirement pursuant to Section 10.2 of the Code:

YEAR	NO. OF SHARES
2014	1,367,200
2015	1,059,200
2016	400,000
2017	1,229,700
2018	0
2019	0
2020	0
2021	0
TOTAL	4,056,100

Item 6. Management's Discussion and Analysis

The following discussion should be read in conjunction with the accompanying consolidated financial statements and notes thereto, which form part of this SEC Form Amended 17-A as "Annex C". The consolidated financial statements and notes thereto have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

a) Results of Operation

CNPF's consolidated net income after tax amounted to Php 5.58 billion for the full year ending December 31, 2023. This is 12% higher than the reported net income after tax of Php 5.00 billion in 2022.

Consolidated net revenues for 2023 grew by 8%, amounting to Php 67.12 billion compared to the Php 62.26 billion revenues from the previous year. Growth was driven by the branded segment, which grew by 11% year-on-year, outweighing the softness in OEM.

The branded business - composed primarily of the Marine, Meat, and Milk business units – remains to be majority of the Company's overall topline.

CNPF's brands in the marine and meat segments have maintained market leadership. Market share gains were seen in both the meat and milk segments, while marine's dominant market shares were largely sustained.

The OEM exports segment softened by 4% year-on-year, driven by supply chain disruptions and softer markets.

For the full year ending December 31, 2023, cost of sales amounted to Php 50.99 billion, growing by 6% from the previous year. This resulted in a 12% increase in gross profit, which amounted to Php 16.14 billion. The Company's cost of sales consists primarily of raw material and packaging costs, manufacturing costs, and direct labor costs.

Gross margin ratio expanded by 95-basis points to 24.0% due to favorable input costs. Operating expenses as a percentage of sales decreased by 20 basis points, driven by efficient spending. These resulted in a 15% increase in operating income, which landed at Php 6.93 billion.

a) Financial Condition

The Company maintained its strong and healthy balance sheet. Current ratio was at 2.50x. Interest-bearing debt over equity and net gearing ratio decreased to 0.18x and 0.03x, respectively.

CNPF's total assets increased to Php 51.54 billion as of December 31, 2023 compared to Php 48.33 billion at the end of 2022.

Total equity grew from Php 28.78 billion at the end of December 2021 to Php 32.85 billion, coming primarily from the Company's generated net income during the year.

b) Key Performance Indicators

The following are the major financial ratios that the Company uses. Analyses are employed by comparisons and measurements based on the financial information of the current period against last year.

	Full Year 2022	Full Year 2023
Gross Profit Margin	23.1%	24.0%
Before Tax Return on Sales	9.3%	9.7%
Return on Sales	8.0%	8.3%
Interest-Bearing Debt-to-Equity	0.27X	0.18X
Current Ratio	2.13X	2.50X

Notes:
1 Gross Profit margin = Gross Profit / Net Revenue
2 Before Tax Return on Sales = Net Profit Before Tax / Net Revenue
3 Return on Sales = Net Profit After Tax / Net Revenue
4 Interest-Bearing Debt-to-Equity = Loans Payable / Total Stockholders' Equity
5 Current Ratio = Total Current Assets / Total Current Liabilities

Item 7. Financial Statements

The Company's financial statements and notes thereto form part of this SEC Form as "Annex C" and "Annex D".

Item 8. Information on Independent Public Accountants

a. External Auditor

The historical financial statements of wholly owned subsidiaries, General Tuna Corporation (GTC), Snow Mountain Dairy Corporation (SMDC), Century Pacific Food Packaging Ventures Inc. (CPFPVI), Century Pacific Agricultural Ventures Inc (CPAVI), General Odyssey Inc. (GOI), Millennium General Power Corporation ("MGPC") (formerly Century Pacific Solar Inc.), Allforward Warehousing Inc (AWI) and Century Pacific Seacrest Inc (CPSI) as of and for the year ended December 31, 2023, were audited by *Sycip, Gorres, Velayo, & Co. ("SGV & Co.")*, a member firm within *Ernst & Young*, independent auditors, in accordance with PSA, as stated in their reports appearing herein. The historical financial statements of CPFI wholly owned subsidiaries Century International (China) Co. Ltd. (CIC) And Century (Shanghai) Trading Co., Ltd. (CST) were examined by *Shanghai Hao Yin Certified Public Accountants Ltd.*

SGV & Co. has acted as CPFI's external auditor since January 1, 2021. Christine G. Vallejo is the current audit partner for CPFI. CPFI has not had any material disagreements on accounting and financial disclosures with its current external auditor for the same periods or any subsequent interim period. *SGV*

& Co. has neither shareholdings in CPFI nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of CPFI. *SGV & Co.* does not receive any direct or indirect interest in CPFI or its securities (including options, warrants or rights thereto). The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The principal accountant for *SGV & Co.* is Christine G. Vallejo. The accountants for *Shanghai Hao Yin Certified Public Accountants Ltd* is Sandy Sheng for both Century International (China) Co., Ltd. and Century (Shanghai) Trading Co., Ltd.

b. Audit Fees

Name of Auditor	Audit Fee
Sycip, Gorres, Velayo, & Co. (a member firm within Ernst & Young)	Php10,230,000

a) Audit Committee and Policies

There shall be an Audit Committee composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairman, should be independent. All the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance. The Chairman of the Audit Committee should not be the chairman of the Board or of any other committees. The Audit Committee meets with the Board at least every quarter without the presence of the CEO or other management team members, and periodically meets with the head of the internal audit. The Audit Committee has the following duties and responsibilities, among others:

i.) Recommends the approval of the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;

ii.) Through the Internal Audit (IA) Department, monitors and evaluates the adequacy and effectiveness of the corporation's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (a) safeguard the company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the company's financial data, and (d) ensure compliance with applicable laws and regulations;

iii.) Oversees the Internal Audit Department and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;

iv.) Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;

v.) Reviews and monitors Management's responsiveness to the Internal Auditor's findings and recommendations;

vi.) Prior to the commencement of the audit, discusses with the External Auditor the nature, scope, and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

vii.) Evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the corporation's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence (as defined under the Code of Ethics for Professional Accountants). The non-audit work, if allowed, should be disclosed in the corporation's Annual Report and Annual Corporate Governance Report;

viii.) Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:

- Any change/s in accounting policies and practices
- Areas where a significant amount of judgment has been exercised
- Significant adjustments resulting from the audit
- Going concern assumptions
- Compliance with accounting standards
- Compliance with tax, legal and regulatory requirements

ix.) Reviews the disposition of the recommendations in the External Auditor's management letter;

x.) Performs oversight functions over the corporation's Internal and External Auditors. It ensures the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties, and personnel to enable them to perform their respective audit functions;

xi.) Coordinates, monitors, and facilitates compliance with laws, rules, and regulations; and

xii.) Recommends to the Board the appointment, reappointment, removal, and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.

The Audit Committee was composed of the following members in 2023, the chairman of which is an independent director:

Name	Position
Philip G. Soliven	Chairman
Ricardo Gabriel T. Po	Member
Frances J. Yu	Member

b) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with Accountants on Accounting and Financial Disclosure or Changes in Accounting Policies for the period ended December 31, 2023.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

a. Directors, Including Independent Directors, and Executive Officers

The overall management and supervision of the Company is undertaken by the Company's Board of Directors. The Company's executive officers and management team cooperate with its Board by preparing appropriate information and documents concerning the Company's business operations, financial condition, and results of operations for its review. Pursuant to the Company's articles of incorporation, the Board shall consist of nine members, of which three are independent directors. The directors were first elected at the Company's annual shareholders meeting on October 28, 2013, re-elected on July 6, 2023, and will hold office until their successors have been duly elected and qualified.

The incumbent Directors and Executive Officers of the Company are as follows:

Name	Age	Nationality	Position
Ricardo Gabriel T. Po	56	Filipino	Vice Chairman
Teodoro Alexander T. Po	54	Filipino	Vice Chairman, Chief Executive Officer, and President
Christopher T. Po	53	Filipino	Executive Chairman
Leonardo Arthur T. Po	46	Filipino	Director and Treasurer
Regina Jacinto-Barrientos		Filipino	Director
Frances J. Yu	54	Filipino	Independent Director
Regina Roberta L. Lorenzana	52	Filipino	Independent Director
Stephen T. CuUnjieng	63	Filipino	Independent Director
Philip G. Soliven	65	Filipino	Independent Director

Ricardo Gabriel T. Po, Jr. (first elected October 28, 2013) was re-elected as the Company's Vice Chairman on July 6, 2023. He concurrently serves as Vice Chairman of Shakey's Pizza Asia Ventures, Inc. (SPAVI) and as Vice Chairman of Arthaland Corporation (ALCO). He was the Executive Vice President and Chief Operations Officer of CPFI from 1990 to 2006 and became the Vice Chairman of its Board of Directors in 2006. He graduated magna cum laude from Boston University with a Bachelor of Science degree in Business Management in 1990. He also completed the Executive Education Program (Owner-President Management Program) at Harvard Business School in 2000.

Christopher T. Po (first elected October 28, 2013) was re-elected as the Company's Executive Chairman on July 6, 2023. He concurrently serves as Chairman of Shakey's Pizza Asia Ventures, Inc. (SPAVI), likewise a listed chain restaurant business, and as a Director of Arthaland Corporation (Arthaland). He is an independent director of Maya Bank, Inc. and a director of AB Capital and Investment Corporation. Prior to those roles, he was Managing Director for Guggenheim Partners, a U.S. financial services firm, where he was in charge of the firm's Hong Kong office. Previously, he was a Management Consultant at McKinsey & Company working with companies in the Asian region. He also worked as the Head of Corporate Planning for JG Summit Holdings, a Philippine-based conglomerate with interests in food, real estate, telecom, airlines, and retail. He graduated in 1991 from the Wharton School and College of Engineering of the University of Pennsylvania with dual degrees in Economics (finance concentration) and applied science (system engineering). He holds a Masters degree in Business Administration from the Harvard University Graduate School of Business Administration. He is a member of the Board of Trustees of the Ateneo de Manila University, serves as a Board member of the Child Protection Network as well as Asia Society Philippines, and is the President of the CPG-RSPo Foundation.

Teodoro Alexander T. Po (first elected October 28, 2013) was re-elected as the Company's Vice Chairman, President, and Chief Executive Officer on July 6, 2023. He concurrently serves as Vice Chairman of Shakey's Pizza Asia Ventures, Inc. (SPAVI). Since 1990, he has held various positions in Century Pacific Group. He graduated summa cum laude from Boston University with a Bachelor of Science degree in Manufacturing Engineering in 1990. He also completed the Executive Education Program (Owner-President Management Program) at Harvard Business School.

Leonardo Arthur T. Po (first elected October 28, 2013) was re-elected as the Company's Director and Treasurer on July 6, 2023 and concurrently serves as Director and Treasurer of Shakey's Pizza Asia Ventures, Inc. (SPAVI) and President of Pacifica Homes Development Corporation (PHDC). He served as Treasurer and Executive Vice President of Arthaland Corporation from 2011 to 2021. He graduated magna cum laude from Boston University with a degree in Business Administration and has extensive and solid business development experience in consumer marketing, finance, and operations of fast-moving consumer goods (FMCG), foodservice, quick-serve restaurants, and real estate development. He also completed the Executive Education Program (Owner-President Management Program) at Harvard Business School in November 2023.

Regina Jacinto-Barrientos (first elected July 6, 2023) was elected as the Company's Director on July 6, 2023. Atty. Barrientos is the Managing Partner and name partner of PJS (Puyat Jacinto & Santos) Law, a full-service law firm that offers a comprehensive range of legal services in both established and emergent fields of practice, as well as in-depth knowledge and extensive transactional experience in specialized fields such as energy, infrastructure, and conflict resolution. She received her Juris Doctor (JD) degree from the Ateneo de Manila University in 1995 where she graduated in the top 15 of her class. She received her Bachelor of Science (Legal Management) degree with honors from the same University in 1991. She was a member of the Editorial Board of the Ateneo Law Journal. She was admitted to the Philippine Bar in 1996.

Frances J. Yu (first elected March 5, 2019) was re-elected as the Company's Independent Director on July 6, 2023. She concurrently serves as an Independent Director of SPAVI. She was previously the Chief Retail Strategist of Mansmith and Fielders, Inc., the largest marketing and sales training company in the Philippines. Prior to this, she was the Vice President and Business Unit Head of Rustan's Supermarket and the Vice President and Head of Marketing Operations for Rustan's Supercenters, Inc. She founded FJY Consulting, Inc., a corporate marketing and management consulting company which she managed as President. She was also the Vice President and General Manager of a marketing research and consulting firm catering to the top 500 corporations in several sectors. From 2003 to 2005, she served as the Chairperson for the National Retail Conference and Stores Asia Expo (NRCE) Programs Committee of the Philippine Retailers Association. She graduated summa cum laude from Fordham University, New York with a Bachelor of Arts degree in English Literature. She graduated magna cum laude from Augustine Institute in Denver, with a Master's degree in Theology.

Regina Roberta L. Lorenzana (first elected March 18, 2021) was re-elected as the Company's Independent Director on July 6, 2023. She is also a member of the Board of Directors of BetterBrandLabs, Inc., the Founder of Nada Debajo S.L. and currently serves as a Director of LaEsquina Blumentritt Inc. Ms. Lorenzana held various executive leadership positions as Global Vice President for Fabric & Fashion for Unilever PLC, Regional Vice President for Unilever Asia Africa & Middle East Deodorants, Vice President for Personal Care Unilever Philippines, and Marketing Director positions in Unilever Indonesia and China. She graduated from the Ateneo de Manila University with a degree in BS Management Engineering and completed executive programs in Sustainability Leadership from the University of Cambridge, Leading Global Brands at Harvard Business School, along with having attended several senior executive programs in technology, leadership, and purpose at Harvard Business School and INSEAD.

Stephen T. CuUnjieng (first elected July 6, 2023) is a Filipino investment banker and an Independent Director at various publicly listed companies. Currently, he is an Independent Director of the Philippine

Bank of Commerce, First Philippine Holdings Corporation, Century Pacific Food and Century Properties Group. He is also a member of the Board of Directors of MiCare HealthTech Holdings and Greenergy Holdings Incorporated. Stephen has been on the Executive Advisory Board for Asia of Wharton School of Business since 2015. He is currently an adviser to PAG and Openspace Ventures. He graduated from the Ateneo de Manila University and completed his Ll.B with honors. He also has Master's degree in Business Administration, major in Finance from the Wharton School of Business of the University of Pennsylvania.

Philip G. Soliven (first elected July 6, 2023) was elected as the Company's Independent Director on July 6, 2023. He became the lead independent director of Metrobank in 2020. He is also the Vice Chairman of Multico Prime Power Inc. and Treasurer and Director Ex-Officio of The American Chamber of Commerce of the Philippines. He concurrently serves as a Member of Management Association of the Philippines, Director of New Canipo San Vicente Corp. and Director and President of Scorbin Inc., he holds Directorships in non-profit institutions such as The Rotary Club of Makati and the Advancement for Rural Kids. He holds a degree in Business Management from the Ateneo de Manila University.

b. Significant Employees

Edwin C. Africa	53	Singaporean	Executive Vice President – Corporate General Manager and Corporate Business Services
Ronald M. Agoncillo	47	Filipino	Vice President and General Manager - Sardines
Mary Fatima G. Aquino	40	Filipino	Vice President and General Manager – Snow Mountain Dairy Corporation
Gregory H. Banzon	59	Filipino	Executive Vice President, Chief Operating Officer, and General Manager (Marine, Global Brands, Milk and Test Kitchen)
Marie Nicolette Dizon	40	Filipino	Vice President and General Manager – Refrigerated Products
Carlo S. Endaya	44	Filipino	Vice President and General Manager - Local Tuna Operations and Vita Coco PH Business
Manuel Z. Gonzalez	58	Filipino	Corporate Secretary
Teddy C. Kho	60	Filipino	Vice President and General Manager – General Tuna Canning, Packaging and Cold Storage
Gerald R. Manalansan	57	Filipino	Vice President for Supply Chain Logistics
Ralph G. Umali		Filipino	Vice President - Domestic Sales
Richard Kristoffer S. Manapat	37	Filipino	VP – Finance, Chief Financial Officer, Chief Information Officer, and Chief Risk Officer
Wilhelmino D. Nicolasora	46	Filipino	Vice President and General Manager for the Pet food BU
Gwyneth S. Ong	46	Filipino	Assistant Corporate Secretary
Samuel V. Santillan	60	Filipino	Chief Audit Executive
Noel M. Tempongko, Jr.	61	Filipino	Vice President and General Manager – Integrated Coconut Operations
George Leander III Q. Wang	56	Filipino	Vice President – Human Resources and Corporate Affairs
Myrose April C. Victor	39	Filipino	Investor Relations Head
Maria Rosario L. Ybanez	47	Filipino	Legal Counsel and Compliance Officer

Edwin Raymond C. Africa was re-appointed as Executive Vice President – Corporate General Manager and Group Business Unit Head of the Company on July 6, 2023. He previously served as Senior Vice President-General Manager. Prior to joining the Company, Mr. Africa had 23 years of experience in various marketing, commercial and general management roles at Pepsico from 2004-2012, Nippon Paint from 2001-2004, and Procter & Gamble Asia from 1991 to 2001. Mr. Africa graduated from Ateneo de Manila University in 1991 with a degree in Bachelor of Science in Management Engineering.

Ronald M. Agoncillo was re-appointed as Vice President – General Manager (Sardines) of the Company on July 6, 2023. He joined the Century Group in 2009 as Vice President for Sales, Trade Marketing & Demand Planning and afterwards became Vice President and General Manager of Dairy from July 2017 to June 2021 where he tripled the business in 3 years & almost quadrupled it in 4 years. Prior to CPG, he had 10 years experience in various national sales management, systems engineering & logistics roles in Unilever Philippines & Indonesia, 3M, Shell, Cadbury & San Miguel. Mr. Agoncillo graduated from De La Salle University with a Bachelor of Science degree in Industrial Management Engineering minor in Mechanical Engineering & is an Alumni of Harvard Business School from his Executive Education Advanced Management Program.

Mary Fatima G. Aquino was re-appointed as Vice President and General Manager for the Dairy business on July 6, 2023. She has extensive marketing and general management experience in a diverse number of industries. She started her career in a leading fast moving consumer goods company and took roles of increasing responsibilities in Brand Management for top brands in the Philippines, Southeast Asia, and China. After a successful career in FMCG, she served as Vice President and Head of Marketing in one of the largest food companies in the Philippines, playing a strategic role and doubling sales and profit of a key business unit in five years.

Gregory H. Banzon was re-appointed as Executive Vice President and Chief Operating Officer of the Company on July 6, 2023. He served seven years as the General Manager and Business Unit Head at the Century Group. He is an Agora Awardee for Marketing Excellence (2014) and was recently conferred a CEO Excel Award for Marketing Communications (2017). Prior to the Century Group, Mr. Banzon had 22 years of experience in various general management, marketing and sales roles including Vice President – Marketing of Johnson & Johnson ASEAN, Managing Director of Johnson & Johnson Indonesia, and General Manager at RFM. Mr. Banzon graduated from De La Salle University with a Bachelor's degree in Commerce (Marketing).

Marie Nicolette Dizon was re-appointed as Vice President and General Manager for the Frozen Food Division of the Company on July 6, 2023. A seasoned executive with over a decade of experience in the food industry, prior to this, Ms. Dizon was Country Head of Froneri Philippines, Inc., and led the Ice Cream Business unit at Nestle Philippines, Inc. She also held various managerial roles in sales, marketing, and trade marketing at Nestle Philippines, Inc. from 2005 to 2016. Ms. Dizon obtained her Bachelor of Science Degree in Management Engineering from the Ateneo de Manila University.

Carlo S. Endaya was re-appointed as Vice President and General Manager for Local Tuna Operations and Vita Coco PH Business on July 6, 2023. Mr. Endaya has been with the company since 2019 as Marketing Director for Marine. He significantly grew CPFI domestic tuna Retail Market Share and Sardines in 2020 through brand building and innovations. Mr. Endaya has proven capability in marketing and product development in both telco and consumer goods where he addressed the needs of a diverse local and international customer base. Mr. Endaya's background in Industrial Engineering will be a plus in managing the technical complexities of this business.

Manuel Z. Gonzalez was re-elected as Corporate Secretary and Compliance Officer of the Company on July 6, 2023. He is also a Senior Partner in the Martinez Vergara Gonzalez & Serrano Law Office since 2006 up to the present. Atty. Gonzalez was formerly a partner with the Picazo Buyco Tan Fider & Santos Law Office until 2006. Atty. Gonzalez has been involved in corporate practice and has extensive experience in securities, banking, and finance law. Atty. Gonzalez serves as Director and Corporate Secretary to many corporations including to companies in the Century Pacific Group since 1995, Nomura Securities Philippines since 2006 and ADP Philippines, Inc. since 2010. Atty. Gonzalez graduated with honors and obtained a Bachelor of Arts degree in Political Science and Economics from New York University, and he has also received a Bachelor of Laws from the University of the Philippines, College of Law.

Teddy C. Kho was re-appointed as Vice President and General Manager of General Tuna Corporation of the Company on July 6, 2023. He joined Century Pacific Group, Inc. in July 2010 and served for three years as Business Unit Head of GTC. Prior to joining Century, Mr. Kho had 21 years of experience in various management, operations and technical roles including President and General Manager of San Miguel Foods Vietnam and Plant Manager of San Miguel Hoecheong. Mr. Kho graduated from Adamson University with a Bachelor of Science in Chemical Engineering and completed the Management Development Program from the Asian Institute of Management.

Gerald R. Manalansan was re-appointed as Vice President for Supply Chain Logistics Division of the Company on July 6, 2023. Previously, he served as the Assistant Vice President of the same division managing the total Inbound and Outbound Logistics requirements on a national scale and operated a total of 31 warehouses for the past 6 yrs. Coupled with this, he is also directing the Sales and Operations Planning - Supply Planning for all major plants of all Business Units. Prior to joining, CPFI, he had 32 years of extensive experience in Total Supply Chain Logistics mostly in fast-moving consumer goods companies (San Miguel Magnolia Division, Magnolia-Nestle Corporation, San Miguel Beer Division and San Miguel Food Group). His broad knowledge in Supply Chain Logistics led him to become a consultant for top FMCG companies like, PT-Delta in Jakarta and RFM. Not just in FMCG but also in other industries like, Adarna Books and Carmen's Best Ice Cream. Being one of the respected Logistician in the industry he was invited to be a resource speaker in PASIA WORLD 2018 Conference and Arm Forces of the Philippines Convenient Exchange Stores (AFPCES) focusing on Supply Chain Logistics. He was also awarded with the highest award (Century Idol) given to CPFI employees for exemplary work during his freshman year in the company. He graduated with a B.S Accountancy degree from Colegio de San Juan de Letran with honors. He also attended the advance management courses from the Asian Institute of Management to hone his managerial skills.

Richard Kristoffer S. Manapat was re-appointed as the Corporation's Vice President of Finance and Chief Financial Officer, Chief Information Officer, and Chief Risk Officer on July 6, 2023. Mr. Manapat is a Certified Public Accountant and has 15 years of experience in financial and management accounting, corporate planning, process excellence, and systems implementation. He first joined the Company in 2012 as AVP-Finance for the Marine Division and was later appointed as Head of Corporate Planning in 2015. Prior to CPFI, he held various Finance roles at Unilever Philippines. Mr. Manapat graduated cum laude from the University of the Philippines with a degree in Business Administration and Accountancy. He also completed the Strategic Business Economics Program from the University of Asia and the Pacific. He is also an Alumni of Harvard Business School from his Executive Education General Management Program. He currently serves as a Director and Treasurer of Generation Hope.

Wilhelmino D. Nicolasora was re-appointed as Vice President of Pet Food on July 6, 2023. Prior to this, he was the Vice President of Domestic Sales at CPFI. He started his career at CPFI in 2011 as National Sales Development Manager and eventually became Assistant Vice President of Trade Marketing and Sales Development prior to his current role. Before joining CPFI, he spent nine years working in various sales management roles and developmental stints in the Philippines and South Asia with multinational companies such as Unilever Philippines, PepsiCo International, Kimberly- Clark Philippines, Inc., and Kimberly-Clark Thailand Ltd.

Gwyneth S. Ong (first elected March 6, 2017) was elected as Assistant Corporate Secretary of the Company on July 6, 2023. Atty. Ong is a Partner at Martinez Vergara Gonzalez and Serrano Law Office from 2015 up to the present, with extensive experience in a broad range of securities and capital market transactions. She graduated with a Bachelor of Science degree in Management major in Legal Management from the Ateneo de Manila University and a Bachelor of Laws degree from the University of the Philippines.

Noel M. Tempongko, Jr., was re-appointed as Vice President and General Manager for Integrated Coconut Operations of the Company on July 6, 2023. He served as the General Manager of The Pacific Meat Company, Inc. (Refrigerated Meats business of CPG) for two years. Prior to that, he had over 25 years of experience in various general management and sales management roles in both fast-moving consumer goods companies (The Purefoods-Hormel Company Inc., Frabelle Corporation, Magnolia, Inc.) and business-to-business companies such San Miguel Pure Foods - Great Food Solutions and San Miguel Packaging Products. He graduated with a B.S. Industrial Engineering degree from the University of the Philippines and is a recipient of the distinguished alumnus award from the UP Alumni Engineers. He also took up advanced management courses from the Asian Institute of Management and has MBA units from UP. He is currently a member of the Management Association of the Philippines.

Ralph G. Umali is the Company's Vice President and General Manager for Domestic Sales. Mr. Umali started with the company in 2013 as AVP for Modern Trade where over the years, he has successfully transformed the MT team to be more customer-centric which has led to sustained growth. Through his leadership, Century Pacific has been recognized as a top 10 supplier in the FMCG industry. Prior to joining CPFI, Mr. Umali worked in Unilever Phils Modern Trade and Customer Marketing Head- Ice cream. Mr. Umali also had various roles in Unilever Modern Trade and General Trade and has also worked with Purefoods-Hormel in institutional sales.

Samuel V. Santillan was re-appointed Chief Audit Executive on July 6, 2023. He joined Century Pacific Group in 2008 as Corporate Internal Audit Manager. Prior to that, he had 24 years of experience in auditing, finance and accounting management roles at various manufacturing, shipping, trading, and retail businesses, such as SGV & Co., Pepsico Inc., Baliwag Navigation Inc., Universal Food Corporation (now NutriAsia), Marsman Drysdale Inc. and Pilipinas Makro, Inc. as Systems and Audit Manager in the Philippines and as Finance Director in Beijing, China. Mr. Santillan graduated from Pamantasan ng Lungsod ng Maynila with a Bachelor of Science in Business Administration major in Accounting degree and has MBA units from De La Salle University.

George Leander III Q. Wang was re-appointed Vice President – Human Resources and Corporate Affairs on July 6, 2023. Prior to joining the Corporation, he worked in 2Go Logistics where he was most recently the VP HR. Previous to this, he also headed up the Organization Effectiveness for Philip Morris as well as the Head of HR for Jollibee Philippines and Greenwich Pizza. Through his 25-year career, he has been a keen HR strategic partner with different business groups and a key builder of Organizations and People.

Myrose April C. Victor, was re-elected as the Company's Investor Relations Head on July 6, 2023. Ms. Victor has 16 years of work experience in the Finance, Accounting, Corporate Planning, Systems Implementation and General Management functions in different industries such as food retail, banking, and energy. Prior to joining CPFI, Ms. Victor was the Head of Finance for DOLE's Packaged Division, handling the functions of Finance Planning and Controllership for the Philippines and Other Distributor Markets. Ms. Victor also handled various roles on general and finance management and led transformation and turnaround projects for companies in the food, energy, and banking industries. Graduated in 2005 from the University of the Philippines with a degree in BS Business Administration and Accountancy (mcl). Ms. Victor also completed her Global Master in Finance from IE Business School in 2019.

Maria Rosario L. Ybanez (First elected February 24, 2018) was re-appointed as the Compliance Officer of the Company on July 6, 2023. She concurrently serves as Legal Counsel of the Company and Corporate Secretary of Shakey's Pizza Asia Ventures, Inc. and several of Century Group's subsidiaries. She graduated with a Bachelor of Science degree in Legal Management from the Ateneo de Manila University and has a Juris Doctor degree from the Ateneo de Manila University School of Law.

Directorships in other listed companies are as follows:

Director's Name	Name of Listed Company	Type of Directorship
Ricardo Gabriel T. Po	Arthaland Corporation IP E-Game Ventures, Inc. Shakey's Pizza Asia Ventures Inc.	Non-Executive Non-Executive Non-Executive
Teodoro Alexander T. Po	Shakey's Pizza Asia Ventures Inc.	Non-Executive
Christopher T. Po	Arthaland Corporation Shakey's Pizza Asia Ventures Inc.	Non-Executive Non-Executive
Leonardo Arthur T. Po	Shakey's Pizza Asia Ventures Inc.	Non-Executive
Regina Jacinto-Barrientos	N/A	N/A
Frances J. Yu	Shakey's Pizza Asia Ventures Inc.	Independent
Regina Roberta L. Lorenzana	N/A	N/A
Stephen T. CuUnjieng	Philippine Bank of Commerce First Philippine Holdings Corporation Century Properties Group Greenergy Holdings Incorporated MiCare HealthTech Holdings	Independent Independent Independent Director Director
Philip G. Soliven	Metropolitan Bank & Trust Company Multico Prime Power Inc. Scorbin Inc. American Chamber of Commerce of the Philippines Advancement for Rural Kids, NY Rotary Club of Makati	Independent Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive

b. Family Relationships

Mr. Ricardo Gabriel T. Po, Mr. Christopher T. Po, Mr. Teodoro Alexander T. Po, and Mr. Leonardo Arthur T. Po, Treasurer are brothers. Aside from the foregoing, there are no family relationships between any Directors and any members of the Company's senior management as of December 31, 2022.

Teodoro Alexander T. Po, Vice Chairman, President, and Chief Executive Officer, is the brother-in-law of Manuel Z. Gonzalez, Corporate Secretary.

There are no family relationships between the current members of the Board of Directors and key officers other than the above.

c. Involvement in Certain Legal Proceedings

None of the directors and officers have been involved in any bankruptcy proceeding, nor have they been convicted by final judgment in any criminal proceeding, or been subject to any order, judgment, or decree of competent jurisdiction, permanent or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, or found in action by any court or administrative bodies to have violated a securities of commodities law, for the past five (5) years up to the latest date.

As of date of this report, the Company is not a party to any litigation or arbitration proceedings of material importance, which could be expected to have a material adverse effect on the Company or on the results of its operations. No litigation or claim of material importance is known to be pending or threatened against the Company or any of its properties.

Item 10. Executive Compensation

a. General

The levels of remuneration of the Company should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance.

No director should participate in deciding on his remuneration.

The Company may, in exceptional cases, e.g., when the Company is under receivership or rehabilitation, regulate the payment of the compensation, allowances, fees and fringe benefits to its directors and officers.

b. Summary Compensation Table

a. CEO and five other most highly compensated executive officers

Name	Principal Position	Year	Salary	Bonus	Other Compensation
Christopher T. Po	Executive Chairman	2023	Php 136,437,452		
Teodoro T. Po	President & CEO				
Gregory H. Banzon	EVP & COO				
Edwin C. Africa	EVP - Corporate GM and Group BU Head				
Richard Kristoffer S. Manapat	VP & CFO				

b. Aggregate compensation paid to all Executive Officers and Directors

Name	Principal Position	Year	Salary	Bonus	Other Compensation
Aggregate compensation paid to all executive officers and directors as a group unnamed		2023	Php 308,208,402		

c. Compensation of Directors

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
Fixed Remuneration	None		
Variable Remuneration	None		

Per diem Allowance	None	None	Php166,667
Bonuses	None		
Stock Options and/or other financial instruments	None		
Others (Specify)	None		

Other Benefits	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
Advances	None		
Credit granted			
Pension Plan/s Contributions			
Pension Plans, Obligations incurred			
Life Insurance Premium			
Hospitalization Plan			
Car Plan			
Others (Specify)			

c. Employment Contracts and Termination of Employment and Change-in-Control Arrangements.

There are no special employment contracts or other arrangements between the Company and its officers or directors.

d. Warrants and Options Outstanding

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

Item 11. Security Ownership of Certain Beneficial Owners and Management

a. Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2023, the following were owners of more than 5% of the Company's outstanding shares:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	% to Total Outstanding
Common	Century Pacific Group, Inc. / 7F Centerpoint Building, Julia Vargas Avenue, Ortigas Center, Pasig City / Stockholder of Record	Ricardo Gabriel T. Po, Chairman Christopher T. Po, President Teodoro Alexander T. Po, COO Leonardo Arthur T. Po, Director	Filipino	2,320,120,781	65.49%*
Common	PCD Nominee Corp. (Non- Filipino) /	Please see BDO Report as of	Non-Filipino	897,070,024	25.32%

	The Enterprise Center, Ayala Avenue corner Paseo de Roxas, Makati City / Stockholder of Record	December 31, 2023 attached as Annex "A-1"			
Common	PCD Nominee Corp. (Filipino) / The Enterprise Center, Ayala Avenue corner Paseo de Roxas, Makati City / Stockholder of Record	Please see BDO Report as of December 31, 2023 attached as Annex "A-1"	Filipino	413,723,689	11.68%

* Century Pacific Group, Inc. owns 2,231,400,000 shares of the Registrant in its own name and another 88,720,781 shares of the Registrant lodged under PCD Nominee Corp. (Filipino).

b. Security Ownership of the Board of Directors and Senior Management

The following are the number of shares owned of record by the directors and key officers of the Company as of December 31, 2023:

Title of Class	Name of Beneficial Owner	Citizenship	Amount and Beneficial Ownership		% of Capital Stock
			Number of Direct Shares	Number of Indirect Shares	
Common	Ricardo S. Po, Sr.	Filipino	1	-	-
Common	Ricardo Gabriel T. Po	Filipino	160,001	-	-
Common	Teodoro Alexander T. Po	Filipino	160,001	-	-
Common	Christopher T. Po	Filipino	160,001	-	-
Common	Leonardo Arthur T. Po	Filipino	160,001	-	-
Common	Johnip G. Cua	Filipino	160,001	-	-
Common	Fernan Victor P. Lukban	Filipino	160,001	-	-
Common	Regina Roberta L. Lorenzana	Filipino	100	-	-
Common	Frances J. Yu	Filipino	100	-	-
Common	Richard Kristoffer S. Manapat	Filipino	105,600	-	-
Common	Manuel Z. Gonzalez	Filipino	145,200	-	-
Common	Gwyneth S. Ong	Filipino	10,000	-	-
Common	Edwin C. Africa	Singaporean	290,000	-	-
Common	Ronald M. Agoncillo	Filipino	100,000	-	-
Common	Gregory H. Banzon	Filipino	17,100	-	-
Common	Mary Fatima G. Aquino	Filipino	-	-	-
Common	Marie Nicolette Dizon	Filipino	-	-	-
Common	Carlo S. Endaya	Filipino	-	-	-
Common	Teddy C. Kho	Filipino	692,000	-	-
Common	Gerald R. Manalansan	Filipino	7,100	-	-
Common	Ralph G. Umali	Filipino	50	-	-
Common	Noel M. Tempongko, Jr.	Filipino	100,000	-	-

Common	Wilhelmino D. Nicolasora	Filipino	-	-	-
Common	George Leander III Q. Wang	Filipino	-	-	-
Common	Maria Rosario L. Ybanez	Filipino	-	-	-
		TOTAL	**2,107,555**	**-**	**-**

Summary of trading in the Company Shares by the Directors and Key Officers for the last Financial Year:

Title of Class	Name of Beneficial Owner	Number of Shares Purchased and Sold	Date of Purchase
Common	Teddy C. Kho	24,100	January 30, 2023
Common	Teddy C. Kho	19,100	April 14, 2023
Common	Teddy C. Kho	146,700	May 25, 2023
Common	Ralph G Umali	(6,800)	June 6, 2023
Common	Manuel Z. Gonzalez	10,800	October 16, 2023
Common	Manuel Z. Gonzalez	2,900	October 17, 2023
Common	Teddy C. Kho	8,000	December 18, 2023
Common	Richard Kristoffer S. Manapat	7,000	December 19, 2023
Common	Richard Kristoffer S. Manapat	7,000	December 20, 2023
Common	Richard Kristoffer S. Manapat	10,000	December 21, 2023
Common	Richard Kristoffer S. Manapat	3,100	December 22, 2023

c. Voting Trust Holder of 5% or more

As of December 31, 2023, there are no persons holding more than 5% of a class under a voting trust or similar agreement.

d. Changes in Control

There has been no change in control of the Company as of December 31, 2023.

Item 12. Certain Relationships and Related Transactions

The Company is a subsidiary of Century Pacific Group, Inc (formerly Century Canning Corporation) and is subsequently a member of Century Pacific Group Inc's Group of Companies (the Group). As of December 31, 2023, Century Pacific Group, Inc held 68.71% of the outstanding shares of the Company.

The Company and its subsidiaries, in their ordinary course of business, engage in transactions with companies in the Group and other companies controlled by the Po Family.

The most significant of these transactions include the leases of:

a) office spaces in Pasig City, Metro Manila from Century Pacific Group, Inc and Rian Realty Corporation
b) a 151,248 sq. m. property in General Santos City from Century Pacific Group, Inc
c) a 20,375 sq. m. property in Taguig from Century Pacific Group, Inc
d) a 38,078 sq. m. property in Zamboanga from Rian Realty Corporation

In addition to the foregoing transactions, the Company also provides certain corporate services including, corporate finance, corporate planning, procurement, human resources, controller, and treasury services to companies in the Group and other companies controlled by the Po Family.

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.

Further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to affiliated companies, can be found in the notes to the Company's financial statements.

PART IV - EXHIBITS AND SCHEDULES

Item 13. Exhibits and Reports on SEC Form 17-C

Century Pacific Food, Inc. has eleven (11) subsidiaries as of December 31, 2023:

Subsidiary	Business	% Ownership	Country of Residence
Snow Mountain Dairy Corporation	Producing, canning, freezing, preserving, refining, packing, buying, and selling wholesale and retail, food products including all kinds of milk and dairy products, fruits and vegetable juices and other milk or dairy preparation and by-products.	100	Philippines
General Tuna Corporation	Manufacturing and exporting of private label canned, pouched and frozen tuna products.	100	Philippines
Allforward Warehousing Inc.	Operating warehouse facilities	100	Philippines
Century Pacific Agricultural Ventures, Inc.	Manufacturing high value organic-certified and conventional coconut products for both export and domestic markets.	100	Philippines
Century Pacific Seacrest Inc.	Developing, maintaining, licensing, and administering marks and all kinds of intellectual property	100	Philippines
Century Pacific Food Packaging Ventures Inc.	Developing and manufacturing of packaging materials	100	Philippines
Millennium General Power Corporation (formerly Century Pacific Solar, Inc.)	Developing and utilization of renewable energy source and the generation and distribution of power	100	Philippines
The Pacific Meat Company, Inc.	Manufacturing, importing, exporting, buying, selling of all kinds of food products, fish, seafoods, and other marine, cattle, hog and other animal and animal products.	100	Philippines
General Odyssey Inc.	Manufacturing and distribution of all kinds of feeds	100	Philippines
Centennial Global Corporation	Trademark holding company	100	BVI
Century (Shanghai) Trading Company Limited	Marketing and distribution of canned food products	100	China
Century International (China) Company Limited	Marketing and distribution of canned food products	100	China
Century Pacific North America Enterprise, Inc.	Marketing and distribution of canned food products	100	USA

Reports on SEC Form 17-C:

Date	Subject of Report
January 30, 2023	Press Release: Century Pacific, GCash, and HOPE Achieved 1 Million Coconut Trees in 2022
February 13, 2023	Press Release: CPFI's Unmeat Luncheon Meat hits Walmart shelves, available in over 2,000 stores across the US
	Approval of the declaration of special cash dividends to all stockholders of record as of March 20, 2023 payable on April 4, 2023
	Approval of declaration of regular cash dividends to all stockholders of record as of March 20, 2023 payable on April 4, 2023
April 4, 2023	Press Release: Century Pacific continues growth momentum in 2022 despite market challenges; delivers 14% topline and 6% profit growth
April 14, 2023	Notice of Annual Stockholders' Meeting
April 17, 2023	Annual Report (SEC Form 17-A)
May 22, 2023	Press Release: CPG conducts private placement for 3% stake in CPFI
May 31, 2023	Integrated Annual Corporate Governance Report for the year 2022
June 13, 2023	Press Release: Century Pacific launches "Saving our Seas" Campaign to champion the circular economy and biodiversity
June 15, 2023	Press Release: CPFI'S UNMEAT gains traction in the United States; enters Albertsons with new alt chicken style chunks
July 6, 2023	Results of the Annual Stockholders Meeting
July 6, 2023	Results of the Organizational Meeting of the Board of Directors
July 6, 2023	Press Release: Century Pacific Welcomes Three New Board Members
July 7, 2023	Clarification of News Report entitled "Century Pacific Food allots P3.5B for expansion"
July 11, 2023	Amendment of Results of the Organizational Meeting of the Board of Directors
July 12, 2023	Press Release: Century Pacific garners multiple awards from the Institutional Investor 2023 Asia Executive Team Survey
August 9, 2023	Press Release: CPFI edges up in 2Q23 on the back of a resilient branded business; sales rise 9% and profits improve 10% year-on-year
September 20, 2023	Press Release: Century Pacific's unMEAT Ventures Down Under via Woolworths; Releases new innovations at Walmart USA
October 11, 2023	Press Release: Century Pacific Group companies, CPFI and SPAVI, honored for good corporate governance at the 2023 Golden Arrow Awards
November 8, 2023	Press Release: CPFI Earnings Gain Momentum in the Third Quarter, Branded Business Sustains Resilient Performance

Reports on SEC Form 17-Q

Date Filed	Subject of Report
May 10, 2023	First Quarter Results
August 09, 2023	Second Quarter Results
November 08, 2023	Third Quarter Results

SIGNATURES

Pursuant to the requirement of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized in the City of Pasig City on APR 1 0 2024

By:

Teodoro Alexander T. Po
Principal Executive Officer

Jayravi D. Maas
Principal Accounting Officer

Richard Kristoffer S. Manapat
Principal Financial Officer

Manuel Z. Gonzalez
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 1 0 2024 day of ______ affiant(s) exhibiting to me his/her valid IDs as follows:

NAMES	IDENTIFICATION
Teodoro Alexander T. Po	105-633-470
Jayravi D. Maas	214-851-932
Richard Kristoffer S. Manapat	303-723-989
Manuel Z. Gonzalez	166-201-040

Doc No.: 079;
Page No.: 16;
Book No.: VI;
Series of 2024.

GENEVIEVE KRISTINE B. MAÑALAC
Appointment No. 45 (2023-2024)
Notary Public for Pasig City, Pateros and San Juan
Until December 31, 2024
Attorney's Roll No. 80720
33rd Floor, The Orient Square
F. Ortigas Jr. Road, Ortigas Center, Pasig City
PTR Receipt No. 1634506; 01.02.24; Pasig City
IBP OR No. 330350; 12.18.23; RSM
Admitted to the Bar in 2022

ANNEX A

List of Stockholders

ANNEX A-1

CNPF00000000_December 29, 2023

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

December 29, 2023

CNPF00000000

BPNAME	QUANTITY
THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	413,425,812
STANDARD CHARTERED BANK	364,084,302
CITIBANK N.A.	243,746,398
FIRST METRO SECURITIES BROKERAGE CORP.	94,312,625
COL Financial Group, Inc.	50,965,481
THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	47,039,800
DEUTSCHE BANK MANILA-CLIENTS A/C	27,800,812
PHILIPPINE EQUITY PARTNERS, INC.	8,782,312
A & A SECURITIES, INC.	7,573,150
MBTC - TRUST BANKING GROUP	5,621,425
BPI SECURITIES CORPORATION	5,574,945
BDO SECURITIES CORPORATION	5,087,553
BANCO DE ORO - TRUST BANKING GROUP	3,871,240
WEALTH SECURITIES, INC.	3,772,700
REGIS PARTNERS, INC.	3,045,101
PNB TRUST BANKING GROUP	2,967,700
LBP-TBG THIRD PARTY CUSTODIANSHIP & REGISTRY DEPT	2,653,456
SB EQUITIES,INC.	2,331,050
S.J. ROXAS & CO., INC.	2,056,150
DEUTSCHE BANK MANILA-CLIENTS A/C	1,739,416
MAYBANK SECURITIES, INC.	1,217,800
STANDARD SECURITIES CORPORATION	1,163,900
RCBC TRUST & INVESTMENT DIVISION - VARIOUS TAXABLE ACCTS	711,000
PAPA SECURITIES CORPORATION	672,536
UNICAPITAL SECURITIES INC.	593,955
EVERGREEN STOCK BROKERAGE & SEC., INC.	527,700
AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	527,100
ABACUS SECURITIES CORPORATION	497,985
GOVERNMENT SERVICE INSURANCE SYSTEM	487,700
AP SECURITIES INCORPORATED	481,350
AB CAPITAL SECURITIES, INC.	435,602
CHINA BANKING CORPORATION - TRUST GROUP	385,400
RCBC TRUST & INVESTMENT DIVISION	316,000
ANSALDO, GODINEZ & CO., INC.	291,550
DAVID GO SECURITIES CORP.	280,000
RCBC SECURITIES, INC.	277,150
LUCKY SECURITIES, INC.	269,500
SunSecurities, Inc.	249,400

SUMMIT SECURITIES, INC.	214,500
TOWER SECURITIES, INC.	213,800
WESTLINK GLOBAL EQUITIES, INC.	210,000
IGC SECURITIES INC.	206,050
APEX PHILIPPINES EQUITIES CORPORATION	188,550
INTRA-INVEST SECURITIES, INC.	175,500
E. CHUA CHIACO SECURITIES, INC.	171,050
PHILSTOCKS FINANCIAL INC	162,912
REGINA CAPITAL DEVELOPMENT CORPORATION	154,200
A. T. DE CASTRO SECURITIES CORP.	139,900
PAN ASIA SECURITIES CORP.	131,750
OPTIMUM SECURITIES CORPORATION	130,500
QUALITY INVESTMENTS & SECURITIES CORPORATION	126,850
TRITON SECURITIES CORP.	118,500
TIMSON SECURITIES, INC.	115,200
GLOBALINKS SECURITIES & STOCKS, INC.	113,750
CHINA BANK SECURITIES CORPORATION	108,000
CAMPOS, LANUZA & COMPANY, INC.	107,200
R. NUBLA SECURITIES, INC.	106,000
VALUE QUEST SECURITIES CORPORATION	76,800
YU & COMPANY, INC.	76,750
COL Inv Mgt Inc as Investment Company Adviser for Various Mutual Funds	72,500
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	69,150
TANSENGCO & CO., INC.	68,100
ASTRA SECURITIES CORPORATION	66,850
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	65,500
R. COYIUTO SECURITIES, INC.	62,400
BANK OF COMMERCE - TRUST SERVICES GROUP	60,000
MERIDIAN SECURITIES, INC.	59,450
EAGLE EQUITIES, INC.	59,000
LANDBANK SECURITIES, INC.	56,350
UPCC SECURITIES CORP.	55,700
YAO & ZIALCITA, INC.	54,600
R. S. LIM & CO., INC.	54,200
LOPEZ, LOCSIN, LEDESMA & CO., INC.	54,100
VENTURE SECURITIES, INC.	54,100
SALISBURY SECURITIES CORPORATION	54,079
PNB SECURITIES, INC.	47,350
PREMIUM SECURITIES, INC.	45,200
AURORA SECURITIES, INC.	45,100
BELSON SECURITIES, INC.	43,600
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	43,000
MDR SECURITIES, INC.	42,000
JAKA SECURITIES CORP.	41,700

SOLAR SECURITIES, INC.	38,100
MANDARIN SECURITIES CORPORATION	37,750
ASIASEC EQUITIES, INC.	36,000
MERCANTILE SECURITIES CORP.	35,700
NEW WORLD SECURITIES CO., INC.	35,000
EASTERN SECURITIES DEVELOPMENT CORPORATION	34,850
EQUITIWORLD SECURITIES, INC.	32,800
FIDELITY SECURITIES, INC.	30,000
JSG SECURITIES, INC.	29,050
HDI SECURITIES, INC.	28,700
CTS GLOBAL EQUITY GROUP, INC.	27,700
AAA SOUTHEAST EQUITIES, INCORPORATED	26,900
FIRST ORIENT SECURITIES, INC.	24,950
GUILD SECURITIES, INC.	21,000
STRATEGIC EQUITIES CORP.	21,000
FIRST INTEGRATED CAPITAL SECURITIES, INC.	20,400
F. YAP SECURITIES, INC.	18,050
ALPHA SECURITIES CORP.	18,000
RTG & COMPANY, INC.	17,250
CUALOPING SECURITIES CORPORATION	15,000
DIVERSIFIED SECURITIES, INC.	15,000
I. B. GIMENEZ SECURITIES, INC.	13,200
EAST WEST CAPITAL CORPORATION	10,000
INVESTORS SECURITIES, INC,	8,100
BA SECURITIES, INC.	7,500
SECURITIES SPECIALISTS, INC.	7,500
G.D. TAN & COMPANY, INC.	6,500
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	5,400
ALAKOR SECURITIES CORPORATION	4,500
R & L INVESTMENTS, INC.	2,056
LARRGO SECURITIES CO., INC.	1,800
GOLDSTAR SECURITIES, INC.	1,500
I. ACKERMAN & CO., INC.	1,500
LUYS SECURITIES COMPANY, INC.	1,500
MOUNT PEAK SECURITIES, INC.	300
DRAGONFI SECURITIES, INC.	200
H. E. BENNETT SECURITIES, INC.	100
CENTURY PACIFIC FOODS, INC.	8
DEUTSCHE BANK MANILA-CLIENTS A/C	2
Total	**1,310,793,713**

COMPANY NAME : CENTURY PACIFIC FOOD, INC.

ANNEX A-2

LIST OF TOP 100 STOCKHOLDERS
As Of December 31, 2023

STOCKHOLDER'S NAME	OUTSTANDING & ISSUED SHARES (FULLY PAID)	OUTSTANDING & ISSUED SHARES PARTIALLY PAID	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL
CENTURY PACIFIC GROUP, INC.	2,231,400,000	0	2,231,400,000	62.994
PCD NOMINEE CORP.(NON-FIL)	897,070,024	0	897,070,024	25.325
PCD NOMINEE CORP.(FILIPINO)	413,723,689	0	413,723,689	11.680
SHINJI MIYAMOTO	32,000	0	32,000	0.001
ALVIN S. TAN	15,000	0	15,000	0.000
MYRA P. VILLANUEVA	3,000	0	3,000	0.000
OWEN NATHANIEL S. AU ITF: LI MARCUS AU	2,365	0	2,365	0.000
GISELLE KAREN Y. GO	2,250	0	2,250	0.000
ROSAURO PANERGO BABIA	1,500	0	1,500	0.000
MILAGROS P. VILLANUEVA	1,500	0	1,500	0.000
MYRNA P. VILLANUEVA	1,500	0	1,500	0.000
JOHN T. LAO	1,000	0	1,000	0.000
CHRISTINE F. HERRERA	750	0	750	0.000
LEOPOLDO E. SAN BUENAVENTURA ITF MAYRHILYN M. SAN BUENAVENTURA	750	0	750	0.000
JULIUS VICTOR EMMANUEL D SANVICTORES	750	0	750	0.000
FELICITAS F. TACUB	750	0	750	0.000
MARIETTA VILLANUEVA-CABREZA	750	0	750	0.000
ERNESTO KIONG LIM AND/OR IRIS VERONICA GO LIM	400	0	400	0.000
GUILLERMO F. GILI, JR.	150	0	150	0.000
STEPHEN ANTHONY T. CUUNJIENG	100	0	100	0.000
SHAREHOLDERS ASSOCIATION OF THE PHILIPPINES, INC.	100	0	100	0.000
PHILIP G. SOLIVEN	100	0	100	0.000
JESUS SAN LUIS VALENCIA	100	0	100	0.000
M. J. SORIANO TRADING, INC.	50	0	50	0.000
GERARDO L. SALGADO	8	0	8	0.000
JOSELITO T BAUTISTA	1	0	1	0.000
BOTSCHAFT N. CHENG OR SEVILA NGO	1	0	1	0.000
JOHNIP G. CUA	1	0	1	0.000
FERNAN VICTOR P. LUKBAN	1	0	1	0.000
CHRISTOPHER PAULUS TAN PO	1	0	1	0.000
LEONARDO ARTHUR TAN PO	1	0	1	0.000
RICARDO SY PO	1	0	1	0.000
RICARDO GABRIEL TAN PO	1	0	1	0.000
TEODORO ALEXANDER TAN PO	1	0	1	0.000
GRAND TOTAL (34)	3,542,258,595	0	3,542,258,595	

THIS IS A COMPUTER GENERATED REPORT AND IF ISSUED WITHOUT ALTERATION, DOES NOT REQUIRE ANY SIGNATURE.

ANNEX B

Sustainability Report

CNPF Sustainability Report 2023

Table of Contents

Our Business and Sustainability Commitment

Century Pacific Food, Inc. in Brief

Century Pacific Food, Inc. (PSE:CNPF) is one of the leading food companies in the Philippines, owning a portfolio of well-recognized and trusted brands in packaged Marine, Meat, Dairy, and other emerging segments. Our portfolio includes well-established brands such as Century Tuna, 555, Ligo, Argentina, and Birch Tree, as well as emerging and challenger brands like Blue Bay, Fresca, Swift, Wow, Lucky Seven, Angel, Coco Mama, unMEAT, Choco Hero, and Goodest. We export our branded products to international markets, particularly where there are significant Filipino communities, for example in the United States and Middle East. We are one of the Philippines' largest exporters of private label original equipment manufacturer (OEM) tuna and coconut products. For more information on CNPF's history, brands and operations please refer to our website and our annual report.

Domestic Retail

Our Sales team oversees our performance with partner retailers and distributors and activates trade plans in the Philippines to expand our local reach, provide access to remote areas, and improve our service levels and throughput in existing stores. We support our trade partners and our end consumers by ensuring product availability, despite headwinds brought about by a volatile geopolitical and economic landscape.

Direct points of sale covered	~144,000 doors (↑7%)

Number of products sold in (in domestic retail) across the Philippines	2.5 billion units (2022: 2.5 billion units)

Food Service

Our food services business caters to institutional clients. Our roster of customers ranges from consumer food service companies such as restaurants, hotels, and bakeshops to institutions such as hospitals, shipping lines, and canteens, among others. We also work with local government units, cooperatives, and wholesalers.

Our Culinary group develops innovative and healthy menu ideas using our portfolio of products. Our R&D team customizes pack sizes for our institutional clients' requirements while our Quality Assurance group ensures the quality and safety of all our products, positioning our food service products in the premium segment. Depots are strategically located in key cities to ensure seamless service and easy access to our clients.

Number of restaurants served in the Philippines	~22,000 (2022: 20,844)
Equivalent percentage of the total consumer food service establishments in the country	23% (2022: 23%)

Export Business: Global Brands & OEM

CNPF continuously pursues expansion in the international market. Our Global Brands business unit has established shelf presence in thousands of outlets and mainstream retail chains across 72 major markets.

The company's flagship brands in our marine, meat, milk, and coconut businesses are carried by multinational retailers such as Walmart, Safeway, and Albertsons in North America; Carrefour and Giant in the Middle East, China, and selected European countries; the Dairy Farm Group in Asia Pacific; Woolworths and Coles in the Pacific; and the National Trade Union Congress (NTUC) FairPrice in Singapore.

We also serve as a while label manufacturer for export customers, focusing on tuna and coconut products.

Number of export countries	79 (2022: 75)
Units of branded products exported	63 million (2022: 58 million)

Our Sustainability Commitment

CNPF is deeply committed to delivering affordable nutrition with a strong focus on sustainability. We aspire to achieve profitable and sustainable growth by embedding environmental, social, and governance considerations into the core of our operations. This effort is driven by our dedicated team, who embody our company's values and contribute significantly to our broader sustainable development goals. Ultimately, we aim to create greater value not only for our customers and employees but also for our business partners, shareholders, and the communities we serve.

Our Environmental, Social, and Governance (ESG) Policy codifies our commitment by integrating our Sustainability Framework into every aspect of the business. Our Board-level Corporate Governance & Sustainability Committee and the Management's Sustainability Steering Committee mandate and guide our sustainability agenda, while our business units implement these on the ground.

[GRI 2-22: Statement on sustainable development strategy]

"Essential to our strategy going forward is our sustainability and ability to balance the needs of all our stakeholders. We believe that sustainability - whether coming up with healthier products, taking care of our people and communities, or being good stewards of our resources - is essential to our longevity. We believe our commitment to responsible business will change the complexion and character of our business in a good way and will future-proof our enterprise."

CHRISTOPHER T. PO, Executive Chairman
TEODORO T. PO, President & Chief Executive Officer

Materiality Process

[GRI 3-1: Process to determine material topics]

At CNPF, our material topics are the foundation of our sustainability framework, reporting disclosures, and targets. Our process for identifying material topics is robust, inclusive, and holistic. In 2018, CNPF embarked on a comprehensive materiality assessment, engaging a diverse group of stakeholders including leadership, investors, supply chain partners, and customers. The collaboration was crucial in identifying and prioritizing the sustainability issues integral to both our stakeholders and our business. Leveraging this insight, we refined our focus, setting a clear framework to measure and enhance our performance on key material topics. We maintain an ongoing dialogue to validate the relevance of these material topics and ensure our strategic decisions align with the evolving interests of our stakeholders and the well-being of the environment. For further information see this report's section on How We Engage.

Our governance structure, including the Board-level Corporate Governance and Sustainability Committee and the Sustainability Steering Committee, plays a crucial role in this process. They regularly review risks, opportunities, and advancements in sustainability, enabling our material topics to evolve with the times and respond to an increasingly volatile, uncertain, complex, and ambiguous (VUCA) world.

Acknowledging the shifts in our global landscape, especially in a post-COVID era, CNPF recognizes the imperative for a materiality refresh. To this end, CNPF embarked on a renewed materiality assessment in late 2023. This comprehensive review is currently underway. Forthcoming materiality results will inform the development of a longer-term roadmap and strategy. We aim to align our core business operations with our sustainability goals and the broader impacts we strive to achieve as a responsible food manufacturing business.

Sustainability Framework

[GRI 3-2: List of material topics]

Our Sustainability Framework focuses on our three core pillars: Protein Delivery, Planet Preservation, and People Development. This framework directs our efforts towards the most pertinent sustainability challenges and opportunities for our business and stakeholders.

3 Pillars		
Protein Delivery We commit to responsible manufacturing and development processes in providing sustainable, healthier, and affordable food products that address the nutritional needs of Filipinos as we aspire to become a Philippine leader in affordable nutrition. *SDG 2: Zero Hunger* *SDG 3: Good health and well-being*	**Planet Preservation** We commit to the efficient use, reuse, and restoring of agriculture and fisheries resources, as well as better management of our environmental impacts by decreasing our water and energy consumption, lessening our greenhouse gas emissions, and actively monitoring our waste generation as we continue to grow our business and serve Filipinos. *SDG 12: Responsible Consumption and Production* *SDG 14: Life Below Water* *SDG 15: Life on Land*	**People Development** We commit to building a highly engaged, inclusive, and competitive workforce, as well as a workplace that provides equal opportunities, safeguards workforce well-being, and promotes professional and personal development, to support the company's current and future strategies and its sustainable success. We also commit to reducing hunger in the communities we adopt via impactful access to nutrition through our products and the livelihood projects we support. *SDG 1: No Poverty* *SDG 4: Quality Education* *SDG 5: Gender Equality* *SDG 8: Decent work and economic growth*

Focus Areas and Material Topics		
Profit-Purpose Alignment **Product Affordability & Accessibility** We focus on continuously improving our products' affordability and availability in various distribution channels, making our products ubiquitous and accessible to consumers. **Product Development & Innovation** We constantly pursue customer delight and continuous market study through modern research and development techniques to come up with winning products. **Food Quality & Safety** Product quality, that also focuses on consumer welfare, is a business aspect accounted for in all parts of our operations. **Healthier Products** **Sodium Reduction** We continue to monitor certain product ingredients which may have unfavorable effects on the body when consumed beyond the optimal level, such as sodium and nitrite. **Calcium, Iron & Vitamin C Fortification** We aim for the ideal balance of preserving the taste and quality our consumers love vis-à-vis enhancing the overall nutritional value of our products.	**Natural Resource Efficiency** **Energy and Water Consumption Reduction** We strive to improve our efficiency in utilizing natural resources by adopting industry best practices in energy and water management. --- **Environmental Impact Management** **Greenhouse Gas Emission Reduction** We manage our use of natural resources to control our impact on the environment, including the resulting greenhouse gas generated by the energy we utilize. **Plastic Footprint Reduction** We are committed to Net Zero Plastic Waste (third-party verified) across all our brands that make use of flexible plastic packaging. **Landfill Waste Reduction** We explore ways to minimize our packaging and waste footprint. --- **Supply Chain Management** **Supplier Credibility** We adhere to standards that ensure our materials are ethically sourced. **Local Sourcing** We aim to source more materials locally via exploring contract farming and local processing. **Tuna Sustainability**	**Employees** **Diversity and Inclusion** We are committed to building a diverse and inclusive business that places a premium on skills and potential and does not discriminate based on ethnicity, religion, or gender. **Talent Development** We regard our employees as our partners. We invest considerably in promoting their professional and personal growth which in turn helps grow the business. **Employee Engagement** We continuously engage with our employees through living out our values, grievance mechanisms, providing competitive benefits, and embedding sustainability into our culture to ensure they are dedicated to their jobs and committed to the organization. **Workplace Safety** We are committed to ensuring the safety of our employees by protecting them from potential safety and health risks and hazards in the workplace. --- **Communities** **Job Creation** Our growth around the country generates jobs for local communities. **Hunger Alleviation** We aim to address some of the Philippines' major socio-economic

	We aim to aspire to be a leader in tuna sustainability. We diligently comply with international regulations pertaining to conservation measures.	problems such as hunger, malnutrition, lack of education, and environmental degradation. **Livelihood Support** We engage in community development and aim to create sustainable social impact.
Good Governance The Company recognizes the importance of good governance. It underpins our ability to progress our sustainability journey and create long-term value for shareholders. This applies across our entire value chain, ensuring the organization behaves ethically, complies with rules and regulations, and adheres to fair labor practices and fulfills all other economic, moral, legal, and social obligations towards our stakeholders. *SDG 16: Peace, Justice, and Strong Institutions*		

Governing and Operationalizing Sustainability

[GRI 2-12: Role of the highest governance body in overseeing the management of impacts]
[GRI 2-13: Delegation of responsibility for managing impacts]
[GRI 2-14: Role of the highest governance body in sustainability reporting]

CNPF ensures that effective governance is in place to deliver on our sustainability commitments.

Our Board-level Corporate Governance and Sustainability Committee oversees the implementation of our sustainability framework and periodically reviews sustainability risks and opportunities. This is chaired by a Non-Executive Independent Director, ensuring an independent and objective view of business-critical issues in sustainability. The committee receives updates on overall progress on sustainability and corporate governance semi-annually and advises the Management's Sustainability Steering Committee accordingly. With the rest of the Board, the committee ensures the integrity of sustainability disclosures. Refer to the Corporate Governance section of SEC 17-A Annual Report for more information.

Composed of senior executives of key functions and business units and spearheaded by our Executive Chairman and CEO, our Management's Sustainability Steering Committee is responsible for driving and embedding sustainability into every aspect of the business. Respective subcommittees manage, develop, and implement goals and action plans for each pillar of our framework with the Core Sustainability Steering Committee leading the overall direction and ensuring continuous improvement in responsible business practices. Relevant sustainability goals and targets have been incorporated in the Company's Performance Management System as the basis of management's variable compensation.

Sustainability Steering Committees hold quarterly meetings with the Executive Chairman and CEO to discuss each pillar of our sustainability framework and to monitor the status of ongoing initiatives as well as discuss opportunities and next steps to advance CNPF's sustainability goals.

Our Investor Relations Department acts as secretariat to the meetings and ensures that this governance structure is organized and operating properly.

At CNPF, we believe that sustainability is everybody's job. To ensure our sustainability efforts have a lasting and scalable impact, they must become integral to our business operations. Consequently, CNPF delegates responsibility to business unit heads, who then empower their teams to make decisions that align business objectives with sustainability goals. This integration ensures that business and sustainability are considered in tandem.

Sustainability Governance Structures in Place

Board's Corporate Governance & Sustainability Committee		Management's Sustainability Steering Committee	
Chairman		**Core**	
Stephen CuUnjieng	Independent Director Distinguished global investment banker; Former Chairman and CEO of Evercore Asia; Member of the Asia Advisory Board of Wharton; Director of the International Advisory Board of the New York Philharmonic	Christopher Po Teodoro Po Edwin Africa Myrose Victor Jenifer San Juan-Tecson	Executive Chairman Chairman of the Sustainability Steering Committee President & CEO EVP - Corporate GM and Group BU Head Investor Relations Head Investor Relations
Members		**Planet**	
Philip Soliven Regina Lorenzana	Independent Director Seasoned banker; Former President and Chairman of Cargill Philippines, Inc. Independent Director Former Global Vice President of Unilever's Global HomeCare Division; Completed executive programs in Sustainability Leadership from the University of Cambridge	Teddy Kho Ronald Agoncillo Fatima Aquino Noel Tempongko Jinky Mercado Arlene Librella Arriel Onesa Jenny Tan	VP & GM - OEM Tuna Exports VP & GM - Sardines VP & GM - Milk VP & GM - OEM Coconut Exports AVP Meat Manufacturing AVP Milk Manufacturing AVP Sardine Manufacturing Group Procurement Director
		Protein	

	Honelet Sayas Rhoda Inocelda Cheryl Singson Carmina Olivenza Nicolette Dizon	AVP Corporate QA and Technical Services / OIC for Corporate R&D R&D Senior Department Manager Nutrition & Regulatory Affairs Nutrition & Regulatory Affairs, Registered Nutritionist & Dietitian VP & GM - Refrigerated Food
	People	
	George Wang, III Kamille Corpuz Joyce Espanola	VP Human Resources and Corporate Affairs RSPo Program Manager Senior HR Manager

Excellence in Governance: CNPF Earns Triple Golden Arrow Recognition

CNPF has been distinguished this year with the prestigious Golden Arrow Award from the Institute of Corporate Directors (ICD). This accolade, part of the ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards, recognizes CNPF's adherence to the highest standards of corporate governance. The award evaluates companies on critical parameters including the promotion of shareholder rights, equitable treatment, commitment to transparency, accountability, and the role of the board in strategic guidance and management oversight. Receiving three Golden Arrows this year, up from one in the previous year, marks a significant milestone for CNPF and underscores the company's dedication to continuous improvement. This recognition reflects CNPF's integrated approach to sustainability within its corporate governance framework, striving to deliver not only on financial performance but also on environmental stewardship and social responsibility.

Creating Impact Across our Business

[GRI 2-6: Activities, value chain and other business relationships]

Our sustainability strategy is anchored on the environmental, social, and economic impacts of CNPF's various business activities along our value chain. We map out our key sustainability issues against our value chain to help us manage our risks and negative impacts and identify opportunities to scale our positive impact and create greater value for our stakeholders.

<table>
<tr><th></th><th><u>Research & Development</u>
Developing, reformulating, and testing new product recipes and formulations</th><th><u>Sourcing</u>
Having strict assessment and accreditation for raw material suppliers to ensure food quality</th><th><u>Manufacturing</u>
Enforcing food quality and safety, as well as regulatory requirements in food manufacturing</th><th><u>Distribution</u>
Ensuring sufficient accessibility to reach the demand of partner retailers in a timely and efficient manner</th><th><u>Customer</u>
Maintaining a wide network of local and international business partners to reach several markets</th><th><u>Consumers</u>
Engaging consumers to gain feedback for continuous improvement of product quality and consumer satisfaction</th></tr>
<tr><td colspan="7">Impact Creation & Economic Flows</td></tr>
<tr><td rowspan="4">PROTEIN Delivery</td><td>Nutrition</td><td colspan="4"></td><td>Nutrition</td></tr>
<tr><td colspan="3"></td><td colspan="3">Accessibility</td></tr>
<tr><td colspan="3">Product Innovation, Design & Lifecycle Management</td><td colspan="3"></td></tr>
<tr><td colspan="6">Food Quality & Safety</td></tr>
<tr><td rowspan="4">PLANET Preservation</td><td colspan="3">Supplier Credibility</td><td colspan="3"></td></tr>
<tr><td></td><td>Raw Materials Traceability</td><td colspan="4"></td></tr>
<tr><td colspan="2"></td><td colspan="2">Natural Resource Efficiency</td><td colspan="2"></td></tr>
<tr><td></td><td colspan="3">Environmental Impact Management</td><td colspan="2"></td></tr>
<tr><td rowspan="4">PEOPLE Development</td><td colspan="6">Diversity & Inclusion</td></tr>
<tr><td colspan="6">Professional & Personal Growth</td></tr>
<tr><td colspan="6">Workplace Safety</td></tr>
<tr><td></td><td colspan="2">Community Development</td><td colspan="3"></td></tr>
<tr><td rowspan="2">Good Governance</td><td colspan="6">Business Ethics & Compliance</td></tr>
<tr><td colspan="6">Labor Practices</td></tr>
</table>

How We Engage

[GRI 2-25: Processes to remediate negative impacts]
[GRI 2-26: Mechanisms for seeking advice and raising concerns]
[GRI 2-29: Approach to stakeholder]

Channels of Engagement	Concerns	How We Address Them
Consumers		
• Consumer touch points (phone, email, website, social media channels, regular field work, and trade show activities) • Regular internal satisfaction surveys • Research with third-party agencies	• Product affordability • Product quality • Product availability • Healthier products • Packaging issues	• Presence of value for money offerings in our portfolio and promotions program • Timely resolution of customer complaints • Expansion of manufacturing capacity to address demand • Continuous innovation to develop healthier products and to improve product and packaging quality
Customers & Retailers		
• Customer touch points (branches, personnel, phone, email, website, and social media channels) • Regular site visits to existing retailers and participation in events such as conventions, new store opening, and in-store promotions • Joint business reviews and planning	• Product affordability • Quality of products (dented products) • Reliability and timeliness of product deliveries • Convenience of sales process and billing concerns • Managing inflationary pressures	• Presence of value for money offerings in our portfolio and promotions program • Timely resolution of complaints and regular feedback • Continuous monitoring and upgrade of systems and processes • Alignment of activation plans, budget, and promo effectiveness
Suppliers		
• Communication lines (phone, e-mail, meetings, and business reviews) • Supplier accreditation process on eProc • Delivery schedules	• Issues with bidding through eProc portal • Inefficiencies of the system (late delivery advice, sudden changes on the schedule,	• Coordination with IT and service provider on speed and performance optimization of eProc portal, and reactivation of vendor training program

● Order placement/PO issuance ● Request for quotations/proposal/bidding information ● Receiving of deliveries ● Email and contact number of Human Resources to report irregularities	quantities, and location, out of lead-time orders)	● Close coordination with vendors to ensure seamless procurement process ● Proper material planning, close inventory monitoring, and cross-functional discussions with top management
Employees		
● Online communication through learning portal, email blasts, newsletters, social media ● Individual and group engagements (performance reviews, engagement surveys, and focus group discussions) ● Official company events (town hall meetings, planning, and trainings) ● Team building activities (summer outings, Christmas parties, special wellness events and sports activities) ● Grievance Mechanisms through our Whistleblower Policy)	● Employee salaries and benefits, variable pay, and other financial assistance ● Career development and growth (programs, succession plans, opportunity for external training, rewards, and recognition) ● Company culture and personal welfare (Occupational Health & Safety, hybrid work arrangement, work relationships, wellness programs)	● Review and continuous improvement of performance management system, as well as manpower and succession planning ● Adherence to policies on salary structure, benefits, incentive and bonus system, and provision of access to loan programs (SSS, HDMF, company funds) ● Partnership with DOLE on occupational health and safety training ● Implementation of employee engagement, trainings, and recognition programs ● Initiating wellness programs and social clubs for physical, mental, social, and spiritual health ● Reconfiguration of the office space to adapt to hybrid working arrangement
Investors & Shareholders		
● Annual stockholders' meeting	● Trends on the macroeconomic and socio-political	● Constant engagement with investors, analysts, corporate regulators, and the investing public

<table>
<tr><td>Publication of Sustainability and Annual Report
Analysts' briefings
Conferences and roadshows hosted by institutional investors
Formal meetings, site visits, and conference calls with investors and analysts</td><td>environment in the industry
Business outlook, viability, and growth
Environmental, social and governance issues</td><td>through different channels such as regular meetings, conferences, and briefings
Risk management and good governance procedures
Transparency in the information provided in reports and timeliness of its publications</td></tr>
<tr><td colspan="3" align="center">Government</td></tr>
<tr><td>Policy dialogues, consultations, and briefings
Invitation to events and lectures
Annual audits, required reports, and publications such as financial statements
Official correspondence and formal proceedings</td><td>Compliance with laws and regulations
Opportunities and areas for public and private sector collaboration
Completeness and accuracy of reports
Transparency and accountability</td><td>Compliance, transparency, and timeliness on submission of required reports and renewal of permits and licenses
Updating of company policies and systems based on latest government regulations
Attendance and participation to government-sponsored learning sessions and compliance programs</td></tr>
<tr><td colspan="3" align="center">Communities (Beneficiaries of CSR Programs & residents of communities where we operate)</td></tr>
<tr><td>Feeding programs in partner schools, orphanages, and parishes
Volunteer activities in chosen communities
Meeting with other NGOs, CSOs, and government agencies</td><td>Product quality and information
Limits in product variety provided
Recipe of food provided
Timeliness in delivery of goods</td><td>Pre- and post-evaluation with stakeholders (students, parent-volunteer, school representatives)
Basic food handling and demo cooking using Century- prescribed recipes
Dialogue with the feeding coordinators & parent-volunteers
Planning and coordination with communities and government agencies prior to the volunteer activity</td></tr>
</table>

		• Partnerships with other non-profit organizations to increase our reach
Communities (Surrounding Plant Operations)		
• Community meetings	• Environmental concerns and waste disposal • Traffic congestion caused by the trucks coming in and out of the plant • Market access for local produce • Availability of jobs	• Dialogue with the communities in partnership with the local government unit • Partnership with third party for recycling and upcycling of waste • Adherence to the recommended traffic routes for private vehicles and trucks. • Implementation of feeding programs in schools and communities • Implementation of local community purchasing programs to support coconut farmers • Partnership with government agencies to provide jobs to the community

Protein Delivery

Profit Purpose Alignment

In the pursuit of a healthier nation, CNPF anchors its product portfolio on affordable nutrition. Our vision is to help nourish millions, driving us to develop delicious products that also target nutrient deficiencies, mitigate the risk of non-communicable diseases, cater to specific nutritional needs across different life stages, and amplify nutrition education among Filipinos. Through continuous improvement and innovation of food products that are easy on the pocket and within reach, CNPF delivers quality proteins and additional nutrients to nourish and delight everyone, every day, everywhere.

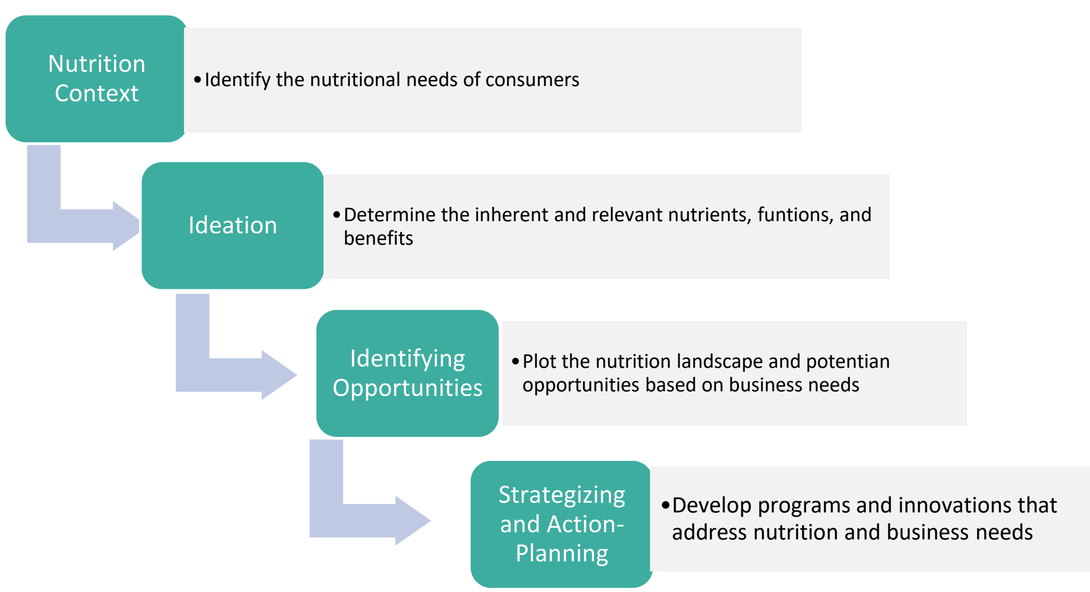
CNPF's Alignment with National Nutrition Goals

The recent National Nutrition Survey by the Philippine government, conducted in 2021, illuminates the complex dietary challenges facing our country. While strides have been made in reducing undernutrition, we are confronted with escalating rates of obesity and persistent malnutrition.

In response to this, CNPF's protein delivery strategies resonate deeply with the Philippine Plan of Action on Nutrition 2023-2028. We are committed to enhancing the availability and accessibility of healthy and safe food, helping improve the overall health of Filipinos nationwide and creating a supportive environment for consumers.

CNPF Nutrition Program

Our Nutrition Program aligns business objectives with the nutritional needs of our consumers. It represents a commitment to operational excellence, from innovative product development to informative consumer education and local community engagement, all aligned with the goal of fostering a healthier Philippines.



Underpinning our Nutrition Program is a commitment to collaboration and innovation. Our business units continuously seek out opportunities to address the nutritional needs of our consumers through product innovation. We actively seek out partnerships with suppliers to create product formulations that address changing nutritional requirements. Our connections with government agencies, academia, and industry experts lead to meaningful research and development, while our work with NGOs and healthcare organizations amplifies our outreach and impact within communities.

Nutrition Framework

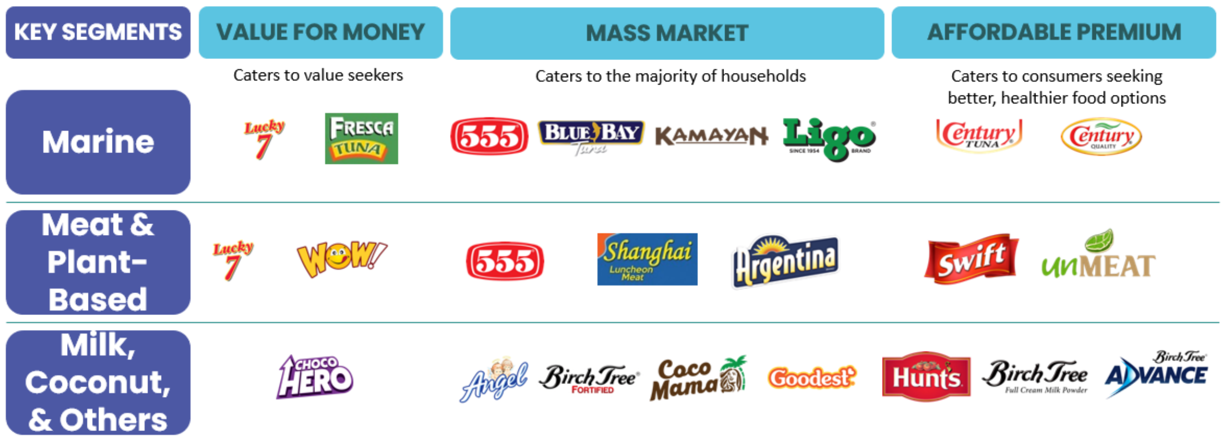
Increased Availability of Healthy & Safe Food	Increased Accessibility of Healthy & Safe Food	Increased Consumption of Healthy Diet	Improved Healthy Supportive Environment
Food Fortification Launch products fortified with additional nutrients **Food Reformulation** Reduce the sodium content of core products **Dietary Supplementation** Expand the distribution of Dietary Supplements in the portfolio	**Food Assistance** Increase Kain Po protein servings delivered to partner communities	**Health/Nutrition Literacy and Nutrition Promotion Program for Behavioral Change** Increase branded nutrition campaigns fighting malnutrition and promoting health and wellness **Food Labelling** Rollout new labels across all innovations **Food Marketing Regulation** Ensure strict compliance to regulatory audits and certifications	**Behavior Change & Overweight and Obesity Management/Prevention** Launch inclusive and transformational branded nutrition campaign **Programs for Older Persons** Increase reach of branded activations for the elderly

Food Availability

[GRI 3-3: Management of material topics]

CNPF is committed to enhancing food availability while tackling micronutrient deficiencies and mitigating the intake of nutrients with potentially adverse health impacts. Our integrated approach involves both product innovation and reformulation, with attention to nutrient fortification.

CNPF's social impact is deeply intertwined with our mission to offer affordable and accessible options. Recognizing that 83% of the Philippine population comes from lower-income classes, we have tailored our portfolio to span from value-for-money to affordable premium brands. This strategic positioning allows us to serve major segments across the Philippine market effectively. Our products are accessible through a diverse range of distribution channels, from traditional mom-and-pop sari-sari stores and wholesalers to modern convenience stores and supermarkets, ensuring that our products reach as wide an audience as possible. Through this comprehensive approach, CNPF not only advances its nutritional objectives but also supports broader socioeconomic inclusion and access to quality food options.



We strive to offer products that support consumer health. Our recently expanded portfolio includes products fortified with nutrients targeted to address specific health concerns and nutritional gaps, such as protein, calcium, zinc, iron, and Omega 3 DHA. Fortifying our dairy offerings with calcium and vitamin D3 exemplifies our commitment to bone health, while our high-fiber options are tailored to support digestive wellness. Within the year we launched five new fortified products under our Ligo brand and enhanced the nutrient profile in five existing products, including Birch Tree Adult Boost, unMEAT, 555 Tuna, Choco Hero, and Hunt's.

In response to the established links between sodium intake and certain non-communicable diseases, our commitment to product research and development has been steadfast. The pursuit of this goal continues as we gear up to resume our sodium reduction research in 2024, coinciding with the transition of the CQA Laboratory to its new home within the CPFI Innovation Center of Excellence.

2023 Nutrition KPI

31 Million
Kilograms of protein in products sold
(2022: 31 Million)

CNPF delivered a total of 31 Million kilograms of protein across all products sold through domestic retail channels in 2023. We are currently developing relevant and meaningful targets that will enable us to measure and track the nutritional impact of our products.

Food Accessibility

[GRI 3-3: Management of material topics]
[GRI 413-1: Operations with local community engagement, impact assessments, and development programs]

We are committed to increasing access to safe and nutritious food, so that Filipino households can obtain the essentials for a healthy diet. CNPF's initiatives in this domain are multifaceted, aiming to provide both direct food assistance and employment assistance to bolster food security.

Kain Po Feeding Program

Protein servings delivered to beneficiaries through Kain Po	12.4 Million (2022: 10.0 Million)
Protein servings delivered to beneficiaries through Kain Po since its inception in 2010	67.4 Million

At CNPF, we recognize that education and nutrition are inseparably linked in the battle against poverty in the Philippines. Through our flagship KAIN Po feeding program, spearheaded by our RSPo Foundation in 2010, we seek to nourish youth and lift them out of the cycle of poverty. By providing quality protein in meals being served to students in public schools, we actively help to address malnutrition, a critical barrier to educational achievement. The Department of Education's research underscores that poor nutrition is a leading factor in high dropout rates. Through KAIN Po, we've seen a tangible uptick in school attendance and academic performance, affirming that nourished children are better equipped to learn and thrive.

In 2023, KAIN Po delivered 12.4 million servings of protein to partner schools and communities, an increase of 20% as compared to 2022. The program positively impacted the lives of 500k beneficiaries during the year.

Daily Dairy Milk Program

Milk servings delivered to beneficiaries through Daily Dairy	124 Thousand (2022: 75 Thousand)

Through RSPo Foundation's Daily Dairy Milk Program, CNPF addresses micronutrient deficiencies among impoverished school-age youth. Working with 10 different institutions, we delivered 124,000 servings of our leading milk brand, Birch Tree, in 2023 to various orphanages and welfare centers such as Taguig Integrated School, Project Pearls, Alay Pagasa Foundation, and City Gates Academy.

CNPF and Gawad Kalinga's United Front in the 2023 National Zero Hunger Summit

Over 33% of Filipino households grapple with food insecurity, according to the World Food Program (WFP), and childhood stunting is prevalent. In 2023, CNPF alongside Gawad Kalinga and the Ateneo Center for Educational Development (ACED), launched the 2023 National Zero Hunger Summit to help address these critical issues. The event brought together Zero Hunger Champions including students, educators, civil society members, and representatives from the corporate and government sectors, to create positive change.

The alliance proudly welcomed new partners during the event, including the Negrense Volunteers for Change, Scholars of Sustenance, Unilever, Unilab Foundation, QC Task Force on Food Security, and East West Seed Foundation.

The Summit’s discourse centered around the 5M Framework—Magpakain, Magpakalusog, Magtanim, Magtulungan at Magconnect—encompassing a holistic approach to tackling hunger. Highlighted initiatives ranged from Gawad Kalinga’s community feeding programs to Unilab Foundation’s nutrition education and East West Seed Foundation’s sustainable gardening workshops.

Consumption of Healthy Food

[GRI 3-3: Management of material topics]

Promoting nutritional awareness and empowering consumers to make informed food choices is central to CNPF’s ethos.

In 2023, we ran targeted nutrition education campaigns to increase public knowledge and facilitate healthier choices. During the year we also introduced our new Inspire Labelling, supporting our consumers in discerning the health benefits of our products at a glance. We proudly launched 10 products using Inspire Labelling in 2023.

Healthy Supportive Environment

[GRI 3-3: Management of material topics]

Fostering a healthy supportive environment is critical to our holistic approach to nutrition. Our work in this area includes initiatives aimed at creating an ecosystem that supports healthy lifestyle choices and addresses specific nutritional needs, particularly for the vulnerable segments of our population, such as the elderly.

Our efforts target behavior change and the management and prevention of obesity, a critical issue in public health today. We also focus on micronutrient supplementation to address specific dietary gaps. For the elderly, who are often at greater risk of nutritional deficiencies, we have tailored programs to ensure they receive the nourishment they need.

A major achievement in 2023 was the Birch Tree Advance Barangay Caravan, which traveled to various points in the Philippines. The caravan played a significant role in promoting a healthy lifestyle among the elderly, demonstrating our commitment to not just providing nutrition, but also fostering an environment where healthy choices are encouraged and supported.

Product Development and Innovation

[GRI 3-3: Management of material topics]

CNPF is committed to innovation as a cornerstone of its long-term strategy. Our entrepreneurial approach is embodied in a multidisciplinary and cross-functional process, designed to efficiently innovate products that deliver value by meeting consumer needs in terms of quality and affordability. This agile and collaborative methodology speeds up market delivery and promotes constant learning and improvement.

Our executive leadership team is instrumental in fostering CNPF's agile culture that propels innovation and secures the Company's growth. They guide strategic direction and empower our teams, ensuring an effective feedback loop that drives excellence and market responsiveness.

Innovation at CNPF is the result of synergistic efforts among cross-functional teams including Research & Development, Marketing, Sales, Manufacturing, Supply Chain, and Finance. We take pride in our partnership with the Department of Science and Technology and the Food Nutrition Research Institute, which enhances our nutritional expertise, competitive edge, and ability to address health gaps among consumers.

The unMEAT Expansion: CNPF's Bold Stride into Plant-Based Meat Alternatives

As a 100% plant-based meat alternative, unMEAT represents CNPF's commitment to healthier, more sustainable food choices. Since its 2020 inception, unMEAT has expanded its reach within the global plant-based protein sector. The brand has over 6,000 points of sale globally and is carried by major international retailers, including Walmart, Harris Teeter, HEB, Meijer in the US, Carrefour in the UAE, and FairPrice in Singapore. We continue to strengthen unMEAT's presence in global markets by participating in international expos, launching relevant innovations, and building our group's capacity to effectively serve these markets.

In 2023, unMEAT received recognition for flavor and innovation at the Europe Plant-Based Taste Awards held at the Plant-based World Expo in London and clinched the Philippines Excellence Award – Food category at The Asian Export Awards.

The brand bolstered its global market presence during the year with expansions in the US and Australia. It can now be found on the shelves of 2,000 Albertsons and 1,800 Walmart stores in the United States. New offerings during the year such as Meat-Free Chili with Beans, Chicken Style Chunks, and Roast Beef Style have been well-received. In Australia, unMEAT has made significant strides with inclusion in 960 Woolworths stores.

This growth reflects CNPF's strategy of making plant-based options more accessible and affordable, diversifying its product range to democratize the sector.

Food Quality and Safety

[GRI 3-3: Management of material topics]
[GRI 2-27: Compliance with laws and regulations]
[GRI 416-1: Assessment of the health and safety impacts of product and service categories]
[GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services]
[GRI 417-1: Requirements for product and service information and labeling]
[GRI 417-2: Incidents of non-compliance concerning product and service information and labeling]
[GRI 417-3: Incidents of non-compliance concerning marketing communications]

We recognize the imperative of ensuring food quality and safety, especially considering that our reach extends to 9 out of 10 households, making our responsibility to deliver products that are both exceptional and reliable a fundamental aspect of our sustainability vision. Our Quality Assurance and Research & Development teams safeguard the quality and safety of our products through technical training, proficiency testing, and raw material safety testing. Upholding our standards means that all products across our brands are subjected to rigorous controls and assessments.

Our Quality Assurance (QA) team ensures that we adhere to local and international food standards on safety and quality such as the Philippine National Standard, Association of Official Agricultural Chemists, Compendium of Microbiological Criteria for Food, Codex Alimentarius, and ASTM International. The QA team also puts internal control systems in place at every stage of our operations to meet our safety and quality standards.

Raw Material Testing & Supplier Accreditation
Ingredients and packaging materials are evaluated for conformity with standards for production. Suppliers are accredited to ensure that raw materials are consistently manufactured and delivered according to agreed specifications.

Production & Process Control
A monitoring system is established at each phase of the production process, covering sampling frequency, time, temperature, testing procedure, and other control parameters.

Food Safety Audit
Our plants, toll manufacturers, suppliers, and products are audited to review and validate compliance with regulatory standards and buyer requirements.

Continuous Improvement
Product and process improvements are made based on the risks and feedback found during the audit. Controls are set based on the identified issues and updated quality standards.

Our Research & Development team assesses the functionality and taste of raw material inputs for production, making sure these are consistent with both consumers' tastes and product quality standards. R&D regularly conducts studies, including product trade audits through physical, chemical, sensory, and microbiological analysis.

We encourage and monitor consumer feedback around food quality and safety which serves as inputs for product and process improvements. These are referred to the relevant department and promptly resolved through corrective measures and improvements. We also have a Traceability and Recall Program in place to further ensure product safety.

Product information and labeling

We are compliant with the relevant and applicable food safety requirements of the Food and Drug Administration Philippines including regulations on packaging information, labels, and ingredients, among others. Our certifications and permits are annually validated by local government agencies and third-party certifying bodies. Our marketing and advertising materials are also compliant with all advertising guidelines, as reviewed and approved by the Ad Standards Council in the Philippines. As we expand our global reach, we also comply with the food safety labeling standards of our international markets including the U.S., Canada, Europe, U.K., Australia, Japan, U.A.E., Saudi Arabia and Israel, among others.

During the year under review, there were no cases of non-compliance with regard to laws or standards on product health, safety, and quality, as well as on product labeling and marketing practices.

For the full list of product labeling standards and regulations to which CNPF adheres, refer to the Sustainability Data Summary tables at the back of this report.

Planet Preservation

Natural Resource Efficiency

[GRI 3-3: Management of material topics]

At CNPF, we strive to minimize our environmental impact by prioritizing efficient and sustainable use of natural resources. We continuously seek to improve our performance by implementing industry best practices for water and energy management and closely monitoring our consumption of these vital resources.

The Sustainability Steering Committee meets each quarter to review our resource management report, monitor developments, and identify new opportunities for reducing water and energy consumption.

Water Consumption Reduction

[GRI 3-3: Management of material topics]
[GRI 2-27: Compliance with laws and regulations]
[GRI 303-2: Management of water discharge-related impacts]
[GRI 303-3: Water withdrawal]
[GRI 303-4: Water discharge]
[GRI 303-5: Water consumption]

Water is essential for our business. From general cleaning and sanitation at all sites to thawing frozen produce, generating steam, and creating our products, water is a critical input for various manufacturing processes. We also recognize the importance of water quality and availability for our suppliers, customers, and the communities in which we operate, source, and distribute our products, paying particular attention to our impact on high water stress locations.

CNPF ensures the highest standards of water quality across all our business units by utilizing a mix of sustainably sourced deep well water and purified district water. Our rigorous monitoring, sampling, and testing protocols across production processes are in strict adherence to quality standards, reflecting our commitment to operational excellence and environmental stewardship.

To continuously improve our performance, we implement water efficiency measures, invest in water savings technology, and aim to deepen our understanding of our water-related impacts on the local communities in which we source our water.

In our Tuna, Coconut, and Sardines plants, we reclaim condensate, turning what would be waste into a resource. For instance, the water from softener backwash finds new life in washing processes, and we employ water recycling in our vacuum filling machines. In our Meat business, we're making significant strides in water conservation by reusing cooling water from previous cycles. We use reverse osmosis systems across our business units to reuse water wherever feasible.

Strategic Water Conservation at CNPF's Sardines Business

Recognizing the urgent need for sustainable water use in Zamboanga City, where CNPF's Sardine plant operates, our Sardines business initiated six significant conservation projects in 2021. As a result, by end 2023, we successfully reduced water use and generated annual savings amounting to 32 million liters of water.

The plant has innovated its machinery to lower water pressure and consumption during fish processing, yielding significant water savings. Moreover, we have established a water reuse strategy, repurposing process water for boiler operations and facility upkeep.

In our cannery and fishmeal operations, we have introduced a system to collect and recycle steam condensate, effectively reducing waste and recirculating it within our production processes. We have also modernized the water sprinkler system to eliminate waste and enhanced the thawing process for greater efficiency, further contributing to our water conservation efforts.

Effluents

All wastewater discharged from CNPF facilities adheres to minimum standards established by the Department of Environment and Natural Resources (DENR). Across all our plants, we treat our wastewater onsite in compliance with DENR Administrative Order (DAO) No. 35 Series of 1990 on Effluent Regulations as well as DAO 2016-08 on Water Quality Guidelines and General Effluent Standards. Our Milk and Meat plants adhere to the Laguna Lake Development Authority for Class C water, in accordance with local requirements.

To mitigate our wastewater impact and promote a circular economy, initiatives are underway to use wastewater sludge from our Tuna, Coconut, and Meat operations as either alternative fuel for our boilers or byproducts such as fertilizer and raw material for biodiesel production. During the year approximately 4.2K metric tonnes (mt) of sludge was repurposed by our Tuna, Sardines, Coconut and Milk businesses.

Sustainable Wastewater Solutions at General Tuna Corporation

CNPF's General Tuna Corporation (GTC) has taken an innovative approach to wastewater management, earning recognition at CNPF's annual Sibol Awards for sustainable innovation within the company.

As GTC's production volumes expanded, the consequential increase in wastewater began to challenge the capacity of their existing facilities. Facing this environmental hurdle, GTC chose innovation over expansion—a decision that not only averted the need for physical growth in an area limited by space but also demonstrated a steadfast commitment to environmental stewardship.

In 2023, GTC implemented cutting-edge wastewater treatment technologies, a move with both economic and environmental benefits. GTC adopted a two-step approach to achieve its goal. Firstly, the company installed water meters throughout its plant and incentivized reduced water usage among employees, effectively slashing its wastewater volume by 66%. Secondly, by processing byproducts like stick water and fish juice into fish soluble, GTC not only reduced organic waste load but generated cost savings through reductions in chemical treatment and water use.

Water	2021	2022	2023
Water withdrawal (CBM)	4,108,000	3,863,575	3,928,586*
Water intensity** (CBM/mt)	10.04	9.26	9.77**
Water discharge	2,292,034	3,110,582	3,200,926
Water consumption	1,815,966	752,992	727,659

**In 2023, total water withdrawal increased by 2%, resulting in a 51bps increase in water intensity as production volumes softened. Nonetheless, we continued to pursue various initiatives to reduce our water demand, utilize alternative water sources, and recycle water as much as practicable.*

***Water intensity is calculated as total water withdrawal divided by total product volume produced in mt. This metric means that for every mt of product manufactured in 2023, CNPF withdrew 9.77 cubic meters of water.*

Energy Consumption Reduction

[GRI 3-3: Management of material topics]
[GRI 302-1: Energy consumption within the organization]
[GRI 302-3: Energy intensity]

Energy	2021	2022	2023*
Total energy consumption (GJ)	2,335,029	2,259,607	2,130,379*
Non-renewable	2,222,638	2,154,382	2,006,287
Renewable	112,391	105,225	124,092
Energy intensity** (GJ/mt)	5.71	5.42	5.30

**In 2023, total energy consumption decreased by 6%, resulting in a 12bps reduction in energy intensity. Non-renewable energy consumption decreased by 7%, coupled with an 18% increase in renewable energy, in line with our endeavor to shift our energy mix towards cleaner sources such as solar power.*

***Energy intensity is calculated as total energy consumption divided by total product volume produced in mt. This metric means that for every mt of CNPF product manufactured in 2023, CNPF consumed 5.30 gigajoules of energy.*

Our Tuna plant has 100% energy-efficient LED lighting, and we have additionally replaced other systems, equipment, and machinery with more energy-efficient technology. Our Sardines plant has upgraded their motors to high-efficiency models that support both their cannery and fishmeal operations. We are also diversifying our energy mix to increase the share of renewable energy such as solar power. Please see the next section on Greenhouse Gas Emission Reduction for more information.

Environmental Impact Management

CNPF recognizes the importance of environmental stewardship. We are committed to understanding and responsibly managing our environmental impacts, including those related to climate change. Our goal is to progressively establish mitigation and adaptive measures that will enable us to manage environmental risks responsibly and to seize climate-related business opportunities as they arise.

Greenhouse Gas Emission Reduction

[GRI 3-3: Management of material topics]
[GRI 305-1: Direct (Scope 1) GHG emissions]
[GRI 305-2: Energy indirect (Scope 2) GHG emissions]
[GRI 305-4: GHG emissions intensity]

CNPF is committed to clear, effective climate action by advancing energy efficiency and expanding investment in renewable energy, moving us steadily towards a low carbon economy.

Investing in renewable energy

The carbon footprint directly controlled by our business is quantified as the volume of greenhouse gasses (GHGs) caused by energy consumption in our production facilities.

In our production plants, our Scope 1 emissions derive from on-site combustion of coal to generate steam for our boilers at our production plants. We also consume diesel in back-up generators for supplementary and backup power, as needed, as part of Scope 1 emissions. Our Scope 2 emissions derive from our consumption of purchased electricity.

Harnessing Renewable Energy at CNPF

To reduce our carbon footprint, we are committed to continuously increasing the share of renewable energy in our energy mix by harnessing the power of technology and innovative solutions.

CNPF expanded its renewable energy (RE) portfolio in 2023, marking significant advancements in solar power and biomass technology. During the year, we added additional solar panels at our General Santos City plant, where we manufacture tuna and coconut products. As of 2024, we will have the capability of producing 8.8MW of solar energy, representing an estimated 60% increase from the previous year. We anticipate that approximately 20% of our facilities' energy requirements will be provided by RE, including solar and hydroelectric power, by 2024.

In the quest to increase the use of RE in our operations, CNPF also embraces innovative technologies that leverage the by-products of our coconut processing activities. In 2023, we began to commission a new biomass boiler that uses coconut shells as a renewable fuel source, transforming waste into energy and reducing our environmental footprint. This switch is expected to reduce our coal consumption by at least 36% by 2024. With the successful implementation of our first biomass boiler, CNPF is poised to further bolster its sustainable energy portfolio by commissioning an additional mixed biomass boiler in the upcoming second quarter of 2024. These steps reflect a steadfast dedication to environmental stewardship and CNPF's strategic approach to shape a more sustainable industry.

Cultivating Coastal Ecosystems and Communities

Our Mangrove Initiative sets forth a practical yet ambitious approach to environmental stewardship with a goal to plant one million mangroves in General Santos City and Sarangani Province over the next five years. Beginning with a small-scale nursery and in partnership with the Community Environment and Natural Resources Office (CENRO) and the Local Government Unit (LGU), we are making tangible strides toward ecological restoration. During the year we successfully planted nearly 168,000 trees.

Mangroves are crucial for carbon sequestration, aiding in the global fight against climate change. These forests enhance coastal resilience by providing natural barriers against extreme weather events and reducing erosion. Additionally, they are pivotal in supporting biodiversity and serve as breeding grounds for many marine species.

As the mangrove ecosystems mature, they are also expected to offer economic benefits to the surrounding communities, including opportunities in sustainable fisheries and ecotourism.

GHG Emissions & GHG Intensity of CNPF (Scopes 1 & 2)

Emission	2021	2022	2023
Scope 1 (tonnes CO_2e)	192,051	190,493	176,124*
Scope 2 (tonnes CO_2e)	27,953	27,138	27,828
Emission intensity (tonnesCO_2e/mt)**	0.54	0.52	0.51

**In 2023, Scope 1 emissions decreased by 8%, driven by a reduction in coal usage.*
***Emission intensity is calculated as total GHG emissions divided by total product volume produced in mt. This metric means that for every mt manufactured in 2023, CNPF emits 0.51 tonnes CO_2eq of greenhouse gasses.*

Landfill Waste Reduction

[GRI 3-3: Management of material topics]
[GRI 301-1: Materials used by weight or volume]
[GRI 306-1: Waste generation and significant waste-related impacts]
[GRI 306-2: Management of significant waste-related impacts]
[GRI 306-3: Waste generated]
[GRI 306-4: Waste diverted from disposal]
[GRI 306-5: Waste directed to disposal]

At CNPF, we aim to promote the circular economy and strive to 'do more with less' by reducing waste at source and recycling or upcycling waste into new resources. As a food company, we focus on maximizing the use of the biological and packaging materials from our operations before disposal at end of life.

In our Coconut business, we strive to incorporate as much of the fruit as possible in a wide range of products such as Coco Mama (cream and meat) and OEM products like coconut water, coconut oil, desiccated coconut, and coconut flour, among others. To minimize waste, we are exploring sustainable uses for coconut shells and husks, for example as a biofuel. In our Tuna business, excess fish parts are turned into byproducts such as fish meal, fish oil, and fish soluble.

In compliance with the Ecological Solid Waste Management Act, all business units conduct onsite segregation of their operational waste as part of daily operations. We sell recyclables from our operations such as scrap metals, plastics, paper, and cardboard to scrap recyclers, while accredited haulers collect our general rubbish for disposal at landfill. All our business units have systems in place to monitor and measure the amount and type of waste from their operations and report quarterly to our Sustainability Steering Planet Subcommittee.

We prioritize materials that are recyclable, renewable, or biodegradable. Our current packaging range—from tin cans and metal lids to glass bottles, plastic containers, paper labels, and cardboard cartons—is designed to support recyclability. Additionally, we actively collaborate with partners to maximize the recycling and co-processing of plastic packaging, in an effort to reduce our environmental footprint. For further information see this report's section on Net Zero Plastic Waste.

Materials used	2022	2023
Total materials (mt)	590,405	863,528
Renewable (%)	84%	87%
Non-renewable (%)	16%	13%

We are committed to managing the waste we generate, to recover and process these into resources that can be reused whether for our operations or for external processes.

Waste	2022	2023*
Total waste generated (mt)	84,614	140,203
Waste diverted from disposal (%)	86%	74%
Waste directed to disposal (%)	14%	26%

**CNPF improved waste data collection, increasing the scope of business units and waste types tracked, resulting in an increase in the total waste generated reported for the year. The was primarily driven by reporting more general landfilled waste, packaging waste, and food waste from our operations that are processed into fishmeal and other by-products.*

Net Zero Plastic Waste

[GRI 3-3: Management of material topics]
[GRI 413-1: Operations with local community engagement, impact assessments, and development programs]

CNPF is actively pursuing a robust strategy to address our plastic footprint resulting from post-consumer waste. We continuously seek out viable eco-friendly substitutes to single-use plastics and explore ways to diminish our plastic dependency. Our Tuna business has replaced plastic stretch films with reusable wraps for palletized empty cans and finished goods in logistics and transport, reducing plastic waste by over 56% since implementation of these initiatives in 2022. In 2021, our Tuna and Sardines businesses banned single-use plastics from plant and office canteens to encourage reusable food containers or paper packaging. Additionally, 70-80% of our brands use paper and tin packaging which are more easily recycled.

Recognizing that some plastic use is currently unavoidable, we have taken concrete action by partnering with the Plastic Credit Exchange (PCX). Our partnership with the Plastic Credit Exchange (PCX) enables us to work towards Net Zero Plastic Waste for our brands that rely on flexible packaging. We operationalize this commitment by purchasing plastic credits, similar to the carbon offset model, which fund the collection and recycling, or co-processing, of a volume of plastic waste equivalent to our packaging output.

In 2023, CNPF marked its fourth year of commitment to achieving Net Zero Plastic Waste. We've advanced our initiatives by adding our pet food brand, Goodest, to the PCX program, bringing the total number of engaged brands to 12. The program now encompasses all CNPF brands using post-consumer flexible plastic packaging. We've maintained our plastic credits purchase to ~3,000 mt comparable to 2022 levels. Moving forward, we are committed to incorporating all new CNPF brands that use flexible packaging into our plastic waste offsetting program.

CNPF actively engages in plastic waste footprint reduction through the PCX ecosystem, which facilitates the removal of post-consumer plastic waste from the environment, conversion of plastic into energy and promotion of the circular economy through plastic credits. We purchase credits equivalent to the plastic packaging usage of our brands to effectively offset our brands' plastic footprint. We recognize that offsetting is only an interim solution to tackling plastic waste and are committed to continuously exploring sustainable solutions to minimize plastic use.

To uphold the integrity of our plastic offsets, PCX mandates third-party audits by Isla Lipana & Co. (PricewaterhouseCoopers). The audit validates CNPF's plastic footprint, supporting PCX in certifying the Net Zero Plastic Waste status of our brands. It also verifies our brands' plastic footprints against our annual packaging usage, confirming that a matching amount of plastic waste has been responsibly recycled or co-processed. This rigorous process, detailed in the PCX credit registry, not only enhances our plastic management but also aligns CNPF with Extended Producer Responsibility Act of 2022. For more information on our Net Zero Plastic Waste program with PCX, visit our website.

CNPF's waste-to-cash program, developed in collaboration with PCX, empowers women-owned sari-sari stores in Manila to serve as collection hubs for post-consumer plastic, providing residents with a new income source while promoting sustainability. Since launching the program in 2020, we now have over 13 Aling Tindera sites in operation. We have 2 collection points stationed in Barangays 432 and Baseco Port and 11 located in Anilao, Batangas. They are managed by women micro-entrepreneurs, incentivizing community-wide collection efforts. This initiative enhances the livelihoods of residents and store owners, increasing the average annual income of Aling Tindera participants by an average of 48% nationwide, and plays a crucial role in our efforts to better manage post-consumer plastic waste.

SAVING OUR SEAS

CNPF reinforced its commitment to the environment this year with the expansion of its "Saving Our Seas" campaign, in partnership with the impact organization HOPE and through its Aling Tindera Waste-to-Cash program. While this is but a small step towards addressing the plastic waste problem in the Philippines, we are steadfast in our belief that promoting the circular economy and mobilizing communities are fundamental to make progress.

The campaign, launched in 2023 in conjunction with Earth Hour, kicked off with volunteer effort supported by 212 individuals who collected plastic waste in Mabini, Batangas, a hotspot for biodiversity. To ensure the sustainability of these efforts, CNPF has installed multiple plastic waste collection points along the coast. These serve not only as disposal sites but also as economic opportunities for the community. The sari-sari store owners, who are part of HOPE's Aling Tindera Waste-to-Cash program, play a pivotal role in managing these points. They collect, accumulate, and ensure proper recycling or upcycling of the waste.

At the close of 2023, the Aling Tindera, in coordination with Saving Our Seas, had successfully collected over 9,000 kilograms of plastic waste in total.

The overarching aim of CNPF is to empower Filipino communities to fight against plastic pollution, emphasizing that the responsibility for preventing pollution begins at home, regardless of one's proximity to the coastline.

Supply Chain Management

Supplier Credibility

[GRI 3-3: Management of material topics]
[GRI 2-25: Processes to remediate negative impacts]
[GRI 2-27: Compliance with laws and regulations]
[GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships]

In accordance with our Supplier Accreditation Policy, we seek business partners that meet our commercial standards, comply with relevant government regulations, and align with our social and environmental aspirations as a responsible member of the community.

Our Supplier Code of Conduct and Ethics (SCOCE) outlines the company's stance on responsible sourcing and supply chain sustainability and the corresponding requirements we expect our suppliers, manufacturers, and service providers to uphold.

The SCOCE covers our standards on:

- Human rights (child labor, forced labor and human trafficking, nondiscrimination, harassment, working hours, wages, and benefits)
- Health, safety, and quality
- Business ethics (business integrity, no gift policy, fair competition, privacy and intellectual property, and conflict of interest)
- Environmental compliance with applicable laws and regulations
- Management systems

100% of our current suppliers have signed and acknowledged the SCOCE as a requirement to work with CNPF.

Holding ourselves accountable to the same standards, we have also provided the company's contact details in the SCOCE as open communication lines for our partners to report any cases of misconduct by our people or anyone acting on behalf of our business.

CNPF's Board's Corporate Governance & Sustainability Committee and the Sustainability Steering Committee are responsible for overseeing supply chain management. To stay abreast of social, environmental, and governance issues within our supply chain, we plan to actively engage with key stakeholders—including employees, suppliers, NGOs, government bodies, and industry colleagues. This collaboration will inform periodic updates and refinements to our Supplier Code of Conduct and Ethics.

Currently, all supplier audits are primarily designed for Quality Assurance, to evaluate and ensure product quality and safety standards. Refer to the Tuna Sustainability section of this report and the Purchases Assessment page on our website for the latest developments on the international standards, certifications, accrediting bodies, trade associations, and regulating agencies that we align with.

Our strategic long-term goal is to develop a comprehensive roadmap incorporating sustainability criteria into our supplier screening and accreditation process to help assure and monitor partners' compliance with the social, environmental, and governance standards set in the SCOCE, and identify and manage associated sustainability risks within our supply chain.

We are committed to engaging and educating our partner suppliers on sustainability practices to ensure they grasp the importance and can effectively implement them. Over the past year, we've focused on empowering supply chain manufacturers with the necessary knowledge and tools for accurate carbon footprint tracking. These efforts are essential for informed decision-making and strategy development to lower carbon emissions across the value chain. Our objective is work with our partners to create a supply chain that is efficient, cost-effective, and responsive to the evolving demands of sustainability.

SPOTLIGHT STORY

CNPF's Green Procurement Team Champions Sustainability through Education

To enhance sustainability within its value chain, CNPF's procurement team organized a workshop in 2023 aimed at empowering its manufacturing suppliers with the knowledge and tools necessary for effective carbon footprint management.

The workshop focused on carbon accounting—a fundamental aspect of CNPF's initiative to map and mitigate carbon emissions throughout its operations. Through engaging and educating our suppliers, we aim to inspire actionable change in addressing carbon emissions and to uncover opportunities for collaborative efforts on critical sustainability issues.

Under the expert guidance of Professor Dr. Dominic Foo, a distinguished figure in Process Design and Integration from the University of Nottingham Malaysia and the Founding Director of the Centre of Excellence for Green Technologies, participants delved into the complexities of carbon footprint quantification in both single and multiple product manufacturing. Professor Foo also provided insights into carbon reduction strategies, prioritization of interventions, and cost analysis for sustainability initiatives.

Interactive and hands-on, the training capitalized on graphical tools that made calculating and visualizing carbon footprints more accessible and engaging. Attendees engaged in case studies and exercises designed to enhance their ability to assess and implement effective process improvements.

Local Sourcing

[GRI 3-3: Management of material topics]
[GRI 204-1: Proportion of spending on local suppliers]
[GRI 413-1: Operations with local community engagement, impact assessments, and development programs]

By sourcing locally, CNPF is better positioned to launch new products and reach markets much faster while reducing shipping and storage costs. We believe that with this approach, we can minimize emissions, energy usage, and waste, while supporting local businesses and contributing to the economy, enabling market access for local producers.

To support the local economy, we allocate over 50% of our total procurement budget on suppliers registered in the Philippines. In 2023, 100% of the raw materials for our Coconut business were sourced from local farms. Our Sardine business also works with local fisherfolk, sourcing most of its major raw materials requirements locally.

We continuously seek opportunities to develop relationships with local suppliers in key provinces and regions. Read our Community Engagement section to learn more about our engagement with local coconut farmers, Adopt-A-Farm Livelihood Program in Zamboanga and our Farmer to Agripreneur Program in Saranggani.

Our Coconut business, CPAVI, has established a local community purchasing program in various provinces in Mindanao. This program not only ensures a stable supply for our factory, but also give smallholder coconut farmers the opportunity to earn more from selling directly to CPAVI at a fair market price. For the past two years CPAVI has sourced 25% of its coconut supply from this program.

Tuna Sustainability

[GRI 3-3: Management of material topics]
[GRI 2-28: Membership associations]
[GRI 413-1: Operations with local community engagement, impact assessments, and development programs]

As one of the leading manufacturers of tuna products both locally and worldwide, we recognize that the longevity of our tuna business hinges on the sustainability of the seafood industry. Biodiversity loss, climate change and unethical labor practices all threaten the health of our business and the tuna industry at large. CNPF is committed to responsible sourcing and fishing practices as the means to sustain the Tuna business while conserving the health of marine ecosystems.

Skipjack Tuna

We primarily utilize skipjack tuna, stocks of which are deemed to be at healthy levels per 2023 assessments by the International Seafood Sustainability Foundation (ISSF). This species of tuna is the most abundant of all major commercial tuna species due to its short gestation period and ability to reproduce year-round in tropical as well as subtropical waters.

Traceability

We firmly believe that transparency in sourcing underpins sustainability. All our tuna raw materials are traceable at the source – vessels are registered at the Proactive Vessel Register and audited by a third-party assurance group, MRAG Americas. This ensures that we only source from suppliers who comply with industry best-practices and conservation measures.

International Seafood Sustainability Foundation (ISSF)

Through its wholly owned subsidiary General Tuna, CNPF is a member of the International Seafood Sustainability Foundation (ISSF). CNPF also sits on the Board of the ISSF and its executive committee to help shape sustainable tuna fishing practices globally. Together with more than 20 other members worldwide, we strive to fully comply with the ISSF's conservation measures. The major drivers for our continued involvement with this organization are remaining up to date with evolving expectations for corporate responsibility in our industry and achieving competitive advantage among more discerning consumers in developed markets.

ISSF's Conservation Measures cover the following areas:

1. Regional Fisheries Management Organization (RFMO) Support
2. Traceability & Data Collection
3. Bycatch Mitigation
4. Monitoring, Control and Surveillance
5. Illegal, Unreported and Unregulated Fishing
6. Capacity
7. ProActive Vessel Register
8. Exemption for Very Small Purse Seine Vessels
9. Social and Labor Standards

Pursuing Tuna Traceability with Other Global Standards and Industry Associations

CNPF is focused on improving our ability to screen and assess suppliers. We are a member of the Global Tuna Alliance—a market-led initiative that issued the Tuna Traceability Declaration in 2020 in support of the U.N. Sustainable Development Goal 14: Life Below Water.

In 2021, General Tuna adopted the Global Dialogue on Seafood Traceability (GDST) standards. This international platform for companies in the seafood supply chain, technical experts, and partner non-governmental organizations has in place the GDST Standards and Guidelines for Interoperable Seafood Traceability Systems, the first comprehensive set of global standards for end-to-end seafood traceability. This represents a significant global initiative to make global seafood traceability more reliable and affordable by allowing for interoperability across seafood traceability platforms and is critical for the industry to combat illegal fishing and unethical labor practices.

Partnering with various organizations and adhering to international standards demonstrate our commitment and gives us the opportunity to be a leader in Tuna Sustainability to serve global markets.

For a full list of our partnerships and cooperation with international volunteer and regulating bodies, see our Tuna Purchase Assessment on the CNPF website.

Fisheries Improvement Project

Responding to the rising global demand for sustainable seafood, Century Pacific Food, Inc. (CNPF), through its subsidiary General Tuna Corporation, initiated a Fisheries Improvement Project (FIP) in 2021 to guide local fisheries towards best practices.

CNPF's FIP is a multi-stakeholder initiative in partnership with the Bureau of Fisheries and Aquatic Resources that aims to help fisheries in the Western Central Pacific Ocean High Seas Pocket 1 adopt more sustainable fishing practices and ensure sustainable stocks of Yellowfin and Skipjack tuna. Mounting pressure to become sustainable is making Marine Stewardship Council (MSC) Certification an increasing requirement for fisheries to continue supplying for corporations. The FIP is a steppingstone towards obtaining this certification.

General Tuna Corporation is working towards MSC Certification for its FIP by 2026, which will allow us to maintain our current customer base and open opportunities to serve new markets. The FIP enhances our local fishing fleet's competitiveness on a global scale, advancing skills and capabilities across all registered Filipino-flagged vessels in the fishery.

People Development

Employees

Diversity and Inclusion

[GRI 3-3: Management of material topics]
[GRI 2-7: Employees]
[GRI 401-1: New employee hires and employee turnover]
[GRI 405-1: Diversity of governance bodies and employees]

CNPF is firmly committed to fostering a diverse and inclusive work environment that aligns with our strategic goals now and in the future. Embracing a range of skills and potentials, we maintain a non-discriminatory hiring approach that transcends ethnicity, religion, and gender, actively seeking talent from the diverse communities surrounding our operations. Guided by CNPF's policies, our Human Resources Department is instrumental in nurturing an inclusive culture where every employee's unique background, ideas, and perspectives are not only recognized but are also integral to our collective growth and success.

Diversity and inclusion must be reflected from the very top – a diverse Board of Directors sets the example for the rest of the organization. At the same time, diversity of expertise and perspectives enables the Board to make more strategic decisions to drive continuous growth, innovation, and business continuity. Our Board Charter states our Board Diversity Policy and commitment.

We aim to promote and practice diversity and inclusion across our business units. The majority of our senior and middle managers are women; however, gender distribution is skewed towards males at the executive level. We continuously seek out opportunities to empower women and represent diverse backgrounds in our leadership composition to strengthen our competitive advantage and capacity to innovate. We are equally committed to facilitating educational opportunities for our employees to learn about diversity in the workplace.

Giving Diversity a Platform

CNPF's Humans of Century (HOC) initiative, inaugurated in 2022, celebrates our people and the impact they make through their work at Century. During the year, HOC proudly spotlighted our women leaders during Women's Month. Through sharing personal success stories and professional advice, these leaders highlight the importance of resilience, mentorship, and continuous learning for career advancement. This initiative not only celebrates the achievements of Filipina leaders within CNPF but also reinforces our commitment to gender equality and the empowerment of women, aligning with our broader sustainability and social responsibility goals.

We also spotlighted our LGBTQ communities during the year as part of our Conscious Conversations initiative, where are employees are encouraged to exchange ideas and opinions on timely and relevant topics as well as share their experience. Through Conscious Conversations, our employees have a platform to learn more about each other and gain a better understanding of others' points of view.

Among our Tuna, Sardines, Meat, Milk, Coconut, and Refrigerated Meat businesses, 5 out of 6 of our manufacturing divisions are headed by women.

Total employees in 2023: 2,725
CNPF defines employees as full-time permanent employees only, from our staff at the plants to executive leaders.

New employee hire rate: 21% (50% male: 50% female)
Turnover rate: 15% (59% male: 41% female)

Employee Breakdown	**2021**	**2022**	**2023**
By gender			
Female	1,255 (42%)	1,216 (43%)	1,219 (45%)
Male	1,702 (58%)	1,582 (57%)	1,506 (55%)
By age			
Under 30 years old	1,114 (38%)	996 (36%)	880 (32%)
30-50 years old	1,631 (55%)	1,586 (57%)	1,628 (60%)
Over 50 years old	212 (7%)	216 (8%)	217 (8%)

Board of Directors Breakdown	**2021**	**2022**	**2023**
By gender			
Female	2 (22%)	2 (25%)	3 (33%)
Male	7 (78%)	6 (75%)	6 (67%)
By age			
Under 30 years old	0	0	0
30-50 years old	2 (22%)	1 (13%)	1 (11%)
Over 50 years old	7 (78%)	7 (87%)	8 (89%)

Talent Development

[GRI 3-3: Management of material topics]
[GRI 404-1: Average hours of training per year per employee]
[GRI 404-2: Programs for upgrading employee skills and transition assistance programs]
[GRI 404-3: Percentage of employees receiving regular performance and career development reviews]

We regard our employees as partners in growing the business and are committed to investing in their professional and personal development. Guided by our Employee Training and Development policy, our Human Resources Department works together with Department Heads to build competencies that support business needs, maximize performance efficiencies, and ensure career growth and succession planning.

Average training hours	**2022**	**2023**
Female	12	16
Male	10	12
Per employee	11	14

2023 KPIs

Number of training hours	38,329 (2022: 31,404)
PHP investment in employee training	12.2 Million (2022: 7.25 Million)
% of total training hours given to women	52% (2022: 47%)

Century Leadership University

Through customized learning interventions and competency-guided curriculums, our **Century Leadership University (CLU)** builds the next generation of leaders and addresses performance gaps based on the individual learning needs of all our supervisors, middle managers, and executives. CLU aims to grow leaders in four areas:

- Management Development Academy - to strengthen the leadership pipeline for first-line and middle management
- Executive Development Academy - to hone senior management's skills in leading the organization with the corporate values
- Functional and Technical Academy - to sharpen competencies in research and development, finance, sales, marketing, supply chain and logistics, and information technology
- Skills Multiplier Academy - to develop supplementary entrepreneurial skills such as in agile methodology and data analytics

In 2023, CLU had 560 employee graduates. The program received an average rating of 3.5 out of 4, indicating satisfaction, improvement, application, and influence of the course on their performance.

With its online learning platform, **Century Learn Hub**, CNPF provides resources on various topics to all full-time employees, from employee onboarding modules and leadership insights to daily computer proficiency skills and soft skills, among other offerings. Employees are encouraged to conduct sharing sessions with their colleagues to cascade key learnings from courses taken.

In addition to formal training programs, CNPF also promotes **cross-functional learning** as avenues for knowledge exchange and skills enhancement. Interdepartmental teams deploy collaborative strategies that widen overall business perspective as well as harness innovation and problem-solving skills.

Performance Management System

CNPF promotes and rewards staff based on exemplary performance. Through our Performance Management System (PMS), employees and their immediate leaders share the responsibility in defining, monitoring, and evaluating progress on performance expectations and KPIs.

Employee KPIs are determined annually at the beginning of each year and structured around four pillars: Corporate Development & Business Growth, Sustainability, Process and Functional Excellence, and People and Organizational Development. The pillars enable individual and organizational development and business growth while integrating our sustainability framework into performance.

Immediate leaders ensure their direct reports' progress through regular coaching and feedback which reenforces CNPF's learning culture. Results from assessments determine whether an employee is eligible for salary increases (for all levels) and performance bonuses (for Supervisory levels and above).

100% of our full-time employees, from rank-and-file all the way to executive levels, underwent performance reviews in 2023.

Executive Succession Management Program and Individual Development Plan

Our Executive Succession Management Program supports business goals, strategies, and sustainability – equipping our high-potential talents who have been evaluated and selected to take on key senior management roles in the next three to five years. To address development gaps and hone the competencies required by these leadership roles, each candidate is given an Individual Development Plan which is then implemented through a combination of on-the-job learning, coaching, and classroom training. The program is capped with a comprehensive competency assessment and performance evaluation. Final recommendations are then referred to the Executive Committee to determine the readiness of the candidates.

2023 KPI

% of employee population promoted to a higher rank	11% (2022:4%)

Employee Engagement

[GRI 3-3: Management of material topics]
[GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees]

CNPF believes that a caring culture drives productivity and performance and builds a highly motivated workforce with a passion for excellence. Our approach is founded on providing fair compensation, living out our core values, promoting wellbeing and embedding sustainability into our culture.

It is our duty to provide a fair and comfortable livelihood for our people. CNPF offers a fair salary structure, benefits, incentive and bonus systems, and access to loan programs. As outlined in our Employee Benefits policies, employees are entitled to benefits that go beyond statutory labor standards such as healthcare coverage and medical services, vacation and sick leaves, paternity and maternity leave, flexible working arrangements depending on the nature of work, salary and housing loans to eligible employees, and retirement benefits and leaving service benefits to qualified employees. To continue to attract and retain the best talent, we stay current on market standards for salary and benefits and adopt best practices in developing strong employee relations.

We strive to instill our core values across our business, from onboarding our new hires to employees' individual duties and work as a team. Every individual at CNPF is evaluated against CNPF's values through our Performance Management System.

Century CARES

CNPF believes our responsibility as an employer extends to taking care of our people and promoting their wellness. In 2022, our Human Resources team launched Century CARES. Through Century CARES, we aspire to create a workplace where our people feel a sense of belonging with their fellow colleagues and are empowered to bring their full authentic selves to work. In turn, engaging our people motivates them to perform their best and helps to promote retention and attract the best talent.

Connect
Through Connect programs, CNPF aims to promote teamwork and camaraderie across levels, functions, and business units. This is the avenue where we gather in our quarterly Town Halls to keep our people abreast of the progress, challenges, and successes of the business, and where we also host our onboarding programs for new hires. CNPF employees can also form social clubs, building different communities over shared interests.

Appreciate
We foster a culture of affirmation and celebrate the efforts of our people. CNPF holds quarterly Service Awards to honor our long-tenured employees and recognize the women in our workforce during Women's month in March. We also celebrate Mothers' and Fathers' Day to show our gratitude to our employees.

Reinforce
We reinforce our company policies and Government mandates through regular employee engagement activities so that people are reminded of their responsibilities and well-informed about their benefits and rights.

Energize
We host Wellness Wednesdays to promote different dimensions of wellness – mental, emotional, physical, financial, and spiritual, ranging from fitness activities to talks about mental health and personal finance management.

Share
Through Share, we invite our employees to volunteer their time, talents, and skills with communities by participating in various RSPo Foundation outreach programs. RSPo has also spearheaded a series of online roundtable discussions, called Conscious Conversations, where employees can explore and share their insights on complex and timely topics. During the year, conversations centered around a diversity of topics, from Pride Month to Filipino Food Month and International Coastal Cleanup.

In 2023, we hosted 31 Share activities, with an average of 43 participants in attendance. By the end of the year, we received an average satisfaction rating of 3.92 out of 4 for engagement activities under Century Cares.

Sibol Awards

We aim to build a culture where sustainability is at the center of what we do and how we make decisions. Through our company-wide annual "Sibol Awards", we instill this purpose-driven mindset by empowering our business units to implement sustainability projects that drive our Sustainability Framework. In 2023, the highest honors were bestowed upon the unMEAT Brand, the Tuna business, and the Sardine business for their outstanding contributions. Please refer to the Protein Delivery and Planet Preservation sections of this report for more information.

Workplace Safety

[GRI 3-3: Management of material topics]
[GRI 2-27: Compliance with laws and regulations]
[GRI 403-1: Occupational health and safety management system]
[GRI 403-2: Hazard identification, risk assessment, and incident investigation]
[GRI 403-5: Worker training on occupational health and safety]
[GRI 403-6: Promotion of worker health]

A healthy and safe working environment is a prerequisite to the well-being of our workforce and paramount to the success of our operations. CNPF is committed to creating decent and safe working conditions for our employees working in our plant facilities, on the field, and in our corporate offices, as well as our contractors and subcontractors to prevent injury, illnesses, death, and health risks. We fulfill this through our Policy on Health, Safety and Welfare of Employees, in full compliance with RA 11058 and the Department of Labor and Employment (DOLE)'s standards.

For every business unit, subsidiary, and affiliate of CNPF, there is a governing Health and Safety Committee whose primary role is to oversee and safeguard the workplace. The Health and Safety Committee, supported by Safety Officers and marshals on the ground, develops and implements accident prevention and response programs. This involves conducting regular inspections, audits, and risk assessments, investigating and reporting incidents, implementing corrective actions, and providing safety and health training. The committee is also expected to maintain a Disaster Contingency Plan for emergency preparedness. To ensure these measures and systems are upheld, the committee and officers have monthly meetings.

Supervisors and safety officers are responsible for implementing controls and corrective actions to ensure safe working conditions. Employees and workers have the right and responsibility to report any work-related hazards to their immediate superiors. Employees and workers also have the right to refuse work when there are work-related hazards present in the workplace.

In accordance with R.A. No. 11058, CNPF also has put the following corporate policies in place to ensure a safe, productive, and supportive workplace:

1. Occupational Health and Safety Policy
2. Health and Safety Committee Policy
3. Drug-Free Workplace Policy
4. AIDS Prevention and Control Policy
5. Tuberculosis Prevention and Control Policy and Program
6. Hepatitis B Policy and Program
7. Mental Health in the Workplace Policy and Program

Promoting occupational safety and health

Regular training and education programs instill a safety culture in our workplace. CNPF holds an annual mandatory Occupational Safety and Health Seminar and First Aid Seminar to selected employees both as an onboarding program for new hires and refresher course for our regular employees and third-party workers working in the plants, warehouses, and logistics. The annual seminar trains our people and workers to recognize safety hazards and apply appropriate control measures, overall complying with government-mandated standards.

Within our plants, we also have daily toolbox meetings which act as safety briefings to remind our employees and workers of our protocols and to be proactive in identifying and addressing hazardous situations. These quick, informal, everyday huddles supplement our annual mandatory training and reinforce safety.

CNPF also ensures the health and safety of our workplaces through the provision of appropriate personal protective equipment and safety facilities. We also communicate safety guidelines and updates through our health and safety bulletin boards. Our Coconut business, for example, shares lessons learned from safety incidents by posting information on One-Point Lesson (OPL), an internal information sharing platform, as well through internal discussions and its Health and Safety bulletin boards.

All the plants provide sufficient communication materials that promote a safety mindset for all our employees and workers.

Occupational Safety and Health	2022	2023
Number of fatalities	0	0
Rate of high-consequence work-related injuries (per 200,000 hours)	0.02	0.17
Safe man-hours out of total out of 10.26 million man-hours	8.57 million	4.64 million

The data above currently covers all CNPF employees only. For other data on safety and health, refer to the Sustainability Data Summary section.

Overall health, well-being, and human rights

CNPF promotes the overall health and wellbeing and upholds the rights of our people. As outlined in our Policy Statement on Human Rights, how we manage our business and interact with our stakeholders are guided by the Labor Code of the Philippines (P.D. No. 442 as amended, s. 1974) as well as global frameworks like the International Human Rights principles of the Universal Declaration of Human Rights and the United Nation Guiding Principles on Business and Human Rights.

We prohibit all forms of sexual harassment in our workplaces and in all business endeavors. Our Anti-Sexual Harassment and Safe Space Policy upholds our core value of Respect for Individual and ensures that our working environment supports the dignity, self-esteem, and security of individuals at all times. The Committee on Decorum and Investigation on Sexual Harassment Cases, primarily composed of and chaired by women from managerial, supervisory, and rank and file levels, is tasked to investigate and address complaints of gender-based sexual harassment and their immediate resolution.

All plant employees are covered by HMO and have access to medical services, such as regular consultations, both remote and in-person, annual physical examinations, and vaccinations. CNPF also prioritizes mental health, recognizing that emotional, psychological, and social well-being enables people to overcome challenges, have good relations, and realize their potential. Our Policy and Program on Mental Health in the Workplace, instituted in 2021, articulates our obligation to promote mental health in the workplace. In compliance with R.A.s 11036 and 11058, the policy and program ensure that CNPF employees have access to adequate mental health services, treatment, and reasonable work arrangements. The HR team works with the Health and Safety Committee to further champion mental health through communicating awareness, identifying, and managing work-related stressors, and promoting work-life balance.

Community Engagement

CNPF is accountable to the stakeholders in the communities where we operate, hire our staff, and source our ingredients, supplies, and utilities. Our advocacies amplify our role in providing affordable nutrition and are in pursuit of enduring and meaningful partnerships with change agents who share our vision of a better future. For information on our targeted hunger alleviation programs please see the section of this report on Food Accessibility.

Job Creation and Livelihood Support

[GRI 3-3: Management of material topics]
[GRI 203-2: Significant indirect economic impacts]
[GRI 413-1: Operations with local community engagement, impact assessments, and development programs]

As CNPF grows, so do the jobs created and supported along our value chain ecosystem. Whether it's through our partners, vendors, or suppliers, we create livelihood opportunities and encourage decent working environments. Our Supplier Code of Conduct and Ethics (SCOCE) is one way where we create positive impact while expanding our locus of positive influence. We also support women micro-entrepreneurs to earn additional income from participating in community-based plastic recycling through our Aling Tindera Waste-to-Cash program in partnership with Plastic Credit Exchange (PCX). For more information on this program please refer to the Net Zero Plastic Waste section of this report.

Total number of jobs supported across CNPF value chain in 2023: 28,336

In 2023, CNPF supported over 28 thousand jobs, comprising of full-time employees, that of our subsidiaries and affiliates, outsourced workers, as well as jobs indirectly supported through our business relationships, such as project-based staff, consultants, exclusive corporate distributors, and employees of suppliers, vendors, contractors, and supply chain partners that are primarily dependent on CNPF.

Through RSPo Foundation, Inc., our philanthropic socio-civic arm and non-profit affiliate, we are able to extend the reach of the positive impact we can make. Through the Foundation's programs, employment opportunities are generated in various local communities while serving as reliable sources of raw materials for our Tuna and Sardines businesses. Through the Foundation, we provide livelihood for displaced marine workers in Zamboanga and farmer cooperatives in Sarangani through our Adopt-A-Farm and Agripreneur programs.

Adopt-A-Farm Program Zamboanga

In partnership with the Department of Labor and Employment (DOLE) and Project Hope Agricultural Cooperative, the Adopt-A-Farm program helps address the lack of stable income among workers in the marine industry in Zamboanga by employing them as farmers during the closed fishing season. In turn, our Sardines business purchases the harvested produce from the farms – creating a sustainable market and securing livelihood for the seasonally displaced workers and their families while supporting our business operations.

CNPF adopted a total of 4 greenhouse farms in Zamboanga. In 2023, the farms supported 60 displaced workers during the closed fishing period. (2022: 4 greenhouses and 60 individuals)

Agripreneurs in Sarangani

Through our partnership with the cooperative, Malungon Integrated Vegetable Growers Association (MIVEGA), we were able to support farmer groups in Sarangani to help them maximize profitability by directly purchasing local produce from the farms. During the reporting year, we conducted farmer group engagement activities and briefings to identify opportunities and maximize the income potential of their farms by planting high value crops that can be used for manufacturing our food products.

The farms currently grow a variety of our high-value vegetable requirements for our Tuna business such as bell peppers, chillis, carrots, ginger, garlic, and potatoes. In 2023, the Sarangani farms supplied CNPF's Tuna division with 60% of its requirements as of May. (2022 Annual: 83%)

Rooted in Community: CNPF's Commitment to Farmers and the Environment

CNPF strives to strengthen Filipino communities by elevating the livelihoods of smallholder coconut farmers through our collaborative 1 Million Coconut Trees campaign and Trees of Wellness program. In partnership with Friends of Hope, GCash, and Robinsons Supermarket, we've made remarkable strides in Mindanao, providing over 7,300 farmers, including a significant 32% of female farmers, with seedlings and essential training to enhance farm productivity and personal empowerment.

These community-driven initiatives, which encouraged participation from over 9 million mobile wallet users in reforestation efforts in 2022, not only enrich local employment opportunities but also contribute to the environmental benefits of greenhouse gas sequestration. The secondary yet substantial outcome of these efforts is the fortification of CNPF's supply chain, ensuring long-term sustainability. Century Pacific Agricultural Ventures, Inc. (CPAVI) plays a pivotal role in this ecosystem by guaranteeing market access, thereby cementing the Philippine coconut industry's resilience and its competitiveness worldwide.

Anti-Corruption

[GRI 205-1: Operations assessed for risks related to corruption]
[GRI 205-2: Communication and training about anti-corruption policies and procedures]
[GRI 205-3: Confirmed incidents of corruption and actions taken]

From new recruits all the way up to the Board, CNPF upholds its zero-tolerance policy against corruption. Anti-corruption training begins at the onboarding session for all new hires, while our Board of Directors receive annual 1:1 training on management and reporting for incidents. The anti-corruption program and procedures are outlined in our Code of Business Conduct and Ethics, covering all elements of anti-corruption with provisions on corruption, extortion, and bribery, conflict of interest, receipt of gifts, compliance with laws, and whistleblowing, among others.

28 operations (100%) were assessed for anti-corruption by Internal Audit
Audits resulted in insignificant risks.

In the reporting year, there was zero (0) confirmed case of corruption.

2023 Sustainability Data Summary

ECONOMIC

Economic Value Generated	UOM	2022	2023
Direct economic value generated (revenues)	billion Php	63.1	67.6
Economic value distributed		59.0	63.0
Employee wages and benefits		2.4	2.6
Payments to suppliers, workers, and other operating costs[1]		53.9	57.4
Dividends paid to stockholders and interest payments to loan providers		1.4	1.8
Taxes given to government		1.2	1.3
Economic value retained		4.1	4.6

Procurement practices[2]

	UOM	2021	2022	2023
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	%	62%	52%	52%

SOCIAL

Employees

Employees by Gender	UOM	2021			2022			2023		
		Male	Female	Female	Male	Female	Total	Male	Female	Total
Full-time employees	**head (% of total)**	**1,702 (58%)**	**1,255 (42%)**	**2,957**	**1,582 (57%)**	**1,216 (43%)**	**2,798**	**1,506 (55%)**	**1,219 (45%)**	**2,725**
Executive	head	29	17	46	28	19	47	23	16	39
Senior manager		42	62	104	50	73	123	48	67	115
Middle Manager		69	103	172	84	117	201	78	115	193
Supervisor		327	314	641	327	319	646	342	378	720
Rank and File		1235	759	1,994	1,093	688	1,781	1,015	643	1,658

Employees by Age	**UOM**	2021			2022			2023		
		< 30 years	30-50 years	>50 years	< 30 years	30-50 years	>50 years	< 30 years	30-50 years	>50 years
Full-time employees	**head (% of total)**	**1,114 (38%)**	**1,631 (55%)**	**212 (7%)**	**996 (36%)**	**1,586 (57%)**	**216 (8%)**	**880 (32%)**	**1,628 (60%)**	**217 (8%)**
Executive	head	Not disclosed			0	28	19	0	24	15
Senior Manager					2	98	23	1	90	24
Middle Manager					31	158	12	21	158	14
Supervisor					272	339[3]	35	308	379	33
Rank and File					691	963[3]	127[3]	550	977	131

	UOM	2021			2022			2023		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
New hires (total)	head (% of total)	308 (59%)	215 (41%)	523 (100%)	328 (57%)	249 (43%)	577 (100%)	281 (50%)	280 (50%)	561 (100%)
New hire rate	**%**			**18%**			**21%**			**21%**
Turnover (total)	head (% of total)	199 (53%)	174 (47%)	373 (100%)	328 (59%)	228 (41%)	556 (100%)	232 (59%)	164 (41%)	396 (100%)
Turnover rate	**%**			**13%**			**20%**			**15%**

[1] This figure includes all other operating costs and investments to community such as donations and CSR activities.

[2] Local suppliers are defined as entities registered and operating in the Philippines, denominated in local currency (Php).

[3] This figure has been restated due to a discrepancy on the age breakdown by employee category.

Workers

Workers[4]	UOM	2021	2022	2023
Total	head	15,796	18,199	17,254

Jobs Supported

	UOM	2021	2022	2023
Jobs supported across the CNPF value chain[5]	number	19,642	22,152	28,336

Diversity and equality – Governance bodies

Board of Directors	**UOM**	2021			2022			2023		
By gender		Male	Female	Total	Male	Female	Total	Male	Female	Total
	head (% of total)	7 (78%)	2 (22%)	9 (100%)	6 (75%)	2 (25%)	8 (100%)	6 (67%)	3 (33%)	9 (100%)
By age		<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
	head (% of total)	0 (0%)	2 (22%)	7 (78%)	0 (0%)	1 (13%)	7 (87%)	0	1 (11%)	8 (89%)

Parental leave - Maternity and Paternity Leave

	UOM	2022			2023		
		Male	Female	Total	Male	Female	Total
Employees entitled to parental leave	head	639	1,207	1,846[6]	772	903	1,675
Employees that took parental leave		30	30	60	39	65	104
Employees that returned to work within reporting period		30	28	58	39	63	102
Employees still employed 12 after their return to work		28	27	55	38	62	100

Occupational Health and Safety[7]

	UOM	2022	2023
Fatalities as a result of work-related injury	number	0	0
Fatalities as a result of work-related ill health		0	0
High-consequence work-related injuries (excluding fatalities)		1	4
Recordable work-related injuries		121	9
Recordable work-related ill-health		0	212
Rate of high-consequence work-related injuries	number per 200,000 hours	0.02	0.17
Rate of work-related injuries		2.35	0.30
Total man-hours	hours	10,258,655	5,905,270
Safe man-hours		8,573,535	4,642,076
Number of safety drills	number	11	16

[4] Workers include outsourced, project-based, and consultants.

[5] This metric comprises CNPF employees and that of our subsidiaries and affiliates, as well as outsourced workers, project-based staff, consultants, and employees of suppliers, vendors, and supply chain partners that are primarily dependent on CNPF. In 2023, this metric has expanded to include exclusive corporate distributors.

[6] This figure has been restated due to a discrepancy on the total number.

[7] In line with our reporting to the Department of Labor and Employment (DOLE), occupational health and safety data disclosed covers CNPF employees only. All our corporate policies and programs on OSH cover all people working at our facilities, plants, and offices - including outsourced workers.

Training and Development[8]

	UOM	2022			2023		
		Male	Female	Total	Male	Female	Total
Average training hours per employee (total)	hours	**10**	**12**	**11**	**12**	**16**	**14**
Executive		22	20	21	14	30	20
Senior manager		27	18	22	13	12	12
Middle manager		25	17	20	63	60	61
Supervisor		24	12	18	18	17	18
Rank and File		4	11	7	6	8	7
Total training hours	number			31,404			38,329
Total training hours given to women	number			14,912			19,834
Investment in employee training	million Php			7.25			12.2

Anti-corruption

	UOM	2021	2022	2023
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	%	100	100	100
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	%	100	100	100
Percentage of directors and management that have received anti-corruption training	%	100	100	100
Total number and nature of confirmed incidents of corruption	number	0	0	0

Marketing and Labeling

	2023
Requirements for product and service information and labeling	Food labeling standards followed: • Title 21 - Food and Drugs. CHAPTER I - FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED). SUBCHAPTER B - FOOD FOR HUMAN CONSUMPTION. • FOOD FACTS - Safe Food Handling from the U.S. Food and Drug Administration • Canadian Food Inspection Agency - Guide to Food Labeling and Advertising • Regulation (EU) No. 1169/2011 • Regulation (EC) No. 178/2002 • Regulation (EC) No. 1334/2008 • Department for Environment Food & Rural Affairs - The Food Information Regulations 2013: Guide to compliance (November 2012) • Food Standards Agency - Advice on Food Allergen Labeling • A Guide to Food Labeling and Advertisements by SFA • Sale of Food Act (Chapter 283, Section 56 (1)) Food Regulations • Ingredient Labeling of Foods: User Guide to Standard 1.2.4 - Labeling of Ingredients • Nutrition Information: User Guide to Standard 1.2.8 - Nutrition Information Requirements • GSO 05/FDS 2233: Requirements of Nutrition Labeling • GB7718 General Standards for Food Labeling • GB2760-2015 Chinese Standards for Food Additives • Asia Pacific Food Law Guide 2018 These standards apply to 100% of our branded products.

[8] Training and development data counts from rank-and-file employees to executives only.

ENVIRONMENT

	UOM	2021	2022	2023
Energy				
Total energy consumption within the organization		**2,335,029**	**2,259,607**	**2,130,379**
Non-renewable (total)	GJ	2,222,638	2,154,382	2,006,287
LPG	GJ	192	202	361
Diesel	GJ	21,287	20,431	21,267
Coal	GJ	2,059,863	1,996,574	1,843,992
Electricity	GJ	141,296	137,175	140,666
Renewable (total)	GJ	112,391	105,225	124,092
Energy intensity (per mt of product)[9]	GJ/mt	5.71	5.42	5.30
Water				
Water consumption	CBM	1,815,966	752,992	727,659
Water discharge[10]	CBM	2,292,034	3,110,582	3,200,926
Water withdrawal	CBM	4,108,000	3,863,575	3,928,586
Water intensity (per mt of product)[9]	CBM/mt	10.04	9.26	9.77
Emissions[11]				
GHG emissions (Scope 1 and 2)	**tCO2e**	**220,005**	**217,631**	**203,952**
GHG emissions (Scope 1)	tCO2e	192,051	190,493	176,124
GHG emissions (Scope 2)	tCO2e	27,953	27,138	27,828
GHG emissions intensity (per mt of product)[9]	tCO2e/mt	0.54	0.52	0.51
Materials used[12]				
Total materials used	**mt**	Not disclosed	**590,405**	**863,528**
Renewable	mt		498,521[13]	748,033
Non-renewable	mt		91,884	115,495
Waste				
Total waste generated	**mt**	**44,306**	**84,614**	**140,203[14]**
Total waste diverted from disposal	**mt**	**17,709**	**72,816**	**103,291**
Total waste directed to disposal	**mt**	**26,597**	**11,798**	**36,282**
Non-hazardous/solid waste (total)	**mt**	**44,306**	**65,128**	**105,538**
By method				
Disposed	mt	26,597	2,205	3,754
Incineration	mt	6	323	291
Landfilled	mt	26,591	1,878	3,463
Other disposal operations	mt	0	4	0
Diverted	mt	17,709	62,923	101,783
Preparation for reuse	mt	3,714	4,131	86,406
Recycling	mt	11,506	443	11,463
Other recovery operations, including composting	mt	2,489	58,349	3,915
By location				
Onsite recovery operation	mt	2,489	42,621	24,357

9 All intensity figures are computed based on total volume of products manufactured in metric tonnes (mt).

10 More business units were able to measure and report effluent data starting in 2022, hence the increase in number.

11 Standards used for the computation are based on the GHG Protocol Corporate Protocol and Reporting Standard. Location-based grid emission factors are based on the Philippine Department of Energy. The gasses reported include carbon dioxide, methane, and nitrous oxide. Currently, there are no local emission factors for renewable energy. For simplicity, emission data represents non-renewable sources only.

12 Renewable materials mainly consist of our food items and paper packaging. Non-renewable materials cover our non-paper-based packaging such as tin cans and plastic pouches and exclude fuel sources.

13 This figure has been restated to correct a computation error due to an inconsistency on the unit of measurement.

14 Waste data nearly doubled in 2023 due to increased scope of waste types being tracked and reported across our business units as well as the inclusion of our supply chain logistics department. The significant increase was primarily driven by reporting more general landfilled waste, packaging waste, and food waste from our Sardines, Meat, and Tuna operations that are processed into fishmeal and other by-products.

	UOM	2021	2022	2023
Offsite recovery operation	mt	15,220	20,302	77,426
Onsite disposal operation	mt	0	0	291
Offsite disposal operation	mt	26,597	2,205	3,463
Hazardous waste (total)	**mt**	**Not disclosed**	**19,486**	**34,666**
By method				
Disposed	mt	Not disclosed	9,593	32,528
Incineration	mt		95	3,877
Landfilled	mt		9,498	28,651
Other disposal operations	mt		0	0
Diverted	mt		9,893	2,138
Preparation for reuse	mt		3,834	779
Recycling	mt		1,481	1,358
Other recovery operations, including composting	mt		4,578	0
By location				
Onsite recovery operation	mt		5	0
Offsite recovery operation	mt		9,888	2,137
Onsite disposal operation	mt		5,054	3,877
Offsite disposal operation	mt		4,539	28,651

Content Indices for Sustainability Disclosures

PH SEC Form 17-A Annex B Content Index 2023

This report complies with the Philippine Stock Exchange Sustainability Reporting Guidelines for Publicly Listed Companies.

Contextual Information	**Location and additional information**
Name of Organization	Century Pacific Food, Inc. (“CNPF”)
Location of Headquarters	Center Point, 7/F Garnet Rd, Ortigas Center, Pasig, Metro Manila
Locations of Operations	General Santos City, Zamboanga City, Taguig, Binan, Pasig City
Report Boundary	The sustainability disclosures provide information on the consolidated environment, social, and governance performance across our primary business units – Branded Marine, Meat, Milk, and other emerging businesses, as well as OEM Tuna and Coconut exports. This also includes all our company-owned manufacturing facilities, supply chain and logistics, and corporate support offices operating in the Philippines. Our international office and toll manufacturing operations have been excluded from our sustainability disclosures.
Business Model, including Primary Activities, Brands, Products, and Services	Engaged in manufacturing packaged food and beverages
Reporting Period	January 1, 2023 – December 31, 2023
Highest Ranking Person responsible for this report	Christopher Po, Executive Chairman
Contact for questions regarding the report	Investor Relations, investorrelations@centurypacific.com.ph
“Comply or Explain” Provisions	
Materiality Process	Our Business and Sustainability Commitment: Materiality Process
Economic: Economic Performance Direct Economic Value Generation and Distributed	Our Business and Sustainability Commitment: Governing and Operationalizing Sustainability Sustainability Data Summary SEC 17-A 2022 Annual Report - Management’s Discussion and Analysis or Plan of Operation
Economic: Economic Performance Climate-related risks and opportunities	Planet Preservation: Environmental Impact Management Sustainability Data Summary
Economic: Procurement Practices Proportion of spending on local suppliers	Supply Chain Management: Local Sourcing Sustainability Data Summary
Economic: Anti-corruption Training on Anti-corruption Policies and Procedures, Incidents of Corruption	Corporate Governance: Anti-Corruption Sustainability Data Summary
Environment: Resource Management Energy consumption within the organization, Reduction of energy consumption, Water consumption within the organization, Materials used by the organization	Planet Preservation: Natural Resource Efficiency, Environmental Impact Management Sustainability Data Summary
Environmental: Environmental Impact Management Air Emissions, Solid and Hazardous Wastes	Planet Preservation: Natural Resource Efficiency, Environmental Impact Management Sustainability Data Summary

Social: Employee Management Employee Hiring and Benefits, Employee Training and Development, Labor-Management Relations, Diversity and Equal Opportunity	People Development: Employees Sustainability Data Summary
Social: Workplace Conditions, Labor Standards, and Human Rights Occupational Health and Safety, Labor Laws, and Human Rights	People Development: Workplace Safety Sustainability Data Summary
Social: Supply Chain Management	Supply Chain Management Sustainability Data Summary
Social: Relationship with Community Significant Impacts on Local Communities	Protein Delivery: Food Accessibility Planet Preservation: Net Zero Plastic Waste, Local Sourcing, Tuna Sustainability People Development: Community Engagement

GRI Content Index 2023

CNPF has prepared its sustainability disclosures and annual report with reference to the latest 2021 GRI Standards. As part of our ongoing commitment to inspire our stakeholders to contribute to sustainable development, we continue to share not only our progress and opportunities, but also our challenges and learnings.

Together with available public information listed below, this report references Global Reporting Initiative Standards as summarized in the following table.

GRI Standards		**Location of disclosure in this report**	**Additional references**
GRI 1: Foundation			
GRI 2: General Disclosures			
2-1	Organizational details	PH SEC Form 17-A Annex B Content Index 2023	
2-2	Entities included in the organization's sustainability reporting	PH SEC Form 17-A Annex B Content Index 2023	
2-3	Reporting period, frequency, and contact point	PH SEC Form 17-A Annex B Content Index 2023	
2-4	Restatement of information	Sustainability Data Summary	
2-6	Activities, value chain and other business relationships	Sustainability at Century: Creating Impact Across our Business	About Century Pacific Our Brands & Products
2-7	Employees	People Development: Employees Sustainability Data Summary	
2-8	Workers who are not employees	Sustainability Data Summary	
2-9	Governance structure and composition		Board Committees Board of Directors
2-10	Nomination and selection of the highest governance body		Corporate Governance & Sustainability Committee Charter
2-11	Chair of the highest governance		Board of Directors
2-12	Role of the highest governance body in overseeing the management of impacts	Our Business and Sustainability Commitment: Governing and Operationalizing Sustainability	
2-13	Delegation of responsibility for managing impacts		
2-14	Role of the highest governance body in sustainability report		
2-15	Conflicts of interest		Governance Documents - Policies
2-16	Communication of critical concerns		SEC 17-A Annual Report 2023 – Corporate Governance
2-17	Collective knowledge of the highest governance body		

2-19	Remuneration practices		SEC 17-A Annual Report 2023 - Executive Compensation
2-20	Process to determine remuneration		
2-22	Statement on sustainable development strategy	Sustainability at Century: Our Sustainability Commitment	
2-23	Policy commitments		Governance Documents - Policies
2-24	Embedding policy commitments		
2-25	Processes to remediate negative impacts	Sustainability At Century: How We Engage	
2-26	Mechanisms for seeking advice and raising concerns	Sustainability At Century: How We Engage	
2-27	Compliance with laws and regulations	Sustainability at Century: How We Engage Protein Delivery: Food Quality and Safety Planet Preservation: Water Consumption Reduction, Supplier Credibility People Development: Workplace Safety Sustainability Data Summary	
2-28	Membership associations	Planet Preservation: Tuna Sustainability	Tuna Purchase Assessment
2-29	Approach to stakeholder engagement	Sustainability at Century: How We Engage	
GRI 3: Material Topics			
3-1	Process to determine material topics	Our Business and Sustainability Commitment: Materiality Process, Governance and Operationalizing Sustainability	
3-2	List of material topics	Our Business and Sustainability Commitment: Sustainability Framework, Governance and Operationalizing Sustainability	
3-3	Management of Material topics	Protein Delivery Planet Preservation People Development	
GRI 200: Economic Disclosures			
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	Sustainability Data Summary	
201-3	Defined benefit plan obligations and other retirement plans		SEC 17-A Annual Report 2023 - Retirement Plan Obligations
GRI 203: Indirect Economic Impacts			
203-2	Significant indirect economic impacts	Protein Delivery: Food Accessibility Community Engagement: Job Creation and Livelihood Support	
GRI 204: Procurement Practices			
204-1	Proportion of spending on local suppliers	Supply Chain Management: Local Sourcing Sustainability Data Summary	
GRI 205: Anti-corruption			
205-1	Operations assessed for risks related to corruption	Corporate Governance: Anti-Corruption There were zero (0) incidents of corruption during the reporting period.	
205-2	Communication and training about anti-corruption policies and procedures		
205-3	Confirmed incidents of corruption and actions taken		
GRI 206: Anti-competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were zero (0) incidents of legal action during the reporting period.	
GRI 300: Environmental Disclosures			
GRI 301: Materials			

301-1	Materials used by weight or volume	Planet Preservation: Landfill Waste Reduction, Net Zero Plastic Waste Sustainability Data Summary	
GRI 302: Energy			
302-1	Energy consumption within the organization	Planet Preservation: Energy Consumption Reduction, Greenhouse Gas Emissions Sustainability Data Summary	
302-3	Energy intensity		
GRI 303: Water and Effluents			
303-2	Management of water discharge-related impacts	Planet Preservation: Water Consumption Reduction Sustainability Data Summary	
303-3	Water withdrawal		
303-4	Water discharge		
303-5	Water consumption		
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	Planet Preservation: Greenhouse Gas Emissions Sustainability Data Summary	
305-2	Energy indirect (Scope 2) GHG emissions		
305-4	GHG emissions intensity		
GRI 306: Waste			
306-1	Waste generation and significant waste-related impacts	Planet Preservation: Landfill Waste Reduction, Net Zero Plastic Waste Sustainability Data Summary	
306-2	Management of significant waste-related impacts		
306-3	Waste generated		
306-4	Waste diverted from disposal		
306-5	Waste directed to disposal		
GRI 400: Social Disclosures			
GRI 401: Employment			
401-1	New employee hires and employee turnover	Sustainability Data Summary	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People Development: Employee Engagement	
401-3	Parental leave	Sustainability Data Summary	
GRI 403: Occupational Health and Safety			
403-1	Occupational health and safety management system	People Development: Workplace Safety	
403-2	Hazard identification, risk assessment, and incident investigation		
403-4	Worker participation, consultation, and communication on occupational health and safety		
403-5	Worker training on occupational health and safety		
403-6	Promotion of worker health		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Planet Preservation: Supply Chain Management	
403-9	Work-related injuries	Sustainability Data Summary	
403-10	Work-related ill health		
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	People Development: Talent Development Sustainability Data Summary	
404-2	Programs for upgrading employee skills and transition assistance programs	People Development: Talent Development	

404-3	Percentage of employees receiving regular performance and career development reviews	People Development: Talent Development	
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	People Development: Diversity and Inclusion Sustainability Data Summary	
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	There were zero (0) incidents of discrimination during the reporting period.	
GRI 413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	Protein Delivery: Food Accessibility Planet Preservation: Net Zero Plastic Waste, Local Sourcing, Tuna Sustainability People Development: Community Engagement	
GRI 416: Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	Protein Delivery: Food Quality and Safety	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There were zero (0) incidents of non-compliance during the reporting period.	
GRI 417: Marketing and Labeling			
417-1	Requirements for product and service information and labeling	Protein Delivery: Consumption of Healthy Food, Food Quality and Safety Sustainability Data Summary	
417-2	Incidents of non-compliance concerning product and service information and labeling	Protein Delivery: Food Quality and Safety	
417-3	Incidents of non-compliance concerning marketing communications	Protein Delivery: Food Quality and Safety	
GRI 418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were zero (0) incidents of substantiated complaints on customer privacy during the reporting period.	

ANNEX C

CONSOLIDATED FINANCIAL STATEMENTS

CENTURY PACIFIC FOOD INC.

Centerpoint Building Julia Vargas Ave.,
Ortigas Center Pasig City, Metro Manila
Philippines
Tel : (632) 8633 8555
Fax : (632) 638 6336
website : www.centurypacific.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of CENTURY PACIFIC FOOD INC. and SUBSIDIARIES (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at and for the years ended December 31, 2023 and 2022, in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Group'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.

SGV & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Group 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.

Signature: Christopher T. Po
Chairman of the Board

Signature: Teodoro Alexander Po
Chief Executive Officer

Signature: Richard Kristoffer S. Manapat
Chief Financial Officer

Signed this 10th day of April, 2024.

SUBSCRIBED AND SWORN to before me this APR 1 0 2024, in Pasig City, affiant exhibiting to me his/her valid IDs as follows:

NAMES	IDENTIFICATION
Teodoro Alexander T. Po	105-633-470
Christopher T. Po	119-779-656
Richard Kristoffer S. Manapat	303-723-989

Doc. No. 072;
Page No. 16;
Book No. VI;
Series of 2024.

GENEVIEVE KRISTINE B. MAÑALAC
Appointment No. 46 (2023-2024)
Notary Public for Pasig City, Pateros and San Juan
Until December 31, 2024
Attorney's Roll No. 80720
33rd Floor, The Orient Square
F. Ortigas Jr. Road, Ortigas Center, Pasig City
PTR Receipt No. 1634506; 01.02.24; Pasig City
IBP OR No. 330350; 12.18.23; RSM
Admitted to the Bar in 2022

C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

CS201320778

C O M P A N Y   N A M E

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

7TH FLOOR CENTERPOINT BUILDING JULIA VARGAS ST., ORTIGAS CENTER, PASIG CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	N.A.

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
N.A.	8863-8555	N.A.

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
32	6/30	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Manuel Z. Gonzales	manuel.gonzales@mvgslaw.com	8687-1195	0918-843-8888

CONTACT PERSON's ADDRESS

7TH FLOOR CENTERPOINT BUILDING., JULIA VARGAS ST., ORTIGAS CENTER, PASIG CITY

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.*

2 *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Century Pacific Food, Inc.
7th Floor, Centerpoint Building
Julia Vargas St., Ortigas Center
Pasig City

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Century Pacific Food, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment assessment of goodwill and trademarks with indefinite useful life

Under PFRSs, the Group is required to annually test the amount of goodwill and trademarks with indefinite useful life for impairment. As of December 31, 2023, the Group's goodwill, attributable to coco and meat businesses, amounted to ₱2,915.3 million and trademarks with indefinite useful life, attributable to "Ligo" sardines, amounted to ₱2,209.7 million, which are considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically revenue growth rate, gross margin, operating margin, capital expenditures, discount rate and long-term revenue growth rate.

The Group's disclosures about goodwill and trademarks are included in Notes 5 and 11 to the consolidated financial statements.

Audit Response

We obtained an understanding of the management's assessment process for evaluating the impairment of goodwill and trademarks with indefinite useful life. We involved our internal specialist in evaluating the methodologies and the assumptions used. We compared the key assumptions used, such as revenue growth rate against the historical performance of the cash generating units and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosure about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of goodwill and trademarks.

Other Information

Management is responsible for the other information. The other information comprises the Philippine SEC Form 17-A for the year ended December 31, 2023 but does not include the consolidated financial statements and our auditor's report thereon which we obtained prior to the date of the Auditor's Report, and the Philippine SEC Form 20 - IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2023, which are expected to be made available to us after the date of this auditor's report.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Christine G. Vallejo.

SYCIP GORRES VELAYO & CO.

Christine G. Vallejo
Christine G. Vallejo
Partner
CPA Certificate No. 99857
Tax Identification No. 206-384-906
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-105-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10082028, January 6, 2024, Makati City

April 10, 2024

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group, Inc.)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 7)	**₱5,050,017,194**	₱2,149,448,030
Trade and other receivables - net (Note 8)	**9,386,654,691**	8,771,584,426
Inventories - net (Note 9)	**16,901,959,562**	17,728,873,867
Due from related parties (Note 25)	**258,634,411**	197,448,146
Prepayments and other current assets - net (Note 10)	**2,878,991,150**	2,802,218,295
Total Current Assets	**34,476,257,008**	31,649,572,764
Noncurrent Assets		
Property, plant and equipment - net (Note 13)	**8,980,273,509**	8,793,816,459
Goodwill and intangible assets - net (Note 11)	**5,526,648,873**	5,548,164,713
Right-of-use assets - net (Note 12)	**1,520,443,376**	1,391,652,591
Deferred tax assets - net (Note 32)	**878,291,362**	718,562,929
Retirement asset - net (Note 17)	**11,036,687**	7,128,419
Other noncurrent assets (Note 14)	**149,143,486**	224,893,319
Total Noncurrent Assets	**17,065,837,293**	16,684,218,430
	₱51,542,094,301	₱48,333,791,194
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans payables (Note 15)	**₱2,870,000,000**	₱4,640,000,000
Trade and other payables (Note 16)	**10,452,242,572**	9,797,085,024
Current portion of borrowings (Note 15)	**7,360,791**	9,390,325
Income tax payable	**143,502,629**	102,714,783
Due to related parties (Note 25)	**30,545,975**	25,918,837
Lease liabilities - current portion (Note 30)	**297,536,128**	293,030,338
Total Current Liabilities	**13,801,188,095**	14,868,139,307
Noncurrent Liabilities		
Borrowings - net of current portion (Note 15)	**3,156,982,518**	3,164,823,670
Retirement benefit obligation - net (Note 17)	**330,438,483**	272,878,497
Lease liabilities - net of current portion (Note 30)	**1,402,955,848**	1,248,956,896
Total Noncurrent Liabilities	**4,890,376,849**	4,686,659,063
	18,691,564,944	19,554,798,370
Equity		
Share capital (Note 18)	**3,542,258,595**	3,542,258,595
Share premium (Note 18)	**4,936,859,146**	4,936,859,146
Share-based compensation reserve (Note 26)	**8,211,398**	8,211,398
Other reserves	**30,628,942**	30,628,942
Currency translation adjustment	**38,674,173**	29,397,439
Retained earnings (Notes 18 and 27):		
Appropriated	**17,000,000,000**	8,736,038,578
Unappropriated	**7,293,897,103**	11,495,598,726
	32,850,529,357	28,778,992,824
	₱51,542,094,301	₱48,333,791,194

See accompanying Notes to Consolidated Financial Statements.

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group, Inc.)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2023	2022	2021
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 19)	**₱67,124,343,619**	₱62,258,920,244	₱54,710,155,254
COST OF GOODS SOLD (Note 20)	**50,987,309,427**	47,885,162,632	41,958,358,259
GROSS PROFIT	**16,137,034,192**	14,373,757,612	12,751,796,995
OPERATING EXPENSES (Note 22)	**(9,238,580,052)**	(8,713,881,749)	(7,064,201,886)
OTHER INCOME (Note 21)	**487,580,077**	836,353,330	551,428,948
OTHER EXPENSES (Note 23)	**(454,033,632)**	(411,997,405)	(380,575,165)
INCOME FROM OPERATIONS	**6,932,000,585**	6,084,231,788	5,858,448,892
FINANCE COSTS (Notes 15 and 30)	**(483,876,139)**	(315,173,214)	(296,882,673)
INTEREST INCOME (Notes 7 and 8)	**78,306,590**	8,498,205	6,347,815
INCOME BEFORE TAX	**6,526,431,036**	5,777,556,779	5,567,914,034
INCOME TAX EXPENSE (Note 31)	**(947,271,477)**	(778,387,954)	(894,897,620)
NET INCOME	**5,579,159,559**	4,999,168,825	4,673,016,414
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to profit or loss in subsequent years:			
Remeasurement gain (loss) on retirement benefit obligation - net of tax effect (Note 17)	**(99,996,323)**	161,608,553	53,835,505
Currency translation adjustment - net of tax effect (Note 4)	**9,276,734**	5,510,626	68,496
	(90,719,589)	167,119,179	53,904,001
TOTAL COMPREHENSIVE INCOME	**₱5,488,439,970**	₱5,166,288,004	₱4,726,920,415
EARNINGS PER SHARE (Note 28)			
Basic	**₱1.5750**	₱1.4113	₱1.3192
Diluted	**₱1.5732**	₱1.4096	₱1.3177

See accompanying Notes to Consolidated Financial Statements.

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group, Inc.)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	Share Capital (Note 18)	Share Premium (Note 18)	Share-based Compensation Reserve (Note 26)	Other Reserves	Currency Translation Adjustment	Unappropriated Retained Earnings (Notes 18 and 27)	Appropriated Retained Earnings (Note 18)	Total
Balance, January 1, 2021	₱3,542,258,595	₱4,936,859,146	₱8,211,398	₱30,628,942	₱23,818,317	₱9,282,282,909	₱3,612,151,286	₱21,436,210,593
Net income	–	–	–	–	–	4,673,016,414	–	4,673,016,414
Currency translation adjustment	–	–	–	–	68,496	–	–	68,496
Remeasurement gain on retirement plans - net of tax (Note 17)	–	–	–	–	–	53,835,505	–	53,835,505
Total comprehensive income	–	–	–	–	68,496	4,726,851,919	–	4,726,920,415
Cash dividends (Note 27)	–	–	–	–	–	(1,275,213,094)	–	(1,275,213,094)
Appropriation of retained earnings	–	–	–	–	–	580,551,579	(580,551,579)	–
Balance, December 31, 2021	**3,542,258,595**	**4,936,859,146**	**8,211,398**	**30,628,942**	**23,886,813**	**13,314,473,313**	**3,031,599,707**	**24,887,917,914**
Net income	–	–	–	–	–	4,999,168,825	–	4,999,168,825
Currency translation adjustment	–	–	–	–	5,510,626	–	–	5,510,626
Remeasurement gain on retirement plans - net of tax (Note 17)	–	–	–	–	–	161,608,553	–	161,608,553
Total comprehensive income	–	–	–	–	5,510,626	5,160,777,378	–	5,166,288,004
Cash dividends (Note 27)	–	–	–	–	–	(1,275,213,094)	–	(1,275,213,094)
Reversal of appropriation						3,031,599,707	(3,031,599,707)	–
Appropriation of retained earnings	–	–	–	–	–	(8,736,038,578)	8,736,038,578	–
Balance, December 31, 2022	**3,542,258,595**	**4,936,859,146**	**8,211,398**	**30,628,942**	**29,397,439**	**11,495,598,726**	**8,736,038,578**	**28,778,992,824**
Net income	**–**	**–**	**–**	**–**	**–**	**5,579,159,559**	**–**	**5,579,159,559**
Currency translation adjustment	**–**	**–**	**–**	**–**	**9,276,734**	**–**	**–**	**9,276,734**
Remeasurement loss on retirement plans - net of tax (Note 17)	**–**	**–**	**–**	**–**	**–**	**(99,996,323)**	**–**	**(99,996,323)**
Total comprehensive income	**–**	**–**	**–**	**–**	**9,276,734**	**5,479,163,237**	**–**	**5,488,439,970**
Cash dividends (Note 27)	**–**	**–**	**–**	**–**	**–**	**(1,416,903,438)**	**–**	**(1,416,903,438)**
Reversal of appropriation	**–**	**–**	**–**	**–**	**–**	**4,236,038,578**	**(4,236,038,578)**	**–**
Appropriation of retained earnings	**–**	**–**	**–**	**–**	**–**	**(12,500,000,000)**	**12,500,000,000**	**–**
Balance, December 31, 2023	**₱3,542,258,595**	**₱4,936,859,146**	**₱8,211,398**	**₱30,628,942**	**₱38,674,173**	**₱7,293,897,103**	**₱17,000,000,000**	**₱32,850,529,357**

See accompanying Notes to Consolidated Financial Statements.

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group, Inc.)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before tax	**₱6,526,431,037**	₱5,777,556,779	₱5,567,914,034
Adjustments for:			
Depreciation and amortization (Notes 11, 12, 13, 20 and 22)	**1,700,210,495**	1,504,542,830	1,271,558,587
Finance costs (Notes 15 and 30)	**483,876,139**	315,173,214	296,882,673
Defined benefit cost - net (Note 17)	**104,917,748**	136,656,062	142,139,375
Interest income (Notes 7 and 8)	**(78,306,590)**	(8,498,205)	(6,347,815)
Gain on lease termination	**(19,344,166)**	–	–
Unrealized foreign exchange loss - net	**9,276,734**	5,510,626	68,496
Gain (loss) on disposal of property, plant and equipment - net (Note 13 and 21)	**(9,645,804)**	(746,662)	(4,166,459)
Recovery from insurance (Note 21)	**–**	(62,712,630)	–
Loss on impairment of input VAT (Notes 10 and 23)	**–**	–	31,047,893
Gain on bargain purchase (Note 21 and 36)	**–**	–	(41,071,822)
Operating income before working capital changes	**8,717,415,593**	7,667,482,014	7,258,024,962
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Trade and other receivables	**(615,070,265)**	(865,882,824)	(783,394,650)
Due from related parties	**(61,186,265)**	(77,962,400)	181,188,954
Inventories	**826,914,305**	(3,616,473,436)	(831,005,668)
Prepayments and other current assets	**(83,062,525)**	(182,443,388)	(34,637,566)
Increase (decrease) in:			
Trade and other payables	**660,271,128**	643,076,154	(752,613,685)
Due to related parties	**4,627,138**	(59,022,300)	(1,151,548,802)
Cash generated from operations	**9,449,909,109**	3,508,773,820	3,886,013,545
Income tax paid	**(1,039,915,385)**	(983,426,398)	(834,178,324)
Contributions to plan assets (Note 17)	**(177,559,032)**	(177,559,032)	(177,559,032)
Interest received	**78,306,590**	8,498,205	6,347,815
Insurance proceeds received	**–**	62,712,630	–
Net cash from operating activities	**8,310,741,282**	2,418,999,225	2,880,624,004
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property, plant and equipment (Note 13)	**(1,516,430,323)**	(1,388,609,771)	(2,139,292,490)
Intangible assets (Note 11)	**–**	(1,719,655,295)	–
Proceeds from sale of property, plant and equipment (Notes 21 and 37)	**18,538,922**	3,060,076	4,166,460
Cash acquired from a business combination, net of acquisition costs (Note 36)	**–**	–	247,032,463
Collection (payment) of deposits	**75,749,833**	(94,872,475)	3,687,727
Net cash used in investing activities	**(1,422,141,568)**	(3,200,077,465)	(1,884,405,840)

(Forward)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of:			
Short-term borrowings (Note 15)	**₱5,140,000,000**	₱5,010,000,000	₱5,800,000,000
Long-term borrowings (Note 15)	**–**	1,200,000,000	2,000,000,000
Payments of:			
Short-term borrowings (Note 15)	**(6,910,000,000)**	(3,170,000,000)	(4,949,466,680)
Dividends (Note 27)	**(1,416,903,438)**	(1,275,213,094)	(1,275,213,094)
Lease liabilities (Note 30)	**(427,578,725)**	(367,136,901)	(324,325,639)
Finance costs (Note 30)	**(353,548,387)**	(166,432,093)	(149,285,666)
Long-term borrowings (Note 15)	**(20,000,000)**	(20,000,000)	(1,584,000,000)
Debt issuance costs (Note 15)	**–**	(9,000,000)	(15,000,000)
Net cash from (used in) financing activities	**(3,988,030,550)**	1,202,217,912	(497,291,079)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**2,900,569,164**	421,139,672	498,927,085
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**2,149,448,030**	1,728,308,358	1,229,381,273
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 7)	**₱5,050,017,194**	₱2,149,448,030	₱1,728,308,358

See accompanying Notes to Consolidated Financial Statements.

1. General Information

Corporate Information

Century Pacific Food, Inc. (the "Parent Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on October 25, 2013.

The Parent Company is primarily engaged in the business of buying and selling, processing, canning and packaging and manufacturing all kinds of food and food products, such as, but not limited to fish, seafood and other marine products, cattle, hog and other animals and animal products, fruits, vegetables and other agricultural crops and produce of land, including by-products thereof, and for such purpose, to acquire, construct, own, lease, charter, establish, maintain and operate canneries, factories, plants, vessels, cold storage, refrigerators, refrigerated vehicles and vessels, warehouses and other machineries, equipment, apparatus, and appliance as may be required in the conduct of its business.

The Parent Company's shares of stocks were listed in the Philippine Stock Exchange (PSE) on May 6, 2014 through an initial public offering (IPO) and listing of 229.65 million shares in the PSE at a total value of ₱3.5 billion, as discussed in Note 18.

The Parent Company is a 65.5% and 68.72% owned subsidiary of Century Pacific Group, Inc. (CPGI, the ultimate parent), as at December 31, 2023 and 2022 respectively. CPGI is a corporation registered with the SEC and is domiciled in the Philippines.

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

The Parent Company has the following subsidiaries as at December 31, 2023 and 2022:

Name of Subsidiary	Ownership Interest
General Tuna Corporation (GTC)	100%
Snow Mountain Dairy Corporation (SMDC)	100%
Allforward Warehousing Inc. (AWI)	100%
Century Pacific Agricultural Ventures, Inc. (CPAVI)	100%
Century Pacific Seacrest Inc. (CPSI)	100%
Centennial Global Corporation (CGC)	100%
General Odyssey Inc (GOI)	100%
Millennium General Power Corporation (MGPC)	100%
The Pacific Meat Company, Incorporated (PMCI)	100%
Century Pacific Food Packaging Ventures, Inc. (CPFPVI)	100%
Century International (China) Co. Ltd. (CIC)	100%
Century (Shanghai) Trading Co. Ltd. (CST)	100%
Cindena Resources Limited (CRL) *	–
Century Pacific North America Enterprise Inc. (CPNA)	100%

** 100% as of December 31, 2022*

GTC was incorporated in the Philippines and registered with the SEC on March 10, 1997. GTC is presently engaged in manufacturing and exporting private label canned, pouched and frozen tuna products.

SMDC was incorporated in the Philippines and registered with the SEC on February 14, 2001. In June 2020, SMDC discontinued its manufacturing operations and amended its primary business purpose to engage in leasing services.

AWI was incorporated in the Philippines and was registered with the SEC on October 3, 2014. AWI is engaged in the business of operating cold storage facilities, handling, leasing, maintaining, buying, selling, warehouse and storage facilities, including its equipment, forklift, conveyors, pallet towers and other related machineries, tools and equipment necessary in warehousing, and storage operation.

CPAVI was incorporated in the Philippines and was registered with the SEC on August 29, 2012. CPAVI is engaged in the business of manufacturing and distributing all kinds of food and beverage products and other food products derived from fruits and other agricultural products. CPAVI's primary purpose is to engage in the business of converting and processing input raw materials derived from fruits, vegetables and other agricultural products, such as drilled, deshelled and pared coconuts, into finished products and distributing, and exporting the same.

CPSI was incorporated in the Philippines and was registered with the SEC on November 13, 2015. CPSI is engaged in the business of developing and designing, acquiring, selling, transferring, exchanging, managing, licensing, franchising and generally exercising all rights, powers and privileges of ownership or granting any right or privilege of ownership or any interest to label marks, devices, brands, trademark rights and all other forms of intellectual property, including the right to receive, collect and dispose of any and all payments, dividends, interests and income derived from therefrom.

CGC was incorporated in the British Virgin Islands (BVI) on November 13, 2006. CGC is a company limited by shares. On February 25, 2015, the Company acquired 100% interest in CGC. CGC is the corporate vehicle that holds the various brands, trademarks, and related intellectual property of the Company and its subsidiaries. CGC was acquired from Shining Ray Limited, a wholly owned subsidiary of CPGI.

CPFPVI was incorporated in the Philippines and was registered with SEC on June 29, 2016. CPFPVI is engaged in the business of manufacturing, processing, buying, selling, importing, exporting and dealing in all kinds of packaging products. On June 29, 2016, the Parent Company acquired 100% interest in CPFPVI.

GOI was incorporated in the Philippines and was registered with SEC on July 27, 2020. GOI is engaged in the business to buy and sell, process, can, pack, manufacture, market, produce, distribute, import and export, and deal in all kinds of feeds and for such purpose to acquire, construct, own, lease, charter, establish, maintain and operate stores, outlets, canneries, factories, plants, vessels, cold storage, refrigerators, refrigerated vehicles and vessels, warehouses, and other machineries, equipment's, apparatus and appliances as may be required.

MGPC formerly Century Pacific Solar, Inc. was incorporated in the Philippines and was registered with SEC on August 10, 2020. MGPC is engaged in the business of exploration, development and utilization of renewable energy sources, including the generation and distribution of power therefrom, planning, construction and installation, commissioning, owning, management and operation of relevant facilities and infrastructure thereof and processing and commercialization of by-products in its operations and to undertake such other powers and purposes as may be required.

PMCI was incorporated in the Philippines and was registered on December 9, 1997 to engage in, operate, conduct and maintain the business of manufacturing, importing, exporting, buying, selling or otherwise dealing in at wholesale and retail, all kinds of food and foods products, fruits, vegetables and other goods of same nature, and any all equipment, materials, and supplies used or employed in, or related to the manufacture of such finished product. On March 24, 2021, the Parent Company entered into a share purchase agreement with CPGI to acquire 100% equity interest in PMCI. The sale was completed when CPGI and the Parent Company signed the deed of absolute sale covering the PMCI shares on April 1, 2021.

CIC was incorporated in China and was registered on June 9, 2003. CIC is engaged in the selling of hardware and electrical apparatus, auto spare parts, building decoration materials and products, telecommunication equipment, stationery commodities, mechanical equipment, pre-package food; wholesales of beverage; development and sale of computer software and hardware; and consulting services.

CST was incorporated in China and was registered on August 24, 2005. CST is engaged in the wholesale, import and export of food, provision of ancillary services, relevant business consulting services subject to administrative approval and relevant authority.

CRL was originally incorporated in the BVI under The International Business Companies Act (CAP.291) on March 27, 2002. CRL is engaged in the purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company, to import, export, buy, sell, exchange, barter, commercial and consumer products of any kind. On December 28, 2023, the BOD approved the return of capital and execute deed of assignment to assign all right, title and interest over the “Ligo” trademark to CPFI.

CPNA was incorporated in the United States and was registered with the Secretary of State of California on April 20, 2017 as a domestic stock company type. CPNA is engaged in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporation Code.

Approval and Authorization for Issuance of Consolidated Financial Statements
The consolidated financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 10, 2024.

2. Financial Reporting Framework and Basis of Preparation and Presentation

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

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

3. **Adoption of New and Revised Accounting Standards**

Changes in Accounting Policies and Disclosures
The Group's accounting policies are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to PAS 1 and PFRS Practice Statement2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

  The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the consolidated financial statements. The amendments have been considered under "Material Accounting and Financial Reporting Policies" in Note 4.

- Amendments to PAS 12 *International Tax Reform – Pillar Two Model Rules*

  The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

  The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

  The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

  Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023.

  The Group adopted and applied the exceptions introduced by PAS 12. The current income tax expense related to Pillar Two income taxes amounted to nil in 2023.

  As at April 10, 2024, the Group is in the process of gathering information and assessing the potential exposure arising from the Pillar Two legislation.

Standards Issued but not yet Effective
The adoption of future accounting standards is not expected to have a material impact on the Group's consolidated financial statements.

4. **Material Accounting and Financial Reporting Policies**

Basis of Consolidation
The consolidated financial statements incorporate the financial statements of the Parent Company and all subsidiaries it controls as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023.

The Parent Company's subsidiaries including its ownership interest for each entity is disclosed in Note 1.

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss included under "Remeasurement gain (loss) arising from business combination."

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

Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated should:

- represent the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- not be larger than an operating segment determined in accordance with PFRS 8, *Operating Segments*.

Occasionally, an acquirer will make a bargain purchase, which is a business combination in which the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured exceeds the aggregate of the consideration transferred.

Before recognizing a gain on a bargain purchase, the acquirer shall reassess whether it has correctly identified all of the assets acquired and all of the liabilities assumed and shall recognize any additional assets or liabilities that are identified in that review. The acquirer shall then review the procedures used to measure the amounts to be recognized at the acquisition date for all of the following:

a. the identifiable assets acquired and liabilities assumed;
b. the noncontrolling interest in the acquiree, if any;
c. for a business combination achieved in stages, the acquirer's previously held equity interest in the acquiree; and
d. the consideration transferred.

If that excess remains after applying the requirements above, the acquirer shall recognize the resulting gain in profit or loss on the acquisition date. The gain shall be attributed to the acquirer.

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

Financial Assets
The Group’s financial assets are classified as financial assets at amortized cost. The Group applies the simplified approach in measuring expected credit losses (ECL) for trade receivables which uses a lifetime expected loss allowance for all trade receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information using a provision matrix. The Group also assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due. Meanwhile, impairment of other financial assets is assessed based on potential liquidity of counterparties based on available financial information.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Employee Benefits

Defined benefit plan

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

Retirement benefit costs are categorized as follows:

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

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

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

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

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

Currency translation adjustment

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

Revenue from Contracts from Customers

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

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

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

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

The transaction price is also adjusted for any consideration payable to the customer. Consideration payable to a customer includes cash amounts that the Group pays, or expects to pay, to the customer (or to other parties that purchase the Group's goods from the customer). Consideration payable to a customer also includes credit or other items that can be applied against amounts owed to the Group (or to other parties that purchase the Group's goods or services from the customer).

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

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

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

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

- The amount of consideration is highly susceptible to factors outside the Group's influence. Those factors may include volatility in a market, the judgment or actions of third parties, weather conditions and a high risk of obsolescence of the promised goods.
- The uncertainty about the amount of consideration is not expected to be resolved for a long period of time.

- The Group's experience (or other evidence) with similar types of contracts is limited, or that experience (or other evidence) has limited predictive value.
- The Group has a practice of either offering a broad range of price concessions or changing the payment terms and conditions of similar contracts in similar circumstances.
- The contract has a large number and broad range of possible consideration amounts.

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

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

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

<u>Revenue outside the scope of PFRS 15</u>

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

<u>Leases</u>

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

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

<u>Taxes</u>
Income tax expense represents the sum of the current income tax and deferred income tax.

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

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

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

CPFI is registered with the Board of Investments (BOI), pursuant to Executive Order No. 226 or the Omnibus Investments Code of 1987, as amended by Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act entitled for income tax holiday for canned tuna and its by-product from January 1, 2021 to December 31, 2024 and frozen loins from June 16, 2022 to December 2024.

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

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

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

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

Deferred tax liabilities are recognized for all taxable temporary differences except: (1) when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or (2) in respect of taxable temporary differences associate with investment in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is not probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused excess of 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 income will be available against which the deductible temporary differences and the carryforward benefits of unused tax credits and unused tax losses can be utilized except: (1) when the deferred income tax asset relating to deductible temporary difference 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, affects neither the accounting profit nor taxable profit or loss; or (2) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each financial reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in other comprehensive income (OCI) or directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value-added Tax (VAT)
Revenues, expenses and assets are recognized net of the amount of VAT except:

- when the VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of VAT included.

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

5. Significant Accounting Judgments and Key Sources of Estimation Uncertainty

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

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

Significant Judgments

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

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

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

The results of operations and financial position of GTC and CPNA, which are measured using US Dollar, and the results of operations and financial position of CIC, CST and CRL, which are measured using Chinese Yuan, were translated into Philippine Peso using the accounting policies in Note 4.

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

The acquisition of PMCI was considered a business since it has commercial substance and was accounted for as a business combination (see Note 36).

Acquisition of assets that does not constitute a business. PFRS 3 also provides that if an entity acquires an asset or a group of assets, including any liabilities assumed, that does not constitute a business, then the transaction is outside the scope of PFRS 3 because it does not meet the definition of a business combination. Such transactions are accounted for as asset acquisitions, in which case, the cost of acquisition is allocated between the individual identifiable assets and liabilities in the group based on their relative fair values at the acquisition date.

The acquisition of "Ligo" trademark leverages only on the input obtained from the acquisition transaction, which does not fall under the definition of a "business" under PFRS 3 (see Note 11).

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

The Group included the renewal period as part of the lease term for leases of land and buildings. The Group typically exercises its option to renew for these leases because of significant improvements on the leased assets and these assets including the underlying assets are critical to the business of the Group. As such, there will be a significant negative effect on production if a replacement asset is not readily available. The Group has determined that the lease term of these lease contracts ranges from 5 to 20 years.

Estimates and Assumptions

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

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

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

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

The key assumptions used in the impairment test of goodwill and trademarks with indefinite life are as follows:

1. Gross Revenue
   On the average, gross revenue of the CGU over the next five years were projected to grow in line with the economy or with nominal Gross Domestic Product. This assumes that the market share of the subsidiaries in their respective industries will be flat on the assumption that the industries also grow at par with the economy. Historically, the business growth had a direct correlation with economic growth. A 3% and 1% perpetuity growth rate was assumed at the end of the five-year forecast period for the CGU on the Group's meat business and CGU on the Group's coco business and "Ligo" sardines, respectively.

2. Operating Expenses
   On the average, operating expenses were projected to increase in relation to revenue growth.

3. Gross Margins
   Increased efficiencies over the next five years are expected to result in margin improvements.

4. Discount Rate
   The discount rate used to arrive at the present value of future cash flows was the Group's Weighted Average Cost of Capital (WACC). WACC was based on the appropriate weights of debt and equity, which were multiplied with the assumed costs of debt and equity. The pre-tax discount rates applied to the cash flow projections range from 11.3% to 15.6% and 11.3% to 14.7% in 2023 and 2022, respectively.

The significant unobservable inputs used in the computation of value in use for goodwill and trademarks, together with a quantitative sensitivity analysis as at December 31, 2023 and 2022 are shown below:

	Valuation technique	**Significant unobservable inputs**	**Range (weighted average)**	**Sensitivity of the input to value in use**
Value in use for "Ligo" trademark	Relief from royalty method	Discount rate	2023: 14.4% to 15.6% (15.0%) 2022: 13.7% to 14.7% (14.2%)	0.6% (2022: 0.6%) increase (decrease) in the discount rate would result in a decrease (increase) in value in use by ₱1,139.5 million (2022: ₱680.2 million)
		Long-term growth rate for cash flows for subsequent years	2023: 1% 2022: 1%	1% (2022: 1%) increase (decrease) in the growth rate would result in an increase (decrease) in value in use by ₱3,551.5 million (2022: ₱3,060.7 million)
Value in use of the CGU of the Group's meat business	Relief from royalty method	Discount rate	2023: 13.6% to 14.8% (14.2%) 2022: 12.1% to 13.03% (12.57%)	0.5% (2022: 0.5%) increase (decrease) in the discount rate would result in a decrease (increase) in value in use by ₱25.5 million (2022: ₱31.1 million)
		Long-term growth rate for cash flows for subsequent years	2023: 3% 2022: 5%	2% (2022: 2%) increase (decrease) in the growth rate would result in an increase (decrease) in value in use by ₱94.3 million (2022: ₱81.2 million)
Value in use of the CGU of the Group's coco business	Discounted cash flow method	Discount rate	2023: 11.3% to 12.3% (11.8%) 2022: 13.3% to 14.3% (13.8%)	0.5% (2022: 0.5%) increase (decrease) in the discount rate would result in a decrease (increase) in value in use by ₱361.0 million (2022: ₱412.5 million)
		Long-term growth rate for cash flows for subsequent years	2023: 1% 2022: 1%	1% (2022: 1%) increase (decrease) in the growth rate would result in an increase (decrease) in value in use by ₱455.5 million (2022: ₱603.1 million)

The carrying amount of goodwill and trademarks with indefinite lives as of December 31, 2023 and 2022 are as follows:

Goodwill (see Note 11)	₱2,915,325,199
Trademarks (see Note 11)	2,209,694,668
	₱5,125,019,867

The recoverable amounts of the CGUs to which the goodwill and trademarks with indefinite lives are allocated are greater than their carrying amounts. No impairment loss was recognized on goodwill and trademarks for the years ended December 31, 2023, 2022 and 2021.

Any reasonable changes in the key assumptions will not cause the carrying amounts of the CGUs to exceed their recoverable amounts as at December 31, 2023 and 2022.

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

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

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

Estimating the fair value of "Ligo" trademark. The Group acquired the "Ligo" trademark in March 2022. The fair value of asset was determined using multi-period excess earnings valuation method, which assumed expected future earnings stream attributable to the identified income-generating asset discounted using the rate of return commensurate to the asset. The Group estimated the cash flows based on average life of the identified assets. Estimating the fair value of "Ligo" trademark involve significant assumptions about the future results of the business such as revenue growth rate and discount rate which were applied to cash flow forecasts.

Further details on "Ligo" trademark is disclosed in Note 11.

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

As at December 31, 2023 and 2022, the Group's lease liabilities amounted to ₱1,700.5 million, and ₱1,542.0 million, respectively (see Note 30).

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

The fair values of financial assets and liabilities are disclosed in Note 33.

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

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

- *Quantitative Criteria.* The borrower is more than 120 days past due on its contractual payments, which is consistent with the Group's definition of default.

- *Qualitative Criteria.* The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

  a. The borrower is experiencing financial difficulty or is insolvent;
  b. Concessions have been granted by the Group, for economic or contractual reasons relating to the borrower's financial difficulty; or
  c. It is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

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

- *General approach for cash and cash equivalents, other receivables, due from related parties, security deposits and deposits on utilities.* Under the general approach, at each reporting date, the Group recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss. The Group has leveraged on available market data for cash in banks to calculate the ECL.
- *Simplified approach for trade receivables.* The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

- *Grouping of instruments for losses measured on collective basis*. For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. The characteristic used to determine groupings is based on the type of customer.
- *Macro-economic forecasts and forward-looking information*. Macro-economic forecasts are determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

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

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

Total provision for ECL for trade and other receivables amounted to ₱205.2 million, ₱75.3 million, and nil in 2023, 2022, and 2021 respectively. Recovery of allowance for ECL amounted to ₱50.7 million, ₱1.4 million, and ₱15.0 million in 2023, 2022, and 2021, respectively (see Note 8). No provision for ECL was recognized in 2023, 2022 and 2021 on cash and cash equivalents, due from related parties, security deposits and deposits on utilities.

The carrying value of the Group's financial assets are as follows:

	2023	2022
Cash and cash equivalents (see Note 7)	**₱5,050,017,194**	₱2,149,448,030
Trade and other receivables - net (see Note 8)	**9,386,654,691**	8,771,584,426
Due from related parties (see Note 25)	**258,634,411**	197,448,146
Security deposits (see Note 14)	**67,113,179**	147,044,018
Deposits on utilities (see Note 14)	**33,159,084**	31,985,871
Revolving funds (see Note 14)	**22,938,791**	12,978,180
	₱14,818,517,350	₱11,310,488,671

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

The carrying values of inventories amounted to ₱16,902.0 million and ₱17,728.9 million, net of allowance for inventory obsolescence of ₱776.2 million and ₱623.4 million as at December 31, 2023 and 2022, respectively (see Note 9).

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

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

There are no changes in the estimation of useful lives of property, plant and equipment, intangible assets with definite useful life and right-of-use assets in 2023 and 2022. The carrying values of these assets, except non depreciable assets, are as follows:

	2023	2022
Property, plant and equipment (see Note 13)	**₱8,302,191,365**	₱8,317,986,438
Licensing agreement (see Note 11)	**401,629,006**	423,144,846
Right-of-use assets (see Note 12)	**1,520,443,376**	1,391,652,591
	₱10,224,263,747	₱10,132,783,875

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

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

The carrying values of the Group's nonfinancial assets are as follows:

	2023	2022
Property, plant and equipment (see Note 13)	**₱8,302,191,365**	₱8,317,986,438
Intangible assets with definite useful life (see Note 11)	**401,629,006**	423,144,846
Right-of-use assets (see Note 12)	**1,520,443,376**	1,391,652,591
Input VAT (see Note 10)	**211,551,540**	290,365,616
	₱10,435,815,287	₱10,423,149,491

Based on the assessment of management, except for input VAT, the Group's nonfinancial assets do not have any indication of impairment as at December 31, 2023, 2022 and 2021. No impairment loss was recognized in 2023, 2022 and 2021.

Moreover, impairment loss on input VAT amounting ₱31.0 million were recognized in 2021 and none for 2023 and 2022 (see Note 10). In 2023, 2022 and 2021, the Group has written-off input VAT amounting to nil, ₱6.6 million and ₱23.2 million, respectively (see Note 10).

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

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

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

Further details about the assumptions used are provided in Note 17.

Retirement benefit obligation amounted to ₱330.4 million and ₱272.9 million as at December 31, 2023 and 2022, respectively (see Note 17).

Recoverability of deferred tax assets. The Group performs an annual evaluation of the realizability of deferred tax assets in determining the portion of deferred tax assets which should be recognized. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the following period. This forecast is based on the Group's past results and future expectations on revenue and expenses. The Group computes for deferred tax using the 25% corporate tax rate in 2023 and 2022, respectively.

Deferred tax assets recognized amounted to ₱1,314.9 million and ₱1,154.6 million as at December 31, 2023 and 2022, respectively (see Note 32).

6. Segment Information

Business segments

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

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

Business Segment	Products and Services
Marine	Tuna
	Sardines
	Other seafood-based products
Meat	Corned beef
	Meatloaf
	Refrigerated meat
	Other meat-based product

(Forward)

Business Segment	Products and Services
Milk and emerging	Distribution of other products Canned milk Powdered milk Coconut beverages Coconut milk Coconut oil Other emerging products
Corporate and others	Shared services Warehousing Packaging Other services

The segments' results of operations of the reportable segments in 2023, 2022 and 2021 are as follows:

	Segment Revenue	**Segment Income Before Tax**
2023		
Marine	**₱30,910,860,890**	**₱1,261,542,288**
Meat	**16,136,334,266**	**2,061,894,857**
Milk and emerging	**24,178,355,319**	**648,146,328**
Corporate and others	**6,873,970,312**	**4,354,637,953**
Segment total	**78,099,520,787**	**8,326,221,426**
Eliminations	**(10,975,177,168)**	**(1,799,790,390)**
	₱67,124,343,619	**₱6,526,431,036**

	Segment Revenue	Segment Income Before Tax
2022		
Marine	₱28,819,604,608	₱1,823,159,184
Meat	15,578,117,581	1,621,642,379
Milk and emerging	20,700,889,307	141,900,735
Corporate and others	6,351,288,633	5,644,457,026
Segment total	71,449,900,129	9,231,159,324
Eliminations	(9,190,979,885)	(3,453,602,545)
	₱62,258,920,244	₱5,777,556,779

	Segment Revenue	Segment Income Before Tax
2021		
Marine	₱24,356,174,953	₱1,465,999,486
Meat	14,338,798,777	1,614,461,210
Milk and emerging	17,328,246,267	290,408,099
Corporate and others	5,054,453,941	5,212,880,079
Segment total	61,077,673,938	8,583,748,874
Eliminations	(6,367,518,684)	(3,015,834,840)
	₱54,710,155,254	₱5,567,914,034

Segment income represents the profit before tax by each segment without allocation of central administration costs and directors' salaries, other gains and losses, as well as finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

The segment assets and liabilities as at December 31, 2023 and 2022 are as follows:

	2023		2022	
	Assets	**Liabilities**	Assets	Liabilities
Marine	**₱11,782,670,302**	**₱5,347,790,198**	₱10,513,173,220	₱3,814,798,621
Meat	**4,101,894,297**	**3,394,035,858**	5,069,134,130	3,766,230,703
Milk and emerging	**12,161,426,738**	**5,908,634,111**	11,864,508,049	3,935,813,508
Corporate and others	**34,695,839,897**	**13,238,980,283**	33,064,148,556	14,407,266,464
Segment total	**62,741,831,234**	**27,889,440,450**	60,510,963,955	25,924,109,296
Eliminations	**(11,199,736,933)**	**(9,197,875,506)**	(12,177,172,761)	(6,369,310,926)
	₱51,542,094,301	**₱18,691,564,944**	₱48,333,791,194	₱19,554,798,370

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments, other than other financial assets, and current and deferred tax assets, which are booked under Corporate and others segment. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.
- All liabilities are allocated to reportable segments, other than loans, other financial liabilities, current and deferred tax liabilities, which are booked under Corporate and others segment. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.
- Eliminations include transactions among the segments of the Parent Company.

	2023			
	Additions to Property, Plant, and Equipment	**Depreciation and Amortization**	**Interest Income**	**Finance Costs**
Marine	**₱440,538,885**	**₱671,109,058**	**₱1,139,293**	**₱45,193,718**
Meat	**160,709,583**	**227,184,621**	**2,254,855**	**25,003,755**
Milk and emerging	**441,755,697**	**478,775,189**	**12,494,456**	**27,221,316**
Corporate and others	**473,426,158**	**323,141,627**	**62,417,986**	**386,457,350**
	₱1,516,430,323	**₱1,700,210,495**	**₱78,306,590**	**₱483,876,139**
		2022		
Marine	₱674,192,430	₱538,992,888	₱661,972	₱22,925,576
Meat	107,790,613	254,229,228	523,002	27,658,854
Milk and emerging	317,007,285	460,116,686	393,002	25,203,330
Corporate and others	291,932,858	251,204,028	6,920,229	239,385,454
	₱1,390,923,186	₱1,504,542,830	₱8,498,205	₱315,173,214
		2021		
Marine	₱777,130,504	₱ 462,349,966	₱832,358	₱34,724,181
Meat	181,006,149	194,401,018	676,029	44,416,433
Milk and emerging	807,714,437	395,932,243	335,558	41,797,595
Corporate and others	536,692,845	218,875,360	4,503,870	175,944,464
	₱2,302,543,935	₱1,271,558,587	₱6,347,815	₱296,882,673

Geographical Information
The Group operates in three principal geographical areas: Philippines, United States of America and China.

The Group's revenue from continuing operations from external customers by location of operation and information about its non-current assets by location of assets are detailed below:

	Revenue from external customers for the years ended December 31			Noncurrent assets December 31	
	2023	2022	2021	**2023**	2022
Philippines	**₱66,696,575,746**	₱61,767,483,903	₱54,187,471,491	**₱17,062,283,919**	₱15,010,407,503
USA	**281,704,023**	278,321,091	325,645,204	**2,561,416**	1,673,703,890
China	**146,063,850**	213,115,250	197,038,559	**991,958**	107,037
	₱67,124,343,619	₱62,258,920,244	₱54,710,155,254	**₱17,065,837,293**	₱16,684,218,430

7. Cash and Cash Equivalents

	2023	2022
Cash on hand	**₱19,308,471**	₱6,427,106
Cash in banks	**1,535,123,940**	1,586,900,921
Cash equivalents	**3,495,584,783**	556,120,003
	₱5,050,017,194	₱2,149,448,030

Cash in banks earned average interest rate ranging from 0.10 % to 0.125 % per annum in 2023 and 2022, and is unrestricted and immediately available for use in the current operations of the Group.

Cash equivalents represent short-term fund placements and investments in unit-trust funds (UITFs) with local banks. Short-term fund placements will mature in three months or less from the date of acquisition with annual interest rates ranging from 4.8% to 5.1% in 2023 and from 1.25% to 2.25% in 2022. These placements are from excess cash and can be withdrawn anytime.

Interest income earned from bank deposits and placements amounted to ₱76.9 million, ₱7.0 million, and ₱5.1 million in 2023, 2022, and 2021, respectively.

8. Trade and Other Receivables

	2023	2022
Trade receivables from third parties	**₱9,198,091,315**	₱8,506,002,726
Allowance for ECLs	**(190,639,597)**	(94,943,170)
	9,007,451,718	8,411,059,556
Advances to officers and employees	**48,966,011**	43,634,707
Others	**330,236,962**	316,890,163
	₱9,386,654,691	₱8,771,584,426

Trade receivables represent short-term, non-interest bearing receivables from various customers and generally have 30 to 90 days term or less.

Advances to officers and employees are non-interest bearing and are liquidated within one month. Advances to officers include salary loans which earned average interest rate of 8% per annum. Interest income earned from salary loans amounted to ₱1.4 million, ₱1.5 million, and ₱1.2 million in 2023, 2022, and 2021, respectively.

Other receivables, which consist mainly of statutory receivables and receivables from various parties for transactions other than sale of goods, are non-interest bearing and generally have terms of 30 to 45 days.

Movement in the allowance for ECLs as at December 31 is as follows:

	2023	2022
Balance, January 1	**₱94,943,170**	₱27,148,528
Provision for ECLs (see Note 22)	**205,248,816**	75,328,140
Write off	**(44,085,891)**	–
Reversal	**(65,466,498)**	(7,533,498)
Balance, December 31	**₱190,639,597**	₱94,943,170

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes that there is no further allowance for ECLs required in excess of those that were already provided.

9. Inventories

	2023	2022
Raw materials	**₱7,723,613,293**	₱8,806,848,079
Finished goods	**8,744,316,887**	8,411,502,602
Cost of inventories recorded at NRV	**16,467,930,180**	17,218,350,681
Allowance for obsolescence	**(776,239,631)**	(623,411,093)
Inventories, at NRV	**15,691,690,549**	16,594,939,588
Spare parts and supplies	**1,069,899,736**	944,883,490
Work in process	**140,369,277**	189,050,789
Inventories, at cost	**1,210,269,013**	1,133,934,279
	₱16,901,959,562	₱17,728,873,867

Cost of inventories recognized in the consolidated statements of comprehensive income in 2023, 2022 and 2021 amounted to ₱50,987.3 million, ₱47,885.2 million, and ₱41,958.4 million respectively.

Movements in the allowance for obsolescence of inventories are as follows:

	2023	2022	2021
Balance, January 1	**₱623,411,093**	₱377,997,039	₱284,142,265
Provision on slow moving inventories (see Notes 20, 22 and 23)	**118,533,094**	245,414,054	220,130,994
Write off	**34,295,444**	–	–
Reversal	**–**	–	(126,276,220)
Balance, December 31	**₱776,239,631**	₱623,411,093	₱377,997,039

10. **Prepayments and Other Current Assets**

	2023	2022
Advances to suppliers	**₱1,974,040,937**	₱2,066,499,727
Prepaid taxes	**544,359,499**	339,683,582
Input value-added tax (VAT)	**211,551,540**	290,365,616
Prepaid insurance	**27,758,248**	18,603,189
Prepaid rent	**6,390,807**	9,736,083
Others	**123,107,604**	85,547,583
	2,887,208,635	2,810,435,780
Allowance for VAT claims	**(8,217,485)**	(8,217,485)
	₱2,878,991,150	₱2,802,218,295

Advances to suppliers pertain to advance payments for the purchase of raw materials which are generally applied against future billings within next year.

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

Deferred input VAT pertains to input VAT on accumulated purchases of property, plant and equipment amounting to ₱1.00 million or more. This also includes input VAT on purchase of services which is not yet paid to the supplier as of yearend.

Where the aggregate acquisition cost (exclusive of VAT) of the existing or depreciable capital goods purchased or imported during any calendar month does not exceed ₱1.0 million, the total input VAT will be allowable as credit against output VAT in the month of acquisition.

The Group recognized provision for impairment on input VAT amounting to nil in 2023 and 2022, and ₱31.0 million in 2021, as disclosed in Note 23.

Movement in the allowance for VAT claims are as follows:

	2023	2022	2021
Balance, January 1	**₱8,217,485**	₱14,834,985	₱6,987,429
Provision (see Note 23)	**–**	–	31,047,893
Write off	**–**	(6,617,500)	(23,200,337)
Balance, December 31	**₱8,217,485**	₱8,217,485	₱14,834,985

Others include advance payments related to maintenance of software and system used by the Group and biological assets which comprise fingerlings and mature milk fish.

11. **Goodwill and Intangible Assets**

	2023	2022
Goodwill	**₱2,915,325,199**	₱2,915,325,199
Trademarks	**2,209,694,668**	2,209,694,668
Licensing agreement	**401,629,006**	423,144,846
	₱5,526,648,873	₱5,548,164,713

Goodwill
The goodwill is associated with the excess of the investment cost over the fair value of the net assets of CPAVI at the time of acquisitions.

Based on management review of recoverable amount, goodwill arising from the acquisition of CPAVI is not impaired in 2023, 2022 and 2021. Meanwhile, the goodwill arising from the acquisition of CIC and CST was fully impaired as at December 31, 2023 and 2022.

The Group performs an impairment review on goodwill annually. The structure of the impairment review is at CGU level.

Trademarks
In July 2008, the Group purchased Kaffe de Oro and Home Pride trademarks amounting to ₱40.0 million from General Milling Corporation (GMC) owned and registered with the Intellectual Property Office.

In 2016, the Group acquired the “KAMAYAN” trademark from Concentrated Foodline Corporation for a total purchase price of USD1.3 million or ₱61.5 million. The deed of assignment for the said trademark was dated August 17, 2016 and the purchase price was paid in full in the same year.

In April 2021, the Group acquired the “Swift” trademark as a result of the acquisition of PMCI (see Note 1).

The Group has not recognized any impairment loss on trademarks in 2023, 2022 and 2021. The carrying value of Swift trademark amounted to ₱423.3 million, net of ₱200.0 million accumulated impairment loss, as of December 31, 2023 and 2022.

Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the asset.

Acquisition of “Ligo” Assets
In March 2022, the Group and CPGI entered into an Asset Purchase Agreement (Agreement) to purchase and acquire the operational assets of A. Tung Chingco Manufacturing Corporation, Dragon Land Holdings Corp., Gold Star Seafoods and their other related parties (collectively “ATCMC Group”). The Agreement involved assets related to the manufacturing of ‘Ligo’ product line up, which is composed of shelf-stable marine products.

The Agreement was accounted for as acquisition of group of assets and the purchase price was allocated to the respective assets based on their relative fair values. The Group recognized the "Ligo" trademark while CPGI recognized the other "Ligo" assets such as land and property, plant and equipment (e. g., buildings, improvements, equipment, machineries, and other fixed assets). The difference between the total trademarks and the amounts associated to trademarks acquired prior to 2022 as discussed above, is the amount attributable to the acquisition cost of "Ligo" trademark, as of December 31, 2023 and 2022.

Licensing Agreement

In 2017, CPFI has acquired the Philippine license for the Hunt's brand from Hunt-Universal Robina Corporation ("HURC").

The licensing agreement shall have an initial term of 25 years subject to renewal of 3 years thereafter subject to the terms of the licensing agreement.

Movements in carrying amounts of the Group's intangible assets arising from the licensing agreement are as follows:

	In thousands	
	2023	2022
Cost -		
Beginning and ending balance	**₱537,896**	₱537,896
Accumulated Depreciation:		
Beginning balance	**114,751**	93,236
Amortization (see Note 22)	**21,515**	21,515
Ending balance	**136,266**	114,751
Carrying Amount	**₱401,630**	₱423,145

In 2023 and 2022, the remaining useful life of the intangible asset acquired is 18.33 years and 19.33 years, respectively.

As at December 31, 2023, 2022 and 2021, royalty fee expense to ConAgra amounted to ₱22.9 million, ₱22.1 million, and ₱21.4 million (see Note 22).

Management believes that there are no impairment indicators on its intangible assets in 2023 and 2022.

Royalties

The Group has royalty agreement with All Market Singapore Inc., with royalty fee of ₱12.7 million, ₱12.9 million, and ₱7.6 million in 2023, 2022 and 2021, respectively. Furthermore, the Group has also trademark licensing agreement with Shakey's Pizza Asia Ventures, Inc., with royalty fees of ₱1.2 million, ₱1.7 million and ₱1.5 million in 2023, 2022 and 2021, respectively (see Note 22).

12. **Right of Use Asset**

	Warehouse	Office Space	Equipment	Plant	Total
Cost					
Balance January 1, 2022	₱1,041,580,148	₱71,508,878	₱422,315,689	₱307,882,468	₱1,843,287,183
Additions	258,429,279	4,564,353	46,530,621	101,697,736	411,221,989
Termination	(89,789,242)	(876,771)	(99,657,337)	−	(190,323,350)
Balance, December 31, 2022	1,210,220,185	75,196,460	369,188,973	409,580,204	2,064,185,822
Additions	**480,155,363**	**9,414,934**	**52,538,363**	**57,178,614**	**599,287,274**
Adjustment	−	−	−	**(51,760,995)**	**(51,760,995)**
Termination	**(220,652,291)**	**(11,177,400)**	**(20,260,526)**	−	**(252,090,217)**
Balance, December 31, 2023	**1,469,723,257**	**73,433,994**	**401,466,810**	**414,997,823**	**2,359,621,884**
Accumulated Depreciation					
Balance January 1, 2022	293,709,064	27,690,541	131,403,881	91,804,476	544,607,962
Depreciation (see Notes 20 and 22)	232,007,430	10,691,399	40,466,612	30,782,389	313,947,830
Termination	(89,789,242)	(876,770)	(95,356,549)	−	(186,022,561)
Balance December 31, 2022	435,927,252	37,505,170	76,513,944	122,586,865	672,533,231
Depreciation (see Notes 20 and 22)	**272,311,967**	**9,960,115**	**43,439,441**	**31,902,977**	**357,614,500**
Adjustments	−	−	**(2,913,629)**	**(11,994,738)**	**(14,908,367)**
Termination	**(146,129,295)**	**(10,867,957)**	**(19,063,604)**	−	**(176,060,856)**
Balance, December 31, 2023	**562,109,924**	**36,597,328**	**97,976,152**	**142,495,104**	**839,178,508**
Carrying Amount December 31, 2023	**₱907,613,333**	**₱36,836,666**	**₱303,490,658**	**₱272,502,719**	**₱1,520,443,376**
Carrying Amount December 31, 2022	₱774,292,933	₱37,691,290	₱292,675,029	₱286,993,339	₱1,391,652,591

Management believes that there are no impairment indicators on its right-of-use assets as at December 31, 2023 and 2022.

Amounts recognized in profit or loss

Amortization charged to cost of goods sold under factory overhead and operating expenses in relation to right of use assets are as follows:

	2023	2022	2021
Cost of goods sold	**₱228,249,090**	₱199,706,445	₱147,389,023
Operating expenses	**109,245,428**	90,855,443	78,474,137
Other expenses	**20,119,982**	23,385,942	9,331,065
Total amortization	**₱357,614,500**	₱313,947,830	₱235,194,225

13. Property, Plant and Equipment

	Land Improvements	Building and Building Improvement	Plant Machinery and Equipment	Office Furniture, Fixtures and Equipment	Laboratory, Tools and Equipment	Transportation and Delivery Equipment	Construction in Progress	Total
Cost								
Balance, January 1, 2022	₱58,146,005	₱3,729,927,670	₱8,556,519,310	₱94,563,169	₱628,229,437	₱166,403,734	₱659,138,288	₱13,892,927,613
Additions	2,700	174,094,520	792,037,057	7,010,066	75,564,837	18,757,350	328,273,340	1,395,739,870
Reclassifications	867,881	92,513,438	392,198,158	1,640,976	21,576,211	2,784,943	(511,581,607)	–
Disposals	–	(1,401,189)	(8,492,389)	(495,250)	(27,645,516)	(12,905,820)	–	(50,940,164)
Balance, December 31, 2022	59,016,586	3,995,134,439	9,732,262,136	102,718,961	697,724,969	175,040,207	475,830,021	15,237,727,319
Additions	**–**	**110,659,974**	**188,429,934**	**6,875,031**	**42,641,539**	**23,860,402**	**1,144,900,693**	**1,517,367,573**
Reclassifications	**722,615**	**169,872,322**	**756,421,742**	**2,464,060**	**12,347,769**	**639,236**	**(942,467,744)**	**–**
Disposals	**–**	**(471,067)**	**(69,575,647)**	**(970,712)**	**(34,029,657)**	**(13,060,833)**	**(180,826)**	**(118,288,742)**
Balance, December 31, 2023	**59,739,201**	**4,275,195,668**	**10,607,538,165**	**111,087,340**	**718,684,620**	**186,479,012**	**678,082,144**	**16,636,806,150**
Accumulated Depreciation and Impairment Losses								
Balance, January 1, 2022	52,210,473	1,101,445,397	3,523,000,480	72,652,920	467,873,002	101,459,494	–	5,318,641,766
Depreciation (see Notes 20 and 22)	1,439,430	217,518,050	837,879,203	11,329,687	78,260,896	22,651,894	–	1,169,079,160
Reclassification	–	(46,098)	(2,312,848)	(136,089)	138,207	2,356,828	–	–
Disposals	–	(886,505)	(7,390,175)	(494,680)	(24,426,783)	(10,611,923)	–	(43,810,066)
Balance, December 31, 2022	53,649,903	1,318,030,844	4,351,176,660	83,351,838	521,845,322	115,856,293	–	6,443,910,860
Depreciation (see Notes 20 and 22)	**1,195,703**	**257,931,450**	**951,635,637**	**11,450,882**	**75,197,021**	**23,669,462**	**–**	**1,321,080,155**
Reclassifications	**–**	**(46,098)**	**(2,312,848)**	**(94,961)**	**(12,063)**	**2,465,970**	**–**	**–**
Disposals	**–**	**(447,389)**	**(65,183,097)**	**(953,777)**	**(32,573,423)**	**(10,190,286)**	**–**	**(109,347,972)**
Others		**937,274**	**63,367**	**(206,642)**	**95,599**	**-**	**-**	**889,598**
Balance, December 31, 2023	**54,845,606**	**1,576,406,081**	**5,235,379,719**	**93,547,340**	**564,552,456**	**131,801,439**	**–**	**7,656,532,641**
Carrying Amounts As at December 31, 2023	**₱4,893,595**	**₱2,698,789,587**	**₱5,372,158,446**	**₱17,540,000**	**₱154,132,164**	**₱54,677,573**	**₱678,082,144**	**₱8,980,273,509**
Carrying Amounts As at December 31, 2022	₱5,366,683	₱2,677,103,595	₱5,381,085,476	₱19,367,123	₱175,879,647	₱59,183,914	₱475,830,021	₱8,793,816,459

Details of depreciation charged to profit or loss are disclosed below:

	2023	2022	2021
Cost of goods sold (see Note 20)	**₱1,261,259,530**	₱1,109,397,202	₱927,408,467
Operating expenses (see Note 22)	**59,811,840**	59,673,172	60,061,937
Other expenses	**8,785**	8,785	27,378,118
	₱1,321,080,155	₱1,169,079,159	₱1,014,848,522

Construction in progress pertains to accumulated costs incurred on the ongoing construction of the Group's new production plant and administration building as part of the Group's expansion program.

The Group recognized gain on sale of certain equipment amounting to ₱9.6 million, ₱0.7 million, and ₱4.2 million in 2023, 2022 and 2021, respectively, as disclosed in Note 21.

Management believes that there are no impairment indicators on its property, plant and equipment as at December 31, 2023 and 2022.

14. Other Noncurrent Assets

	2023	2022
Security deposits (see Note 30)	**₱67,113,179**	₱147,044,018
Deposits on utilities	**33,159,084**	31,985,871
Deposits for containers	**25,932,432**	32,885,250
Revolving funds	**22,938,791**	12,978,180
	₱149,143,486	₱224,893,319

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

Deposits for containers pertain to deposits for borrowed containers from shipping lines which are being used for the delivery of goods/raw materials.

Deposits on utilities pertain to deposits to various utility providers and refundable upon termination of the related utility services.

Revolving funds are provided to the service provider, and this will be refunded upon termination of the related services.

15. Short-Term Loans Payable and Borrowings

Short-term loans

	2023	2022
Balance at beginning of year	**₱4,640,000,000**	₱2,800,000,000
Availments	**5,140,000,000**	5,010,000,000
Payments	**(6,910,000,000)**	(3,170,000,000)
Balance at end of year	**₱2,870,000,000**	₱4,640,000,000

The Group acquired several short-term loans amounting to ₱5,140.0 million and ₱5,010.0 million in 2023 and 2022, respectively, with interest ranging from 4.2 % to 5.7 % per annum in 2023 and 2.10% to 5.70% per annum in 2022.

Interest expense pertaining to short-term loans amounting to ₱214.0 million, ₱94.0 million, and ₱65.0 million was recognized in 2023, 2022 and 2021, respectively.

Long-term Borrowings

	2023	2022
Balance at beginning of year	**₱3,174,213,995**	₱1,991,891,353
Availments	–	1,191,000,000
Payments and amortization	**(9,870,686)**	(8,677,358)
Balance at end of year	**3,164,343,309**	3,174,213,995
Less current portion	**7,360,791**	9,390,325
Noncurrent portion	**₱3,156,982,518**	₱3,164,823,670

In 2023, 2022 and 2021, amortization of debt issue cost amounted to ₱10.2 million, ₱11.3 million and ₱6.8 million, respectively.

The Group has entered into a ₱2.0 billion, ten-year term loan facility with Banco de Oro (BDO) in 2021. The proceeds were used to refinance the existing long-term borrowings.

On March 18, 2022, the Group entered into a ₱1.2 billion, ten-year term loan with Bank of the Philippine Islands (BPI).

Shown below are the details of this long-term borrowing:

	Loan 1	Loan 2	Loan 3
Principal	₱1,000.0 million	₱1,000.0 million	₱1,200.0 million
Date	April 5, 2021	May 5, 2021	March 18, 2022
Interest rate	a. Fixed pricing for the initial five-year period ("5Y initial interest rate"): The higher of (i) 5-year BVAL on the relevant interest settlingdate plus a spread of 0.80% p.a. and (ii) 3.90% p.a. b. Subject to the repricing at the end of the 5th year, at the higher of (i) 5Y interest rate; and (ii) 5-year BVAL rate at the repricing date plus a spread of 0.80% p.a.	a. Fixed pricing for the initial five-year period ("5Y initial interest rate"): 4.04% p.a. b. Subject to the repricing at the end of the 5th year, at the higher of: (i) 5Y interest rate; and (ii) 5-year BVAL at the repricing date plus a spread of 0.80% p.a.	a. From 1Y to 3Y equivalent to the higher of: (1) the 3 day average of the 3-year PHP BVAL + 0.30% spread per annum; and (2) 3.50 per annum b. From 4Y to 6Y equivalent to the higher of: (1) the 3 day average of the 3-year PHP BVAL + 0.50% spread per annum; and (2) 3.50 per annum c. From 7Y to maturity date equivalent to the higher of: (1) the 3 day average of the 4-year PHP BVAL + 0.50% spread per annum; and (2) 3.50 per annum
Prepayment penalty	The Borrower may, subject to the penalty of 3% for Peso Borrowing and 1% for Foreign Borrowing, prepay the Term Loan in part or full together with accrued interest thereof to prepayment date.		
Principal payment	Semi-annual	Semi-annual	Annual

Management has assessed that the interest rate floor on the loans is an embedded derivative which is not for bifurcation since the market rate approximates the floor rate at the transaction date. On the other hand, the prepayment option was assessed as closely related to the loan and thus, was not bifurcated.

Until termination of the facility and payment in full of the loan and all other amounts due hereunder, the Group is required to comply with certain covenants, unless the lender shall otherwise give its prior consent in writing. These include preservation of rights, privileges and franchises, maintenance of adequate books, accounts and records, compliance of all laws, statutes, rules and regulations and promptly provide written notice to the bank of any dispute or unresolved case.

In addition, the Group must not make changes in the character of its business, in its ownership or control or capital stock, not permit any indebtedness to be secured by any lien, not declare dividends upon occurrence of and Event of Default, not sell, lease or transfer substantially all of its assets with any other person, not extend loan to any corporation owned by the Borrower or to any of its directors, not act as guarantor or surety and will not undertake any capital expenditure outside ordinary course of business.

As at December 31, 2023 and 2022, the Group is in compliance with all the debt covenants.

Interest expense pertaining to long-term loans amounted to ₱134.5 million, ₱119.5 million, and ₱88.3 million in 2023, 2022 and 2021, respectively.

Total finance costs incurred on these loans amounted to ₱348.4 million, ₱224.8 million, and ₱153.3 million in 2023, 2022 and 2021, respectively, as presented in the consolidated statements of comprehensive income.

Total accrued interest on these loans amounted to ₱34.3 million and ₱39.4 million as at December 31, 2023 and 2022, respectively, as part of accrued expenses.

16. Trade and Other Payables

	2023	2022
Trade payables to third parties	**₱3,127,867,036**	₱3,339,891,514
Accrued expenses	**6,668,243,477**	5,620,272,133
Withholding taxes payable	**231,587,177**	218,827,436
Non-trade payables	**188,579,757**	341,895,248
Others	**235,965,125**	276,198,693
Total	**₱10,452,242,572**	₱9,797,085,024

The credit period on purchases of certain goods from suppliers ranges from 30 to 120 days. No interest is charged on trade payables. Accrued expenses are non-interest bearing and are normally settled within one year. The Group has financial risk management policies in place to ensure that all payables are paid within the credit period.

Non-trade payables pertain to payables to government and reimbursements to employees which are payable on demand and no interest is charged.

Details of accrued expenses are shown below:

	2023	2022
Product-related costs	**₱3,761,160,000**	₱3,149,755,908
Advertising and promotion	**2,405,600,983**	2,026,964,694
Professional services and other fees	**240,902,389**	257,407,685
Employee benefits	**103,746,146**	44,861,719
Rent	**48,716,605**	51,606,401
Interest (see Note 15)	**34,310,338**	39,423,918
Utilities	**12,336,221**	8,564,641
Others	**61,470,795**	41,687,167
	₱6,668,243,477	₱5,620,272,133

Other payables include liabilities related to utilities, various agencies and regulatory bodies.

17. Retirement Benefit Obligation

The Group has set up the Century Pacific Group of Companies Multiemployer Retirement Plan which is a funded, non- contributory and of the defined benefit type which provides a retirement benefit ranging from 100% to 130% of plan salary for every credited service. Benefits are paid in a lump sum upon retirement or separation in accordance with terms of the plan.

Under the existing regulatory framework, Republic Act (RA) No. 7641, requires a 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 fund.

The Retirement Plan Trustee, as appointed by the Group in the Trust Agreement executed by the Group and the duly appointed Retirement Plan Trustee, is responsible for the general administration of the retirement plan and the management of the retirement plan.

As at December 31, 2023, 2022 and 2021, the Group's retirement fund has investments in various shares of stocks under the stewardship of a reputable bank. All of the Fund's investing decisions are made by the Board of Trustees which is composed of certain officers of the Group. The power to exercise the voting rights rests with the Board of Trustees.

The plan typically exposes the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary rate risk.

Investment risk
The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan's investments are in the form of debt instruments of government security bonds, equity instruments and fixed income instruments. Due to the long-term nature of the plan liabilities, the board of the pension fund considers it appropriate that a reasonable portion of the plan assets should be invested in government security bonds.

Interest rate risk
A decrease in the government security bond interest rate will increase the retirement benefit plan obligation. However, this will be partially offset by an increase in return on the plan's debt investment.

Longevity risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the retirement benefit obligation.

Salary rate risk
The present value of the defined benefit plan obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the retirement benefit obligation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out by an independent actuary for the year ended December 31, 2023.

The present value of the defined benefit obligation and the related current service cost was measured using the Projected Unit Credit Method.

The principal assumptions used in determining retirement benefit costs as at January 1, 2023, 2022 and 2021 were as follows:

	2023		2022		2021	
	Discount Rate	**Expected Rate of Salary Increase**	Discount Rate	Expected Rate of Salary Increase	Discount Rate	Expected Rate of Salary Increase
CPFI	**7.32%**	**6.00%**	3.95%	6.00%	5.24%	4.00%
GTC	**7.35%**	**6.00%**	3.95%	6.00%	5.24%	4.00%
CPAVI	**7.38%**	**6.00%**	3.95%	6.00%	5.24%	4.00%
PMCI	**7.39%**	**6.00%**	–	–	–	–
SMDC	–	–	–	–	5.24%	4.00%

The discount rates and salary increase rates used in determining the retirement benefit obligation as of December 31, 2023 are 6.14% to 6.18% and 6%, respectively.

The mortality rate used for the above subsidiaries is based on The 2001 CSO Table – Generational (Scale AA, Society of Actuaries).

Amounts recognized in the consolidated statements of comprehensive income in respect of this retirement benefit plan are as follows:

	2023	2022	2021
Service costs:			
Current service cost and others	**₱91,006,537**	₱114,263,425	₱120,557,846
Net interest expense	**13,911,211**	22,392,637	33,551,212
Components of defined benefit costs recognized in profit or loss	**104,917,748**	136,656,062	154,109,058
Remeasurement on the net defined benefit asset:			
Loss on plan assets (excluding amounts included in net interest expense)	**15,101,625**	62,505,072	41,958,949
Effect of asset ceiling	**942,623**	2,341,551	–

(Forward)

	2023	2022	2021
Actuarial (gains) losses from:			
Changes in financial assumption	**₱124,611,401**	(₱234,457,464)	(₱147,661,400)
Changes in experience adjustment	**(13,428,339)**	(32,512,637)	9,895,495
Components of defined benefit costs recognized in other comprehensive income	**127,227,310**	(202,123,478)	(95,806,956)
	₱232,145,058	(₱65,467,416)	₱58,302,102

The amounts included in the consolidated statements of financial position arising from the Group's retirement benefit plans are as follows:

Net Retirement Asset

	2023	2022
Fair value of plan assets	**₱22,448,959**	₱15,052,242
Present value of retirement benefit obligation	**(7,955,057)**	(5,582,272)
Effect of the asset ceiling	**(3,457,215)**	(2,341,551)
Retirement asset - net	**₱11,036,687**	₱7,128,419

Net Retirement Obligation

	2023	2022
Present value of retirement benefit obligation	**₱1,057,154,200**	₱822,933,356
Fair value of plan assets	**(726,715,717)**	(550,054,859)
Retirement benefit obligation - net	**₱330,438,483**	₱272,878,497

The Asset Ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the Plan. The present value of the reduction in future contributions is determined using the discount rate applied to measure the year-end defined benefit obligation.

Movements in the present value of retirement benefit obligations are as follows:

	2023	2022
Balance, January 1	**₱828,515,628**	₱976,188,800
Current service cost	**91,006,537**	114,092,161
Interest cost	**60,692,502**	49,433,648
Benefits paid	**(26,288,472)**	(44,228,880)
Remeasurement loss (gain) from:		
Changes in financial assumption	**124,611,401**	(234,457,464)
Changes in experience adjustment	**(13,428,339)**	(32,512,637)
Balance, December 31	**₱1,065,109,257**	₱828,515,628

Movements in the fair value of plan assets are as follows:

	2023	2022
Balance, January 1	**₱562,765,550**	₱467,241,010
Contributions paid into the plan	**177,559,032**	177,559,032
Benefits paid	**(26,288,472)**	(44,228,880)
Interest income	**46,954,331**	27,041,011
Return on plan assets (excluding amounts included in net interest expense/income)	**(14,167,317)**	(62,505,072)
Others	**(1,115,663)**	2,341,551
Balance, December 31	**₱745,707,461**	₱567,448,652

The following is the composition of plan assets as at the December 31, 2023 and 2022:

	2023	2022
Cash and cash equivalents	**₱299,666**	₱35,714,769
Debt instruments - government bonds	**554,981,191**	315,386,273
Debt instruments - other bonds	**70,646,229**	61,314,120
Unit investment trust funds	**131,927,899**	152,212,518
Others	**(8,690,309)**	479,421
	₱749,164,676	₱565,107,101

The Retirement Trust Fund assets are valued by the fund manager at fair value using the mark-to-market valuation. While no significant changes in asset allocation are expected in the next financial year, the Retirement Plan Trustee may make changes at any time.

The Retirement Plan Trustee has no specific matching strategy between the plan assets and the plan liabilities.

Management is not required to pre-fund the future defined benefits payable under the Retirement Plan before they become due. For this reason, the amount and timing of contributions to the Retirement Fund to support the defined benefits are at the management's discretion. However, in the event a defined benefit claim arises and the Retirement Fund is insufficient to pay the claim, the shortfall will then be due and payable from the Group to the Retirement Fund.

Actual return on plan assets as at December 31, 2023 and 2022 are as follows:

	2023	2022
Interest income	**₱46,954,331**	₱27,041,011
Remeasurement loss	**(14,167,317)**	(62,505,072)
Actual return	**₱32,787,014**	(₱35,464,061)

Movements in the OCI relating to retirement obligation for 2023, 2022 and 2021 are as follows:

	2023	2022	2021
Accumulated OCI, beginning	**₱295,432,716**	₱497,556,194	₱593,363,150
Actuarial losses (gains) on DBO	**111,183,062**	(266,970,101)	(137,765,905)
Remeasurement losses on plan assets	**14,167,317**	62,505,072	41,958,949
Effect of asset ceiling	**942,623**	2,341,551	–
	126,293,002	(202,123,478)	(95,806,956)
Accumulated OCI, end	**₱421,725,718**	₱295,432,716	₱497,556,194

Amounts of OCI, net of tax recognized in the consolidated statements of comprehensive income for 2023, 2022 and 2021 are computed below:

	2023	2022	2021
Actuarial losses (gains) on DBO	**₱111,183,062**	(₱266,970,101)	(₱137,765,905)
Remeasurement losses on plan assets	**14,167,677**	62,505,072	41,958,949
Effect of asset ceiling	**942,263**	2,341,551	–
	126,293,002	(202,123,478)	(95,806,956)
Effect of CREATE law	**–**	–	23,399,092
Deferred tax	**(26,296,679)**	40,514,925	18,572,359
OCI, net of tax	**₱99,996,323**	(₱161,608,553)	(₱53,835,505)

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Details on the expected contribution to the defined benefit pension plan in 2023 and the weighted average duration of the defined benefit obligation at the end of the reporting period of the Group are as follows:

	Expected contribution	Duration of the plan (in years)
CPFI	₱142,384,368	10.4
PMCI	5,712,336	17.3
GTC	16,171,860	13.4
CPAVI	13,290,468	17.2

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as at December 31, 2023 and 2022:

		Impact on post-employment defined benefit obligation	
	Change in basis points (bp)	Increase in Assumption	Decrease in Assumption
2023			
CPFI			
Discount rate	+/- 100bp	**(₱87,312,845)**	**₱103,528,491**
Salary increase rate	+/- 100bp	**102,622,136**	**(88,183,630)**
PMCI			
Discount rate	+/- 100bp	**(1,223,301)**	**1,525,209**
Salary increase rate	+/- 100bp	**1,512,170**	**(1,235,605)**
GTC			
Discount rate	+/- 100bp	**(10,516,687)**	**12,596,475**
Salary increase rate	+/- 100bp	**12,486,962**	**(10,621,918)**
CPAVI			
Discount rate	+/- 100bp	**(7,834,951)**	**9,846,786**
Salary increase rate	+/- 100bp	**9,762,257**	**(7,913,425)**
2022			
CPFI			
Discount rate	+/- 100bp	(₱63,877,730)	₱75,143,388
Salary increase rate	+/- 100bp	75,387,431	(65,178,286)
PMCI			
Discount rate	+/- 100bp	(867,703)	1,085,794
Salary increase rate	+/- 100bp	1,090,225	(885,325)
GTC			
Discount rate	+/- 100bp	(8,216,688)	9,803,253
Salary increase rate	+/- 100bp	9,838,325	(8,384,846)
CPAVI			
Discount rate	+/- 100bp	(4,924,694)	6,150,718
Salary increase rate	+/- 100bp	6,175,159	(5,024,369)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the consolidated statements of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

18. **Equity**

Share capital

	2023		2022	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorized:				
At P1 par value	6,000,000,000	₱6,000,000,000	6,000,000,000	₱6,000,000,000
Issued, fully-paid and outstanding:				
Balance, January 1 and December 31	**3,542,258,595**	**₱3,542,258,595**	3,542,258,595	₱3,542,258,595

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

Share premium as at December 31, 2023 and 2022 amounted to ₱4,936.9 million which pertains to the excess proceeds from issuance of share capital over the par value, net of issuance cost.

The history of the share issuances from the initial public offering IPO of the Parent Company is as follows:

Transaction	Subscriber	Registration	Number of SharesIssued
Issuance at incorporation	Various	2013	1,500,000,000
IPO	Various	2014	229,650,000
Issuance subsequent to IPO	Various	2014	500,004,404
Equity settled share-based compensation	Various	2014	1,367,200
Issuance	Various	2015	128,205,129
Equity-settled share-based compensation	Various	2015	1,059,200
Stock grants	Various	2015	400,000
Stock dividends	Various	2016	1,180,342,962
Equity-settled share-based compensation	Various	2017	1,229,700
			3,542,258,595

On December 21, 2022, the BOD authorized to appropriate retained earnings for capital expenditures, which is expected to be completed in 2023, specifically for the construction of a new tuna plant, corporate projects, and other projects in connection with the canned meat, sardines, and mixed business of the Parent Company and its subsidiaries. Appropriations as at December 31, 2023 and 2022 are as follows:

	2023	2022
CPFI	**₱12,500,000,000**	₱4,236,038,578
CPAVI	**1,500,000,000**	1,500,000,000
CPFPVI	**1,200,000,000**	1,200,000,000
GTC	**1,500,000,000**	1,500,000,000
AWI	**300,000,000**	300,000,000
Balance, December 31	**₱17,000,000,000**	₱8,736,038,578

Appropriations in 2022 was reversed upon completion of the project in 2023. In 2023, the appropriations pertains to the 2024 capital expenditures.

Retained earnings
Retained earnings include the accumulated equity in undistributed net earnings of consolidated subsidiaries amounting to ₱2,159 million, and ₱2,165 million as of December 31, 2023 and 2022, respectively, which are not available for dividend declaration by the Parent Company until these are declared by the investee companies. The Group's retained earnings as of December 31, 2023 and 2022 also includes gain on acquisition of a subsidiary amounting to ₱41.1 million which is not available for dividend declaration (see Note 27).

19. **Net Sales**

	2023	2022	2021
Sales	**₱75,501,039,370**	₱70,042,486,406	₱61,593,444,681
Less:			
Sales discount	**(4,276,245,186)**	(3,958,461,644)	(3,532,113,523)
Variable considerations	**(1,641,289,779)**	(1,398,228,397)	(1,362,905,020)
Considerations payable to a customer	**(2,459,160,786)**	(2,426,876,121)	(1,988,270,884)
	₱67,124,343,619	₱62,258,920,244	₱54,710,155,254

Details of the variable considerations and considerations payable to a customer are shown below:

	2023	2022	2021
Variable considerations:			
Sales returns	**₱964,552,411**	₱744,697,145	₱740,198,406
Contractual trade terms	**570,344,823**	505,219,931	409,709,929
Price adjustments	**45,387,887**	65,768,579	121,086,657
Prompt payment discount	**61,004,658**	82,542,742	91,910,028
	₱1,641,289,779	₱1,398,228,397	₱1,362,905,020
Considerations payable to a customer:			
Trade promotions	**₱1,792,430,785**	₱1,825,911,087	₱1,735,434,869
Display allowance	**342,561,146**	330,825,119	122,906,442
Distribution program	**313,602,864**	244,367,265	59,170,603
Other trade promotions	**10,565,991**	25,772,650	70,758,970
	₱2,459,160,786	₱2,426,876,121	₱1,988,270,884

20. Cost of Goods Sold

	2023	2022	2021
Raw materials used	**₱43,225,135,541**	₱42,766,124,375	₱35,095,974,527
Direct labor outsourced	**1,881,864,209**	1,765,680,166	1,635,100,260
Direct labor directly employed	**222,059,016**	208,349,358	192,940,996
Factory overhead			
Depreciation (see Notes 12 and 13)	**1,489,508,620**	1,309,010,330	1,074,797,490
Supplies	**1,434,785,116**	1,597,996,728	1,070,027,368
Outside manpower services	**700,934,409**	663,733,986	697,640,273
Compensation (see Note 17)	**672,937,061**	599,684,245	465,360,335
Utilities	**582,966,076**	640,974,024	535,815,072
Rental and storage fee	**466,675,500**	361,301,467	411,520,725
Toll packing fees	**181,307,627**	30,735,150	92,326,997
Repairs and maintenance	**126,799,309**	80,870,838	115,506,372
Insurance	**99,612,112**	68,008,936	91,435,125
Travel	**52,747,665**	35,966,704	23,086,055
Freight trucking	**44,954,007**	43,083,232	31,979,216
Professional fees	**32,487,638**	32,052,328	26,480,866
Provisions for slow moving inventories (see Note 9)	**49,320,978**	150,500,847	127,240,765
Taxes and licenses	**18,326,703**	11,302,794	13,574,333
Miscellaneous	**169,393,741**	69,341,313	69,418,870
Total manufacturing cost	**51,451,815,328**	50,434,716,821	41,770,225,645
Changes in finished goods and work in-process	**(460,505,901)**	(2,549,554,189)	188,132,614
	₱50,987,309,427	₱47,885,162,632	₱41,958,358,259

21. Other Income

	2023	2022	2021
Reversal of accruals	**₱249,744,829**	₱121,704,066	₱107,629,495
Gain from sale of scrap	**152,731,941**	144,182,612	79,394,940
Charges to suppliers	**25,375,957**	45,932,957	–
Service income (see Note 25)	**19,836,443**	8,062,094	14,827,894
Gain on sale of property, plant and equipment	**9,645,804**	746,662	4,166,459
Shared services fee (see Note 25)	**2,473,380**	–	4,119,686
Foreign currency gain -net	–	409,288,365	118,867,076
Recovery from insurance	–	62,712,630	–
Reversal of allowance for inventory obsolescence (see Note 9)	–	–	126,276,220
Gain on bargain purchase (see Note 36)	–	–	41,071,822
Co-packing fee	–	–	27,960,019
Others	**27,771,723**	43,723,944	27,115,337
	₱487,580,077	₱836,353,330	₱551,428,948

22. **Operating Expenses**

	2023	2022	2021
Advertising and trade promotion	**₱2,560,375,760**	₱2,247,386,603	₱2,073,734,006
Freight and handling	**2,413,553,479**	2,329,478,038	1,970,418,570
Salaries and employee benefits (see Note 26)	**1,921,941,192**	1,829,157,265	1,623,403,959
Legal and professional fees	**450,912,166**	637,342,063	213,065,207
Outside services	**342,875,410**	233,455,306	203,277,889
Taxes and licenses	**216,968,038**	216,267,737	228,223,739
Rent (see Note 30)	**216,877,274**	189,455,114	122,411,520
Repairs and maintenance	**200,610,734**	142,919,276	121,466,767
Depreciation and amortization (see Notes 11, 12, and 13)	**190,573,107**	172,044,455	160,051,913
Travel and entertainment	**187,926,242**	153,378,858	129,021,492
Provision for ECLs (see Note 8)	**95,696,427**	67,794,642	–
Utilities	**83,604,188**	69,207,595	28,356,286
Supplies	**77,269,607**	63,692,264	66,171,978
Insurance	**65,639,786**	31,130,495	21,593,081
Fees and dues	**47,536,911**	41,127,735	38,490,203
Royalties (see Note 11)	**36,881,501**	36,806,126	30,537,456
Provisions for slow moving inventories (see Note 9)	**20,990,073**	5,580,002	4,723,029
Others	**108,348,157**	247,658,175	29,254,791
	₱9,238,580,052	₱8,713,881,749	₱7,064,201,886

23. **Other Expenses**

	2023	2022	2021
Penalties and other taxes	**₱121,459,352**	₱199,179,391	₱18,065,268
Provision on loss on inventory write-down (see Note 9)	**82,517,487**	89,333,205	–
Inventories written-off	**77,567,520**	–	220,130,994
Foreign currency loss - net	**45,741,819**	–	–
Reimbursables	**45,148,229**	9,139,115	17,110,689
Rent (see Note 30)	**23,318,126**	25,897,447	12,072,389
Documentary stamp tax	**16,520,153**	36,433,970	24,002,187
Input tax for government and exempt sales	**15,974,935**	28,042,057	7,936,764
Bank charges	**8,787,883**	6,767,595	8,605,373
Provision on impairment of input tax (see Note 10)	**–**	–	31,047,893
Others	**16,998,128**	17,204,625	41,603,608
	₱454,033,632	₱411,997,405	₱380,575,165

24. Employee Benefits

Aggregate employee benefits expense comprised of:

	2023	2022	2021
Cost of goods sold:			
Short-term benefits	**₱861,830,333**	₱779,178,842	₱636,356,443
Post-employment benefits (see Note 17)	**33,165,742**	28,854,761	21,944,888
	894,996,075	808,033,603	658,301,331
Operating expenses:			
Short-term benefits	**1,850,189,186**	1,720,435,028	1,503,209,482
Post-employment benefits (see Note 17)	**71,752,006**	108,722,237	120,194,477
	1,921,941,192	1,829,157,265	1,623,403,959
	₱ 2,816,937,267	₱ 2,637,190,868	₱ 2,281,705,290

25. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These include: (a) enterprises or individuals owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Group; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual.

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

	Relationship
Century Pacific Group, Inc. (CPGI)	Ultimate Parent Company
Yoshinoya Century Pacific, Inc. (YCPI)	Fellow subsidiary
Century Pacific Vietnam Co., Ltd. (CPVL)	Fellow subsidiary
Century Pacific Group RSPO Foundation Inc.	Related Party under common ownership
Rian Realty Corporation (RRC)	Fellow subsidiary
Pacifica Agro Industrial Corp. (PAIC)	Fellow subsidiary
Millennium Land Development Corporation (MLDC)	Fellow subsidiary
Shining Ray Limited (SRL)	Fellow subsidiary
Pacifica Homes Development Corporation (PHDC)	Fellow subsidiary
Pacific Pabahay Homes, Inc. (PPHI)	Fellow subsidiary
Centrobless Corp. (CBC)	Fellow subsidiary
Shakey's Asia Foods, Holding Inc. (SAFHI)	Fellow subsidiary
DBE Project Inc. (DPI)	Fellow subsidiary
Shakey's Pizza Asia Ventures, Inc. (SPAVI)	Fellow subsidiary
Bakemasters, Inc. (BMI)	Fellow subsidiary
Shakey’s Pizza Commerce, Inc. (SPCI)	Fellow subsidiary
Wow Brand Holdings, Inc. (WBHI)	Fellow subsidiary
World Stage International Network	Related Party under common ownership
Hopex Environment Group Inc.	Related Party under common ownership
Generationhope Inc.	Related Party under common ownership

The summary of the Group's transactions and outstanding balances with related parties as at and for the years ended December 31, 2023 and 2022 are as follows:

	Amount of Transactions During the Year			Outstanding Receivable (Payable)	
Related Party Category	**2023**	2022	2021	**2023**	2022
Ultimate Parent Company					
Service fee (Note c)	**₱7,817,011**	₱921,331	₱160,416	**₱8,079,465**	₱28,741
Interest	**–**	–	250,000	**–**	–
Cost reimbursements (Note c)	**27,532**	126,093	18,015,364	**–**	–
Rental expense (Note g)	**75,775,843**	70,902,313	68,954,185	**(7,760,457)**	(5,231,197)
Dividends (Note 29)	**892,560,000**	803,304,000	803,304,000	**–**	–
Miscellaneous deposit (Note g)	**–**	–	–	**18,681,880**	18,324,508
Cash advance (Note f)	**–**	–	300,000,000		
Fellow Subsidiaries & Associates					
Shared services fee (Note d)	**2,473,380**	–	4,119,686	**508,556**	–
Sale of inventories (Note a)	**340,119,571**	294,229,875	245,506,197	**222,325,111**	176,010,744
Purchase of inventories (Note b)	**9,634,237**	4,810,448	32,623,226	**(15,261,099)**	(16,422,446)
Service fee (Note c)	**8,653,155**	7,140,763	14,667,478	**8,190,250**	2,235,003
Purchase of service	**19,359,800**	–	–	**–**	–
Cost reimbursements (Note c)	**70,436,733**	74,665,655	67,850,087	**(6,856,779)**	(4,265,194)
Rental expense (Note g)	**7,487,544**	3,407,722	3,250,787	**(667,640)**	–
Miscellaneous deposit (Note g)	**–**	–	–	**849,149**	849,150
Royalty fee	**1,183,446**	1,747,904	–	**–**	–
Sale of property, plant and equipment (Note e)	**–**	–	5,255,487	**–**	–
Due from Related Parties				**₱258,634,411**	₱197,448,146
Due to Related Parties				**(₱30,545,975)**	(₱25,918,837)

Terms and conditions of transactions with related parties
Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. As at December 31, 2023 and 2022, no related party has recognized any impairment losses of receivables relating to amounts advanced to another related party. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

a. The Parent Company enters into sale transactions with its ultimate consolidated and fellow subsidiaries for the distribution of products to certain areas where management deems it necessary to establish customers.

b. The Parent Company purchases goods from its related parties. These purchase transactions are pass through transactions, hence, they were made without mark-up.

c. The Parent Company shares cost with its related parties relating to repairs and maintenance, supplies, fees and dues, utilities and other operating expenses. Service fee from related parties amounted to ₱11.7 million, ₱8.1 million, and ₱14.8 million in 2023, 2022 and 2021, respectively, as disclosed in Note 23. Shared cost reimbursement from related parties amounted to ₱70.5 million, ₱74.8 million, and ₱85.9 million in 2023, 2022 and 2021, respectively.

d. The Parent Company entered into a Master Service Agreement (MSA) with related parties to provide corporate office services. In accordance with the terms of the MSA, the Parent Company provides management service for manpower, training and development. For and in consideration thereof, the Parent Company shall charge the related parties their share of the costs on a monthly basis for the services rendered.

   The MSA shall be in effect from date of execution and shall automatically renew on a month-to-month basis, unless terminated by either party through the issuance of a written advice to that effect at least 30 days prior to the intended date of termination.

   Shared services fee amounted to ₱2.5 million, nil, and ₱4.1 million in 2023, 2022 and 2021, respectively, which is included in other income account in the consolidated statements of comprehensive income as shown in Note 21.

e. The Group entered into sale of property, plant and equipment in 2021 to RSPO for ₱ 172,000, MLDC for ₱5,052,533 and PMCI for ₱30,594 and in 2020 to PMCI for ₱ 774,719 and PPHI for ₱19,976 in 2019. All property, plant and equipment are sold at carrying value.

f. The Group, in the normal course of business, borrowed from its Ultimate the Parent Company funds for working capital requirements. These advances are non-interest bearing and short-term in nature.

g. In 2023, 2022 and 2021, the Group has a lease agreement with CPGI and RRC for the use of land, warehouses and office space as a lessee (see Notes 12 and 30).

Remuneration of Key Management Personnel
The remuneration of key management personnel of the Group are set out below in aggregate for each of the categories specified in PAS 24, *Related Party Disclosures*:

	2023	2022	2021
Short-term employee benefits	**₱308,208,402**	₱280,495,656	₱247,567,129
Post-employment benefit	**47,579,075**	37,738,693	17,433,729
	₱355,787,477	₱318,234,349	₱265,000,858

The short-term employee benefits of the key management personnel are included as part of compensation and other benefits in the consolidated statements of comprehensive income.

The Group has provided share-based payments to its key management employees for the years ended December 31, 2023 and 2022 as disclosed in Note 26. There are no declared availments in 2023 and 2022.

26. Share-Based Payments

Employee Stock Purchase Plan (ESPP)
The ESPP gives benefit-eligible employees an opportunity to purchase the common shares of the Parent Company at a price lower than the fair market value of the stock at grant date. The benefit-eligible employee must be a regular employee of the Parent Company who possesses a strong performance record. The benefit-eligible employee shall be given the option to subscribe or purchase up to a specified number of shares at a specified option price set forth in which they have the option to participate or not. There are designated ESPP purchase periods and an employee may elect to contribute an allowable percentage of the base pay through salary deduction.

The plan took effect upon the shareholder's approval on September 26, 2014 and was approved by the SEC on December 19, 2014.

On June 3, 2015, the Parent Company's BOD authorized to amend the existing ESPP to increase the underlying shares from 3,269,245 shares to 8,269,245 shares and was approved by the SEC on May 31, 2016.

The number of options granted is calculated in accordance with the performance-based formula approved by shareholders at the previous annual general meeting and is subject to approval by the remuneration committee.

As at December 31, 2023 and 2022, the aggregate number of shares that may be granted to any single individual during the term of the ESPP in the form of stock purchase plans shall be determined in the following capping of shares as follows:

Level	Maximum Shares Allocated
Vice-President or Board members	40,000
Assistant Vice-Presidents	18,333
Managers	6,000
Supervisor	2,500
Rank and File	1,250
	68,083

Details of the share options outstanding during the year are as follows.

	2023		2022	
	Number of share options	**Weighted average exercise price in PHP**	Number of share options	Weighted average exercise price in PHP
Outstanding at beginning and end of year	4,213,145	₱14.41	4,213,145	₱14.41
Exercisable at the end of the year	4,213,145		4,213,145	

Of the total shares available under the ESPP, employees subscribed to 1,229,700 shares at ₱14.10 per share, 400,000 at ₱16.54 per share, 1,059,200 shares at ₱14.82 per share and 1,367,200 shares at ₱13.75 per share for a total of ₱17.3 million, ₱6.6 million, ₱15.7 million and ₱18,8 million in 2017, 2016, 2015 and 2014. There were no share options offered for purchase or subscription from the management in 2023, 2022, and 2021. Accordingly, the share options have no expiry if the employee is eligible and will exercise the right to purchase or subscribe specified number of shares at a specified option price once offer is available.

27. Dividends

The Parent Company declared the following cash dividends to its equity shareholders:

Year	Date of Declaration	Date of Record	Date of Payment	Dividends Per Share	Total Dividends
2023	**February 20, 2023**	**March 20, 2023**	**April 4, 2023**	**₱0.40**	**₱1,416,903,438**
2022	June 30, 2022	July 29, 2022	August 15,2022	0.36	1,275,213,094
2021	April 6, 2021	April 12, 2021	May 6, 2021	0.36	1,275,213,094
2020	June 30, 2020	July 30, 2020	August 14, 2020	0.36	1,275,213,094

Of the total cash dividend declared, the dividends paid to CPGI in 2023 and 2022 amounted to ₱892.6 million and ₱803.3 million respectively.

28. Earnings Per Share

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

	2023	2022	2021
Profit for the year (a)	**₱5,579,159,560**	₱4,999,168,825	₱4,673,016,414
Weighted average number of common shares (b)	**3,542,258,595**	3,542,258,595	3,542,258,595
Weighted average number of share options granted (c)	**4,213,145**	4,213,145	4,213,145
Basic earnings per share (a)/(b)	**₱1.5750**	₱1.4113	₱1.3192
Diluted earnings per share (a)/[(b)+(c)]	**₱1.5732**	₱1.4096	₱1.3177

29. Commitments and Contingencies

Credit Facilities
The credit facilities of the Group with several major banks are basically short-term omnibus lines intended for working capital use. Included in these omnibus bank lines are revolving promissory note line, import letters of credit and trust receipts line, export packing credit line, domestic and foreign bills purchase line, and foreign exchange line.

The credit facilities extended to the Group as at December 31, 2023 included a surety provision where loans obtained by the Group and its related parties, CPGI and PMCI, are covered by cross-corporate guarantees. As at December 31, 2023, the total credit line facility amounted to ₱13.5 billion of which ₱6.0 billion is already used, as disclosed in Note 15.

Capital Commitments
As at December 31, 2023 and 2022, the Group has construction-in progress relating to its ongoing civil works and installation of new machinery and equipment as part of the plant expansion and upgrade of the Group. The construction is expected to be completed in 2023 and has remaining estimated costs to complete as follows:

	2023	2022
CPAVI	**₱62,043,890**	₱258,456,975
CPFI	**251,856,652**	165,841,072
GTC	**11,187,111**	17,158,543
	₱325,087,653	₱441,456,590

The Group shall finance the remaining estimated costs from internally generated cash from operations.

Contingencies
As at April 10, 2024, there are legal claims against the Group which have not yet been resolved. In the opinion of management and the Group's outside legal counsel, the ultimate resolution of these claims will not have a material effect on the Group's financial position and financial performance.

30. Lease Agreements the Group as a Lessee

The Group leased land, building, warehouses, office spaces, plant and equipment with an average lease term of 1 to 10 years. The Group has options to purchase the equipment for a nominal amount at the end of the lease terms.

Rental expenses charged to cost of goods sold under factory overhead and operating expenses in relation to short-term and low value leases are recognized as follows:

	2023	2022	2021
Rental expenses lodged under:			
Cost of goods sold (see Note 20)	**₱255,307,365**	₱203,792,048	₱172,920,475
Operating expenses (see Note 22)	**216,877,274**	189,455,114	122,411,520
Other expenses (see Note 23)	**23,318,126**	25,897,447	12,072,389
	₱495,502,765	₱419,144,609	₱307,404,384

The lease liabilities of the Group in relation to the right of use assets recorded in accordance to PFRS 16 based on undiscounted cash flows fall due as follows:

	2023	2022
Within one year	**₱408,489,413**	₱358,672,509
More than 1 year to 2 years	**345,703,835**	289,327,161
More than 2 years to 3 years	**264,231,327**	219,106,347
More than 3 years to 4 years	**223,131,298**	179,701,171
More than 4 years to 5 years	**149,435,383**	141,185,550
More than 5 years	**916,758,824**	844,131,351
	₱2,307,750,080	₱2,032,124,089

Presented in the consolidated statements of financial position as:

	2023	2022
Current	**₱297,536,128**	₱293,030,338
Noncurrent	**1,402,955,848**	1,248,956,896
	₱1,700,491,976	₱1,541,987,234

The rollforward analysis of lease liabilities follows:

	2023	2022
Balance at beginning of year	**₱1,541,987,234**	₱1,411,838,675
Additions	**599,287,274**	411,221,989
Lease modification and pre-terminations	**(138,515,825)**	(4,300,789)
Interest expenses	**125,312,018**	90,364,260
Payments	**(427,578,725)**	(367,136,901)
Balance at end of year	**₱1,700,491,976**	₱1,541,987,234

Interest rates underlying all obligations are fixed at respective contract dates ranging from 6.00% to 8.26% and 3.125% to 8.88% in 2023 and 2022, respectively. Total finance cost for these leases was included as part of finance costs presented in the consolidated statements of comprehensive income.

As at December 31, 2023 and 2022, total security deposits recognized in the consolidated statements of financial position as part of noncurrent assets amounted to ₱67.1 million and ₱147.0 million, respectively (see Note 14).

31. Income Taxes

Components of income tax expense charged to profit or loss are as follows:

	2023	2022	2021
Current tax expense	**₱1,081,522,339**	₱981,492,487	₱745,476,750
Deferred tax expense (benefit) (see Note 32)	**(134,250,862)**	(203,104,533)	149,420,870
	₱947,271,477	₱778,387,954	₱894,897,620

The reconciliation of the provision for income tax computed by applying the statutory tax rate with the provision for income tax as shown in the consolidated statements of comprehensive income follows:

	2023	2022	2021
Tax on pretax income at statutory tax rate	**₱1,631,607,759**	₱1,444,389,195	₱1,391,978,509
Tax effects of:			
Effects of using OSD instead of itemized deductions	**(310,615,659)**	(305,508,673)	(235,080,123)
Income under income tax holiday	**(303,344,008)**	(293,206,308)	(254,421,316)
Income subject to lower tax rates	**(238,091,161)**	(276,699,903)	(226,263,007)
Non-deductible expenses	**202,849,867**	218,509,394	192,848,077
Interest income subject to final tax	**(15,937,602)**	(1,768,693)	(944,301)
Effects of previously unrecognized deferred tax asset	**(12,481,995)**	(4,500,000)	43,193,910
Nontaxable income	**(6,715,724)**	(2,827,058)	(4,445,209)
Adjustment on the effect of CREATE	**–**	–	(11,968,920)
	₱947,271,477	₱778,387,954	₱894,897,620

32. **Deferred Taxes**

Net deferred tax assets as at December 31, 2023 and 2022 comprise the following:

	2023	2022
Deferred tax assets	**₱1,314,855,052**	₱1,154,580,375
Deferred tax liabilities	**(436,563,690)**	(436,017,446)
	₱878,291,362	₱718,562,929

The components of the Group's net deferred tax assets (liabilities) are as follows:

	2023	2022
Deferred tax assets:		
Provisions	**₱500,987,919**	₱451,315,896
Lease liabilities	**469,855,557**	460,977,178
Allowance for write-down of inventory	**148,640,710**	120,125,861
Post-employment benefit obligation	**115,056,865**	92,192,621
NOLCO	**54,322,371**	16,763,076
Allowance for doubtful accounts	**12,056,124**	6,552,492
MCIT	**10,143,113**	4,701,430
Unrealized foreign currency loss	**2,706,566**	1,951,821
Others	**1,085,827**	–
	₱1,314,855,052	₱1,154,580,375

(Forward)

	2023	2022
Deferred tax liabilities:		
Right of use asset	**(₱419,191,791)**	(₱417,254,776)
Gain in changes in fair value	**(17,019,216)**	(17,019,216)
Unrealized foreign exchange gain	**(352,683)**	(296,953)
Debt issuance cost	**–**	(1,446,501)
	(436,563,690)	(436,017,446)
	₱878,291,362	₱718,562,929

NOLCO that can be applied against future taxable income is as follows:

Year Incurred	Expiration	Amount	Applied in Previous Year/s	Expired	Applied in Current Year	Unapplied
2020	2025	₱435,791	₱–	₱–	₱–	₱435,791
2021	2026	107,152,955	–	–	–	107,152,955
2022	2025	142,996,600	–	–	–	142,996,600
2023	2026	128,774,142	–	–	(16,325,471)	112,448,671
		₱379,359,488	(₱-)	₱–	(₱16,325,471)	₱363,034,017

The MCIT that can be applied against future RCIT is as follows:

Year Incurred	Expiration	Amount	Applied in Previous Year/s	Expired	Applied in Current Year	Unapplied
2023	2026	₱4,990,211	₱–	₱–	₱–	₱4,990,211
2022	2025	2,412,935	–	–	–	2,412,935
2021	2024	2,288,495	–	–	–	2,288,495
2020	2023	1,093,964	–	(1,093,964)	–	–
		₱10,785,605	₱–	₱1,093,964)	₱–	₱9,691,641

The Group has unrecognized deferred tax asset on NOLCO amounting to ₱140.8 million incurred in 2022 and 2021.

33. Fair Value of Financial Instruments

As of December 31, 2023 and 2022, the carrying amounts approximate the fair values for the Group's financial assets and liabilities due to its short-term maturities except as follows:

	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Liability for which fair value is disclosed-				
Borrowings	**₱6,034,343,309**	**₱5,318,976,084**	₱7,814,213,995	₱6,892,812,472

The fair value of borrowings was obtained by discounting the instrument's expected cash flows using prevailing market rates ranging from 4.20% to 5.70 % as at December 31, 2023 and 2.10% to 5.70% as at December 31, 2022. Fair value category is Level 2, significant observable inputs.

There have been no transfers between Level 1 and Level 2 in 2023 and 2022.

34. **Financial Risk Management Objectives and Policies**

The Group's activities expose it to a variety of financial risks: market risk (which include foreign currency exchange risk and interest rates risk), credit risk and liquidity risk. The Group's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Group. The policies for managing specific risks are summarized below:

Market risk

Market risk happens when the changes in market prices, such as foreign exchange rates and interest rates will affect the Group's profit or the value of its holdings of financial instruments. The objective and management of this risk are discussed below.

Foreign currency exchange risk

Foreign currency exchange risk arises when an investment's value changes due to movements in currency exchange rate. Foreign exchange risk also arises from future commercial transactions and recognized assets and liabilities that are denominated in a currency that is not the Group's functional currency.

The Group undertakes certain transactions denominated in US Dollar (USD) and Chinese Yuan (CNY), hence, exposures to exchange rate fluctuations arise with respect to transactions denominated in such currency. Significant fluctuation in the exchange rates could significantly affect the Group's financial position.

The net carrying amounts of the Group's foreign currency denominated monetary assets and financial liabilities at the end of each reporting period are as follows:

	2023	2022
Cash and cash equivalents	**₱352,011,470**	₱329,884,354
Trade and other receivables	**2,670,563,615**	2,230,157,384
Trade and other payables	**(542,360,985)**	(1,209,968,451)
	₱2,480,214,100	₱1,350,073,287

Breakdown of Group's foreign currency denominated monetary assets and liabilities at the end of each reporting period are as follows:

	2023		2022	
	USD	**CNY**	USD	CNY
Cash and cash equivalents	**272,643,510**	**79,367,960**	249,675,549	80,208,804
Trade and other receivables	**2,663,377,537**	**7,186,077**	2,221,091,638	9,065,747
Trade and other payables	**(236,732,792)**	**(305,628,192)**	(926,715,551)	(283,252,900)
	2,699,288,255	**(219,074,155)**	1,544,051,636	(193,978,349)

The following table demonstrates the sensitivity to a reasonably possible change, based on prior year percentage change in exchange rates in Philippine peso (PHP) rate to USD and CNY with all other variables held constant, of the Group's income before income tax (due to changes in the fair value of financial assets and liabilities).

	Change in currency	Effect on income/equity
December 31, 2023		
Philippine Peso	**+/-1.87%**	**₱46,380,004**
December 31, 2022		
Philippine Peso	+/-5.65%	₱76,279,141

The following table details the Group's sensitivity to a 1.87% and 5.65% increase (decrease) in the functional currency of the Group against the USD and CNY as at December 31, 2023 and 2022 respectively. The sensitivity rate used in reporting foreign currency risk internally to key management personnel is 1.87% and 5.65% and it represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the period for a 1.87% and 5.65% change in foreign currency rate.

The sensitivity analysis includes all of the Group's foreign currency denominated monetary assets and liabilities. A positive number below indicates an increase in profit when the functional currency of the Group strengthens 1.87% and 5.65% against the relevant currency. For a 1.87% and 5.65% decline of the functional currency of the Group against the relevant currency, there would be an equal and opposite impact on the profit as shown below:

	2023	2022
	Effect in profit and loss	Effect in profit and loss
Cash and cash equivalents	**(₱6,582,614)**	(₱18,638,466)
Trade and other receivables	**(49,939,540)**	(126,003,892)
Trade and other payables	**10,142,150**	68,363,217
	(₱46,380,004)	(₱76,279,141)

Further, management assessed that the sensitivity analysis is not a representative of the currency exchange risk.

Interest rate risk

Interest rate risk refers to the possibility that the value of a financial instrument will fluctuate due to change in the market interest rates.

Presently, the Group's short-term and long-term bank loans are market-determined, with the long-term loan interest rates based on BVAL plus a certain mark-up. The sensitivity to a reasonably possible change in interest rates with all other variables held constant of the Group's profit before tax for the years ended December 31, 2023 and 2022 follows:

Change in Interest Rates (in Basis Points)	**2023**	2022
300bp rise	**(₱181,030,299)**	(₱234,426,420)
225bp rise	**(135,772,724)**	(175,819,815)
300bp fall	**181,030,299**	234,426,420
225bp fall	**135,772,724**	175,819,815

1 basis point is equivalent to 0.01%.

There is no other impact on the Group's equity other than those affecting the profit or loss.

Credit risk
Credit risk refers to the possibility that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is confirmed to independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group trades only with recognized, credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group does not grant credit terms without the specific approval of the credit departments.

Trade receivables consist of a large number of customers, spread across geographical areas. The remaining financial assets does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. There is no concentration of credit risk to any other counterparty at any time during the year.

The table below shows the Group's maximum exposure to credit risk:

	2023	2022
Cash in banks and cash equivalents	**₱5,050,017,194**	₱2,149,448,030
Trade and receivables	**9,386,654,691**	8,771,584,426
Due from related parties	**258,634,411**	197,448,146
Security deposits	**67,113,179**	147,044,018
Deposits for containers	**25,932,432**	32,885,250
Deposits on utilities	**33,159,086**	31,985,871
Revolving funds	**22,938,793**	12,978,180
	₱14,844,449,786	₱11,343,373,921

In order to minimize credit risk, the Group has tasked its credit management committee to develop and maintain the Group’s credit risk grading to categorize exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information and the Group’s own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. The aging analysis of financial assets are as follows:

2023		**Days past due**					
	Current	**<30 days**	**30-60 days**	**61-90 days**	**90-120 days**	**>121 days**	**Total**
ECL rate	**0.007%**	**0.048%**	**0.126%**	**0.225%**	**0.241%**	**7.569%**	
Estimated total gross carrying at default	**₱4,946,539,703**	**₱1,630,650,836**	**₱520,020,859**	**₱208,926,094**	**₱283,313,640**	**₱1,608,640,183**	**₱9,198,091,315**
ECL	**₱346,589**	**₱786,054**	**₱653,360**	**₱470,236**	**₱684,040**	**₱121,760,096**	**₱124,700,375**

2022		Days past due					
	Current	<30 days	30-60 days	61-90 days	90-120 days	>121 days	Total
ECL rate	0.004%	0.013%	0.008%	0.035%	0.090%	2.133%	
Estimated total gross carrying at default	₱4,856,155,922	₱1,562,782,019	₱350,978,941	₱286,407,607	₱278,093,173	₱1,171,585,064	₱8,506,002,726
ECL	₱200,933	₱204,702	₱29,688	₱101,453	₱251,076	₱24,986,785	₱25,774,637

The tables below detail the credit quality of the Group's financial assets and other items, as well as the Group's maximum exposure to credit risk by credit risk rating grades:

	Internal credit rating	12m or lifetime ECL	Gross carrying amount (i)	Loss allowance	Net carrying amount
2023					
Trade receivables (Note 8)	(i)	Lifetime ECL (simplified approach)	**₱9,198,091,315**	**₱190,639,597**	**₱9,007,451,718**
Due from related parties (Note 25)	Performing	12m ECL	**253,553,589**	–	**253,553,589**
Security deposits (Note 14)	Performing	12m ECL	**67,113,179**	–	**67,113,179**
Deposits for containers (Note 14)	Performing	12m ECL	**25,932,432**	–	**25,932,432**
Deposits on utilities (Note 14)	Performing	12m ECL	**33,159,086**	–	**33,159,086**
Revolving funds (Note 14)	Performing	12m ECL	**22,938,793**	–	**22,938,793**
			₱9,600,788,394	**₱190,639,597**	**₱9,410,148,797**

2022					
Trade receivables (Note 8)	(i)	Lifetime ECL (simplified approach)	₱8,506,002,726	₱94,943,170	₱8,411,059,556
Due from related parties (Note 25)	Performing	12m ECL	197,448,146	–	197,448,146
Security deposits (Note 14)	Performing	12m ECL	147,044,018	–	147,044,018
Deposits for containers (Note 14)	Performing	12m ECL	32,885,250		32,885,250
Deposits on utilities (Note 14)	Performing	12m ECL	31,493,571	–	31,493,571
Revolving funds (Note 14)	Performing	12m ECL	12,978,180	–	12,978,180
			₱8,927,851,891	₱94,943,170	₱8,832,908,721

(i) For trade receivables, the Group has applied the simplified approach in PFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on contractual undiscounted principal payments of financial liabilities, based on the earliest date on which the Group can be required to pay.

	Within One Year	More Than 1 Year to 5 Years	More Than 5 to 10 Years	Total
2023				
Trade and other payables*	**₱10,032,075,639**	**₱–**	**₱–**	**₱10,032,075,639**
Borrowings**	**2,890,000,000**	**118,000,000**	**3,022,000,000**	**6,030,000,000**
Lease liabilities	**306,351,398**	**670,913,574**	**808,692,876**	**1,785,957,848**
Due to related parties	**30,545,975**	–	–	**30,545,975**
	₱13,258,973,012	**₱788,913,574**	**₱3,830,692,876**	**₱17,878,579,462**
2022				
Trade and other payables*	₱9,236,362,339	₱–	₱–	₱9,236,362,339
Borrowings**	4,660,000,000	118,000,000	3,042,000,000	7,820,000,000
Lease liabilities	489,605,191	1,351,151,029	1,164,298,913	3,005,055,133
Due to related parties	25,918,837	–	–	25,918,837
	₱14,411,886,367	₱1,469,151,029	₱4,206,298,913	₱20,087,336,309

**Excluding withholding taxes payable and non-trade payable*
***Excluding interest*

The Group's has cash and cash equivalents, trade and other receivables and due from related parties amounting to ₱14,695.3 million and ₱11,118.5 million as of December 31, 2023 and 2022, respectively, that are readily available to meet the Group's liquidity needs. The Group also expects to meet its working capital, capital expenditure, dividend payment and investment requirements for the next 12 months primarily from equity or debt financing and cash flows from operations. As at December 31, 2023, the Group has undrawn credit line facility that may be available in the future for the operating activities and settling capital commitments amounting to ₱13.5 billion.

Government payables, which are not considered as financial liabilities, are excluded in the carrying amount of trade and other payables for the purpose of presenting the liquidity risk.

35. **Capital Risk Management**

The Group's objectives when managing capital are to increase the value of shareholder's investment and maintain high growth by applying free cash flows to selective investments that would further the Group's growth. The Group sets strategies with the objective of establishing a versatile and resourceful financial management and capital structure. There have been no changes for the Group's overall strategy.

The BOD has overall responsibility for monitoring working capital in proportion to risk. Financial analytical reviews are made and reported in the Group's financial reports for the BOD's review on a regular basis. In case financial reviews indicate that the working capital sourced from the Group's own operations may not support future operations of projected capital investments, the Group obtains financial support from its related parties.

The Group's management aims to maintain certain financial ratios that it deems prudent such as debt-to-equity ratio (not to exceed 2.5:1) and current ratio (at least 1.0:1). The Group regularly reviews its financials to ensure the balance between equity and debt is monitored.

In addition, when the Group is able to meet its targeted capital ratios and has a healthy liquidity position, the Group aims to pay dividends to its shareholders of up to 30% of previous year's net income.

The Group's debt-to-equity and current ratios as at December 31, 2023 and 2022 are as follows:

	2023	2022
Total liabilities	**₱18,691,564,944**	₱19,554,798,370
Total equity	**32,850,529,357**	28,778,992,824
Debt-to-equity ratio	**0.57:1**	0.68:1
Total current assets	**₱34,476,257,008**	₱31,649,572,764
Total current liabilities	**13,801,188,095**	14,868,139,307
Current ratio	**2.50:1**	2.13:1

Pursuant to the PSE's rules in minimum public ownership, at least 20% of the issued and outstanding shares of a listed company must be owned and held by the public. As at December 31, 2023 and 2022, the public ownership is 34.44% and 31.22 %, respectively.

36. Business Combination

On April 1, 2021, the Parent Company and CPGI entered into a share purchase agreement (the "Agreement"), wherein CPGI, the Seller, has agreed to sell, assign and convey to CPFI, the buyer, all its rights, title and interest in and to the common shares of PMCI for a total consideration of ₱24.0 million.

PMCI is an emerging player in the large-refrigerated food category. It comes equipped with its own manufacturing facilities, cold chain distribution, and a robust innovation pipeline of refrigerated better-for-you products.

As allowed by PFRS 3, provisional accounting has been applied by the Group. The intangible asset, particularly the trademark, recognized in the December 31, 2021 consolidated financial statements was based on a provisional assessment of its fair value, the valuation of which had not been completed by the date the 2021 financial statements were approved for issue by the Board of Directors.

The transaction has been accounted for as an acquisition since it has commercial substance. The purchase price consideration has been allocated based on relative fair values at date of acquisition using the provisional accounting as follows:

	Fair values recognized
Current Assets:	
Cash and cash equivalents	₱271,032,463
Trade and other receivables	208,001,888
Inventories	308,822,043
Other current assets	58,644,327
Total Current Assets	846,500,721
Noncurrent Assets	
Property, plant and equipment	184,314,100
Intangible asset	423,264,486
Other noncurrent assets	4,563,029
Total Noncurrent Assets	612,141,615
Total Liabilities	1,393,570,514
Identifiable Net Assets Acquired	₱65,071,822

Identifiable Net Assets Acquired	₱65,071,822
Less: Purchased consideration transferred	24,000,000
Bargain purchase option	₱41,071,822

The fair values of the identifiable net assets acquired from PMCI amounted to ₱65.1 million. The fair value of the property, plant and equipment amounting to ₱184.3 million was measured using the replacement cost method while the fair value of the trademark amounting to ₱423.3 million was measured using the relief from royalty method. The revenue growth and discount rates used to measure the fair value of trademark are 10.5% and 9.08%, respectively. The transaction resulted in the recognition of gain on bargain purchase of ₱41.1 million. As of December 31, 2022, the fair values of the assets acquired were finalized; no changes from the initial recognition were recognized by the Group.

The revenue from contracts with customer and net loss included in the consolidated statement of comprehensive income since April 1, 2021, contributed by the acquisition of PMCI amounted to ₱994.3 million and ₱19.0 million, respectively.

Consolidated revenues and net income in the 2021 consolidated statement of comprehensive income will be ₱54,981.0 million and ₱4,652.9 million, respectively, if PMCI was acquired beginning January 1, 2021.

Notes to cash flow - Acquisition of PMCI and effect of business combination

	At April 1, 2021
Fair value of identifiable net assets	₱65,071,822
Purchase consideration:	
Gain on bargain purchase	(41,071,822)
Net cash in subsidiaries acquired	(271,032,463)
	(₱247,032,463)

37. **Notes to the Consolidated Statement Cash Flows**

The following are the Group's noncash investing and financing activities:

a. In 2021, increase in other noncurrent assets and property, plant and equipment amounting to ₱4.6 million and ₱184.3 million, respectively, arising from acquisition of PMCI.

b. Noncash additions to property, plant and equipment amounting to ₱0.9 million, ₱4.8 million and nil for 2023, 2022 and 2021, respectively.

c. Noncash additions to right-of-use assets amounting to ₱599.3 million, ₱411.2 million, and ₱858.3 million for 2023, 2022, and 2021, respectively.

d. In 2021, the Group acquired various plant machinery and equipment and cost incurred in relation with the ongoing construction of the new production plant and administration building amounting to ₱2,302.5 million, of which ₱163.0 million was unpaid in 2021.

e. In 2022, the Group acquired various plant machinery and equipment and cost incurred in relation with the ongoing construction of the new production plant and administration building amounting to ₱2,302.5 million, of which ₱2.3 million was unpaid in 2022.

f. Unamortized debt issuance cost on borrowings amounted to ₱4.3 million, ₱5.8 million, and ₱8.1 million for 2023, 2022 and 2021, respectively.

The changes in the Group's liabilities arising from financing activities are as follows:

	2023					
	January 1	**Additions**	**Interest**	**Payments**	**Others**	**December 31**
Lease liabilities	**₱1,541,987,234**	**₱599,287,274**	**₱125,312,018**	**(₱427,578,725)**	**(₱138,515,825)**	**₱1,700,491,976**
Short-term borrowings	**4,640,000,000**	**5,140,000,000**	**–**	**(6,910,000,000)**	**–**	**2,870,000,000**
Long-term borrowings	**3,174,213,995**	**–**	**10,129,314**	**(20,000,000)**	**–**	**3,164,343,309**
Accrued interest	**39,423,918**	**–**	**348,434,807**	**(353,548,387)**	**–**	**34,310,338**
	₱9,395,625,147	**₱5,739,287,274**	**₱483,876,139**	**(₱7,711,127,112)**	**(₱138,515,825)**	**₱7,769,145,623**

	2022					
	January 1	Additions	Interest	Payments	Others	December 31
Lease liabilities	₱1,411,838,675	₱411,221,989	₱90,364,260	(₱367,136,901)	(₱4,300,789)	₱1,541,987,234
Short-term borrowings	2,800,000,000	5,010,000,000	–	(3,170,000,000)	–	4,640,000,000
Long-term borrowings	1,991,891,353	1,191,000,000	11,322,642	(20,000,000)	–	3,174,213,995
Accrued interest	18,952,943	–	213,486,312	(193,015,337)	–	39,423,918
	₱6,222,682,971	₱6,612,221,989	₱315,173,214	(₱3,750,152,238)	(₱4,300,789)	₱9,395,625,147

"Others" include interest expense pertaining to lease liability as at December 31, 2023 and 2022. The Group classifies interest paid as part of cash flows from financing activities.

SGV
Building a better
working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Century Pacific Food, Inc.
7th Floor, Centerpoint Building
Julia Vargas St., Ortigas Center
Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Century Pacific Food, Inc. and Subsidiaries (the Group) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 10, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Christine G. Vallejo
Partner
CPA Certificate No. 99857
Tax Identification No. 206-384-906
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-105-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10082028, January 6, 2024, Makati City

April 10, 2024

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Century Pacific Food, Inc.
7th Floor, Centerpoint Building
Julia Vargas St., Ortigas Center
Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Century Pacific Food, Inc. and Subsidiaries (the Group) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 10, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Christine G. Vallejo
Partner
CPA Certificate No. 99857
Tax Identification No. 206-384-906
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-105-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10082028, January 6, 2024, Makati City

April 10, 2024

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES
Additional Requirements for Issuers of Securities to the Public
Required by the Securities and Exchange Commission
As at December 31, 2023

TABLE OF CONTENTS

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES
Schedule A - Financial Assets
As of December 31, 2023

HTM Investments	Name of Issuing Entity	Face Value	Amount Shown in Balance Sheet	Income Received and Accrued
Total			-	-

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES
Schedule B - Amounts Receivable from Employees
As of December 31, 2023

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written-off	Current	Non-Current	Balance at end of Period
Employees	P43,634,707	P190,484,004	P185,152,700	P -	P48,966,011	P -	P48,966,011

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES
Schedule C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
As of December 31, 2023

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written-off	Current	Non-Current	Balance at end of Period
Century Pacific Food Inc	P3,290,321,408	P460,770,493		P -	P3,751,091,901	P -	P3,751,091,901
General Tuna Corporation	473,824,663	P174,492,697			648,317,360	-	648,317,360
Snow Mountain Dairy Corporation	455,537,295		10,523,450.44	-	445,013,845	-	445,013,845
Allforward Warehousing, Inc.	248,374,637		192,328,105	-	56,046,532	-	56,046,532
Century Pacific Agri Ventures Inc	186,165,472	151,913,270		-	338,078,742	-	338,078,742
Century Pacific Seacrest Inc	389,199,979	33,215,329		-	422,415,308	-	422,415,308
Century Pacific Food Packaging Ventures Inc.	226,914,531	317,341,694		-	544,256,225	-	544,256,225
General Odyssey Inc.	38,967		-	-	38,967	-	38,967
Millenium General Power Corporation	34,585,601		4,053,488	-	30,532,113	-	30,532,113
The Pacific Meat Company Inc	35,529,368		14,015,784	-	21,513,584	-	21,513,584
Century Pacific North America Enterprise Inc.	158,163,636		153,334,637.54	-	4,828,998	-	4,828,998
Century International (China) Co., Ltd.	28,166,175		28,166,175.00	-	-	-	-
Centennial Global Corporation	50,004,439		-	-	50,004,439	-	50,004,439
Total	**P5,576,826,171**	**P1,137,733,482**	**P402,421,640**	**-**	**P6,312,138,013**	**-**	**P6,312,138,013**

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES
Schedule D - Intangible Assets
As of December 31, 2023

Descritption	Beginning Balance	Additions at Cost	Charged to Cost and Expenses	Charged to Other Accounts	Other Changes	Ending Balance
Goodwill	P2,915,325,199	-		P -	P -	P2,915,325,199
Trademark	P2,209,694,668	-		P -	P -	P2,209,694,668
Licensing Agreement	P423,144,846		(21,515,840)			P401,629,006
Total	**P5,548,164,713**	**-**	**(21,515,840)**	**P -**	**P -**	**P5,526,648,873**

CENTURY PACIFIC FOOD INC. AND SUBSIDIARIES
Schedule E - Long Term Debt
As of December 31, 2023

Bank	Beginning Balance	Availment	Payment	Ending Balance	Current	Non Current
BDO	P1,982,127,068	-	P11,476,062	P1,970,651,006	P5,675,578	P1,964,975,428
BPI	P1,192,086,927	-	(1,605,376)	P1,193,692,303	P1,685,214	P1,192,007,090
Total	**P3,174,213,995**	**-**	**P9,870,686**	**P3,164,343,309**	**P7,360,791**	**P3,156,982,518**

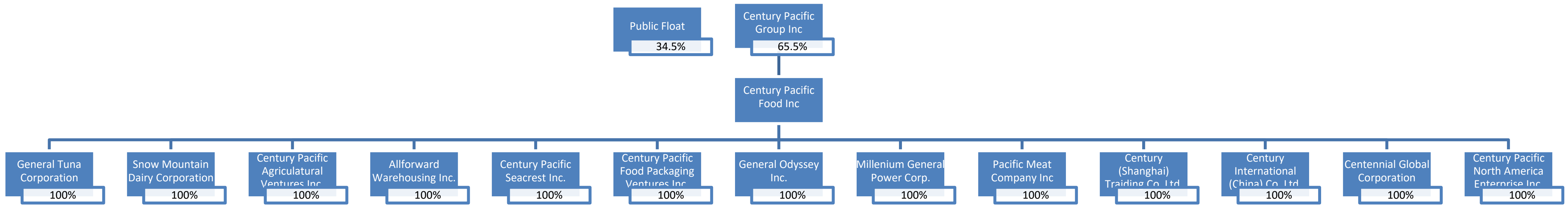
CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

Schedule H - Capital Stock

As of December 31, 2023

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares reserved for options, warrants, conversion and other rights	Number of Shares Held By		
				Related Parties	Directors, Officers and Employees	Others
Ordinary Shares	6,000,000,000	3,542,258,595	-	2,320,120,781	2,107,555	1,220,030,259

CENTURY PACIFIC FOOD, INC.
CONGLOMERATE MAP
AS OF DECEMBER 31, 2023



Annex A

Reconciliation of Retained Earnings
Available for Declaration
As at December 31, 2023

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES
7th Floor Centerpoint Bldg., Julia Vargas St., Ortigas Center Pasig City

Items	Amount
Unappropriated Retained Earnings, beginning	P9,495,121,815
Adjustments:	
Deferred tax assets	(675,042,385)
Remeasurement of retirement benefit obligation - net of tax	223,618,778
Appropriation of retained earnings	-
Unappropriated Retained Earnings, as adjusted, beginning	9,043,698,208
Net Income based on the face of AFS	3,642,474,453
Less: Non-actual losses	
Change in deferred tax assets	(94,913,142)
Realized foreign exchange gain, except those attributable to Cash and cash equivalent	5,001,570
Net Income Actual/Realized	3,552,562,881
Adjustments:	
Dividend declarations during the year	(1,416,903,438)
Reversal of appropriations	4,236,038,579
Appropriation for the year	(12,500,000,000)
Unappropriated Retained Earnings, as adjusted, ending	**P2,915,396,230**

FINANCIAL SOUNDNESS INDICATORS
As of December 31, 2023

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES
7TH Floor Centerpoint Bldg., Julia Vargas St., Ortigas Center, Pasig City

Ratio	Formula	Current Year	Prior Year
Current ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets 34,476,257,008 Divide by: Total Current Liabilities 13,801,188,095 Current Ratio 2.50	2.5x	2.13x
Quick/Acid test ratio	Quick Assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities Total Current Assets 34,476,257,008 Less: Inventories (16,901,959,562) Biological Assets - Prepayments and other Current Assets (2,878,991,150) Quick assets 14,695,306,296 Divide by: Total Current Liabilities 13,801,188,095 Quick/Acid test ratio 1.06	1.06x	0.75x
Debt-to-equity ratio	Total Liabilities divided by Total Equity Total Liabilties 18,691,564,944 Divide by: Total Equity 32,850,529,357 Debt-to-equity ratio 0.57	0.57x	0.68x
Asset-to-equity ratio	Total Assets divided by Total Equity Total Assets 51,542,094,301 Divide by: Total Equity 32,850,529,357 Asset-to-equity ratio 1.57	1.57x	1.68x
Interest rate coverage ratio	Earnings before Interest and Taxes (EBIT) divided by Interest Expense EBIT 6,932,000,585 Divide by: Interest Expenses 483,876,139 Interest rate coverage ratio 14.33	14.33x	19.3x
Working capital turnover	Net Sales divided by Working Capital (Current Assets less Current Liabilities) Net Sales 67,124,343,619 Divide by: Working capital Current Assets 34,476,257,008 Less: Current Liabilities (13,801,188,095) Working Capital 20,675,068,913 Working Capital Turnover 3.25	3.25x	3.71x
Return on equity	Profit from operations divided by Total Equity Profit from Operations 5,579,159,559 Divide by: Total Equity 32,850,529,357 Return on equity 16.98%	16.98%	17.37%
Return on assets	Profit from operations divided by Total Assets Profit from Operations 5,579,159,559 Divide by: Total Assets 51,542,094,301 Return on assets 10.82%	10.82%	10.34%
Net profit margin	Profit from operation divided by Net Sales Profit from operation 5,579,159,559 Divide by: Net Sales 67,124,343,619 Net profit margin 8.31%	8.31%	8.03%
Operating profit margin	Profit before Taxes (PBT) divided by Net Sales Profit before tax 6,526,431,036 Divide by: Net Sales 67,124,343,619 Net profit margin 9.72%	9.72%	9.28%

ANNEX D

PARENT FINANCIAL STATEMENTS

CENTURY PACIFIC FOOD INC.

Centerpoint Building Julia Vargas Ave.,
Ortigas Center Pasig City, Metro Manila
Philippines
Tel : (632) 8633 8555
Fax : (632) 638 6336
website : www.centurypacific.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR PARENT COMPANY FINANCIAL STATEMENTS

The Management of Century Pacific Food, Inc. (the "Company") is responsible for the preparation and fair presentation of the parent company financial statements including the schedules attached therein, as at and for the years ended December 31, 2023 and 2022, in accordance with Philippine financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company 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 parent company financial statements including the schedules attached therein, and submits the same to the stockholders.

SGV & Co., the independent auditor appointed by the stockholders, has audited the parent company 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.

Signature: Christopher T. Po
Chairman of the Board

Signature: Teodoro Alexander Po
Chief Executive Officer

Signature: Richard Kristoffer S. Manapat
Chief Financial Officer

Signed this 10th day of April, 2024.

SUBSCRIBED AND SWORN to before me this APR 1 0 2024, in Pasig City, affiant exhibiting to me his/her valid IDs as follows:

NAMES	**IDENTIFICATION**
Teodoro Alexander T. Po	105-633-470
Christopher T. Po	119-779-656
Richard Kristoffer S. Manapat	303-723-989

Doc. No. 073;
Page No. 16;
Book No. VI;
Series of 2024.

GENEVIEVE KRISTINE B. MAÑALAC
Appointment No. 45 (2023-2024)
Notary Public for Pasig City, Pateros and San Juan
Until December 31, 2024
Attorney's Roll No. 80720
33rd Floor, The Orient Square
F. Ortigas Jr. Road, Ortigas Center, Pasig City
PTR Receipt No. 1634506; 01.02.24; Pasig City
IBP OR No. 330350; 12.18.23; RSM
Admitted to the Bar in 2022

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 1 3 2 0 7 7 8

C O M P A N Y   N A M E

CENTURY PACIFIC FOOD, INC.

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

7TH FLOOR CENTERPOINT BUILDING
JULIA VARGAS ST., ORTIGAS
CENTER, PASIG CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	N.A.

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
N.A.	8863-8555	N.A.

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
32	6/30	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Manuel Z. Gonzales	manuel.gonzales@mvgslaw.com	8687-1195	0918-843-8888

CONTACT PERSON's ADDRESS

7TH FLOOR CENTERPOINT BUILDING, JULIA VARGAS ST., ORTIGAS CENTER, PASIG CITY

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.*

2 *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Century Pacific Food, Inc.
7th Floor, Centerpoint Building
Julia Vargas St., Ortigas Center
Pasig City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Century Pacific Food, Inc (the Company), which comprise the parent company statements of financial position as at December 31, 2023 and 2022, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022 and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

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

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

In preparing the parent company 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.

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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

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

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

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 37 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Century Pacific Food, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Christine G. Vallejo.

SYCIP GORRES VELAYO & CO.

Christine G. Vallejo
Partner
CPA Certificate No. 99857
Tax Identification No. 206-384-906
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-105-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10082028, January 6, 2024, Makati City

April 10, 2024

CENTURY PACIFIC FOOD, INC.

(A Subsidiary of Century Pacific Group, Inc.)

PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 7)	**₱2,824,025,093**	₱1,223,643,139
Trade and other receivables - net (Note 8)	**7,383,784,605**	6,859,775,589
Inventories - net (Note 9)	**12,732,056,470**	13,877,498,916
Due from related parties (Note 18)	**3,849,553,562**	3,330,690,386
Prepayments and other current assets (Note 10)	**1,410,210,382**	1,202,386,305
Total Current Assets	**28,199,630,112**	26,493,994,335
Noncurrent Assets		
Investments in subsidiaries - net (Note 11)	**7,334,282,174**	9,039,015,207
Property, plant and equipment - net (Note 12)	**2,635,031,765**	2,522,359,152
Right-of-use assets - net (Note 13)	**1,644,128,537**	1,552,073,162
Intangible assets - net (Note 15)	**2,071,284,408**	423,144,853
Deferred tax assets - net (Note 31)	**796,125,885**	675,042,385
Other noncurrent assets (Note 14)	**100,188,984**	126,794,065
Total Noncurrent Assets	**14,581,041,753**	14,338,428,824
	₱42,780,671,865	₱40,832,423,159
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Note 17)	**₱2,500,000,000**	₱4,270,000,000
Current portion of borrowings (Note 17)	**7,360,791**	9,390,325
Trade and other payables (Note 16)	**8,448,507,975**	7,760,270,609
Due to related parties (Note 18)	**2,182,272,937**	1,463,507,263
Lease liabilities - current portion (Note 29)	**335,033,040**	319,531,637
Total Current Liabilities	**13,473,174,743**	13,822,699,834
Noncurrent Liabilities		
Borrowings - net of current portion (Note 17)	**3,156,982,518**	3,164,823,670
Lease liabilities - net of current portion (Note 29)	**1,479,553,689**	1,372,873,259
Retirement benefit obligation - net (Note 19)	**305,411,442**	253,536,863
Total Noncurrent Liabilities	**4,941,947,649**	4,791,233,792
	18,415,122,392	18,613,933,626
Equity		
Share capital (Note 22)	**3,542,258,595**	3,542,258,595
Share premium (Note 22)	**4,936,859,146**	4,936,859,146
Share-based compensation reserve (Note 20)	**8,211,398**	8,211,398
Retained earnings (Note 22):		
Appropriated	**12,500,000,000**	4,236,038,579
Unappropriated	**3,378,220,334**	9,495,121,815
	24,365,549,473	22,218,489,533
	₱42,780,671,865	₱40,832,423,159

See accompanying Notes to Parent Company Financial Statements.

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

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2023	2022
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 24)	**₱53,837,675,454**	₱48,569,282,265
COST OF GOODS SOLD (Note 25)	**41,340,745,973**	38,146,163,745
GROSS PROFIT	**12,496,929,481**	10,423,118,520
OPERATING EXPENSES (Note 26)	**(10,380,563,230)**	(9,358,968,845)
OTHER INCOME (Note 27)	**2,679,102,035**	4,529,737,074
OTHER EXPENSES (Note 28)	**(399,588,551)**	(295,652,340)
INCOME FROM OPERATIONS	**4,395,879,735**	5,298,234,409
FINANCE COSTS (Notes 17 and 29)	**(462,851,017)**	(312,296,918)
INTEREST INCOME (Notes 7 and 8)	**58,107,060**	6,887,460
INCOME BEFORE TAX	**3,991,135,778**	4,992,824,951
INCOME TAX EXPENSE (Note 30)	**(348,661,325)**	(208,228,048)
NET INCOME	**3,642,474,453**	4,784,596,903
OTHER COMPREHENSIVE INCOME (LOSS) ITEM THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		
Remeasurement gain (loss) on retirement benefit obligation - net of tax effect (Note 19)	**(78,511,075)**	118,545,953
TOTAL COMPREHENSIVE INCOME	**₱3,563,963,378**	₱4,903,142,856
Earnings Per Share (Note 32)		
Basic	**₱1.028**	₱1.351
Diluted	**₱1.027**	₱1.349

See accompanying Notes to Parent Company Financial Statements.

CENTURY PACIFIC FOOD, INC.

(A Subsidiary of Century Pacific Group, Inc.)

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Share Capital (Note 22)	**Share Premium** (Note 22)	**Share-based Compensation Reserve** (Note 20)	**Unappropriated Retained** (Note 22)	**Appropriated Retained Earnings** (Note 22)	**Total**
Balance, January 1, 2022	₱3,542,258,595	₱4,936,859,146	₱8,211,398	₱8,403,230,632	₱1,700,000,000	₱18,590,559,771
Net income	–	–	–	4,784,596,903	–	4,784,596,903
Remeasurement gain on retirement benefit obligation - net of tax (Note 19)	–	–	–	118,545,953	–	118,545,953
Total comprehensive income	–	–	–	4,903,142,856	–	4,903,142,856
Cash dividends (Note 23)	–	–	–	(1,275,213,094)	–	(1,275,213,094)
Reversal of appropriation	–	–	–	1,700,000,000	(1,700,000,000)	–
Appropriation of retained earnings	–	–	–	(4,236,038,579)	4,236,038,579	–
Balance, December 31, 2022	₱3,542,258,595	₱4,936,859,146	₱8,211,398	₱9,495,121,815	₱4,236,038,579	₱22,218,489,533
Net income	**–**	**–**	**–**	**3,642,474,453**	**–**	**3,642,474,453**
Remeasurement loss on retirement benefit obligation - net of tax (Note 19)	**–**	**–**	**–**	**(78,511,075)**	**–**	**(78,511,075)**
Total comprehensive income	**–**	**–**	**–**	**3,563,963,378**	**–**	**3,563,963,378**
Cash dividends (Note 23)	**–**	**–**	**–**	**(1,416,903,438)**	**–**	**(1,416,903,438)**
Reversal of appropriation	**–**	**–**	**–**	**4,236,038,579**	**(4,236,038,579)**	**–**
Appropriation of retained earnings	**–**	**–**	**–**	**(12,500,000,000)**	**12,500,000,000**	**–**
Balance, December 31, 2023	**₱3,542,258,595**	**₱4,936,859,146**	**₱8,211,398**	**₱3,378,220,334**	**₱12,500,000,000**	**₱24,365,549,473**

See accompanying Notes to Parent Financial Statements.

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

PARENT COMPANY STATEMENT OF CASH FLOWS

	Years Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱3,991,135,778**	₱4,992,824,951
Adjustments for:		
Dividend income (Note 27)	**(1,857,437,391)**	(3,476,683,338)
Depreciation (Notes 12, 13, 25, 26, and 28)	**852,315,438**	744,319,306
Finance costs (Notes 17 and 29)	**462,851,017**	312,296,918
Interest income (Notes 7 and 8)	**(58,107,060)**	(6,887,460)
Net movement in accrued retirement benefit (Note 19)	**(52,806,855)**	(32,048,987)
Impairment of investment in subsidiaries (Notes 11 and 28)	**35,077,639**	–
Amortization of intangible asset (Note 15)	**21,515,839**	21,515,840
Loss (gain) on disposal of property, plant and equipment (Notes 12, 27 and 28)	**(6,449,271)**	857,368
Gain on lease termination	**(6,152,921)**	(24,501,064)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Trade and other receivables (Notes 8 and 28)	**(524,009,016)**	(1,284,862,612)
Inventories	**1,145,442,446**	(3,187,457,468)
Due from related parties	**(518,863,176)**	(208,277,629)
Prepayments and other current assets	**(214,113,747)**	16,719,958
Increase in:		
Trade and other payables	**694,240,705**	587,825,688
Due to related parties	**718,765,674**	54,993,360
Cash from (used in) operating activities	**4,683,405,099**	(1,489,365,169)
Income taxes paid	**(443,574,466)**	(390,207,404)
Interest received	**58,107,060**	6,887,460
Net cash from (used) in operating activities	**4,297,937,693**	(1,872,685,113)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received (Notes 18 and 27)	**1,857,437,391**	3,476,683,338
Acquisition of property, plant and equipment (Note 12)	**(622,566,371)**	(597,590,413)
Additions to investment in subsidiaries (Note 11)	**–**	(1,728,655,295)
Proceeds from disposal of property, plant and equipment	**49,263,992**	454,979
Collection (payment) of deposits	**26,605,081**	(4,830,345)
Net cash from investing activities	**1,310,740,093**	1,146,062,264

(Forward)

	Years Ended December 31	
	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availment of:		
Short-term borrowings (Note 17)	**₱4,400,000,000**	₱4,640,000,000
Long-term borrowings (Note 17)	**–**	1,200,000,000
Payments of:		
Short-term borrowings - principal (Note 17)	**(6,170,000,000)**	(2,970,000,000)
Dividends (Note 23)	**(1,416,903,438)**	(1,275,213,094)
Lease liabilities (Note 29)	**(463,916,748)**	(367,892,335)
Interest (Note 29)	**(337,475,646)**	(185,455,546)
Debt issuance cost (Note 17)	**–**	(9,000,000)
Long-term borrowings - principal (Note 17)	**(20,000,000)**	(20,000,000)
Net cash from (used in) financing activities	**(4,008,295,832)**	1,012,439,025
NET INCREASE IN CASH AND CASH EQUIVALENTS	**1,600,381,954**	285,816,176
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,223,643,139**	937,826,963
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱2,824,025,093**	₱1,223,643,139

See accompanying Notes to Parent Company Financial Statements.

1. Corporate Information

Century Pacific Food, Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on October 25, 2013.

The Company is primarily engaged in the business of buying and selling, processing, canning and packaging and manufacturing all kinds of food and food products, such as but not limited to fish, seafood and other marine products, cattle, hog and other animals and animal products, fruits, vegetables and other agricultural crops and produce of land, including by-products thereof, and for such purpose, to acquire, construct, own, lease, charter, establish, maintain and operate canneries, factories, plants, vessels, cold storage, refrigerators, refrigerated vehicles and vessels, warehouses and other machineries, equipment, apparatus, and appliance as may be required in the conduct of its business.

The Company is a subsidiary of Century Pacific Group, Inc. (CPGI, ultimate parent), an entity registered with the SEC and is domiciled in the Philippines owning 65.5% and 68.72% interest as at December 31, 2023 and 2022, respectively.

The Company's shares of stocks were listed in the Philippine Stock Exchange (PSE) on May 6, 2014 through an initial public offering (IPO) and listing of 229.65 million shares in the PSE at a total value of ₱3.5 billion.

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

The Company has the following subsidiaries as at December 31, 2023 and 2022:

Name of Subsidiary	Ownership Interest
General Tuna Corporation (GTC)	100%
Snow Mountain Dairy Corporation (SMDC)	100%
Allforward Warehousing Inc. (AWI)	100%
Century Pacific Agricultural Ventures, Inc. (CPAVI)	100%
Century Pacific Seacrest Inc. (CPSI)	100%
Centennial Global Corporation (CGC)	100%
Century Pacific Food Packaging Ventures, Inc. (CPFPVI)	100%
General Odyssey Inc (GOI)	100%
Millennium General Power Corporation (MGPC)	100%
The Pacific Meat Company, Incorporated (PMCI)	100%
Century International (China) Co. Ltd. (CIC)	100%
Century (Shanghai) Trading Co. Ltd. (CST)	100%
Cindena Resources Limited (CRL) *	–
Century Pacific North America Enterprise Inc. (CPNA)	100%

** 100% as of December 31, 2022*

GTC was incorporated in the Philippines and registered with the SEC on March 10, 1997. GTC is presently engaged in manufacturing and exporting private label canned, pouched and frozen tuna products.

SMDC was incorporated in the Philippines and registered with the SEC on February 14, 2001. In June 2020, SMDC discontinued its manufacturing operations and amended its primary business purpose to engage in leasing services.

AWI was incorporated in the Philippines and was registered with the SEC on October 3, 2014. AWI is engaged in the business of operating cold storage facilities, handling, leasing, maintaining, buying, selling, warehouse and storage facilities, including its equipment, forklift, conveyors, pallet towers and other related machineries, tools and equipment necessary in warehousing, and storage operation.

CPAVI was incorporated in the Philippines and was registered with the SEC on August 29, 2012. CPAVI is engaged in the business of manufacturing and distributing all kinds of food and beverage products and other food products derived from fruits and other agricultural products. CPAVI's primary purpose is to engage in the business of converting and processing input raw materials derived from fruits, vegetables and other agricultural products, such as drilled, deshelled and pared coconuts, into finished products and distributing, and exporting the same.

CPSI was incorporated in the Philippines and was registered with the SEC on November 13, 2015. CPSI is engaged in the business of developing and designing, acquiring, selling, transferring, exchanging, managing, licensing, franchising and generally exercising all rights, powers and privileges of ownership or granting any right or privilege of ownership or any interest to label marks, devices, brands, trademark rights and all other forms of intellectual property, including the right to receive, collect and dispose of any and all payments, dividends, interests and income derived from therefrom.

CGC was incorporated in the British Virgin Islands (BVI) on November 13, 2006. CGC is a company limited by shares. On February 25, 2015, the Company acquired 100% interest in CGC. CGC is the corporate vehicle that holds the various brands, trademarks, and related intellectual property of the Company and its subsidiaries. CGC was acquired from Shining Ray Limited, a wholly owned subsidiary of CPGI.

CPFPVI was incorporated in the Philippines and was registered with SEC on June 29, 2016. CPFPVI is engaged in the business of manufacturing, processing, buying, selling, importing, exporting and dealing in all kinds of packaging products. On June 29, 2016, the Company acquired 100% interest in CPFPVI.

GOI was incorporated in the Philippines and was registered with SEC on July 27, 2020. GOI is engaged in the business to buy and sell, process, can, pack, manufacture, market, produce, distribute, import and export, and deal in all kinds of feeds and for such purpose to acquire, construct, own, lease, charter, establish, maintain and operate stores, outlets, canneries, factories, plants, vessels, cold storage, refrigerators, refrigerated vehicles and vessels, warehouses, and other machineries, equipment's, apparatus and appliances as may be required.

MGPC formerly Century Pacific Solar, Inc. was incorporated in the Philippines and was registered with SEC on August 10, 2020. MGPC is engaged in the business of exploration, development and utilization of renewable energy sources, including the generation and distribution of power therefrom, planning, construction and installation, commissioning, owning, management and operation of relevant facilities and infrastructure thereof and processing and commercialization of by-products in its operations and to undertake such other powers and purposes as may be required.

PMCI was incorporated in the Philippines and was registered on December 9, 1997 to engage in, operate, conduct and maintain the business of manufacturing, importing, exporting, buying, selling or otherwise dealing in at wholesale and retail, all kinds of food and foods products, fruits, vegetables and other goods of same nature, and any all equipment, materials, and supplies used or employed in, or related to the manufacture of such finished product. On March 24, 2021, the Parent Company entered into a share purchase agreement with CPGI to acquire 100% equity interest in PMCI. The sale was completed when CPGI and the Parent Company signed the deed of absolute sale covering the PMCI shares on April 1, 2021.

CIC was incorporated in China and was registered on June 9, 2003. CIC is engaged in the selling of hardware and electrical apparatus, auto spare parts, building decoration materials and products, telecommunication equipment, stationery commodities, mechanical equipment, pre-package food; wholesales of beverage; development and sale of computer software and hardware; and consulting services.

CST was incorporated in China and was registered on August 24, 2005. CST is engaged in the wholesale, import and export of food, provision of ancillary services, relevant business consulting services subject to administrative approval and relevant authority.

CRL was originally incorporated in the BVI under The International Business Companies Act (CAP.291) on March 27, 2002. CRL is engaged in the purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company, to import, export, buy, sell, exchange, barter, commercial and consumer products of any kind. On December 28, 2023, the BOD approved the return of capital and execute deed of assignment to assign all right, title and interest over the "Ligo" trademark to CPFI (see Note 15).

CPNA was incorporated in the United States and was registered with the Secretary of State of California on April 20, 2017 as a domestic stock company type. CPNA is engaged in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporation Code.

Approval and Authorization for Issuance of Parent Company Financial Statements
The parent company financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 10, 2024.

2. Financial Reporting Framework and Basis of Preparation

Statement of Compliance
The parent company financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis of Preparation
The parent company financial statements of the Company have been prepared on the historical cost basis, unless otherwise stated. The parent company financial statements are presented in Philippine peso, the Company's functional currency.

3. Adoption of New and Revised Accounting Standards

Changes in Accounting Policies and Disclosures
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to PAS 1 and PFRS Practice Statement2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

  The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the parent company financial statements. The amendments have been considered under "Material Accounting and Financial Reporting Policies" in Note 4.

- Amendments to PAS 12 *International Tax Reform – Pillar Two Model Rules*

  The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

  The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

  The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

  Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after January 1, 2023.

  The Company adopted and applied the exceptions introduced by PAS 12. The current income tax expense related to Pillar Two income taxes amounted to nil in 2023.

  As at April 10, 2024, the Company is in the process of gathering information and assessing the potential exposure arising from the Pillar Two legislation.

Standards Issued but not yet Effective
The adoption of future accounting standards is not expected to have a material impact on the parent company financial statements.

4. Material Accounting and Financial Reporting Policies

Financial Assets
The Company's financial assets are classified as financial assets at amortized cost. The Company applies the simplified approach in measuring expected credit losses (ECL) for trade receivables which uses a lifetime expected loss allowance for all trade receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Company uses its historical experience, external indicators and forward-looking information using a provision matrix. The Company also assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due. Meanwhile, impairment of other financial assets is assessed based on potential liquidity of counterparties based on available financial information.

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

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

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

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

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

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

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

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

Land improvements	5-15 years
Buildings	5 - 15 years
Building improvements	5-15 years
Plant machinery and equipment	2 - 25 years
Office furniture, fixtures and equipment	2 - 5 years
Laboratory tools and equipment	2 - 14 years
Transportation and delivery equipment	2 - 7 years

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

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

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

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

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

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

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

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

Share-based Payments
Equity-settled share-based payments
Certain benefit-eligible employees of the Company receive an opportunity to purchase the common stock of the Company at a price lower than the fair market value of the stock at grant date.

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

Employee Benefits

Defined benefit plan

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

Retirement benefit costs are categorized as follows:

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

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

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

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

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

Revenue from Contracts with Customers

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

Sale of goods

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

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

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

The transaction price is also adjusted for any consideration payable to the customer. Consideration payable to a customer includes cash amounts that the Company pays, or expects to pay, to the customer (or to other parties that purchase the Company's goods from the customer). Consideration payable to a customer also includes credit or other items that can be applied against amounts owed to the Company (or to other parties that purchase the Company's goods from the customer).

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

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

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

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

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

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

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

Other income
Other income is recognized at a point in time when it is probable that the future economic benefits will flow to the Company, and it can be measured reliably.

Revenue outside the scope of PFRS 15

Rental income
Revenue recognition for rental income is disclosed in the Company's policy for leases.

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

Dividend income
Dividend income from investments is recognized when the shareholders' rights to receive payment have been established, provided that it is probable that the future economic benefits will flow to the Company and the amount of income can be measured reliably.

Leases

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

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

The Company as a lessor
Rental income is accounted for on a straight-line basis over the lease term and is included in "Other income" account in the parent company statements of comprehensive income.

Taxes

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

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

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

The Company is registered with the Board of Investments (BOI), pursuant to Executive Order No. 226 or the Omnibus Investments Code of 1987, as amended by Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act entitled for income tax holiday for canned tuna and its by-product from January 1, 2021 to December 31, 2024 and frozen loins from June 16, 2022 to December 2024.

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

Deferred tax liabilities are recognized for all taxable temporary differences except: (1) when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or (2) in respect of taxable temporary differences associate with investment in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is not probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused excess of 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 income will be available against which the deductible temporary differences and the carryforward benefits of unused tax credits and unused tax losses can be utilized except: (1) when the deferred income tax asset relating to deductible temporary difference 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, affects neither the accounting profit nor taxable profit or loss; or (2) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each financial reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value-added Tax (VAT)
Revenues, expenses and assets are recognized net of the amount of VAT, except:

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

The net amount of VAT recoverable from, or payable to, the tax authority is included as part of receivables or payables in the parent company statements of financial position.

5. Management's Use of Estimates and Assumptions

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

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

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

Determination of Functional and Presentation Currency. Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be Philippine Peso.

The Philippine Peso is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the Company in determining the costs and the selling price of its inventories. It is the currency in which the Company measures its performance and reports its results.

Determination of Lease Term of Contracts with Renewal option – Company as a Lessee. The Company has lease contracts that includes extension option. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Company included the renewal period as part of the lease term for leases of land and buildings. The Company typically exercises its option to renew for these leases because of significant improvements on the leased assets and these assets including the underlying assets are critical to the business of the Company. As such, there will be a significant negative effect on production if a replacement asset is not readily available. The Company has determined that the lease term of these lease contracts ranges from 5 to 20 years.

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

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

Impairment Assessment of Trademark with Indefinite Life. The Company performs recoverability testing annually or more frequently when there are indications of impairment for trademarks with indefinite lives. Recoverability testing requires an estimation of the value in use or fair value less cost of disposal of the CGU to which the trademark with indefinite life is allocated. Estimating the recoverable amount of the CGU involves significant assumptions about the future results of the business such as long-term revenue growth rate, operating expenses, gross margin and discount rate which were applied to cash flow forecasts. The cash flow forecasts were based on financial budgets approved by the BOD covering a five-year period.

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

1. Gross Revenue
   On the average, gross revenue of the CGU over the next five years were projected to grow in line with the economy or with nominal Gross Domestic Product. This assumes that the market share of the "Ligo" trademark will be flat on the assumption that it will also grow at par with the economy. Historically, the business growth had a direct correlation with economic growth. A 1% perpetuity growth rate was assumed at the end of the five-year forecast period.

2. Operating Expenses
   On the average, operating expenses were projected to increase in relation to revenue growth.

3. Gross Margins
   Increased efficiencies over the next five years are expected to result in margin improvements.

4. Discount Rate
   The discount rate used to arrive at the present value of future cash flows was the Company's Weighted Average Cost of Capital (WACC). WACC was based on the appropriate weights of debt and equity, which were multiplied with the assumed costs of debt and equity. The pre-tax discount rates applied to the cash flow projections range from 14.4% to 15.6% and 13.7% to 14.7% in 2023 and 2022, respectively.

The significant unobservable inputs used in the computation of value in use for trademark, together with a quantitative sensitivity analysis as at December 31, 2023 and 2022 are shown below:

	Valuation technique	**Significant unobservable inputs**	**Range (weighted average)**	**Sensitivity of the input to value in use**
Value in use for "Ligo" trademark	Relief from royalty method	Discount rate	2023: 14.4% to 15.6% (15.0%) 2022: 13.7% to 14.7% (14.2%)	0.5% (2022: 0.5%) increase (decrease) in the discount rate would result in a decrease (increase) in value in use by ₱1,139.5 million (2022: ₱680.2 million)
		Long-term growth rate for cash flows for subsequent years	2023: 1% 2022: 1%	1% (2022: 1%) increase (decrease) in the growth rate would result in an increase (decrease) in value in use by

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to value in use
				₱1,037.7 million (2022: ₱6,951.9 million)

The carrying amount of trademark with indefinite life amounted to ₱2,071.3 million and ₱423.1 million as at December 31, 2023 and 2022, respectively, (see Note 15).

The recoverable amount of the CGU to which the trademark with indefinite life is allocated is greater than its carrying amount. No impairment loss was recognized on trademark for the years ended December 31, 2023 and 2022.

Any reasonable changes in the key assumptions will not cause the carrying amount of the CGU to exceed their recoverable amount as at December 31, 2023 and 2022.

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

As at December 31, 2023 and 2022, the Company's lease liabilities amounted to ₱1,814.6 million and ₱1,692.4 million, respectively (see Note 29).

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

The fair values of financial assets and liabilities are disclosed in Note 34.

Impairment of Financial Assets at Amortized Cost. The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative Criteria*. The borrower is more than 120 days past due on its contractual payments, which is consistent with the Company's definition of default.

- *Qualitative Criteria*. The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

  a. The borrower is experiencing financial difficulty or is insolvent;
  b. Concessions have been granted by the Company, for economic or contractual reasons relating to the borrower's financial difficulty; or
  c. It is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

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

- *General approach for cash and cash equivalents, other receivables, due from related parties, security deposits and deposits on utilities*. Under the general approach, at each reporting date, the Company recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss. The Company has leveraged on available market data for cash in banks to calculate the ECL.
- *Simplified approach for trade receivables*. The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.
- *Grouping of instruments for losses measured on collective basis*. For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. The characteristic used to determine groupings is based on the type of customer.
- *Macro-economic forecasts and forward-looking information*. Macro-economic forecasts are determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

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

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

Total trade receivables recognized in the parent company statements of financial position amounted to ₱7,383.8 million and ₱6,859.8 million as at December 31, 2023 and 2022, respectively, which is net of the related allowance for ECL and sales returns amounting to ₱31.4 million and ₱26.2 million as at December 31, 2023 and 2022, respectively, as shown in Note 8. Other financial assets of the Company follows:

	2023	2022
Due from related parties (see Note 18)	**₱3,849.6**	₱3,330.7
Security deposits (see Note 14)	**63.1**	84.0
Deposits on utilities (see Note 14)	**9.3**	8.3
Revolving fund (see Note 14)	**7.1**	5.9
	₱3,929.1	₱3,428.9

Provision for ECL amounted to ₱4.5 million and nil in 2023 and 2022, respectively on due from related parties, security deposits and deposits on utilities.

Evaluation of NRV of Inventories. The Company writes down the cost of inventories whenever NRV of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price level or other causes such as the impact of COVID-19 pandemic. The lower of cost and NRV of inventories is reviewed at each reporting date. Inventory items identified to be obsolete and unusable are also written off and charged as expense in net income in the parent company statements of comprehensive income.

The carrying values of inventories amounted to ₱12,732.1 million and ₱13,877.5 million, net of allowance for inventory obsolescence of ₱610.5 million and ₱506.0 million as at December 31, 2023 and 2022, respectively (see Note 9).

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

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

There are no changes in the estimation of useful lives of property, plant and equipment, intangible assets with definite useful life and right-of-use assets in 2023 and 2022. The carrying values of these assets are as follows:

	2023	2022
	(in millions)	
Property, plant and equipment (see Note 12)	**₱2,635.0**	₱2,522.4
Intangible assets with definite useful life (see Note 15)	**2,071.3**	423.1
Right-of-use assets (see Note 13)	**1,644.1**	1,552.1
	₱6,350.4	₱4,497.6

Determination of Pension Costs. The cost of defined benefit pension plans and present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Retirement benefit obligation amounted to ₱305.4 million and ₱253.5 million as at December 31, 2023 and 2022, respectively (see Note 19).

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

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

Further details about the assumptions used are provided in Note 19.

Recoverability of Deferred Tax Assets. The Company performs an annual evaluation of the realizability of deferred tax assets in determining the portion of deferred tax assets which should be recognized. The Company's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the following period. This forecast is based on the Company's past results and future expectations on revenue and expenses. The Company computes for deferred tax using the 25% corporate tax rate.

Deferred tax assets recognized amounted to ₱1,193.2 million and ₱676.5 million as at December 31, 2023 and 2022, respectively (see Note 31).

6. Segment Information

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

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

Business Segment	Products
Marine	Tuna
	Sardines
	Other seafood-based products
Meat	Corned beef
	Meatloaf
	Processed beans
	Other meat-based product
Milk and emerging	Distribution of other products
	Canned milk
	Powdered milk
Corporate and others	Shared services
	Sale of supplies

The results of operations of the reportable segments for the years ended December 31, 2023 and 2022 are as follows:

	2023	
	Segment Revenue	**Segment Income (Loss) Before Tax**
Marine	**₱20,792,455,648**	**₱890,578,814**
Meat	**14,898,068,954**	**2,056,408,181**
Milk and emerging	**18,146,355,154**	**(169,625,560)**
Corporate and others	**795,698**	**1,213,774,343**
Total revenue and profit for the year	**₱53,837,675,454**	**₱3,991,135,778**

	2022	
	Segment Revenue	Segment Income (Loss) Before Tax
Marine	₱19,248,423,236	₱1,247,920,904
Meat	14,303,372,949	1,781,901,557
Milk and emerging	15,016,638,846	(660,313,625)
Corporate and others	847,235	2,623,316,115
Total revenue and profit for the year	₱48,569,282,266	₱4,992,824,951

Segment income represents the profit before tax by each segment without allocation of central administration costs and directors' salaries, investment income, other gains and losses, as well as finance costs. This is the measure reported to the CODM for purposes of resource allocation and assessment of segment performance.

The segment assets and liabilities as at December 31, 2023 and 2022 are as follows:

	Assets	**Liabilities**
2023		
Marine	**₱104,956,391,649**	**₱97,708,487,931**
Meat	**49,138,283,933**	**40,463,076,806**
Milk and emerging	**34,447,155,886**	**35,853,063,158**
Corporate and others	**108,020,172,393**	**98,171,826,489**
Segment total	**296,562,003,861**	**272,196,454,384**
Eliminations	**(253,781,331,996)**	**(253,781,331,992)**
	₱42,780,671,865	**₱18,415,122,392**
2022		
Marine	₱102,300,001,579	₱95,936,336,449
Meat	49,720,921,851	42,588,020,861
Milk and emerging	33,396,792,515	34,675,480,616
Corporate and others	101,506,423,621	91,505,812,107
Segment total	286,924,139,566	264,705,650,033
Eliminations	(246,091,716,407)	(246,091,716,407)
	₱40,832,423,159	₱18,613,933,626

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments, other than other financial assets, and current and deferred tax assets which are booked under Corporate and others segment. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

- All liabilities are allocated to reportable segments, other than borrowings, other financial liabilities, current and deferred tax liabilities, which are booked under Corporate and others segment. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

Other segment information as at and for the years ended December 31, 2023 and 2022 are as follows:

	Additions to Property, Plant and Equipment	**Depreciation and Amortization**	**Interest Income**	**Finance Costs**
2023				
Marine	**₱293,789,196**	**₱330,995,751**	**₱153,407**	**₱16,435,557**
Meat	**144,406,826**	**190,107,309**	**96,536**	**25,003,755**
Milk and emerging	**70,348,926**	**185,951,151**	**135,783**	**45,631,461**
Corporate and others	**114,021,422**	**166,773,738**	**57,721,334**	**375,780,244**
Total	**₱622,566,370**	**₱873,827,949**	**₱58,107,060**	**₱462,851,017**
2022				
Marine	₱436,748,003	₱263,686,400	₱131,664	₱5,906,246
Meat	85,535,216	206,439,555	75,233	24,116,879
Milk and emerging	44,142,779	174,963,907	72,686	49,114,859
Corporate and others	31,164,416	120,745,285	6,607,877	233,158,934
Total	₱597,590,414	₱765,835,147	₱6,887,460	₱312,296,918

Revenues and non-current assets are mainly based in the Philippines, which is the Company's country of domicile.

7. Cash and Cash Equivalents

	2023	2022
Cash on hand and in banks	**₱894,479,557**	₱773,215,826
Cash equivalents	**1,929,545,536**	450,427,313
	₱2,824,025,093	₱1,223,643,139

Cash in banks earned average interest rate ranging from 0.10% to 0.125% in 2023 and 2022 and is unrestricted and immediately available for use in the current operations of the Company.

Cash equivalents represent short-term fund placements and investments in unit - trust funds (UITFs) with local banks. Short-term fund placements will mature in three months or less from the date of acquisitions with annual average interest rates ranging from 1.25% up to 2.25% both in 2023 and 2022. These placements are from excess cash and can be withdrawn anytime.

Interest income earned from bank deposits and placements amounted to ₱57.3 million and ₱6.2 million in 2023 and 2022, respectively.

8. Trade and Other Receivables

	2023	2022
Trade receivables from third parties	**₱7,340,479,196**	₱6,832,336,766
Allowance for ECLs	**(31,429,583)**	(26,216,134)
	7,309,049,613	6,806,120,632
Other receivables	**39,912,128**	20,354,451
Advances to officers and employees	**34,822,864**	33,300,506
	₱7,383,784,605	₱6,859,775,589

Trade receivables represent short-term, non-interest bearing receivables from various customers and generally have 30 to 90 days term or less. No interest is charged on trade receivables.

Advances to employees are non-interest bearing and are liquidated within one month. Advances to officers include salary loans which earned average interest rate of 8% per annum. Interest income earned from salary loans amounted to ₱0.8 million and ₱0.7 million in 2023 and 2022, respectively.

Other receivables, which consist mainly of receivables from various parties for transactions other than sale of goods and statutory receivables, are non-interest bearing and generally have terms of 30 to 45 days.

Movements in the allowance for ECLs as at December 31 is as follows:

	2023	2022
Balance, January 1	**₱26,216,134**	₱18,525,044
Provision for ECLs (see Note 26)	**75,515,473**	7,691,090
Write off (see Note 26)	**(44,085,891)**	–
Reversal	**(26,216,133)**	–
Balance, December 31	**₱31,429,583**	₱26,216,134

9. Inventories

	2023	2022
Finished goods (see Note 25)	**₱7,125,865,250**	₱6,752,296,115
Raw and packaging materials (see Note 25)	**5,774,370,952**	7,172,256,787
Cost of inventories recorded at NRV	**12,900,236,202**	13,924,552,902
Allowance for inventory obsolescence	**(610,545,806)**	(505,980,700)
Inventories, at NRV	**12,289,690,396**	13,418,572,202
Work in process (see Note 25)	**121,481,855**	160,152,473
Spare parts and supplies	**320,884,219**	298,774,241
Inventories, at cost	**442,366,074**	458,926,714
	₱12,732,056,470	₱13,877,498,916

Cost of inventories recognized as expense amounted to ₱41,340.7 million and ₱38,146.2 million in 2023 and 2022, respectively, as disclosed in Note 25.

Movement in the Company's allowance for inventory obsolescence are as follows:

	2023	2022
Balance, January 1	**₱505,980,700**	₱334,700,073
Provision for inventory obsolescence (see Notes 25 and 28)	**576,250,362**	206,476,067
Reversal (see Note 25)	**(471,685,256)**	(35,195,440)
Balance, December 31	**₱610,545,806**	₱505,980,700

10. Prepayments and Other Current Assets

	2023	2022
Advances to suppliers	**₱804,806,860**	₱742,351,251
Creditable withholding tax	**357,406,413**	253,852,290
Deferred input VAT	**132,433,590**	123,382,618
Prepaid services	**68,997,678**	57,190,942
Prepaid insurance	**6,539,782**	8,074,217
Prepaid rentals	**5,644,376**	7,972,403
Others	**34,381,683**	9,562,584
	₱1,410,210,382	₱1,202,386,305

Advances to suppliers, contractors, and deposits pertain to the Company's advance payments for goods and services that can be recovered within one (1) year.

Creditable withholding taxes will be utilized through application against the Company's future income tax payable.

Deferred input VAT pertains to input VAT on accumulated purchases of property, plant and equipment amounting to ₱1.0 million or more. Where the aggregate acquisition cost (exclusive of VAT) of the existing or finished depreciable capital goods purchased or imported during any calendar month does not exceed ₱1.0 million, the total input VAT will be allowable as credit against output VAT in the month of acquisition.

Prepaid services pertain to advance payments related to maintenance on software and system used by the Company.

11. Investments in Subsidiaries

Movement in investment in subsidiaries for 2023 and 2022 are as follows:

	2023	2022
Cost:		
Beginning of year	**₱9,131,271,463**	₱7,402,616,168
Addition	–	1,728,655,295
Return of investment (see Note 15)	**(1,669,655,394)**	–
End of year	**7,461,616,069**	9,131,271,463
Accumulated impairment:		
Beginning of year	**(92,256,256)**	(92,256,256)
Addition	**(35,077,639)**	–
End of year	**(127,333,895)**	(92,256,256)
	₱7,334,282,174	₱9,039,015,207

Management believes that there is no indication of impairment on the carrying amounts of its investment in subsidiaries other than the total allowance for impairment recognized for investment in CIC and CST as at December 31, 2023 and 2022. Such amounts are recognized for the difference between the carrying amount and the recoverable amount of investments in subsidiaries.

In 2022, the increase in investment pertains to investment in CRL which owns the “Ligo” trademark. On December 28, 2023, the BOD approved the return of capital of CRL to CPFI amounting to ₱1,669.7 million and CRL executed deed of assignment to assign all right, title and interest over the “Ligo” trademark to CPFI.

12. Property, Plant and Equipment

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

	Land Improvements	Building Improvements	Plant Machinery and Equipment	Office Furniture, Fixtures and Equipment	Laboratory, Tools and Equipment	Transportation and Delivery Equipment	Computer Equipment	Construction in Progress	Total
Cost:									
January 1, 2022	₱553,834	₱862,945,536	₱2,200,542,085	₱47,061,664	₱109,411,918	₱113,164,549	₱181,983,653	₱200,994,380	₱3,716,657,619
Additions	–	113,228,640	59,982,097	3,377,737	38,015,531	11,060,714	16,846,986	355,078,709	597,590,414
Disposals	–	(937,249)	(2,478,648)	(479,097)	(428,365)	(8,828,929)	(2,352,014)	(6,955)	(15,511,257)
Transfers	714,310	43,495,808	241,684,610	947,185	6,662,357	88,000	4,030,800	(297,623,070)	–
December 31, 2022	1,268,144	1,018,732,735	2,499,730,144	50,907,489	153,661,441	115,484,334	200,509,425	258,443,064	4,298,736,776
Additions	**–**	**26,173,890**	**71,922,011**	**3,842,574**	**5,411,677**	**17,206,428**	**21,754,111**	**476,255,680**	**622,566,371**
Disposals	**–**	**(937,249)**	**(64,410,847)**	**(7,480)**	**(2,575,653)**	**(11,193,661)**	**(1,324,700)**	**(44,834)**	**(80,494,424)**
Transfers	**722,615**	**53,095,230**	**381,760,305**	**1,814,107**	**2,110,006**	**128,661**	**3,998,220**	**(443,629,144)**	**–**
December 31, 2023	**1,990,759**	**1,097,064,606**	**2,889,001,613**	**56,556,690**	**158,607,471**	**121,625,762**	**224,937,056**	**291,024,766**	**4,840,808,723**
Accumulated Depreciation:									
January 1, 2022	345,945	201,943,382	856,452,039	38,451,729	80,395,803	67,454,101	142,141,046	–	1,387,184,045
Depreciation (see Notes 25 and 26)	86,408	77,737,183	263,579,210	4,457,645	28,815,950	13,436,397	15,279,695	–	403,392,488
Disposals	–	(937,249)	(2,475,347)	(478,527)	(424,840)	(7,739,864)	(2,143,082)	–	(14,198,909)
December 31, 2022	432,353	278,743,316	1,117,555,902	42,430,847	108,786,913	73,150,634	155,277,659	–	1,776,377,624
Depreciation (see Notes 25 and 26)	**345,190**	**90,759,522**	**314,889,757**	**4,509,113**	**24,269,411**	**14,544,218**	**17,761,826**	**–**	**467,079,037**
Disposals	**–**	**(937,249)**	**(25,472,275)**	**(6,537)**	**(1,800,641)**	**(8,445,170)**	**(1,017,831)**	**–**	**(37,679,703)**
Transfers	**–**	**–**	**–**	**41,129**	**–**	**–**	**(41,129)**	**–**	**–**
December 31, 2023	**777,543**	**368,565,589**	**1,406,973,384**	**46,974,552**	**131,255,683**	**79,249,682**	**171,980,525**	**–**	**2,205,776,958**
Carrying Amounts December 31, 2023	**₱1,213,216**	**₱728,499,017**	**₱1,482,028,229**	**₱9,582,138**	**₱27,351,788**	**₱42,376,080**	**₱52,956,531**	**₱291,024,766**	**₱2,635,031,765**
Carrying Amounts December 31, 2022	₱835,791	₱739,989,419	₱1,382,174,242	₱8,476,642	₱44,874,528	₱42,333,700	₱45,231,766	₱258,443,064	₱2,522,359,152

The Company recognized loss from disposal of property, plant and equipment amounting to nil and ₱0.9 million in 2023 and 2022, respectively, as disclosed in Note 28.

Management believes that there are no impairment indicators on its property, plant and equipment as at December 31, 2023 and 2022.

13. Right-Of-Use Assets

Movements in the carrying amounts of the Company's right-of-use assets are as follows:

	Warehouse	Office Space	Equipment	Plant	Total
Cost:					
January 1, 2022	₱1,995,449,650	₱71,508,878	₱20,178,792	₱41,028,725	₱2,128,166,045
Additions	235,625,970	1,934,990	5,442,580	18,186,503	261,190,043
Adjustments	(39,128,502)	–	–	–	(39,128,502)
Expiration	(89,789,242)	(876,771)	(11,653,932)	–	(102,319,945)
December 31, 2022	2,102,157,876	72,567,097	13,967,440	59,215,228	2,247,907,641
Additions	**493,836,201**	**9,414,935**	**11,962,451**	**36,910,628**	**552,124,215**
Expiration	**(220,652,291)**	**(11,177,400)**	**(5,442,579)**	**–**	**(237,272,270)**
December 31, 2023	**2,375,341,786**	**70,804,632**	**20,487,312**	**96,125,856**	**2,562,759,586**
Accumulated Depreciation:					
January 1, 2022	473,092,990	27,690,541	10,201,148	9,872,493	520,857,172
Depreciation (see Notes 25 and 26)	313,879,945	10,598,806	9,149,694	7,298,373	340,926,818
Adjustments	(61,931,810)	(777,496)	–	(920,260)	(63,629,566)
Expiration	(89,789,242)	(876,771)	(11,653,932)	–	(102,319,945)
January 1, 2023	635,251,883	36,635,080	7,696,910	16,250,606	695,834,479
Depreciation (see Notes 25 and 26)	**355,039,535**	**9,867,522**	**10,724,056**	**9,605,288**	**385,236,401**
Expiration	**(146,129,295)**	**(10,867,957)**	**(5,442,579)**	**–**	**(162,439,831)**
December 31, 2023	**844,162,123**	**35,634,645**	**12,978,387**	**25,855,894**	**918,631,049**
Carrying Amounts December 31, 2023	**₱1,531,179,663**	**₱35,169,987**	**₱7,508,925**	**₱70,269,962**	**₱1,644,128,537**
Carrying Amounts December 31, 2022	₱1,466,905,993	₱35,932,017	₱6,270,530	₱42,964,622	₱1,552,073,162

Management believes that there is no indication that an impairment loss has occurred on its right-of-use assets for the years ended December 31, 2023 and 2022.

Amounts recognized in profit or loss

Amortization charged to cost of goods sold under factory overhead and operating expenses in relation to right of use assets are as follows:

	2023	2022
Cost of goods sold (see Note 25)	**₱273,721,050**	₱239,014,781
Operating expenses (see Note 26)	**91,395,369**	78,526,094
Other expenses (see Note 28)	**20,119,982**	23,385,943
Total Amortization of Right-of-Use Assets	**₱385,236,401**	₱340,926,818

14. Other Noncurrent Assets

The Company's other noncurrent assets consist of the following:

	2023	2022
Security deposits (see Note 29)	**₱63,148,906**	₱83,975,159
Returnable containers	**19,366,442**	27,267,288
Deposits on utilities	**9,250,109**	8,343,437
Deposits on agencies	**1,350,000**	1,350,000
Revolving Fund	**7,073,527**	5,858,181
	₱100,188,984	₱126,794,065

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

Returnable containers are assets used in the delivery of the Company's products. Products for delivery do not include the value of these containers.

Revolving funds are provided to the service provider, and this will be refunded upon termination of the related services.

15. **Intangible Assets**

	2023	2022
Trademarks	**₱1,669,655,394**	₱–
Licensing agreement	**401,629,014**	423,144,853
	₱2,071,284,408	₱423,144,853

Trademark
On December 28, 2023, CRL executed a deed of assignment to transfer and assign all of its right, title and interest of the "Ligo" trademark to the Company. The agreement was accounted for as return of capital.

Licensing agreement
In 2017, the Company acquired the Philippine license for the Hunt's brand from Hunt - Universal Robina Corporation ("HURC"). HURC is a joint venture corporation of Universal Robina Corporation ("URC") and ConAgra Grocery Products Company, Limited Liability Company (LLC) established for the purpose of manufacturing, selling and distributing of Hunt's licensed products. HURC entered into various agreements with URC to act as HURC's exclusive partner for the manufacture, sale and distribution of the licensed products. The acquisition is expected to support the growth of the Company's branded businesses, as well as expand its presence into adjacent shelf- stable categories.

The total consideration paid to ConAgra and URC for the Hunt's business amounted to ₱573.5 million comprising payments for the license, asset purchase and compensation. Total consideration has been allocated to the identifiable assets on the basis of the relative fair values at acquisition date as follows:

	Amount
Plant, machinery and equipment	₱35,651,000
Intangible asset on licensing agreement	537,896,000
Identifiable assets acquired	₱573,547,000

No goodwill resulted from the acquisition of Hunt's business.

Trademark licensing agreement
On the same year, the Company entered into a trademark licensing agreement with ConAgra Foods RDM, Inc. ("ConAgra"). The trademark license will entitle the Company an exclusive revocable right and license to manufacture and sell in the Philippines and other licensed territories the licensed products in accordance with the formulas and specifications furnished by ConAgra and to affix to the products the licensed marks after the grant date and during the term of the agreement. The licensing agreement shall have an initial term of 25 years subject to renewal of 3 years thereafter subject to the terms of the licensing agreement.

On each contract year, the Company shall pay ConAgra the following:

- Guaranteed royalty to be paid quarterly and serves as a non-refundable advance towards the earned royalty for the licensed products; and
- Earned royalty is non-refundable and to be paid based on an agreed percentage of net sales per contract year.

Further, under the licensing agreement, the Company purchased plant machinery and equipment (the "plant assets") that could be used to manufacture the licensed products.

Royalty fee expense to ConAgra amounted to ₱22.9 million and ₱22.1 million for the years ended December 31, 2023 and 2022, respectively, as disclosed in Note 26 under "Royalties".

The remaining useful life of the intangible asset acquired is years 18.33 and 19.33 years as of December 31, 2023 and 2022, respectively.

Movements in carrying amounts of the Company's intangible asset are as follows:

	2023	2022
Cost -		
Beginning and ending balance	**₱537,896,000**	₱537,896,000
Accumulated depreciation:		
Beginning balance	**114,751,147**	93,235,307
Amortization (see Note 26)	**21,515,839**	21,515,840
Ending balance	**136,266,986**	114,751,147
Carrying amount	**₱401,629,014**	₱423,144,853

Management believes that there is no indication that an impairment loss has occurred on its intangible asset for the years ended December 31, 2023 and 2022.

16. Trade and Other Payables

	2023	2022
Trade payables	**₱2,156,901,288**	₱2,556,256,506
Accrued expenses	**5,890,832,432**	4,601,721,076
Withholding tax payable	**209,272,277**	199,464,179
Non-trade payables	**136,914,300**	269,496,686
VAT - net	**54,587,678**	133,332,162
	₱8,448,507,975	₱7,760,270,609

The credit period on purchases of certain goods from supplier's ranges from 30 to 120 days. No interest is charged on trade payables. Accrued expenses are non-interest bearing and are normally settled within one year.

Non-trade payables pertain to miscellaneous payable and reimbursements to employees which are payable on demand and no interest is charged.

Details of accrued expenses are shown below:

	2023	2022
Product-related costs	**₱3,051,660,150**	₱2,366,961,096
Advertising and promotion	**2,255,661,469**	1,820,611,684
Professional services and other fees	**216,341,898**	227,130,073
Employee benefits	**74,394,679**	19,105,870
Interest (see Note 17)	**33,077,171**	39,080,510
Utilities	**11,417,887**	7,561,124
Others	**248,279,178**	121,270,719
	₱5,890,832,432	₱4,601,721,076

Others pertain to accruals for rental and insurance expenses of the Company.

17. Short-term Loans and Borrowings

This account consists of the following:

Short-term loans

	2023	2022
Balance at beginning of year	**₱4,270,000,000**	₱2,600,000,000
Availments	**4,400,000,000**	4,640,000,000
Payments	**(6,170,000,000)**	(2,970,000,000)
Balance at end of year	**₱2,500,000,000**	₱4,270,000,000

The Company acquired several short-term loans amounting to ₱4.4 billion and ₱4.6 billion as at December 31, 2023 and 2022, respectively, with interest ranging from 4.2% to 5.7% per annum in 2023 and 2.1% to 5.7% per annum in 2022.

Interest expense pertaining to short-term loans amounting to ₱197.1 million and ₱86.2 million was recognized in 2023 and 2022, respectively.

Long-term facility

The carrying value of this long-term borrowing as at December 31, 2023 and 2022 is as follows:

	2023	2022
Balance at beginning of year	**₱3,174,213,995**	₱1,991,891,353
Availments	–	1,191,000,000
Payments and amortization	**(9,870,686)**	(8,677,358)
Balance at end of year	**3,164,343,309**	3,174,213,995
Less current portion	**7,360,791**	9,390,325
Noncurrent portion	**₱3,156,982,518**	₱3,164,823,670

Movement of the Company's debt issuance cost is as follows:

	2023	2022
Balance at beginning of year	**₱5,786,005**	₱8,108,647
Additions	–	9,000,000
Amortization	**(10,129,314)**	(11,322,642)
Balance at end of year	**(₱4,343,309)**	₱5,786,005

The Company has entered into a ₱2.0 billion, ten-year term loan facility with Banco de Oro (BDO) in April and May 2021. The proceeds were used to refinance the existing long- term borrowings.

On March 18, 2022 the Company entered into a ₱1.2 billion, ten-year term loan with Bank of the Philippine Islands (BPI) to finance capital expenditures for business expansion.

Shown below are the details of this long-term borrowing:

	Loan 1	Loan 2	Loan 3
Principal	₱1,000.0 million	₱1,000.0 million	₱1,200.0 million
Date	April 5, 2021	May 5, 2021	March 18, 2022
Interest rate	a. Fixed pricing for the initial 5-year period ("5Y initial interest rate"): The higher of (i) 5-year BVAL on the relevant interest settlingdate plus a spread of 0.80% p.a. and (ii) 3.90% p.a. b. Subject to the repricing at the end of the 5th year, at the higher of (i) 5Y interest rate; and (ii) 5-year BVAL rate at the repricing date plus a spread of 0.80% p.a.	a. Fixed pricing for the initial five-year period ("5Y initial interest rate"): 4.04% p.a. b. Subject to the repricing at the end of the 5th year, at the higher of (i) 5Y interest rate; and (ii) 5-year BVAL at the repricing date plus a spread of 0.80% p.a.	a. From 1Y to 3Y equivalent to the higher of: (1) the 3-day average of the 3-year PHP BVAL + 0.30% spread per annum; and (2) 3.50 per annum b. From 4Y to 6Y equivalent to the higher of: (1) the 3-day average of the 3-year PHP BVAL + 0.50% spread per annum; and (2) 3.50 per annum c. From 7Y to maturity date equivalent to the higher of: (1) the 3-day average of the 4-year PHP BVAL + 0.50% spread per annum; and (2) 3.50 per annum
Prepayment penalty	The Borrower may, subject to the penalty of 3% for Peso Borrowing and 1% for Foreign Borrowing, prepay the Term Loanin part or full together with accrued interest thereof to prepayment date.		
Principal payment	Semi-annual	Semi-annual	Annual

Management has assessed that the interest rate floor on the loans is an embedded derivative which is not for bifurcation since the market rate approximates the floor rate at the transaction date. On the other hand, the prepayment option was assessed as closely related to the loan and thus, was not bifurcated.

Until termination of the Facility and payment in full of the Loan and all other amounts due hereunder, the Company is required to comply with certain covenants, unless the Lender shall otherwise give its prior consent in writing. These include preservation of rights, privileges and franchises, maintenance of adequate books, accounts and records, compliance of all laws, statutes, rules and regulations and promptly provide written notice to the bank of any dispute or unresolved case.

In addition, the Company must not make changes in the character of its business, in its ownership or control or capital stock, not permit any indebtedness to be secured by any lien, not declare dividends upon occurrence of event of default, not sell, lease or transfer substantially all of its assets with any other person, not extend loan to any corporation owned by the Borrower or to any of its directors, not act as guarantor or surety and will not undertake any capital expenditure outside ordinary course of business.

The Company is also required to maintain a maximum of debt-to-equity ratio which shall be at 3:1 and minimum debt service coverage ratio of 1.05x.

As at December 31, 2023 and 2022, the Company is in compliance with the aforementioned covenants.

Interest expense pertaining to long-term loans amounting to ₱134.5 million and ₱119.5 million were recognized in 2023 and 2022, respectively.

Total finance costs incurred on these loans amounted to ₱331.5 million and ₱217.0 million in 2023 and 2022, respectively, as presented in the parent company statements of comprehensive income.

Total accrued interest payable on these loans amounting to ₱33.1 million and ₱39.1 million as at December 31, 2023 and 2022, respectively, is presented as part of accrued expenses as disclosed in Note 16.

18. Related Party Transactions

In the normal course of business, the Company transacts with companies which are considered related parties under PAS 24, *Related Party Transactions*, as summarized below:

	Relationship
Century Pacific Group, Inc. (CPGI)	Ultimate Parent
Yoshinoya Century Pacific, Inc. (YCPI)	Fellow Subsidiary
Century Pacific Vietnam Co., Ltd. (CPVL)	Fellow Subsidiary
CPG Holdings, Inc. (CHI)	Fellow Subsidiary
Rian Realty Corporation (RRC)	Fellow Subsidiary
Millennium Land Development Corporation (MLDC)	Fellow Subsidiary
Shinning Ray Limited (SRL)	Fellow Subsidiary
Pacific Pabahay Homes, Inc. (PPHI)	Fellow Subsidiary
Centrobless Corp. (CBC)	Fellow Subsidiary
Shakey's Asia Foods, Holding Inc. (SAFHI)	Fellow Subsidiary
Shakey’s Pizza Commerce Inc (SPCI)	Fellow Subsidiary
Bakemaster Inc (BMI)	Fellow Subsidiary
Arthaland Corporation (ALCO)	Associate of a Fellow Subsidiary
Moresby International Holdings, Inc. (Moresby)	Joint venture of ultimate parent
Majestic Seafood Corporation	Related party through Moresby
DBE Project Inc. (DPI)	Fellow Subsidiary
Shakey's Pizza Asia Ventures, Inc. (SPAVI)	Fellow Subsidiary
Century Pacific Group – RSPO Foundation Inc (RSPO)	Related Party under common ownership
General Tuna Corporation (GTC)	Subsidiary
Snow Mountain Dairy Corporation (SMDC)	Subsidiary
Allforward Warehousing Inc. (AWI)	Subsidiary
Century Pacific Agricultural Venture Inc. (CPAVI)	Subsidiary
The Pacific Meat Company, Incorporated (PMCI)	Subsidiary
Century Pacific Seacrest, Inc. (CPSI)	Subsidiary
Centennial Global Corporation (CGC)	Subsidiary
Century Pacific Food Packaging Ventures, Inc. (CPFPVI)	Subsidiary
General Odyssey Inc (GOI)	Subsidiary

	Relationship
Millenium General Power Inc (MGPC)	Subsidiary
Cindena Resources Limited (CRL)	Subsidiary
Century (Shanghai) Trading Co. Ltd. (CST)	Subsidiary
Century International (China) Co. Ltd. (CIC)	Subsidiary
Century Pacific North America (CPNA)	Subsidiary

The summary of the Company's transactions and outstanding balances with related parties as at and for the years ended December 31, 2023 and 2022 is as follows:

		Amount of Transactions		**Receivable / (Payable)**		
Related Party Category	**Notes**	**2023**	2022	**2023**	2022	Remarks
Ultimate Parent Company						
Dividends	27	**₱892,560,000**	₱803,304,000	**₱–**	₱–	h
Rental expense	26	**28,575,757**	24,771,881	**(4,288,992)**	(1,108,644)	e
Service income	27	**7,453,452**	921,331	**8,038,581**	28,741	b
Miscellaneous deposit		**–**	–	**7,501,180**	7,155,808	e
Shared cost reimbursement		**27,532**	126,093	**–**	–	b
Fellow Subsidiaries						
Shared services fee		**2,473,380**	–	**508,556**	–	c
Sale of inventories		**82,562,048**	38,311,047	**81,564,194**	32,335,278	a
Purchase of inventories		**2,409,511**	2,554,307	**(10,008,108)**	(8,842,347)	a
Miscellaneous deposit		**–**	–	**849,150**	849,150	e
Service income	27	**3,208,355**	5,803,332	**–**	–	b
Shared cost reimbursement		**24,577,827**	18,317,123	**–**	–	b
Rental expense	26	**7,487,544**	3,407,722	**(667,639)**	–	e
Subsidiaries						
Shared services fee		**149,918,569**	106,941,091	**–**	–	c
Sale of inventories		**1,149,333,932**	1,057,391,541	**2,091,257,427**	1,454,775,072	a
Purchase of inventories		**6,562,265,098**	5,512,816,756	**(2,007,308,198)**	(1,176,556,272)	a
Cash advances		**103,485,112**	438,986,104	**1,534,061,374**	1,430,576,262	d
Service income	27	**106,964,233**	192,322,698	**106,103,100**	385,300,075	b
Miscellaneous deposit		**–**	–	**19,670,000**	19,670,000	e
Shared cost reimbursement		**902,410,194**	1,065,143,120	**–**	–	b
Cash borrowings		**–**	227,000,000	**(160,000,000)**	(227,000,000)	d
Sale of assets		**46,479,290**	275,589	**–**	(50,000,000)	g
Rental expense	26	**118,020,000**	118,191,556	**–**	–	e
Dividend income	27	**1,857,437,391**	3,476,683,338	**–**	–	h
Rental income	27	**1,498,200**	–	**–**	–	e
Royalties		**2,351,097,036**	2,095,660,132	**–**	–	f
Purchase of fixed assets		**135,022**	11,547,272	**–**	–	g
Due from related parties				**₱3,849,553,562**	₱3,330,690,386	
Due to related parties				**₱2,182,272,937**	₱1,463,507,263	

Terms and conditions of transactions with related parties
Outstanding balances at year-end are unsecured, interest free and settlement occurs using cash or non-cash consideration. There have been no guarantees provided nor received for any related party receivables or payables. As at December 31, 2023 and 2022, no related party has recognized any impairment losses of receivables relating to amounts advanced to another related party. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

a. The Company enters into sale transactions with fellow subsidiaries and subsidiaries for the distribution of products to certain areas where management deems it necessary to establish customers.

b. The Company shares cost with its related parties relating to repairs and maintenance, supplies, fees and dues, utilities and other operating expenses. Service income from related parties is shown as part of service income in Note 27.

c. The Company entered into a Master Service Agreement (MSA) with related parties to provide corporate office services. In accordance with the terms of the MSA, the Company provides management service for manpower, training and development. For and in consideration, thereof, the Company shall charge the related parties a shared service fee on a monthly basis for the services rendered.

   The MSA shall be in effect from date of execution and shall automatically renew on a month-to-month basis, unless terminated by either party through the issuance of a written advice to that effect at least 30 days prior to the intended date of termination.

d. The Company, in the normal course of business, either provides to or borrows from its related parties funds for working capital requirements. These advances are non-interest bearing and short-term in nature. Included in the balance are advances to CPAVI to pay off its infrastructure expenses, GTC, CPFPVI and AWI for operational purposes. The outstanding amount of these advances amounted to ₱1,534.1 million and ₱1,430.6 million in 2023 and 2022, respectively.

   In addition, cash borrowing from CGC amounting to ₱50 million was recognized in 2017. This is still outstanding as at December 31, 2023 and 2022.

e. The Company, as a lessee, has a lease agreement with CPGI for the use of the latter's office space in Centerpoint, Ortigas.

   Total rental expense on lease agreements with related parties amounted to ₱28.6 million and ₱24.8 million in 2023 and 2022, respectively.

f. Total royalty fee to CPSI amounted to ₱2,351.1 million and ₱2,095.7 million in 2023 and 2022, respectively.

g. In 2023, the company sold property, plant and equipment amounting to ₱46.5 million to CPFPVI.

   In 2022, the company sold property, plant and equipment amounting to ₱0.3 million to GTC.

h. Total dividend income earned by the Company from subsidiaries for the years ended December 31, 2023 and 2022 amounted to ₱1,857.4 million and ₱3,476.7 million, respectively, as disclosed in Note 27. On 2022 CPSI issued stock dividend amounting to 100,000,000.

Remuneration of Key Management Personnel
The remuneration of the Directors and other members of key management personnel of the Parent Company are set out below in aggregate for each of the categories specified in PAS 24, *Related Party Disclosures*:

	2023	2022
Short-term employee benefits	**₱308,208,402**	₱ 280,495,656
Post-employment benefits	**47,579,075**	37,738,693
	₱ 355,787,477	₱ 318,234,349

The short-term employee benefits of the key management personnel are included as part of compensation and other benefits in the parent company statements of comprehensive income.

No share-based payments were made during 2023 and 2022. Issued stock dividends amounting to nil and ₱100 million for year 2023 and 2022, respectively.

19. **Retirement Benefit Obligation**

The Group has set up the Century Pacific Group of Companies Multiemployer Retirement Plan, which is a funded, non- contributory and of the defined benefit type which provides a retirement benefit ranging from 25% to 130% of plan salary for every credited service. Benefits are paid in a lump sum upon retirement or separation in accordance with terms of the plan.

Under the existing regulatory framework, Republic Act (RA) No. 7641, requires a 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 fund.

The Retirement Plan Trustee, as appointed by the Group in the Trust Agreement executed by the Group and the duly appointed Retirement Plan Trustee, is responsible for the general administration of the retirement plan and the management of the retirement plan.

As at December 31, 2023 and 2022, the Group's retirement fund has investments in various shares of stocks under the stewardship of a reputable bank. All of the Fund's investing decisions are made by the Board of Trustees which is composed of certain officers of the Group. The power to exercise the voting rights rests with the Board of Trustees.

The plan typically exposes the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk
The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields. If the return on plan asset is below this rate, it will create a plan deficit. Currently, the plan's investments are in the form of debt instruments of government security bonds, equity instruments and fixed income instruments. Due to the long-term nature of the plan liabilities, the board of the pension fund considers it appropriate that a reasonable portion of the plan assets should be invested in government security bonds.

Interest rate risk
A decrease in the government security bond interest rate will increase the retirement, benefit obligation. However, this will be partially offset by an increase in return in on the plan's debt investment.

Longevity risk
The present value of the retirement benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the retirement benefit obligation.

Salary rate risk
The present value of the retirement benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the retirement benefit obligation.

The most recent actuarial valuations of plan assets and the present value of the retirement benefit obligation were carried out as at December 31, 2023 by an independent actuary.

The present value of the retirement benefit obligation and the related current service cost and past service cost was measured using the Projected Unit Credit Method.

The principal assumptions used in determining the retirement benefit cost as of January 1, 2023 and 2022 are as follows:

	2023	2022
Discount rate	**7.32%**	3.95%
Expected rate of salary increases	**6.00%**	6.00%
Mortality rate	The 2001 CSO Table – Generational (Scale AA, Society of Actuaries)	

The discount rate and salary increase rate used in determining the retirement benefit obligation as of December 31, 2023 are 6.14% and 6%, respectively.

The Company's demographic information of its qualified employees is as follows:

	2023	2022
Average age	**35.8**	36.1
Average years of service	**6.0**	6.4

Amounts recognized in parent company statements of comprehensive income in respect of this retirement benefit plan are as follows:

	2023	2022
Service costs:		
Current service cost	**₱75,452,819**	₱90,584,052
Net interest expense	**14,124,695**	19,751,329
Components of retirement benefit costs recognized in profit or loss	**89,577,514**	110,335,381
Actuarial losses (gains) from:		
Changes in financial assumptions	**101,553,132**	(189,927,149)
Experience adjustments	**(9,049,328)**	(18,166,317)
Loss on plan assets net of amounts included in net interest expense	**12,177,630**	50,032,196
Components of retirement benefit costs recognized in other comprehensive income	**104,681,434**	(158,061,270)
	₱194,258,948	(₱47,725,889)

The retirement expense was recognized as part of cost of goods sold and operating expenses as shown below:

	2023	2022
Cost of goods sold	**₱31,340,530**	₱25,967,309
Operating expenses	**58,236,984**	84,368,072
	₱89,577,514	₱110,335,381

The amounts included in the parent company statements of financial position arising from the Company's defined benefit retirement plan are as follows:

	2023	2022
Present value of defined benefit obligation	**₱919,225,760**	₱719,810,282
Fair value of plan assets	**(613,814,318)**	(466,273,419)
	₱305,411,442	₱253,536,863

Movements in the present value of defined benefit obligations are as follows:

	2023	2022
Balance, January 1	**₱719,810,282**	₱831,043,955
Current service cost	**75,452,819**	90,584,052
Interest expense	**52,690,113**	42,050,824
Benefits paid	**(21,231,258)**	(35,775,083)
Actuarial loss (gains) arising from:		
Changes in financial assumptions	**101,553,132**	(189,927,149)
Experience adjustments	**(9,049,328)**	(18,166,317)
Balance, December 31	**₱919,225,760**	₱719,810,282

Movements in the fair value of plan assets are as follows:

	2023	2022
Balance, January 1	**₱466,273,419**	₱387,396,835
Interest income	**38,565,418**	22,299,495
Contributions from the employer	**142,384,369**	142,384,368
Benefits paid	**(21,231,258)**	(35,775,083)
Remeasurement loss on plan assets	**(12,177,630)**	(50,032,196)
Balance, December 31	**₱613,814,318**	₱466,273,419

The following are the composition of plan assets as at December 31, 2023 and 2022:

	2023	2022
Cash and cash equivalents	**0.04%**	6.32%
Debt instruments - government bonds	**74.08%**	65.93%
Debt instruments - other bonds	**9.43%**	0.73%
Unit investment trust funds (UITF)	**17.61%**	32.35%
Others (market gains or losses, accrued receivables)	**-1.16%**	-5.33%
	100.00%	100.00%

The Retirement Trust Fund assets are valued by the fund manager at fair value using the mark-to-market valuation. While no significant changes in asset allocation are expected in the next financial year, the Retirement Plan Trustee may make changes at any time.

The Retirement Plan Trustee has no specific matching strategy between the plan assets and the plan liabilities.

Actual return (loss) on plan assets in 2023 and 2022 are as follows:

	2023	2022
Interest income	**₱38,565,418**	₱22,299,495
Remeasurement losses on plan assets	**(12,177,630)**	(50,032,196)
Actual return (loss)	**₱26,387,788**	(₱27,732,701)

Movement in the OCI relating to retirement obligation in 2023 and 2022 are as follows:

	2023	2022
Accumulated OCI, January 1	**₱223,618,778**	₱342,164,730
Actuarial losses (gains) on defined benefit obligation	**92,503,804**	(208,093,466)
Remeasurement losses on plan assets	**12,177,630**	50,032,196
	104,681,434	(158,061,270)
Deferred tax	**26,170,359**	39,515,317
OCI, net of tax	**78,511,075**	(118,545,953)
Accumulated OCI, December 31	**₱302,129,853**	₱223,618,777

Significant actuarial assumptions for the determination of the retirement benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Change in Assumption	Increase (Decrease) on Retirement Benefit Obligation
2023		
Discount rate	**+100 basis points**	**(₱87,312,845)**
	-100 basis points	**103,528,491**
Expected salary growth rate	**+100 basis points**	**102,622,136**
	-100 basis points	**(88,183,630)**
2022		
Discount rate	+100 basis points	(₱63,877,730)
	-100 basis points	75,143,388
Expected salary growth rate	+100 basis points	75,387,431
	-100 basis points	(65,178,286)

The sensitivity analysis presented above may not be representative of the actual change in the retirement benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the parent company statements of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The weighted average duration of the plan is calculated as 10 years and expected future contribution for 2024 is ₱203.3 million.

The Retirement Plan Trustee has no specific matching strategy between the plan assets and the plan.

The Company is not required to pre-fund the future defined benefits payable under the Retirement Plan before they become due. For this reason, the amount and timing of contributions to the Retirement Fund to support the defined benefits are at the Company's discretion. However, in the event a defined benefit claim arises, and the Retirement Fund is insufficient to pay the claim, the shortfall will then be due and payable from the Company to the Retirement Fund.

20. Share-Based Payments

Employee Stock Purchase Plan (ESPP or Plan)

The ESPP gives benefit-eligible employees an opportunity to purchase the common stock of the Company at a price lower than the fair market value of the stock at grant date. The benefit-eligible employee must be a regular employee of the Company who possesses a strong performance record. The benefit-eligible employee shall be given the option to subscribe or purchase up to a specified number of shares at a specified option price set forth in which they have the option to participate or not. There are designated ESPP purchase periods and an employee may elect to contribute an allowable percentage of the base pay through salary deduction.

The Plan took effect upon the shareholder's approval on September 26, 2014, and was approved by the SEC on December 19, 2014.

On June 3, 2015, the Company's BOD authorized to amend the existing ESPP to increase the underlying shares from 3,269,245 shares to 8,269,245 shares and was approved by the SEC on May 31, 2016.

The number of options granted is calculated in accordance with the performance-based formula approved by shareholders at the previous annual general meeting and is subject to approval by the remuneration committee.

As at December 31, 2023 and 2022, the aggregate number of shares that may be granted to any single individual during the term of the ESPP in the form of stock purchase plans shall be determined as follows:

Level	Maximum Share Allocated
Vice-President or Board members	40,000
Assistant Vice-Presidents	18,333
Managers	6,000
Supervisor	2,500
Rank and File	1,250
	68,083

Details of the share options outstanding during the year are as follows.

	2023		2022	
	Number of share options	**Weighted Average exercise price in PHP**	Number of share options	Weighted Average exercise price in PHP
Outstanding at beginning and end of year	4,213,145	14.41	4,213,145	14.41
Exercisable at the end of the year	4,213,145		4,213,145	

Of the total shares available under the ESPP, employees subscribed to 1,229,700 shares at ₱14.10 per share, 400,000 at ₱16.54 per share, 1,059,200 shares at ₱14.82 per share and 1,367,200 shares at ₱13.75 per share for a total of ₱17.3 million, ₱6.6 million, ₱15.7 million and ₱18.8 million in 2017, 2016, 2015 and 2014. There were no share options offered for purchase or subscription from the management in 2018 to 2023. Accordingly, the share options have no expiry if the employee is eligible and will exercise the right to purchase or subscribe specified number of shares at a specified option price once offer is available.

21. Employee Benefits

Aggregate remuneration charged to profit or loss consists of the following:

	2023	2022
Cost of goods sold:		
Short-term benefits	**₱1,504,319,464**	₱1,299,409,062
Post-employment benefits	**31,340,530**	25,967,309
	1,535,659,994	1,325,376,371
Operating expenses:		
Short-term benefits	**1,661,019,776**	1,553,580,859
Post-employment benefits	**58,236,983**	84,368,072
	1,719,256,759	1,637,948,931
	₱3,254,916,753	₱2,963,325,302

22. Share Capital

	2023		2022	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorized:				
At P1 par value	**6,000,000,000**	**₱6,000,000,000**	6,000,000,000	₱6,000,000,000
Issued, fully-paid and outstanding:				
Balance, January 1 and December 31	**3,542,258,595**	**₱3,542,258,595**	3,542,258,595	₱3,542,258,595

The Company declared cash dividends amounting ₱1,416.9 million and ₱1,275.2 million on February 20, 2023 and June 30, 2022 as disclosed in Note 23.

The Company has one class of common shares which carry one vote per share and carry a right to dividends. Share premium as at December 31, 2023 and 2022 amounted to ₱4,936.9 million which pertains to the excess proceeds from issuance of share capital over the par value, net of issuance cost.

In 2023 and 2022, the BOD authorized to appropriate ₱12,500.0 million and ₱4,236.0 million, respectively, of the total unappropriated retained earnings for 2024 capital expenditures, specifically for the construction of new corporate projects and other projects in connection with the canned meat, sardines and mixed business of the Company.

In 2023 and 2022, the BOD authorized the reversal of the appropriated retained earnings amounting ₱4,236.0 million and ₱1,700.0 million, respectively, for the related projects that were unutilized or completed.

23. Dividends

The Parent Company declared the following cash dividends to its equity shareholders.

Date of declaration	Date of Record	Date of Payment	Date Per Share	Total Dividends
February 20, 2023	**March 20, 2023**	**April 4, 2023**	**0.40**	**₱1,416,903,438**
June 30, 2022	July 29, 2022	August 15, 2022	0.36	1,275,213,094

Of the total cash dividend declared, the dividends paid to CPGI in 2023 and 2022 amounted to ₱892.6 million and ₱803.3 million, respectively, as disclosed in Note 18.

24. Net Sales

	2023	2022
Sales	**₱61,977,799,839**	₱56,115,343,499
Less:		
Sales discount	**(4,129,637,191)**	(3,836,880,965)
Variable considerations	**(1,601,650,217)**	(1,349,215,867)
Considerations payable to a customer	**(2,408,836,977)**	(2,359,964,402)
	₱53,837,675,454	₱48,569,282,265

Details of the variable considerations and considerations payable to a customer are shown below:

	2023	2022
Variable considerations:		
Sales returns	**₱940,782,804**	₱698,738,987
Contractual trade terms	**554,480,213**	503,432,207
Price adjustments	**45,387,887**	65,768,579
Prompt payment	**60,999,313**	81,276,094
	₱1,601,650,217	₱1,349,215,867
Considerations payable to a customer:		
Trade promotions	**₱1,744,995,839**	₱1,761,053,781
Display allowance	**340,136,405**	329,170,298
Distribution program	**313,602,864**	244,367,265
Other trade promotions	**10,101,869**	25,373,058
	₱2,408,836,977	₱2,359,964,402

25. **Cost of Goods Sold**

	2023	2022
Raw materials, beginning (see Note 9)	**₱7,172,256,787**	₱5,715,167,270
Purchased raw materials	**27,378,682,938**	29,694,546,603
Raw materials- non-production receipts, net	**5,477,014,889**	5,377,965,996
Raw materials, ending (see Note 9)	**(5,774,370,952)**	(7,172,256,787)
Raw materials, used	**34,253,583,662**	33,615,423,082
Direct labor	**1,155,129,699**	1,019,508,094
Factory overhead		
Toll packing fees	**930,527,293**	722,836,401
Depreciation (see Notes 12 and 13)	**705,435,551**	609,817,101
Supplies	**571,806,153**	624,383,303
Outside manpower services	**403,513,712**	319,825,761
Rental and storage fee	**390,597,158**	280,391,230
Compensation	**380,530,296**	305,868,277
Utilities	**275,916,687**	279,102,200
Repairs and maintenance	**78,296,091**	41,023,274
Insurance	**61,492,752**	37,084,414
Travel	**23,293,570**	10,292,126
Professional fees	**14,584,502**	11,598,118
Freight trucking	**8,741,385**	16,460,749
Taxes and licenses	**8,607,929**	6,202,483
Provision for inventory obsolescence (net of reversal) (see Note 9)	**39,918,586**	150,350,030
Miscellaneous	**52,958,943**	43,743,091
Total manufacturing cost	**39,354,933,969**	38,093,909,734
Work-in-process, beginning (see Note 9)	**160,152,473**	141,556,029
Work-in-process, ending (see Note 9)	**(121,481,855)**	(160,152,473)
Total finished goods manufactured	**39,393,604,587**	38,075,313,290
Finished goods, beginning (see Note 9)	**6,752,296,115**	5,025,885,649
Finished goods, purchased	**2,622,972,764**	1,801,571,678
Cost of goods available for sale	**48,768,873,466**	44,902,770,617
Finished goods, issuance	**(302,262,243)**	(4,310,757)
Finished goods, ending (see Note 9)	**(7,125,865,250)**	(6,752,296,115)
	₱41,340,745,973	₱38,146,163,745

Direct labor includes salaries and employee benefits incurred from contractual and permanent employees while factory overhead includes employee benefit expenses.

26. **Operating Expenses**

	2023	2022
Royalties (see Notes 15 and 18)	**₱2,374,000,326**	₱2,117,785,148
Advertising trade promotions	**2,308,593,728**	2,059,103,636
Freight	**2,104,988,538**	1,869,552,524
Salaries and employee benefits (see Note 21)	**1,719,256,759**	1,637,948,931
Professional fees	**395,600,272**	591,908,845

(Forward)

	2023	2022
Outside manpower	**₱262,618,160**	₱153,153,744
Repairs and maintenance	**201,333,455**	140,203,635
Travel and entertainment	**158,556,610**	137,942,400
Taxes and licenses	**133,828,246**	116,170,927
Depreciation (see Notes 12 and 13)	**126,751,119**	111,107,477
Rental (see Note 29)	**116,197,882**	97,086,886
Utilities	**75,641,738**	59,594,696
Supplies	**64,495,149**	58,068,607
Insurance	**46,814,338**	19,483,700
Provision for ECLs (see Note 8)	**31,429,583**	7,691,090
Amortization (see Note 15)	**21,515,839**	21,515,840
Inventories written-off	**11,492,709**	–
Others	**227,448,779**	160,650,759
	₱10,380,563,230	₱9,358,968,845

Others pertain to subscriptions, donations in cash and in-kind and other fees and dues.

27. Other Income

	2023	2022
Dividend income (see Note 18)	**₱1,857,437,391**	₱3,476,683,338
Sale of scrap	**313,785,465**	259,225,965
Shared services fee (see Note 18)	**152,391,949**	106,941,091
Reversal of accruals	**141,716,652**	102,373,121
Service income (see Note 18)	**117,626,040**	199,047,362
Supplier's incentive	**8,370,955**	11,633,265
Gain on disposal of property, plant and equipment (see Note 12)	**6,449,271**	–
Rent income (see Note 18)	**1,498,200**	–
Foreign exchange gain	**–**	257,525,498
Others	**79,826,112**	116,307,434
	₱2,679,102,035	₱4,529,737,074

Reversal of accruals pertain to long outstanding liability to third party vendors.

Others pertains to proceeds on sale of dented stocks, price/payment and rounding differences, and other miscellaneous income.

28. Other Expenses

	2023	2022
Provision for inventory obsolescence (see Note 9)	**₱64,646,520**	₱20,930,597
Inventories written-off	**84,252,217**	35,195,440
Supplier charges	**83,996,896**	101,639,182
Taxes and licenses	**43,122,695**	53,517,753

(Forward)

	2023	2022
Loss on impairment of investment in subsidiaries (see Note 11)	**₱35,077,639**	₱–
Foreign exchange loss	**26,011,344**	–
Depreciation (see Notes 12 and 13)	**20,128,768**	23,394,728
Allocated input VAT of exempt sales	**15,974,935**	22,506,516
Documentary stamp tax	**14,166,482**	33,474,814
Bank charges	**1,521,765**	1,429,755
Loss on disposal of property, plant and equipment (see Note 12)	–	857,368
Others	**10,689,290**	2,706,187
	₱399,588,551	₱295,652,340

Others pertain to penalties, surcharges and unutilized creditable withholding taxes.

29. Lease Liabilities

The Company leases warehouses, office spaces, plant and equipment under finance leases. The average lease term is one (1) to 10 years. The Company has options to purchase the equipment for a nominal amount at the end of the lease terms. The Company's lease liabilities are secured by the lessors' title to the leased assets.

Amortization of right of use (ROU) assets charged to cost of goods sold under factory overhead and operating expenses in relation to leases subject to PFRS 16 are recognized as follows:

	2023	2022
Amortization of ROU assets lodged under:		
Cost of goods sold (see Note 25)	**₱273,721,050**	₱239,014,781
Operating expenses (see Note 26)	**91,395,369**	78,526,094
Other expenses (see Note 28)	**20,119,982**	23,385,943
	₱385,236,401	₱340,926,818

The rollforward analysis of lease liabilities follows:

	2023	2022
Balance at beginning of Year	**₱1,692,404,895**	₱1,703,796,059
Additions	**552,124,215**	261,190,043
Terminations	**(74,832,439)**	–
Adjustments	**(12,442,591)**	–
Interest expense	**121,249,397**	95,311,129
Payments	**(463,916,748)**	(367,892,335)
Balance at end of year	**1,814,586,729**	1,692,404,896
Less current portion	**335,033,040**	319,531,637
Noncurrent portion	**₱1,479,553,689**	₱1,372,873,259

The lease liabilities of the Company in relation to the right of use assets recorded in accordance to PFRS 16 based on undiscounted cashflows fall due as follows:

	2023	2022
Not later than one year	**₱440,341,321**	₱408,435,699
Later than one year but not later than five years	**1,244,365,219**	1,097,165,245
Later than five years	**537,413,378**	582,076,624
	₱2,222,119,918	₱2,087,677,568

Presented in the parent company statements of financial position as:

	2023	2022
Current	**₱335,033,040**	₱319,531,637
Non-Current	**1,479,553,689**	1,372,873,259
Total Lease Liabilities	**₱1,814,586,729**	₱1,692,404,896

Incremental borrowing rates underlying all obligations are fixed at respective contract dates ranging from 6.00% to 8.26% in 2023. Total finance costs for these leases amounting to ₱121.2 million and ₱95.3 million in 2023 and 2022, respectively, was included as part of finance costs presented in the parent company statements of comprehensive income.

Escalation clause ranges from 5% to 8% every two years. As at December 31, 2023 and 2022, total refundable security deposits recognized as part of other non-current assets amounted to ₱63.1 million and ₱84.0 million, respectively, as disclosed in Note 14.

The total cash outflow for leases amounted to ₱342.7 million and ₱392.4 million in 2023 and 2022, respectively.

30. **Income Taxes**

	2023	2022
Current income tax	**₱443,574,466**	₱390,207,404
Benefit from deferred income tax	**(94,913,141)**	(181,979,356)
	₱348,661,325	₱208,228,048

A numerical reconciliation between tax expense and the product of accounting income multiplied by 25% is shown below:

	2023	2022
Accounting income	**₱3,991,135,778**	₱4,992,824,951
Tax on pretax income at 25%	**997,783,945**	1,248,206,238
Tax effects of:		
Nontaxable income	**(464,359,348)**	(869,170,835)
Income subject to income tax holiday	**(216,304,478)**	(199,334,658)
Unallowable deduction	**26,574,517**	16,659,849
Interest income subject to final tax	**(14,318,009)**	(1,547,322)
Others	**19,284,698**	13,414,776
	₱348,661,325	₱208,228,048

31. **Deferred Taxes**

Net deferred tax assets as at December 31, 2023 and 2022 comprise the following:

	2023	2022
Deferred tax assets	**₱1,193,245,497**	₱676,488,886
Deferred tax liabilities	**(397,119,612)**	(1,446,501)
	₱796,125,885	₱675,042,385

The components of the Company's net deferred tax assets are as follows:

	2023	2022
Deferred tax assets:		
Provisions	**₱488,462,160**	₱428,462,504
Provision for inventory obsolescence	**139,703,219**	113,959,414
Retirement benefit obligation	**114,064,315**	91,941,945
Lease liabilities	**441,031,137**	34,603,513
Allowance for doubtful accounts	**7,445,982**	6,552,492
Unrealized foreign exchange loss	**1,452,857**	969,018
Debt issuance cost	**1,085,827**	–
	1,193,245,497	676,488,886
Deferred tax liabilities -		
Right of use asset	**(397,119,612)**	–
Debt issuance cost	**–**	(1,446,501)
	(397,119,612)	(1,446,501)
Net deferred tax assets	**₱796,125,885**	₱675,042,385

32. **Earnings Per Share**

The Company computes its basic earnings per share by dividing profit for the years attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings per share, profit for the years attributable to ordinary equity holders and the weighted average number of shares outstanding are adjusted for the effects of dilutive potential ordinary shares.

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

	2023	2022
Profit for the year (a)	**₱3,642,474,453**	₱4,784,596,903
Weighted average number of shares:		
Issued and outstanding (b)	**3,542,156,120**	3,542,156,120
Weighted average number of share options granted (c)	**4,213,145**	4,213,145
Basic earnings per share (a)/(b)	**₱1.028**	₱1.351
Diluted earnings per share (a)/[(b)+(c)]	**₱1.027**	₱1.349

33. Capital Commitments And Credit Facilities

Capital commitments
As at December 31, 2023 and 2022, the Company's total construction-in progress amounted to ₱291.0 million and ₱ 258.5 million, respectively, as disclosed in Note 12. The remaining capital project cost of the construction-in progress is estimated at ₱ 444.3 million as at December 31, 2023 and its expected project completion date is second quarter of 2024. The Company shall finance the remaining estimated cost from internally generated cash from operations.

Credit facilities
As at December 31, 2023 and 2022, the Company has committed and unsecured revolving credit facility agreements with various financial institutions for general corporate funding requirements totaling ₱13,500 million of which ₱10,551.0 million and ₱7,450.0 million was already used in 2023 and 2022, respectively, as disclosed in Note 17.

34. Fair Value of Financial Instruments

Management considered that the carrying amounts of financial assets and liabilities recognized in the parent company financial statements approximate their fair values as shown below:

	2023		2022	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	**₱2,824,025,093**	**₱2,824,025,093**	₱1,223,643,139	₱1,223,643,139
Trade and other receivables*	**7,309,049,613**	**7,309,049,613**	6,806,120,632	6,806,120,632
Due from related parties	**3,849,553,562**	**3,849,553,562**	3,330,690,386	3,330,690,386
Security deposits	**63,148,906**	**63,148,906**	83,975,159	83,975,159
Deposits on utilities	**9,250,109**	**9,250,109**	8,343,437	8,343,437
Revolving fund	**7,073,527**	**7,073,527**	5,858,181	5,858,181
	₱14,062,100,810	**₱14,062,100,810**	₱11,458,630,934	₱11,458,630,934
Financial Liabilities				
Trade and other payables**	**₱8,445,388,215**	**₱8,445,388,215**	₱7,760,513,601	₱7,760,513,601
Borrowings	**5,664,343,309**	**5,664,343,309**	7,444,213,995	6,552,812,472
Due to related parties	**2,182,272,937**	**2,182,272,937**	1,463,507,263	1,463,507,263
	₱16,292,004,461	**₱16,292,004,461**	₱16,668,234,859	₱15,776,833,336

**The trade and other receivables exclude the advances to suppliers, advances to officers and employees, and other statutory receivables as disclosed in Note 8.*
***The trade and other payables are net of government liabilities as disclosed in Note 16.*

As at December 31, 2023 and 2022, the total statutory receivables amounted to ₱5.5 million and ₱3.8 million respectively, presented as part of others in Note 8.

As at December 31, 2023 and 2022, government liabilities that were excluded amounted to ₱3.1 million and (₱0.2 million) respectively, presented as part of trade and other payables in Note 16.

Fair values were determined using the fair value hierarchy below:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 2023 and 2022, the fair values of cash and cash equivalents, trade and other receivables, due from related parties and financial liabilities were determined under level 2 criteria which were derived from inputs other than quoted prices included within level 1. Fair values of security deposit, and deposits on utilities were determined under level 3.

Management considers that the carrying amounts of financial assets and liabilities recognized in the parent company financial statement approximate their fair values. Further, there has been no change to the valuation technique during the year.

35. Financial Risk Management

Financial Risk Management Objectives and Policies

The Company is exposed to financial risks such as market risk which includes foreign currency exchange risk and interest rate risk, credit risk and liquidity risk.

The Company's policies and objective in managing these risks are summarized below:

Market risk
Market risk refers to the possibility that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's profit or the value of its holdings of financial instruments. The Company focuses on two market risk areas such as interest rate risk and foreign currency exchange risk. The objective and management of these risks are discussed below.

Foreign currency exchange risk
Foreign currency exchange risk arises when an investment's value changing due to changes in currency exchange rate. The Company undertakes certain transactions denominated in foreign currencies, hence, exposures to exchange rate fluctuations arose. Significant fluctuation in the exchange rates could significantly affect the Company's financial position.

The Company seeks to mitigate its foreign currency risk exposures by mitigating its costs at consistent levels, regardless of any upward or downward movements in the foreign currency exchange rates.

The net carrying amount of the Company's foreign currency (USD) denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

	2023	2022
Cash and cash equivalents	**₱81,865,147**	₱71,938,929
Trade and other receivables	**1,225,204,458**	952,269,983
Trade and other payables	**(209,785,834)**	(581,231,449)
	₱1,097,283,771	₱442,977,463

The following table details the Company's sensitivity to a 1.87% and 5.65% increase and decrease in the functional currency of the Company against the US dollar as at December 31, 2023 and 2022, respectively. The sensitivity rate used in reporting foreign currency risk internally to key management personnel is 1.87% and 5.65% and it represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the period for a 1.87% and 5.65% change in foreign currency rate as at December 31, 2023 and 2022, respectively.

The sensitivity analysis includes all of the Company's foreign currency denominated monetary assets and liabilities. A positive number below indicates an increase in profit and other equity when the functional currency of the Company strengthens to a 1.87% and 5.65% against the relevant currency.

For a 1.87% and 5.65% weakening of the functional currency of the Company against the relevant currency as at December 31, 2023 and 2022, respectively, there would be an equal and opposite impact on the profit as shown below:

	2023 Effect in profit and loss	2022 Effect in profit and loss
Cash and cash equivalents	**(₱1,530,878)**	(₱4,064,549)
Trade and other receivables	**(22,911,323)**	(53,803,254)
Trade and other payables	**3,922,995**	32,839,577
	(₱20,519,206)	(₱25,028,226)

Interest rate risk
Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest.

The primary source of the Company's interest rate risk relates to cash and cash equivalents, advances to employees and borrowings. Interest rates are disclosed in Notes 7, 8, and 17, respectively. These balances are short-term in nature and with the current interest rate level, any variation in the interest will not have a material impact on profit or loss of the Company.

The Company has no established policy for managing interest rate risk. Management believes that fluctuations on the interest rates will not have significant effect on the Company's financial performance. Further, management assessed that the sensitivity analysis is not a representative of the interest rate risk.

Credit risk
Credit risk refers to the possibility that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Company trades only with recognized, credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

Trade receivables consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and when appropriate, credit guarantee insurance cover is purchased. The remaining financial assets does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. There is no concentration of credit risk to any other counterparty at any time during the year.

The table below shows the Company's maximum exposure to credit risk:

	2023	2022
Cash and cash equivalents	**₱2,824,025,093**	₱1,223,643,139
Trade receivables	**7,309,049,613**	6,806,120,632
Due from related parties	**3,849,553,562**	3,330,690,386
Security deposits	**63,148,906**	83,975,159
Deposits on utilities	**9,250,109**	8,343,437
	₱14,055,027,283	₱11,452,772,753

2023				**Days past due**			
	Current	**<30 days**	**30-60 days**	**61-90 days**	**90-120 days**	**>121 days**	**Total**
Expected credit loss rate	**0.00%**	**0.03%**	**0.07%**	**0.11%**	**0.14%**	**0.22%**	
Estimated total gross carrying at default	**₱3,749,667,565**	**₱1,378,927,519**	**₱429,751,442**	**₱155,328,426**	**₱110,064,014**	**₱1,505,197,239**	**₱7,328,936,205**
Expected credit loss	**229,888**	**409,232**	**307,156**	**172,121**	**155,267**	**18,612,928**	**19,886,592**

2022				Days past due			
	Current	<30 days	30-60 days	61-90 days	90-120 days	>121 days	Total
Expected credit loss rate	0.000%	0.002%	0.004%	0.006%	0.007%	0.16%	
Estimated total gross carrying at default	₱3,726,372,746	₱1,317,379,079	₱313,208,775	₱158,897,710	₱173,828,295	₱1,134,073,985	₱6,823,760,590
Expected credit loss	15,412	14,748	7,551	6,183	2,628	17,593,436	17,639,958

Liquidity risk

Liquidity risk arises when the Company encounters difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective of managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of these financial liabilities, based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate	Not past due	1-30 dayspast due	31-60 DaysPast Due	61-90 DaysPast Due	Over 90 DaysPast Due	Total
2023							
Trade and other payables	**0%**	**₱7,695,324,590**	**₱211,328,004**	**₱172,063,987**	**₱12,943,200**	**₱353,728,434**	**₱8,445,388,215**
Borrowings	**4.9%**	**5,664,343,309**	**–**	**–**	**–**	**–**	**5,664,343,309**
Due to related parties	**0%**	**1,558,451,982**	**127,676,786**	**100,795,140**	**509**	**395,348,520**	**2,182,272,937**
		₱14,918,119,881	**₱339,004,790**	**₱272,859,127**	**₱12,943,709**	**₱749,076,954**	**₱16,292,004,461**
2022							
Trade and other payables	0%	₱7,053,415,876	₱319,768,005	₱34,660,250	₱18,554,072	₱334,115,398	₱7,760,513,601
Borrowings	3.70%	7,444,213,995	–	–	–	–	7,444,213,995
Due to related parties	0%	509,801,635	631,883,709	6,461,657	1,795,304	313,564,958	1,463,507,263
		₱15,007,431,506	₱951,651,714	₱41,121,907	₱20,349,376	₱647,680,356	₱16,668,234,859

The difference between the carrying amount of trade and other payables disclosed in the parent company statements of financial position and the amount disclosed in this note pertains to government liabilities, due to employees and officers and other payables that are not considered financial liabilities.

36. **Capital Risk Management**

The Company's objectives when managing capital are to increase the value of shareholder's investment and maintain high growth by applying free cash flows to selective investments that would further the Company's growth. The Company sets strategies with the objective of establishing a versatile and resourceful financial management and capital structure. The Company's overall strategy remains unchanged.

The BOD has overall responsibility for monitoring working capital in proportion to risk. Financial analytical reviews are made and reported in the Company's financial reports for the BOD's review on a regular basis. In case financial reviews indicate that the working capital sourced from the Company's own operations may not support future operations of projected capital investments, the Company obtains financial support from its related parties.

The Company's management aims to maintain certain financial ratios that it deems prudent such as debt-to-equity ratio (not to exceed 2.5:1) and current ratio (at least 1.0:1). The Company regularly reviews its financials to ensure the balance between equity and debt is monitored.

In addition, when the Company is able to meet its targeted capital ratios and has a healthy liquidity position, the Company aims to pay dividends to its shareholders of up to 30% of previous year's net income.

The Company's total liabilities and total equity as at December 31, 2023 and 2022 are as follows:

	2023	2022
Total liabilities	**₱18,415,122,392**	₱18,613,933,626
Total equity	**24,365,549,473**	22,218,489,533
Debt-to-equity ratio	**0.76:1**	0.84:1

37. **Supplementary Information Required By Bureau of Internal Revenue (BIR) Under Revenue Regulations No. 15-2010**

The following supplementary information are presented for purposes of filing with the BIR and are not required part of the basic parent company financial statements.

Output VAT
Details of the Company's output VAT declared during 2023 are as follows:

	Vatable	Zero-rated	VAT-exempt
Vatable Sales-Private	₱54,802,784,977	₱1,856,305,601	₱1,137,994,441
Sales to Government	1,260,716	–	–
Revenue	54,804,045,693	–	–
VAT rate	12%	–	–
Output	₱6,576,485,483	₱1,856,305,601	₱1,137,994,441

The Company is entitled to zero-rated VAT on its sale of goods to customers outside of the Philippines.

Input VAT
Details of the Company's input VAT declared during 2023 are as follows:

Balance, January 1	₱49,329,630
Add: Current year's domestic purchases/payments for:	
Input tax on imported goods	1,241,748,744
Presumptive input	70,142,132
Purchase of services	1,593,719,798
Goods other than capital goods	1,872,956,222
Capital goods subject to amortization	–
Total available input VAT	4,827,896,526
Less claims for:	
Tax credit	4,801,542,086
Input allocable to exempt	17,446,715
Balance, December 31	₱8,907,725

Taxes on importation of goods
Total landed cost of importation in 2023 amounted to ₱16,450,913 in which custom duties and tariff fees are all paid during the year.

Documentary stamp tax
The documentary stamp tax charged to operating expenses, other expenses and cost of goods sold amounted to ₱1,217,858 which amount paid or accrued during the taxable year 2023.

Other taxes and licenses
Details of the Company's taxes and licenses and permit fees are charged to operating expenses, cost of goods sold and other expenses during 2023 are as follows:

Business tax	₱123,883,837
Documentary stamp tax	8,325,876
Permit fees	3,399,281
Real estate tax	3,023,891
Vehicle registration fees	290,386
Others	46,635,599
	₱185,558,870

Withholding taxes
Details of the Company's withholding taxes paid or accrued during 2023 are as follows:

Expanded withholding taxes	₱503,450,157
Withholding tax on compensation and benefits	363,073,828
Final withholding taxes	81,073,765
Withholding tax on VAT and others	2,930,935
	₱950,528,685

Annex A

Reconciliation of Retained Earnings
Available for Declaration
As at December 31, 2023

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES
7th Floor Centerpoint Bldg., Julia Vargas St., Ortigas Center Pasig City

Items	Amount
Unappropriated Retained Earnings, beginning	P9,495,121,815
Adjustments:	
Deferred tax assets	(675,042,385)
Remeasurement of retirement benefit obligation - net of tax	223,618,778
Appropriation of retained earnings	-
Unappropriated Retained Earnings, as adjusted, beginning	9,043,698,208
Net Income based on the face of AFS	3,642,474,453
Less: Non-actual losses	
Change in deferred tax assets	(94,913,142)
Realized foreign exchange gain, except those attributable to Cash and cash equivalent	5,001,570
Net Income Actual/Realized	3,552,562,881
Adjustments:	
Dividend declarations during the year	(1,416,903,438)
Reversal of appropriations	4,236,038,579
Appropriation for the year	(12,500,000,000)
Unappropriated Retained Earnings, as adjusted, ending	**P2,915,396,230**

Fwd: [External]Your BIR AFS eSubmission uploads were received

Marilou R. Hernandez <mhernandez@centurypacific.com.ph>

Sat 13-Apr-24 11:22 PM

To:Jayravi D. Maas <jdelgado@centurypacific.com.ph>;John Ver D. Villajin <jvillajin@centurypacific.com.ph>;Vivian T. Zamora <vbtan@centurypacific.com.ph>

Sent from Outlook for Android

From: eafs@bir.gov.ph <eafs@bir.gov.ph>
Sent: Saturday, April 13, 2024 11:15:26 PM
To: Marilou R. Hernandez <MHERNANDEZ@CENTURYPACIFIC.COM.PH>
Cc: Marilou R. Hernandez <MHERNANDEZ@CENTURYPACIFIC.COM.PH>
Subject: [External]Your BIR AFS eSubmission uploads were received

Hi CENTURY PACIFIC FOOD INC,

Valid files

- EAFS008647589AFSTY122023.pdf
- EAFS008647589ITRTY122023.pdf
- EAFS008647589RPTTY122023.pdf
- EAFS008647589OTHTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-BC5HBGKF02MPNVYQWPZ1QPWQT07BJAD9G9**
Submission Date/Time: **Apr 13, 2024 11:15 PM**
Company TIN: **008-647-589**

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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

CENTURY PACIFIC FOOD INC.

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website : www.centurypacific.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of Century Pacific Food, Inc. (the "Company") is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2023 and 2022. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited to, the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2023 and 2022 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

a. The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

b. Any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8 - 2007 and other relevant issuances;

c. The Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signature: ______________________
Christopher T. Po
Chairman of the Board

Signature: ______________________
Teodoro Alexander Po
Chief Executive Officer

Signature: ______________________
Richard Kristoffer S. Manapat
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this APR 1 0 2024, in Pasig City, affiant exhibiting to me his/her valid IDs as follows:

NAMES	IDENTIFICATION
Teodoro Alexander T. Po	105-633-470
Christopher T. Po	119-779-656
Richard Kristoffer S. Manapat	303-723-989

Doc. No. 071;
Page No. 16;
Book No. VI;
Series of 2024.

GENEVIEVE KRISTINE B. MAÑALAC
Appointment No. 46 (2023-2024)
Notary Public for Pasig City, Pateros and San Juan
Until December 31, 2024
Attorney's Roll No. 80720
33rd Floor, The Orient Square
F. Ortigas Jr. Road, Ortigas Center, Pasig City
PTR Receipt No. 1634506; 01.02.24; Pasig City
IBP OR No. 330350; 12.18.23; RSM
Admitted to the Bar in 2022

For BIR Use Only BCS/ Item:

Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

BIR Form No. **1702-MX** January 2018 (ENCS) Page 1

Annual Income Tax Return

Corporation, Partnership and Other Non-Individual with MIXED Income Subject to Multiple Income Tax Rates or with Income Subject to SPECIAL/PREFERENTIAL RATE

Enter all required information in CAPITAL LETTERS using BLACK ink. Mark applicable boxes with an "X". Two copies MUST be filed with the BIR and one held by the taxpayer.

1702-MX 01/18ENCS P1

1 For (•) Calendar ( ) Fiscal 2 Year Ended (MM/20YY) 12 /20 23	3 Amended Return? ( ) Yes (•) No	4 Short Period Return? ( ) Yes (•) No	5 Alphanumeric Tax Code (ATC) IC 055 – Minimum Corporate Income Tax (MCIT) (•) IC 010 - In General (•)

Part I - Background Information

6 Taxpayer Identification Number (TIN) 008 - 647 - 589 - 00000 **7** RDO Code 116

8 Registered Name *(Enter only 1 letter per box using CAPITAL LETTERS)*
CENTURY PACIFIC FOOD INC

9 Registered Address *(Indicate complete address. If the registered address is different from the current address, go to the RDO to update registered address by using BIR Form No. 1905)*
7TH FLR CENTERPOINT BLDG JULIA VARGAS AVE COR GARNET ST ORTIG

9A ZIP Code 1600

10 Date of Incorporation/Organization *(MM/DD/YYYY)* 10/25/2013 **11** Contact Number 86338555

12 Email Address jvillajin@centurypacific.com.ph

13 Method of Deductions (•) Itemized Deductions [Section 34 (A-J), NIRC] ( ) Optional Standard Deduction (OSD)-40% of Gross Income *[Section 34(L) NIRC, as amended]*

Part II - Total Tax Payable

(Do NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

14 Total Tax Due/(Overpayment) *(From Part IV-Schedule 2 Item 19D)*	424,550,735
15 Less: Total Tax Credits/Payments *(From Part IV-Schedule 3 Item 32D)*	863,194,768
16 Net Tax Payable / (Overpayment) *(Item 14 Less Item 15)* *(From Part IV Item 33D)*	(438,644,033)
Add: Penalties	
17 Surcharge	0
18 Interest	0
19 Compromise	0
20 Total Penalties *(Sum of Items 17 to 19)*	0
21 TOTAL AMOUNT PAYABLE / (Overpayment) *(Sum of Items 16 to 20)*	**(438,644,033)**

If overpayment, mark one (1) box only. *(Once the choice is made, the same is irrevocable)*
( ) To be refunded ( ) To be issued a Tax Credit Certificate (TCC) (•) To be carried over as a tax credit for next year/quarter

We declare under the penalties of perjury that this return, and all its attachments, have been made in good faith, verified by us, and to the best of our knowledge and belief, are true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. *(If signed by an Authorized Representative, indicate TIN and attach authorization letter)*

	RICHARD KRISTOFFER S. MANAPAT	**22** Number of Attachments 00
Signature over Printed Name of President/Principal Officer/Authorized Representative	Signature over Printed Name of Treasurer/ Assisant Treasurer	
Title of Signatory TIN	Title of Signatory CFO TIN 303723989	

Part III - Details of Payment

Particulars	Drawee Bank/Agency	Number	Date *(MM/DD/YYYY)*	Amount
23 Cash/Bank Debit Memo				0
24 Check				0
25 Tax Debit Memo				0
26 Others *(Specify Below)*				
				0

Machine Validation / Revenue Official Receipt Details *(if not filed with an Authorized Agent Bank)*

Stamp of Receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)

BIR Form No. **1702-MX** January 2018 (ENCS) Page 2	**Annual Income Tax Return** Corporation, Partnership and Other Non-Individual with MIXED Income Subject to Multiple Income Tax Rates or with Income Subject to SPECIAL/PREFERENTIAL RATE	1702-MX 01/18ENCS P2

Taxpayer Identification Number (TIN)	Registered Name
008 647 589 00000	CENTURY PACIFIC FOOD INC

Part IV - Schedules

Instructions: (mark appropriate box)

- (●) A. Only one activity/project under EXEMPT and/or SPECIAL Tax Regimes, fill-out the applicable columns below.
- ( ) B. Two or more activities/projects under EXEMPT and/or SPECIAL Tax Regimes, accomplish Part V-Mandatory Attachments per activity and reflect consolidated amounts from Part V on the corresponding columns below.

Schedule 1 - Basis of Tax Relief

	Particulars	A. Exempt	B. Special	C. Special Tax Relief (Under Regular/Normal Rate)
1	Investment Promotion Agency (IPA)/ Implementing Government Agency	BOI		
2	Legal Basis	EO 226		
3	Registered Activity/Program *(Reg. No.)*	2019-226		
4	Special Tax Rate		0.0 %	
5	Effectivity Date of Tax Relief/Exemption From *(MM/DD/YYYY)*	01/01/2021		
6	Expiration Date of Tax Relief/Exemption To *(MM/DD/YYYY)*	12/31/2024		

Schedule 2 – Computation of Income Tax per Tax Regime

(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

	Description	A. Total Exempt	B. Total Special	C. Total Regular	D. Total All Columns
1	Sales/Receipts/Revenues/Fees *(From all of Part V-Sched B Item 1, if letter B of instructions above is marked)*	8178946671	0	53798853168	61,977,799,839
2	Less: Sales Returns, Allowances and Discounts *(From all of Part V-Sched B Item 2, if letter B of instructions above is marked)*	1062536820	0	7104502366	8,167,039,186
3	Net Sales/Receipts/Revenues/Fees *(Item 1 Less Item 2)*	7,116,409,851	0	46,694,350,802	53,810,760,653
4	Less: Cost of Sales/Services *(From all of Part V-Sched B Item 4, if letter B of instructions above is marked)*	4978244671	0	36,467,826,614	41,446,071,285
5	Gross Income from Operation *(Item 3 Less Item 4)*	2,138,165,180	0	10,226,524,188	12,364,689,368
6	Add: Other Taxable Income not subjected to Final Tax *(From all of Part V-Sched B Item 6, if letter B of instructions above is marked)*	146770451	0	989952544	1,136,722,995
7	Total Taxable Income *(Sum of Items 5 and 6)*	2,284,935,631	0	11,216,476,732	13,501,412,363
	Less: Deductions Allowable under Existing Law				
8	Ordinary Allowable Itemized Deductions *(From Sched 5 Item 18) &/or (From all of Part V-Sched B Item 8, if letter B of instructions above is marked)*	1,381,767,013	0	9,518,273,792	10,900,040,805
9	Special Allowable Itemized Deductions *(From Sched 6 Item 5) &/or(From all of Part V-Sched B Item 9, if letter B of instructions above is marked)*	0	0	0	0
10	NOLCO [Only for those taxable under Sec. 27 (A to C)]; Section 28(A)(1)(A)(6)(b) of the Tax Code, as amended] *(**For Special Rate:** If w/ only 1 activity, From Schedule 8.1 Item 8 ; if with 2 or more activities, From all of Part V-Sched B Item 10; **For Reg. Rate:** From Sched 7.1 Item 8)*		0	0	0
11	Total Itemized Deductions *(Sum of Items 8 to 10)*	1,381,767,013	0	9,518,273,792	10,900,040,805
	***OR** [in case taxable under Sec 27(A) & 28(A)(1)]*				
12	Optional Standard Deduction (OSD) *(40% of Item 7)*			0	0
13	Net Taxable Income/(Loss) *(If Itemized: Item 7 Less Item 11; If OSD: Item 7 Less Item 12)*	903,168,618	0	1,698,202,940	2,601,371,558
14	Applicable Income Tax Rate *(i.e. Special or Regular/Normal Rate)*	0%	0.00 %	25.00 %	
15	Income Tax Due other than MCIT *[For **Special Rate:** If with only 1 activity, (Item 3 OR Item 7) X Item 14; if with 2 or more activities, from all of Part V-Sched B Item 14; **For Regular Rate** Item 13 X Item 14]*	0	0	424,550,735	424,550,735
16	Less: Share of Other Government Agency, if remitted directly		0	0	0
17	Net Income Tax Due to National Government *(Item 15 Less Item 16)*		0	424,550,735	424,550,735
18	MCIT *(2% of Gross Income in Item 7)*			168,247,151	168,247,151
19	**Total Income Tax Due / (Overpayment)** *(Item 19B = Item 17B) (Item 19C = Normal Income Tax in Item 15C OR MCIT in Item 18C, whichever is higher) (Item 18D = Sum of Items 19B and 19C) (Item 19D to Part II Item 14)*		0	424,550,735	424,550,735

Schedule 3 - Tax Credits/Payments *(attach proof)*

20	Prior Year's Excess Credits Other Than MCIT	0	0	318,288,652	318,288,652
21	Income Tax Payments under MCIT from Previous Quarter/s			0	0
22	Income Tax Payments under Regular Rate from Previous Quarter/s	0	0	0	0
23	Excess MCIT Applied this Current Taxable Year *(From Schedule 9 Item 4)*			0	0
24	Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	0	0	317,774,703	317,774,703
25	Creditable Tax Withheld per BIR Form No. 2307 for the 4th Qtr	0	0	227,131,413	227,131,413
26	Foreign Tax Credits, if applicable	0	0	0	0
27	Tax Paid in Return Previously Filed, if this is an Amended Return	0	0	0	0
28	Income Tax Payments under Special Rate from Previous Qtr/s	0	0	0	0
29	Special Tax Credits *(To Part IV-Schedule 4 Item 6)*	0	0	0	0
	Other Tax Credits/Payments*(specify)*				

30		0	0	0	0
31	(Add more...)	0	0	0	0
32	Total Tax Credits/Payments *(Sum of Items 20 to 31)* *(Item 32D to Part II Item 15)*	0	0	863,194,768	863,194,768
33	**Net Tax Payable / (Overpayment)** *(Item 19 Less Item 32)* *(Item 33D to Part II Item 16)*	0	0	(438,644,033)	(438,644,033)

BIR Form No. **1702-MX** January 2018 (ENCS) Page 3	**Annual Income Tax Return** **Corporation, Partnership and Other Non-Individual with MIXED Income Subject to Multiple Income Tax Rates or with Income Subject to SPECIAL/PREFERENTIAL RATE**	1702-MX 01/18ENCS P3

Taxpayer Identification Number (TIN)	Registered Name
008 - 647 - 589 - 00000	CENTURY PACIFIC FOOD INC

Schedule 4 – Tax Relief Availment

(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

	Description	A. Total Exempt	B. Total Special	C. Total Regular	D. Total All Columns
1	Regular Income Tax Otherwise Due *(Item 13A/B of Part IV-Schedule 2 X applicable regular income tax rate)*	225,791,155	0		225,791,155
2	Tax Relief on Special Allowable Itemized Deductions *(Item 9A/B/C of Part IV-Sched 2 X applicable regular income tax rate)*	0	0	0	0
3	Sub-Total – Tax Relief *(Sum of Items 1 and 2)*	225,791,155	0	0	225,791,155
4	Less: Income Tax Due *(From Part IV-Schedule 2 Item 15B)*	0	0		0
5	Tax Relief Availment before Special Tax Credit *(Item 3 Less Item 4)*	225,791,155	0	0	225,791,155
6	Add: Special Tax Credit, *if any* *(From Part IV-Schedule 3 Item 29)*	0	0	0	0
7	**Total Tax Relief Availment** *(Sum of Items 5 & 6)*	225,791,155	0	0	225,791,155

Schedule 5 - Ordinary Allowable Itemized Deductions *(attach additional sheet/s, if necessary)*

(If with only one activity, fill-out the applicable columns below: if with two or more activities, amount for each expense shall come from all of Part V-Schedule D)

	Description	A. Total Exempt	B. Total Special	C. Total Regular	D. Total All Columns
1	Amortizations	0	0	21,515,840	21,515,840
2	Bad Debts	5,856,722	0	20,359,412	26,216,134
3	Charitable and Other Contributions	0	0	0	0
4	Depletion	0	0	0	0
5	Depreciation	479,706	0	34,884,830	35,364,536
6	Entertainment, Amusement and Recreation	0	0	0	0
7	Fringe Benefits	0	0	0	0
8	Interest	0	0	317,154,297	317,154,297
9	Losses	0	0	0	0
10	Pension Trusts	0	0	0	0
11	Rental	571,749	0	239,193,389	239,765,138
12	Research and Development	0	0	0	0
13	Salaries, Wages and Allowances	7,482,529	0	1,694,238,781	1,701,721,310
14	SSS, GSIS, Philhealth, HDMF and Other Contributions	0	0	0	0
15	Taxes and Licenses	15,520,353	0	137,602,477	153,122,830
16	Transportation and Travel	2,543,166	0	161,399,071	163,942,237
17	Others (Deductions Subject to Withholding Tax and Other Expenses) *[Specify below; Add additional sheet(s), if necessary]*				
	a. Janitorial and Messengerial Services	0	0	0	0
	b. Professional Fees	8,542,527	0	367,228,873	375,771,400
	c. Security Services	0	0	0	0
	d. ROYALTIES	313,196,354	0	2,060,803,972	2,374,000,326
	e. ADVERTISING	555,629,066	0	1,413,311,985	1,968,941,051
	f. FREIGHT	102,537,087	0	2,085,233,662	2,187,770,749
	g. OUTSIDE MANPOWER	19,609,665	0	194,784,854	214,394,519
	h. REPAIRS AND MAINTENANCE	86,527	0	190,649,398	190,735,925
	i. OTHERS (Add more...)	349,711,562	0	579,912,951	929,624,513
18	Total Ordinary Allowable Itemized Deductions *(Sum of Items 1 to 17i) (To Part IV-Schedule 2 Item 8)*	1,381,767,013	0	9,518,273,792	10,900,040,805

Schedule 6 – Special Allowable Itemized Deductions *(attach additional sheet/s, if necessary)*

(If with only one activity, fill-out the applicable columns below: if with two or more activities, amount for each expense shall come from all of Part V-Schedule E)

	Description	Legal Basis	A. Total Exempt	B. Total Special	C. Total Regular	D. Total All Columns
1			0	0	0	0
2			0	0	0	0
3			0	0	0	0
4			0	0	0	0
		(Add more...)				
5	**Total Special Allowable Itemized Deductions** *(Sum of Items 1 to 4) (To Part IV-Schedule 2 Item 9)*		0	0	0	0

Schedule 7 - Computation of Net Operating Loss Carry Over (NOLCO) for Regular Rate *(Attach Additional Sheet/s, if necessary)*

	Description	Amount
1	Gross Income *(From Part IV-Schedule 2 Item 7C)*	0
2	Less: Total Deductions Exclusive of NOLCO & Deduction Under Special Law *(From Part IV-Schedule 2 Item 8C)*	0
3	Net Operating Loss *(Item 1 Less Item 2) (To Part IV-Schedule 7.1, Item 7A)*	0

BIR Form No. **1702-MX** January 2018 (ENCS) Page 4	**Annual Income Tax Return** Corporation, Partnership and Other Non-Individual with MIXED Income Subject to Multiple Income Tax Rates or with Income Subject to SPECIAL/PREFERENTIAL RATE	1702-MX 01/18ENCS P4

Taxpayer Identification Number (TIN)	Registered Name
008 647 589 00000	CENTURY PACIFIC FOOD INC

Schedule 7.1 - Computation of Available Net Operating Loss Carry Over (NOLCO) for Regular Rate

(DO NOT enter Centavos;49 Centavos or Less drop down; 50 or more round up)

	Net Operating Loss Year Incurred	A. Amount	B. NOLCO Applied Previous Year/s	C. NOLCO Expired	D. NOLCO Applied Current Year	E. Net Operating Loss (Unapplied) [(E)=A-(B+C+D)]
4		0	0	0	0	0
5		0	0	0	0	0
6		0	0	0	0	0
7		0	0	0	0	0
8	Total NOLCO *(Sum of Items 4D to 7D)* *(To Part IV-Schedule 2 Item 10C)*				0	

Schedule 8 - Computation of Net Operating Loss Carry Over (NOLCO) for Special Rate (except those availing fiscal incentives)

(Attach Additional Sheet/s, if necessary)

1	Gross Income *(From Part IV-Schedule 2 Item 7B)*	0
2	Less: Ordinary Allowable Itemized Deductions *(From Part IV-Schedule 2 Item 8B)*	0
3	Net Operating Loss *(Item 1 Less Item 2) (To Part IV-Schedule 8.1 Item 7A)*	0

Schedule 8.1 - Computation of Available Net Operating Loss Carry Over (NOLCO) for Special Rate

(DO NOT enter Centavos;49 Centavos or Less drop down; 50 or more round up)

	Net Operating Loss Year Incurred	A. Amount	B. NOLCO Applied Previous Year/s	C. NOLCO Expired	D. NOLCO Applied Current Year	E. Net Operating Loss (Unapplied) [(E)=A-(B+C+D)]
4		0	0	0	0	0
5		0	0	0	0	0
6		0	0	0	0	0
7		0	0	0	0	0
8	Total NOLCO (Sum of Items 4D to 7D) (To Part IV-Schedule 2 Item 10B)				0	

Schedule 9 - Computation of Minimum Corporate Income Tax (MCIT)

	Year	A) Normal Income Tax as Adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1		0	0	0
2		0	0	0
3		0	0	0

Continuation of Schedule 9 *(Item numbers continue from table above)*

	D) Excess MCIT Applied/Used for Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1	0	0	0	0
2	0	0	0	0
3	0	0	0	0

4 Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV-Schedule 3 Item 23) 0

Schedule 10 – Reconciliation of Net Income per Books Against Taxable Income *(attach additional sheet/s, if necessary)*

	Particulars	A. Total Exempt	B. Total Special	C. Total Regular	D. Total All Columns
1	Net Income/(Loss) per Books	865,217,911	0	3,125,917,870	3,991,135,781
	Add: Non-Deductible Expenses/Taxable Other Income *(specify below)*				
2	INTEREST EXPENSE	0	0	14,318,009	14,318,009
3	OTHERS	37,950,707	0	488,868,440	526,819,147
	(Add more...)				
4	Total *(Sum of Items 1 to 3)*	903,168,618	0	3,629,104,319	4,532,272,937
	Less: A) Non-Taxable Income and Income Subjected to Final Tax *(specify below)*				
5	INTEREST INCOME	0	0	57,272,036	57,272,036
6	OTHERS	0	0	1,873,629,343	1,873,629,343
	(Add more...)				
	B) Special Deductions *(specify below)*				
7		0	0	0	0
8		0	0	0	0
	(Add more...)				
9	Total *(Sum of Items 5 to 8)*	0	0	1,930,901,379	1,930,901,379
10	Net Taxable Income/(Loss) *(Item 4 Less Item 9)*	903,168,618	0	1,698,202,940	2,601,371,558

[External]Tax Return Receipt Confirmation

ebirforms-noreply@bir.gov.ph <ebirforms-noreply@bir.gov.ph>
Fri 12-Apr-24 10:36 PM
To:John Ver D. Villajin <jvillajin@centurypacific.com.ph>

This confirms receipt of your submission with the following details subject to validation by BIR:

File name: 008647589000-1702MXv2018C-1223.xml
Date received by BIR: 12 April 2024
Time received by BIR: 10:27 AM
Penalties may be imposed for any violation of the provisions of the NIRC and issuances thereof.

FOR RETURNS WITH TAX PAYABLE:
Please pay through any of the following ePayment Channels:

Land Bank of the Philippines Link.BizPortal

- LBP ATM Cards
- Bancnet ATM/Debit Cards
- PCHC PayGate or PESONeT (RCBC, Robinsons Bank, UnionBank, PSBank, BPI, Asia United Bank)

DBP PayTax Online

- Credit Cards (MasterCard/Visa)
- Bancnet ATM/Debit Cards

Unionbank of the Philippines

- Unionbank Online (for Unionbank Individual and Corporate Account Holders)
- UPAY via InstaPay (For Individual Non-Unionbank Account Holders)

Taxpayer Agent/ Tax Software Provider-TSP

- (Gcash/PayMaya/MyEG)

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