

Amended Notice of Annual Stockholders' Meeting

Notice is hereby given that the Annual Stockholders' Meeting will be held on **Monday, July 1, 2024 at 8:30** in the morning.

The agenda for the said meeting shall be as follows:

1. Call to Order
2. Secretary's Proof of Due Notice of the Meeting and Determination of Quorum
3. Approval of the Minutes of the Stockholders' Meeting held on July 6, 2023
4. Management's Report
5. Ratification of Acts of the Board of Directors and Management During the Previous Year
6. Election of Directors (including Independent Directors)
7. Appointment of External Auditor
8. Approval of the Amendment of the Amended By-laws in order to (i) adjust the notice period and (ii) formally authorize the stockholders to vote through remote communication or in absentia in accordance with the Revised Corporation Code of the Philippines
9. Other Matters
10. Adjournment

A brief explanation of the agenda item which requires stockholders' approval is provided in the Definitive Information Statement. The Definitive Information Statement, Management Report, and Annual Report for 2023 will be uploaded to the Company's Website at <https://www.centurypacific.com.ph/> and at PSE EDGE under Century Pacific Food, Inc. Company Disclosures.

The record date for the determination of the shareholders entitled to vote at said meeting is on **May 10, 2024**.

Stockholders may attend the meeting and vote via remote communication only.

Stockholders should pre-register at this link: <https://centurypacific.com.ph/investor-relations/ASM2024>, **from May 30, 2024 to June 4, 2024**.

Upon registration, Stockholders shall be asked to provide the information and upload the documents listed below (the file size should be no larger than 5MB):

A. For individual Stockholders:

1. Email address
2. First and Last Name
3. Address
4. Mobile Number
5. Stock Certificate Number and number of stocks held
6. Current photograph of the Stockholder, with the face fully visible
7. Valid government-issued ID
8. For Stockholders with joint accounts: A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account, as well as valid government-issued ID of the authorizing stockholders



B. For corporate/organizational Stockholders:

1. Email address
2. Name of stockholder
3. Address
4. Mobile Number
5. Phone Number
6. Stock Certificate Number and number of stocks held by the stockholder
7. Current photograph of the individual authorized to cast the vote for the account (the "Authorized Voter")
8. Valid government-issued ID of the Authorized Voter
9. A scanned copy of the Secretary's Certificate or other valid authorization in favor of the Authorized Voter

Stockholders who will join by proxy shall download, fill out and sign the proxy form found in <https://centurypacific.com.ph/investor-relations/ASM2024>. Deadline to submit proxy forms is **on June 11, 2024**.

All registrations shall be validated by the Corporate Secretary in coordination with the Stock Agent. Successful registrants will receive an electronic invitation via email with a complete guide on how to join the meeting and how to cast votes.

Only stockholders of record as of the close of business on **May 10, 2024** are entitled to notice and to vote at the meeting.



MANUEL GONZALEZ
Corporate Secretary

EXPLANATION OF AGENDA ITEMS

Proof of notice and determination of quorum

The Company has established a designated page on its website in order to facilitate the registration of and voting in absentia by stockholders at the annual meeting, as allowed under Sections 23 and 57 of the Revised Corporation Code. A stockholder or member who participates through remote communication and votes by proxy shall be deemed present for purposes of quorum.

The Corporate Secretary will certify the date the notice of the meeting was published as required by the Securities and Exchange Commission Notice on Alternative Mode of Distributing and Providing Copies of the Notice, Information Statement, Management Report, SEC Form 17A dated April 17, 2023.

The Corporate Secretary will further certify the existence of a quorum. For purposes of quorum, only the following Stockholders shall be counted as present:

- A. Stockholders who have registered and voted on the website on or before June 4, 2024;
- B. Stockholders who have sent their proxies via the website on or before June 11, 2024;

A majority of the outstanding capital stock shall constitute a quorum for the transaction of business.

The complete guidelines for voting in absentia is found on the attached Appendix 1.

Approval of minutes of previous meeting

The minutes of the meeting held on July 6, 2023 are posted at the company website, <https://www.centurypacific.com.ph/>.

Annual report

The Executive Chairman, Mr. Christopher Paulus Nicholas T. Po, will deliver a report to the stockholders on the performance of the company in 2023 and the outlook for 2024. The financial statements as of December 31, 2023 (FS) are attached in the Information Statement.

Copies of the Management Report and SEC Form 17-A will be uploaded to the Company's Website at <https://www.centurypacific.com.ph/> and PSE EDGE under Century Pacific Food, Inc. Company Disclosures.

Election of directors including the independent directors

Each stockholder entitled to vote may cast the votes to which the number of shares he owns entitles him, for as many persons as there are to be elected as directors, or he may give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of Directors to be elected. The nine nominees receiving the highest number of votes will be declared elected as directors of the company.

Please refer to the attached Appendix 1 for the complete guidelines on voting.

Election of external auditor and fixing of its remuneration

Sycip Gorres Velayo & Co., a member firm of Ernst & Young, independent auditors, will be recommended to be appointed as the external auditor of the Company for the ensuing year. Representatives of SGV & Co. are expected to be present at the Annual Meeting. They will have the opportunity to respond to appropriate questions sent online on or before **June 11, 2024**.

A resolution for the election of the external auditor will be presented to the stockholders for adoption by the affirmative vote of stockholders representing a majority of the voting stock present at the meeting.

Approval of the Amendment of the Amended By-laws to (i) adjust the notice period and (ii) formally authorize stockholders to vote through remote communication or in absentia, in accordance with the Revised Corporate Code.

Stockholders’ approval/ratification is being sought for the amendment of Article VI Section 3 and Article VI Section 7 of the Amended By-laws of the Company as follows:

Section	Current Provision	Proposed Amendment
3	Notice - Notices for the meetings shall be sent by the Secretary by personal delivery, by mail or electronic message at least two (2) weeks for regular and at least one (1) week for special meetings, prior to the date of the meeting, of each stockholder of record at his last known address. The notice shall state the place, date and hour of the meeting, and the purpose for which the meeting is called.	Notice - Notices for the meetings shall be sent by the Secretary by personal delivery, by mail or electronic message at least <u>twenty-one (21) days</u> for regular and special meetings, <u>or such number of days as may be required under relevant rules and regulations.</u> prior to the date of the meeting, <u>to</u> each stockholder of record at his last known address. The notice shall state the place, date and hour of the meeting, and the purpose for which the meeting is called.
7	Manner of Voting – At all meetings of the stockholders, a stockholder may vote in person or by proxy. Unless otherwise provide in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the secretary at least ten (10) before the time set for the meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to a scheduled meeting. (As amended on November 25, 2013) xxx	Manner of Voting – At all meetings of the stockholders, a stockholder may vote in person or by proxy. Unless otherwise provide in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the secretary at least ten (10) before the time set for the meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to a scheduled meeting. (As amended on November 25, 2013) <u>Stockholders may also vote via remote communication or in absentia, in which case they shall be deemed present for purposes of quorum. Provided, however, that the votes are received by the Secretary before the Corporation finishes the tally of votes.</u> xxx

The above revisions are being proposed to align the Corporation's Amended By-laws with Section 49 of the Revised Corporate Code.

Consideration of such other business as may properly come before the meeting

The Chairman will answer questions on matters concerning the Agenda, the Information Statement and the Management Report sent via the voting website.

PROXY

The undersigned stockholder of **CENTURY PACIFIC FOOD, INC.** (the “Company”) hereby appoints the Chairman, Christopher Paulus Nicholas T. Po, as *attorney-in-fact* and *proxy*, to represent and vote all shares registered in his/her/its name at the annual meeting of stockholders of the Company on July 1, 2024 and at any of the adjournments thereof for the purpose of acting on the following matters:

- | | |
|---|---|
| <p>1. Approval of minutes of previous meeting
 <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain</p> <p>2. Annual Report
 <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain</p> <p>3. Ratification of the acts of the Board of Directors and Officers
 <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain</p> | <p>5. Election of SGV & Co. as the independent auditor and fixing of its remuneration
 <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain</p> <p>6. Amendment of Article VI Section 3 and Article VI Section 7 of the Amended By-laws of the Company
 <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain</p> <p>7. At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting
 <input type="checkbox"/> Yes <input type="checkbox"/> No</p> |
|---|---|

4. Election of Directors

	No. of Votes
Christopher Paulus Nicholas T. Po	_____
Ricardo Gabriel T. Po	_____
Teodoro Alexander T. Po	_____
Leonardo Arthur T. Po	_____
Regina Jacinto-Barrientos	_____

	NUMBER OF SHARES

Independent Directors:

Stephen Anthony T. Cuunjieng	_____
Regina Roberta L. Lorenzana	_____
Philip G. Soliven	_____
Frances J. Yu	_____

	SIGNATURE OF STOCKHOLDER/ AUTHORIZED SIGNATORY

DATE

THIS PROXY SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE **5:00PM ON JUNE 11, 2024** via <https://centurypacific.com.ph/investor-relations/ASM2024>. A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY THE CHAIRMAN.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

CERTIFICATE

I, **MANUEL Z. GONZALEZ**, of legal age, Filipino, with office address at 33rd Floor, The Orient Square Building, F. Ortigas, Jr Road, Ortigas Center Pasig City, hereby certify that:

1. I am the duly elected and incumbent Corporate Secretary of **Century Pacific Food, Inc.** (the "**Company**") with principal office address at 7th Floor, Centerpoint Building, Julia Vargas Avenue corner Garnet Road, Ortigas Center, Pasig City.
2. There are no directors, independent directors or officers of the Company who are currently appointed in any government agency or is an employee of any government agency.



MANUEL Z. GONZALEZ
Corporate Secretary

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT OF CENTURY PACIFIC FOOD, INC.
PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

- Preliminary Information Statement
 Definitive Information Statement

2. Name of Registrant as specified in its charter **Century Pacific Food, Inc.**

3. **Metro Manila, Philippines**

Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **CS201320778**

5. BIR Tax Identification Code **008-647-589**

6. **7/F Centerpoint Building, Julia Vargas Avenue, Ortigas Center, Pasig City 1605**
 Address of principal office Postal Code

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

8. Date, time and place of the meeting of security holders

Date : July 1, 2024
Time : 8:30 AM

Via Remote communication

Stockholders should pre-register at this link: <https://centurypacific.com.ph/investor-relations/ASM2024> from **May 30, 2024 to June 4, 2024.**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **on or before May 27, 2024.**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock
Common Shares	3,542,258,595

11. Are any or all of registrant's securities listed on a Stock Exchange?

Yes / No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Main Board of The Philippine Stock Exchange, Inc.

A. GENERAL INFORMATION

Item 1. *Date, Time and Place of Meeting of Security Holders.*

(a) Date, Time, and Place of Meeting:

Date: July 1, 2024

Time: 8:30 AM

(b) Online web addresses/URLs

- For participation by remote communication:

<https://centurypacific.com.ph/investor-relations/ASM2024>

- For voting *in absentia*:

<https://centurypacific.com.ph/investor-relations/ASM2024>

(c) Complete Mailing Address of Principal Office:

7/F Centerpoint Building, Julia Vargas Avenue, Ortigas Center, Pasig City

(d) Approximate date on which the Information Statement is first to be sent or given to security holders:

June 6, 2023

Item 2. *Dissenters' Right of Appraisal*

Section 80 of the Revised Corporation Code of the Philippines, recognizes that a stockholder has the right to dissent and demand payment of the fair value of his shares (i) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (ii) in case of any sale, lease, exchange, transfer, mortgage, pledge or disposition of all or substantially all the corporate property and assets; (iii) in case of merger or consolidation; and (iv) in case of investment of corporate funds for any purpose other than the primary purpose of the Company.

The appraisal right may be exercised by a stockholder who has voted against the proposed corporate action, by making a written demand to the Company within thirty (30) days from the date on which the vote was taken for the payment of the fair market value of his shares. Failure to make the demand within said 30-day period shall be deemed a waiver of the appraisal right.

Appraisal right is available to stockholders who vote against the proposed amendment to the Amended By-laws of the Company.

Item 3. *Interest of Certain Persons in or Opposition to Matters to be Acted Upon*

No director, nominee for election as director, associate of the nominee, or executive officer of the Company at any time since the beginning of the last fiscal year has had any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon in the meeting, other than election to office.

None of the incumbent directors has informed the Company in writing of an intention to oppose any action to be taken by the Company at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof:

(a) Voting Securities:

Number of Shares Outstanding as of March 31, 2024: 3,542,258,595 Common Shares

Number of Votes entitled: One (1) vote per share

(b) Record Date:

All stockholders of record at the close of business on May 10, 2024 are entitled to notice and to vote at the Annual Stockholders' Meeting.

(c) Election of Directors and Voting Rights

Each stockholder may vote such number of shares for as many persons as there are directors to be elected. To be clear, if there are nine (9) directors to be elected, each voting share is entitled to nine (9) votes. The stockholder may cumulate said shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many nominees as he shall see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

See Appendix 1 on complete guidelines on voting.

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

(1) Security Ownership of Certain Record and Beneficial Owners

As of May 15, 2024, the following are 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, Vice Chairman Christopher Paulus Nicholas T. Po, Executive Chairman Teodoro Alexander T. Po, President and Chief Executive Officer Leonardo Arthur T. Po, Director and Treasurer	Filipino	2,320,120,781	65.49%*
Common	PCD Nominee Corp. (Non- Filipino) / The Enterprise Center, Ayala Avenue corner Paseo de Roxas,	Please see PDTC Report as of May 15, 2024 attached as Appendix 2	Non-Filipino	854,773,887	24.13%

	Makati City / Stockholder of Record				
Common	PCD Nominee Corp. (Filipino) / The Enterprise Center, Ayala Avenue corner Paseo de Roxas, Makati City / Stockholder of Record	Please see PDTC Report as of May 15, 2024 attached as Appendix 2	Filipino	456,019,826	12.87%

* Century Pacific Group, Inc. owns 2,231,400,000 shares of the Registrant in its own name (see Appendix 3 BDO Top 100 Stockholders) and another 88,720,781 shares of the Registrant lodged under PCD Nominee Corp. (Filipino) (see Appendix 2).

** Century Pacific Group, Inc. was represented by Christopher Paulus Nicholas T. Po and voted in its behalf in the 2023 Annual Stockholders' Meeting.

(2) 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, and nominees for election as director as of May 15, 2024:

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	5,715,962	-
Common	Teodoro Alexander T. Po	Filipino	160,001	771,468,273	-
Common	Christopher Paulus Nicholas T. Po	Filipino	160,001	771,468,273	-
Common	Leonardo Arthur T. Po	Filipino	160,001	771,468,273	-
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	137,500	-	-
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	Mary Fatima G. Aquino	Filipino	-	-	-
Common	Gregory H. Banzon	Filipino	17,100	-	-
Common	Carlo S. Endaya	Filipino	-	-	-
Common	Teddy C. Kho	Filipino	692,000	-	-
Common	Gerald R. Manalansan	Filipino	7,100	-	-
Common	Noel M. Tempongko, Jr.	Filipino	100,000	-	-
Common	Wilhelmino D. Nicolasora	Filipino	-	-	-
Common	Ralph S. Umali	Filipino	50	-	-
Common	George Leander III Q. Wang	Filipino	-	-	-
Common	Myrose April C. Victor	Filipino	-	-	-
Common	Maria Rosario L. Ybanez	Filipino	-	-	-
TOTAL			2,139,455	2,320,120,781	-

Item 5. Directors and Executive Officers

(1) 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 (9) members, of which four (4) are independent directors. Messrs Ricardo Gabriel T. Po, Teodoro Alexander T. Po, Christopher Paulus Nicholas T. Po, Leonardo T. Po 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. Ms. Regina Jacinto-Barrientos was first elected as Director on July 6, 2023. Messrs. Stephen T. CuUnjieng and Philip G. Soliven were first elected as Independent Directors at the Company's Annual Stockholders meeting on July 6, 2023.

On March 5, 2019, Frances J. Yu was elected to the Board of Directors by all of the remaining Board of Directors of the Company representing more than a majority of the original Board composition. Ms. Yu replaced Maria Leah Peachy T. Pacquing who resigned from the Board on February 15, 2019.

On March 18, 2021, Regina Roberta L. Lorenzana was elected as Independent Director replacing Eileen Grace Z. Araneta who resigned from the Board on March 15, 2021. Ms. Lorenzana. Ms. Yu was elected by all of the remaining Board of Directors of the Company representing more than a majority of the original Board composition.

The incumbent Directors of the Company are as follows:

Name	Age	Nationality	Position	Term
Ricardo Gabriel T. Po	56	Filipino	Vice Chairman	10.7 years
Teodoro Alexander T. Po	54	Filipino	Vice Chairman, Chief Executive Officer and President	10.7 years
Christopher Paulus Nicholas T. Po	53	Filipino	Executive Chairman	10.7 years
Leonardo Arthur T. Po	47	Filipino	Director and Treasurer	10.7 years
Regina Jacinto-Barrientos	54	Filipino	Director	8 months
Stephen T. CuUnjieng	65	Filipino	Independent Director	8 months
Philip G. Soliven	63	Filipino	Independent Director	8 months
Frances J. Yu	54	Filipino	Independent Director	5.2 years
Regina Roberta L. Lorenzana	52	Filipino	Independent Director	3.2 years

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. (PIZZA) 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 Paulus Nicholas 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. (PIZZA), likewise a listed chain restaurant business, and as a Director of

Arthaland Corporation (ALCO). 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. (PIZZA). 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. (PIZZA) and President of Pacifica Homes Development Corporation (PHDC). He served as Treasurer and Executive Vice President of Arthaland Corporation (ALCO) 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.

The following table summarizes the directorships held by members of the Company's board of directors in companies listed in the PSE.

Name	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 Paulus Nicholas 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.	Independent Non-Executive

	Scorbin Inc. American Chamber of Commerce of the Philippines Advancement for Rural Kids, NY Rotary Club of Makati	Non-Executive Non-Executive Non-Executive Non-Executive
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The table below sets forth the key executives and corporate officers as of March 31, 2024

Edwin C. Africa	53	Singaporean	Executive Vice President – Corporate General Manager and Group Business Unit Head
Ronald M. Agoncillo	48	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	60	Filipino	Executive Vice President and Chief Operating Officer
Carlo S. Endaya	45	Filipino	Vice President and General Manager - Local Tuna Operations and Vita Coco PH Business
Manuel Z. Gonzalez	59	Filipino	Corporate Secretary
Teddy C. Kho	61	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	38	Filipino	VP – Finance, Chief Financial Officer, Chief Information Officer, and Chief Risk Officer
Wilhelmino D. Nicolasora	47	Filipino	Vice President and General Manager for the Pet food BU
Gwyneth S. Ong	47	Filipino	Assistant Corporate Secretary
Samuel V. Santillan	63	Filipino	Chief Audit Executive
Noel M. Tempongko, Jr.	62	Filipino	Vice President and General Manager – Integrated Coconut Operations
George Leander III Q. Wang	50	Filipino	Vice President – Human Resources and Corporate Affairs
Myrose April C. Victor	40	Filipino	Investor Relations Head
Maria Rosario L. Ybanez	48	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 and 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 of 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 CPFIL 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 and Gonzalez Sociedad 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 and Gonzalez Sociedad 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 Philippines 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.

(2) Significant Employees

Other than the key executive and corporate officers indicated above, there are no other employees whose functions are expected to make a significant contribution to the business.

(3) Nomination of Directors

The Company's Nomination Committee pre-screened and accepted the nominations for the following directors in accordance with the criteria provided in the SRC, the Company's Manual of Corporate Governance and the Company's By-Laws:

1. Ricardo Gabriel T. Po
2. Christopher Paulus Nicholas T. Po
3. Teodoro Alexander T. Po
4. Leonardo Arthur T. Po
5. Regina Jacinto-Barrientos
6. Stephen T. Cuunjieng
7. Regina Roberta L. Lorenzana
8. Philip G. Soliven
9. Frances J. Yu

All of the Nominees are incumbent Directors of the Company. Messrs. CuUnjieng and Soliven, Mses. Barrientos, Mses. Yu and Ms. Lorenzana were nominated by Christopher Paulus Nicholas T. Po. Messrs. CuUnjieng and Soliven, Mses. Barrientos, Mses. Yu and Ms. Lorenzana have no relation to Mr. Po nor to each other.

Once elected, the directors serve for a term of one (1) year. Unless he/she resigns, dies or is removed, each director holds office until the next annual election and until his successor is duly elected.

Certifications of the Independents Directors are attached herein as Appendices 4 to 7.

(4) Family Relationships

Mr. Ricardo Gabriel T. Po, Mr. Christopher Paulus Nicholas T. Po, Mr. Teodoro Alexander T. Po, and Mr. Leonardo Arthur T. Po, 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 March 31, 2024.

Teodoro Alexander T. Po, 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.

(5) 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.

(6) 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 March 31, 2024, Century Pacific Group, Inc. holds 65.50% 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 an arm's length basis under 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.

A summary of the Company's transactions and outstanding balances with related parties for the period ended December 31, 2023, is set out below.

Related Party Category	Amount of Transactions During the Year			Outstanding Receivable (Payable)	
	2022	2021	2020	2022	2021
Ultimate Parent Company					
Interest	₱-	₱1,250,000	₱-	₱-	₱-
Service fee (Note c)	921,331	160,416	107,746	28,741	47,379
Sale of fixed assets (Note e)	-	-	-	-	-
Cost reimbursements (Note c)	126,093	18,015,364	-	-	(19,816,900)
Rental expense (Note g)	70,902,313	68,954,185	68,106,971	(5,231,197)	(23,161,004)
Dividends (Note 29)	803,304,000	803,304,000	803,304,000	-	-
Miscellaneous deposit (Note g)	-	-	-	18,324,508	18,324,508
Cash advance (Note f)	-	300,000,000	-	-	-
Fellow Subsidiaries					
Shared services fee (Note d)	-	4,119,686	13,800,000	-	-
Sale of inventories (Note a)	294,229,875	245,506,197	341,424,585	176,010,744	93,977,223
Purchase of inventories (Note b)	4,810,448	32,623,226	80,036,909	(16,422,446)	(20,060,772)
Service fee (Note c)	7,140,763	14,667,478	43,325,612	2,235,003	6,287,486
Cost reimbursements (Note c)	74,665,655	67,850,087	27,205,209	(4,265,194)	(21,612,599)
Rental expense (Note g)	3,407,722	3,250,787	3,133,623	-	(289,862)
Miscellaneous deposit (Note g)	-	-	-	849,150	849,150
Royalty fee	1,747,904	-	-	-	-
Sale of property, plant and equipment (Note e)	-	5,255,487	774,719	-	-

The outstanding balances as of December 31, 2023, are as follows:

Amounts in Php	As of December 31, 2023
Due from related parties	197,448,146
Due to related parties	25,918,837

The Company or its related parties have no material transaction with parties that fall outside the definition “related parties” under SFA/IAS No. 24 that are not available for other, more clearly independent parties on an arm’s length basis.

Item 6. Compensation of Directors and Executive Officers

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 or executive officer 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.

(a) Summary Compensation Table

CEO and five other most highly compensated executive officers

Name	Principal Position	Year	Salary	Bonus	Other Compensation
Christopher Paulus Nicholas T. Po	Executive Chairman	2024 Estimate	Php 143,595,424		None
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				

Name	Principal Position	Year	Salary	Bonus	Other Compensation
Christopher Paulus Nicholas T. Po	Executive Chairman	2023	Php 136,437,452		None
Teodoro T. Po	President & CEO				
Gregory H. Banzon	EVP & COO				
Edwin C. Africa	EVP - Corporate GM and Group BU Head				
Richard S. Manapat	VP & CFO				

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		None

Compensation of Directors

Name of Director	Director/ Independent Director	Fixed Remuneration	Variable Remuneration	Per Diem	Bonuses	Stock Options and/or other financial instruments	Others (Specify)
1. Christopher Paulus Nicholas T. Po	Director	None					
2. Ricardo Gabriel T. Po							
3. Teodoro Alexander T. Po							
4. Leonardo Arthur T. Po							
5. Regina Jacinto-Barrientos	Independent Director	None	None	166,667 *per quarter	None	None	Php 66,667 for Committee Meetings held on dates different from that of Regular Board Meetings
6. Stephen Anthony T. CuUnjieng							
7. Regina Roberta L. Lorenzana							
8. Philip G. Soliven							
9. Frances J. Yu							

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)			

(b) Corporate Governance Committee

In accordance with the Company’s Manual on Good Corporate Governance, the functions of the previous year’s Compensation Committee were absorbed by the Corporate Governance Committee. The members of the Corporate Governance Committee were as follows:

Name	Position
Stephen T. CuUnjieng	Chairman
Philip G. Soliven	Member
Regina Roberta L. Lorenzana	Member

(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

Other than per diems to directors, there are no special contracts of employment between CNPF and the named directors and executive officers, as well as special compensatory plans or arrangements, including payment to be received from CNPF with respect to any named director or executive.

(d) Warrants and Options Outstanding

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

Item 7. Independent Public Accountants

Independent Public Accountants

(a) Sycip, Gorres, Velayo & Co. (“SGV & Co.”), a member firm of Ernst & Young, independent auditors, will be recommended to be appointed as the external auditor of the Company for the ensuing year. Representatives of SGV & Co. are expected to be present at the Annual Meeting. They will have the opportunity to respond to appropriate questions sent online on or before June 24, 2024.

(b) Audit Fees

The Company’s current independent public accountant is the accounting firm of SGV & Co. and the current audit partner of SGV & Co. is Christine G. Vallejo and has served as such since January 2023. Pursuant to SRC Rule 68, par. 3(b)(iv), Mr. Lumacang may serve as the audit partner for CNPF until January 2026. Audit fees and non-audit fees paid to Navarro Amper &Co for the year 2023 are as follows:

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

There are no disagreements with auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Corporation.

(c) Audit Committee and Policies

The Corporation has 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 of 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.) The Internal Audit (IA) Department, monitors and evaluates the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (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 Company's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence (as defined under the Code of Ethics for Professional Accountants). The non-audit work, if allowed, should be disclosed in the Company'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 Company'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 Company, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.

(d) Audit Committee

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

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

Item 8. Compensation Plans

On September 26, 2014, the Company's Board of Directors approved the CNPF Employee Stock Purchase Plan (the "Plan") for qualified employees of the Company. The Plan was ratified by the Company's shareholders on November 7, 2014. The Plan was subsequently amended by the Board on June 3, 2015, increasing the underlying shares by 5,000,000, and was approved by the shareholders last June 30, 2015.

Under the Plan, eligible employees are offered the opportunity to purchase CNPF's shares at a discount to promote a sense of ownership and reinforce employee retention.

As of March 31, 2024, a total of 4,056,100 common shares have been subscribed and fully paid by the eligible employees under the Plan. There are currently no outstanding options under the Plan.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There are no matters or actions to be taken up in the meeting with respect to authorization or issuance of securities.

Item 10. Modification or Exchange of Securities

There are no matters or actions to be taken up in the meeting with respect to the modification of any class of the Company's securities or the issuance of authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

The audited financial statements as of December 31, 2023, and other data related to the Company’s financial information are attached hereto as Appendix 8.

The interim financial statements as of March 31, 2024, and other data related to the Company’s financial information are attached hereto as Appendix 9.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There are no matters or actions to be taken up in the meeting with respect to merger, consolidation, acquisition by, sale or liquidation of the Company.

Item 13. Acquisition or Disposition of Property

There are no matters or actions to be taken up in the meeting with respect to acquisition or disposition of any property by the Company.

Item 14. Restatement of Accounts

The accounting policies adopted are consistent with those of the previous financial year.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

There is no action to be taken with respect to any report of the Company or its directors, officers or committees, except for the approval of the minutes of the previous annual meeting of CNPF held on July 6, 2023 (“**2023 ASM**”) and for the ratification of all acts of the Board of Directors during their term of office. A copy of the July 6, 2023 minutes is attached as Appendix 10. A summary of the Agenda matters, the tally of votes cast, the attendance of the officers during the meeting and the description of the opportunity given to the stockholders to ask questions is transcribed below:

1. Minutes of the Previous Annual Meeting

Stockholders who executed proxies were asked to submit their proxy forms online for proxy validation on or before June 16, 2023. Thereafter, the proxies were validated and the votes were tabulated by the Corporate Secretary. Stockholders who opted to vote in person voted through an online voting facility before the meeting.

All items of the agenda for the 2023 ASM were approved. The voting results are as follows:

Agenda	Voting Results		
	For	Against	Abstain
Call to Order	89.85%	0.00%	8.61%
Secretary’s Proof of Due Notice of the Meeting and Determination of Quorum	89.85%	0.00%	9.20%
Approval of the Minutes of the Stockholders’ Meeting held on June 30, 2022	100.00%	0.00%	0.00%

Management's Report	100.00%	0.00%	0.00%
Approval and Ratification of all Acts of the Board of Directors, Board Committees and Management for the year 2022	100.00%	0.00%	0.00%
Election of Board of Directors			
<i>Ricardo Gabriel T. Po</i>	99.39%	0.61%	0.00%
<i>Christopher Paulus Nicholas T. Po</i>	99.37%	0.63%	0.00%
<i>Teodoro Alexander T. Po</i>	99.43%	0.57%	0.00%
<i>Leonardo Arthur T. Po</i>	99.42%	0.58%	0.00%
<i>Regina Jacinto-Barrientos</i>	99.43%	0.57%	0.00%
<i>Stephen T. CuUnjieng (ID)</i>	99.99%	0.01%	0.00%
<i>Philip G. Solven (ID)</i>	100.00%	0.00%	0.00%
<i>Frances J. Yu (ID)</i>	100.00%	0.00%	0.00%
<i>Regina Roberta L. Lorenzana (ID)</i>	100.00%	0.00%	0.00%
Appointment of External Auditor	100.00%	0.00%	0.00%
Other Matters	90.16%	9.84%	0.00%
Adjournment	89.85%	0.00%	8.61%

Stockholders were given the opportunity to ask questions and transcript of the questions asked and the answers given are on the 2023 Annual Stockholders' Meeting Minutes attached as Appendix 10.

The following directors and officers were present during the 2023 ASM:

Mr. Christopher Paulus Nicholas T. Po	-	Executive Chairman
Mr. Ricardo Gabriel T. Po	-	Vice Chairman
Mr. Teodoro Alexander T. Po	-	Vice Chairman, President and CEO
Mr. Leonardo Arthur T. Po	-	Treasurer
Ms. Regina Jacinto-Barrientos	-	Director
Mr. Stephen T. CuUnjieng	-	Independent Director
Mr. Philip G. Soliven	-	Independent Director
Ms. Frances J. Yu	-	Independent Director
Ms. Regina Roberta L. Lorenzana	-	Independent Director
Atty. Manuel Z. Gonzalez		Corporate Secretary
Atty. Gwyneth S. Ong	-	Assistant Corporate Secretary
Atty. Maria Rosario L. Ybanez	-	Compliance Officer
Ms. Myrose April C. Victor	-	Investor Relations Officer
Mr. Richard Kristoffer S. Manapat	-	Chief Financial Officer, Chief Risk Officer and Chief Information Officer
Mr. Edwin C. Africa	-	Executive Vice-President- Corporate General Manager and Group Business Unit Head
Mr. Ronald M. Agoncillo	-	Vice-President
Mr. Gregory H. Banzon	-	Executive Vice-President and Chief Operating Officer
Ms. Timi Aquino	-	Vice President
Ms. Maria Nicolette Dizon	-	Vice President
Mr. Carlo S. Endaya	-	Vice President
Mr. Teddy C. Kho	-	Vice-President
Mr. Gerald R. Manalansan	-	Vice President
Mr. Wilhelmino D. Nicolasora	-	Vice-President
Mr. Noel M. Tempongko	-	Vice-President
Mr. Ralph G. Umali	-	Vice President
Mr. George Leander III Q. Wang	-	Vice-President

The stockholders who attended the 2023 ASM represented 2,879,761,551 common shares, constituting 81.30% of the total outstanding capital stock of CNPF as of record date May 16, 2023.

2. Acts of the Board of Directors

At the annual meeting, stockholders will be asked to approve and ratify the acts of the Board of Directors during their term of office duly disclosed to the SEC and Philippine Stock Exchange. Since the last stockholders’ meeting on June 30, 2022, the Board of Directors has authorized several transactions which are pursuant to the Company’s ordinary course of business.

For reference, we have attached as Appendix 11 schedule of the dates of the Board of Directors’ meetings and the resolutions made during the meeting and Appendix 12 Board of Directors and Committee Meetings attendance for the year 2023. We have also attached as Appendix 13 a list of reports covering Directors’ disclosures on Self-Dealings until March 31, 2024.

In addition, Stockholders’ approval/ratification is being sought for the amendment of Article VI Section 3 and Article VI Section 7 of the Amended By-laws of the Company as follows:

Section	Current Provision	Proposed Amendment
3	Notice - Notices for the meetings shall be sent by the Secretary by personal delivery, by mail or electronic message at least two (2) weeks for regular and at least one (1) week for special meetings, prior to the date of the meeting, of each stockholder of record at his last known address. The notice shall state the place, date and hour of the meeting, and the purpose for which the meeting is called.	Notice - Notices for the meetings shall be sent by the Secretary by personal delivery, by mail or electronic message at least <u>twenty-one (21) days</u> for regular and special meetings, <u>or such number of days as may be required under relevant rules and regulations</u> , prior to the date of the meeting, <u>to</u> each stockholder of record at his last known address. The notice shall state the place, date and hour of the meeting, and the purpose for which the meeting is called.
7 xxx	Manner of Voting – At all meetings of the stockholders, a stockholder may vote in person or by proxy. Unless otherwise provide in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the secretary at least ten (10) before the time set for the meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to a scheduled meeting. (As amended on November 25, 2013)	Manner of Voting – At all meetings of the stockholders, a stockholder may vote in person or by proxy. Unless otherwise provide in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the secretary at least ten (10) before the time set for the meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to a scheduled meeting. (As amended on November 25, 2013) <u>Stockholders may also vote via remote communication or in absentia, in which case they shall be deemed present for purposes of quorum. Provided, however, that the votes are received by the Secretary before the Corporation finishes the tally of votes.</u> xxx

The above revisions are being proposed to align the Corporation's Amended By-laws with Section 49 of the Revised Corporate Code.

3. Appraisals and performance reports for the board

Please see Corporate Governance portion of Management Report.

Item 16. Matters Not Required to be Submitted

There is no action to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17. Voting Procedures

1. Manner of Voting

Method: Straight and Cumulative Voting

In all items for approval except election of directors, each share of stock entitles its registered owner to one vote.

In case of election of directors, each stockholder is entitled to cumulate their votes as discussed in Part B, Item 4(c) of this Information Statement.

There is no manner of voting prescribed in the By-Laws of the Company. Hence, voting may be done *viva voce*, by show of hands, or by balloting. During the last stockholders' meeting held on June 30, 2022, votes were cast through remote communication and by proxy and counted in the manner prescribed herein.

For this year's annual stockholders' meeting, the Company has established a designated website in order to facilitate the registration of and voting in absentia by stockholders at the annual meeting, as allowed under Sections 23 and 57 of the Revised Corporation Code. A stockholder or member who participates through remote communication and votes by proxy shall be deemed present for purposes of quorum.

2. Vote required for approval

The vote of stockholders representing at least a majority of the issued and outstanding capital stock entitled to vote is required.

3. Methods of Counting Votes

Each share shall be counted as one (1) vote. Similar to the method applied during the last stockholders' meeting, the votes will be tabulated by the stock and transfer agent.

Please see Appendix 1 on the complete voting guidelines.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig on May 23, 2024.

By: 
MANUEL Z. GONZALEZ
Corporate Secretary

UNDERTAKING

Upon the written request of a stockholder, the Company undertakes to timely furnish such stockholder with a copy of the full version of this SEC Form 20-IS (Definitive Information Statement), the SEC Form 17-A free of charge. Such written request shall be directed to the Office of the Corporate Secretary, 33rd Floor, The Orient Square, F. Ortigas Jr. Rd., Ortigas Center, Pasig City, 1600 Metro Manila Philippines or sent via email at secadmin_CPFI@centurypacific.com.ph.

MANAGEMENT REPORT

BUSINESS OVERVIEW AND GENERAL INFORMATION

Business Overview

Century Pacific Food, Inc. (PSE:CNPF or the Company) is one of the leading food and beverage companies in the Philippines. It owns a portfolio of well-recognized and trusted brands in the canned and processed fish, canned meat, and dairy and mixes 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 the Philippines' largest exporter of private label original equipment manufacturer (OEM) tuna and coconut products.

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

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

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

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

The canned meat segment, CNPF'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, CNPF 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, CNPF also acquired the license to the *Kamayán* 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*. CNPF also acquired distribution companies in China which sell *Century Tuna*, the number one canned tuna brand in China.

In 2017, CNPF 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 2019, CNPF began marketing *Coco Mama Fresh Gata* for the Philippine coconut market. It is the Company's first major launch of a culinary coconut product using its own brand.

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

In 2021, CNPF acquired Pacific Meat Company, Inc. (PMCI), an emerging player in the refrigerated food category. PMCI, which was added to CNPF'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.

Factors Affecting Results of Operations

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

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

CNPF'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 CNPF's businesses may adversely affect its financial condition and results of operations.

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

CNPF has a limited history as a separate entity.

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

CNPF 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 CNPF's financial condition, results of operations and liquidity;

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

CNPF'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.

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

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

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

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

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

CNPF'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.

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

Key Variable and other Qualitative and Quantitative Factors

A. Any known Trends, Events or Uncertainties (Material Impact on Liquidity and Sales)

CNPF is exposed to various types of market risks in the ordinary course of business, including foreign exchange rate risk, commodity price risk, credit risk and liquidity risk.

Commodity Price Risk

CNPF's commodity price risk exposure primarily results from the use of commodities as raw materials in its production processes. In particular, the supply and prices of fish are subject to seasonality and there is limited fish-catching activity from November to March of the following year. To reduce its exposure to increased fish prices during this time, CNPF typically builds up sufficient inventories of finished products by October of each year to minimize the need to purchase fish at increased prices. CNPF currently does not have a commodity price hedging policy.

Foreign Exchange Rate Risk

CNPF's foreign exchange rate risk arises primarily from the fluctuations in exchange rate that arise between the Philippine Peso and the U.S. dollar. The substantial majority of CNPF's revenues are denominated in Pesos, while certain of its expenses, particularly its raw material costs, are denominated in U.S. dollars or based on prices determined in U.S. dollars. In addition, CNPF is exposed to foreign exchange risk through its export of private label tuna and its branded products. To hedge its exposure to exchange rate fluctuations, CNPF enters into a forward contract for each export order to secure the expected profit at time of delivery.

Credit Risk

CNPF's exposure to credit risk relates primarily to its trade and other receivables. Generally, CNPF's maximum credit exposure in the event of customers' and counterparties' failure to perform their obligations is the total carrying amount of the financial asset as shown on the statement of financial position. To minimize its credit risk, CNPF evaluates customer credit, receivables and payment habits for all major customers on a quarterly basis.

Liquidity Risk

CNPF is exposed to the possibility that adverse changes in the business environment, or its operations could result in substantially higher working capital requirements and consequently, a difficulty in financing additional working capital. CNPF manages its liquidity risk by monitoring its cash position and maintaining credit lines from financial institutions that exceed projected financing requirements for working capital.

B. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation

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.

As at December 31, 2023, the total credit line facility amounted to PHP 13,500,000,000, higher than the Company's requirement.

There are other commitments, guarantees, litigations and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the accompanying consolidated financial statements. As at December 31, 2023, Management is of the opinion that losses, if any, from these commitments and contingencies will not have a material effect on the Group's consolidated financial statements.

C. Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures

Capital Commitments

As of December 31, 2023, the Group has construction-in progress amounting to Php 678 million relating to ongoing construction of the Group's new production plant and administration building as part of the Group's expansion program. The construction is expected to be completed in 2024.

For full-year 2024, the Company is allotting approximately Php 4.0-5.0 billion in capital expenditures.

The Group shall finance the remaining estimated costs from internally generated cash from operations.

D. Seasonal Aspects that have Material Effect on the financial statements

The supply and prices of fish are subject to seasonality, and there is limited fish-catching activity from November to March of the following year. To reduce its exposure to increased fish prices

during this time, CNPF typically builds up sufficient inventories of finished products by October of each year to minimize the need to purchase fish at increased prices. CNPF currently does not have a commodity price hedging policy.

E. Any Significant Elements of Income or Loss (from continuing operations) and Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%)

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Description of Key Line Items

Sale of Goods

CNPF derives its net sales from sale of goods to their customers less value-added tax ("VAT") and sales returns and allowances. Its customers include customer accounts serving the modern trade, general trade and food service channels of the domestic market. It also consists of importer-brand owners, food producers and retailers, traders and agents in the international tuna and coconut markets.

Cost of goods sold

CNPF's cost of goods sold consists primarily of cost of goods available for sale (i.e. inventory at the beginning of the year plus additional stocks from production and purchases during the year) less inventory at the end of the year. The cost elements comprising cost of goods sold include raw materials and packaging materials cost plus conversion costs. Conversion costs consist of direct labor cost, utilities expense, and manufacturing overhead expense.

Operating Expenses (Income)

CNPF's operating expenses comprise primarily of salaries and wages and other staff costs, advertising and promotions cost, freight and distribution expenses, other selling and market expenses, depreciation, repairs and maintenance expenses, and other administrative expenses.

Other Income (Expense)

Other income (expense) consists primarily of interest expense and other financing charges, investment income, foreign exchange gain (loss), inventory loss, and other miscellaneous income and expenses.

Income Tax Expense

Income tax expense comprises current income tax expense and deferred income tax expense.

Trade Receivables

Trade receivables are recorded at fair value plus transaction less provisions for impairment loss, and are primarily from sales with an average credit term of 30 to 45 days. Impairment loss is provided when there is objective evidence that the Company will not be able to collect from specific customers certain amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined based on evaluation of available facts and circumstances, including but not limited to, the length of the Company's relationship with the customers, the customers' current credit status based on known market forces, average age of the accounts, collection experience and historical loss perspective.

Inventories

Inventories comprise primarily of raw materials, work-in-process goods and finished goods. These are booked at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. Finished goods and work-in process include the cost of raw materials, direct labor and a proportion of manufacturing overhead based on normal operating capacity. Raw material costs include all costs attributable to acquisition such as the purchase price, import duties and other taxes that are not subsequently recoverable from taxing authorities. Inventories are derecognized when sold or otherwise disposed of.

Trade Payable

Trade payables comprise of obligations to suppliers incurred in the ordinary course of business. These are recognized at fair value and subsequently measured at amortized cost during the period when the goods or services are received or rendered.

FINANCIAL POSITION **31 March 2024 vs. 31 December 2023**

	31 Mar2024	31 Dec2023	% Change
Cash and cash equivalents	4,596,125,498	5,050,017,194	-9%
Trade and other receivables - net	10,795,656,269	9,386,654,691	15%
Due from related parties	218,312,158	258,634,411	-16%
Inventories	16,476,887,322	16,901,959,562	-3%
Biological Assets	10,369,959	34,381,684	-70%
Other current assets	4,671,414,469	2,844,609,466	64%
Property, plant & equipment	8,932,079,733	8,980,273,509	-1%
Intangible assets and royalties	5,521,269,913	5,526,648,873	0%
Right of use asset	1,481,693,243	1,520,443,376	-3%
Deferred tax assets	878,291,362	878,291,362	0%
Retirement asset - net	11,036,687	11,036,687	0%
Other non-current assets	194,148,486	149,143,490	30%
Total Assets	53,787,285,100	51,542,094,304	4%
Trade and other payables	14,431,379,818	10,452,242,572	38%
Short-term loans payable	770,000,000	2,870,000,000	-73%
Current portion of borrowings	7,360,791	7,360,791	0%
Income tax payable	458,151,653	143,502,629	219%
Due to related parties	35,489,806	30,545,975	16%
Current portion of lease liabilities	243,461,342	297,536,128	-18%
Borrowings - net of current portion	3,156,982,518	3,156,982,518	0%
Retirement benefit obligation	378,825,786	330,438,483	15%
Lease liabilities - net of noncurrent portion	1,435,828,275	1,402,955,848	2%
Total Liabilities	20,917,479,989	18,691,564,944	12%
Share capital	3,542,258,595	3,542,258,595	0%
Share premium	4,936,859,146	4,936,859,146	0%
Share-based compensation reserve	8,211,398	8,211,398	0%
Other reserves	30,628,942	30,628,942	0%
Currency translation adjustment	36,283,040	38,674,175	-6%
Retained earnings	24,315,563,990	24,293,897,103	0%
Total Equity	32,869,805,111	32,850,529,359	0%

Century Pacific Food, Inc.'s total assets as of 31 March 2024 amounted to Php 53.8 billion, increasing by 4% versus its total assets as of 31 December 2023, which amounted to Php 51.5 billion. The change is due to the following:

9% Decrease in Cash

Cash generated from operations was used to service loans and fund CAPEX for the three-month period.

15% Increase in Trade and Other Receivables

The growth in receivables was driven by higher sales for the period.

38% Increase in Trade Payables

Trade payables increased driven by purchase of inventory to support the growth in sales volume and changes in terms.

73% Decrease in Short-term Loans

Strong cash position allowed the Company to repay short-term loans.

The Company maintained its strong and healthy balance sheet. Current ratio was at 2.31x. Interest-bearing debt over equity and net gearing decreased to 0.12x and (.02x), respectively.

FINANCIAL POSITION
31 December 2023 vs. 31 December 2022

	31 Dec2023	31 Dec2022	% Change
Cash and cash equivalents	5,050,017,194	2,149,448,030	135%
Trade and other receivables - net	9,386,654,691	8,771,584,426	7%
Due from related parties	258,634,411	197,448,146	31%
Inventories	16,901,959,562	17,728,873,867	-5%
Other current assets	2,878,991,150	2,802,218,295	3%
Property, plant & equipment	8,980,273,509	8,793,816,459	2%
Intangible assets and royalties	5,526,648,873	5,548,164,713	0%
Right of use asset	1,520,443,376	1,391,652,591	9%
Deferred tax assets	878,291,362	718,562,929	22%
Retirement asset - net	11,036,687	7,128,419	55%
Other non-current assets	149,143,486	224,893,319	-34%
Total Assets	51,542,094,301	48,333,791,194	7%
Trade and other payables	10,452,242,572	9,797,085,023	7%
Short-term loans payable	2,870,000,000	4,640,000,000	-38%
Current portion of borrowings	7,360,791	9,390,325	-22%
Income tax payable	143,502,629	102,714,783	40%
Due to related parties	30,545,975	25,918,837	18%
Current portion of lease liabilities	297,536,128	293,030,338	2%
Borrowings - net of current portion	3,156,982,518	3,164,823,670	0%
Retirement benefit obligation	330,438,483	272,878,497	21%
Lease liabilities - net of noncurrent portion	1,402,955,848	1,248,956,896	12%
Total Liabilities	18,691,564,944	19,554,798,369	-4%
Share capital	3,542,258,595	3,542,258,595	0%
Share premium	4,936,859,146	4,936,859,146	0%
Share-based compensation reserve	8,211,398	8,211,398	0%
Other reserves	30,628,942	30,628,942	0%
Currency translation adjustment	38,674,173	29,397,439	32%
Retained earnings	24,293,897,103	20,231,637,305	20%
Total Equity	32,850,529,357	28,778,992,825	14%

Century Pacific Food, Inc.'s total assets as of 31 December 2023 amounted to Php 51.5 billion, increasing by 7% versus its total assets as of 31 December 2022, which amounted to Php 48.3 billion. The growth is due to the following:

135% Increase in Cash

The increase in cash was due to healthy cash generation from higher sales and improvements in working capital management.

7% Increase in Trade and Other Receivables

The growth in receivables was driven by higher sales for the period.

5% Decrease in Inventories

Less inventories were held at yearend due to higher sales and better working capital management.

38% Decrease in Short-term Loans

Strong cash generation allowed the Company to repay short-term loans.

7% Increase in Trade Payables

Trade payables increased driven by purchase of inventory to support the growth in sales volume and changes in terms.

20% Increase in Retained Earnings

Retained earnings increased from Php 20.2 billion to Php 24.3 billion as a result of the recognition of Php 5.6 billion in net income for the period and the declaration and payment of increased dividends amounting to Php 1.4 billion.

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.

FINANCIAL POSITION **31 December 2022 vs. 31 December 2021**

	31 Dec2022	31 Dec2021	% Change
Cash and cash equivalents	2,149,448,030	1,728,308,358	24%
Trade and other receivables - net	8,771,584,426	7,905,701,602	11%
Due from related parties	197,448,146	119,485,746	65%
Inventories	17,728,873,867	14,112,400,431	26%
Other current assets	2,802,218,295	2,619,774,907	7%
Property, plant & equipment	8,793,816,459	8,574,285,847	3%
Intangible assets and royalties	5,548,164,713	3,850,025,258	44%
Right of use asset	1,391,652,591	1,298,679,221	7%
Deferred tax assets	718,562,929	540,950,655	33%
Retirement asset - net	7,128,419	-	-
Other non-current assets	224,893,319	130,020,844	73%
Total Assets	48,333,791,194	40,879,632,869	18%
Trade and other payables	9,797,085,024	9,104,641,236	8%
Short-term loans payable	4,640,000,000	2,800,000,000	66%
Current portion of borrowings	9,390,325	9,764,285	-4%
Income tax payable	102,714,783	89,626,028	15%
Due to related parties	25,918,837	84,941,137	-69%
Current portion of lease liabilities	293,030,338	247,628,625	18%
Borrowings - net of current portion	3,164,823,670	1,982,127,068	60%
Retirement benefit obligation	272,878,497	508,776,526	-46%
Lease liabilities - net of noncurrent portion	1,248,956,896	1,164,210,050	7%
Total Liabilities	19,554,798,370	15,991,714,955	22%
Share capital	3,542,258,595	3,542,258,595	0%
Share premium	4,936,859,146	4,936,859,146	0%
Share-based compensation reserve	8,211,398	8,211,398	0%
Other reserves	30,628,942	30,628,942	0%
Currency translation adjustment	29,397,439	23,886,813	23%
Retained earnings	20,231,637,304	16,346,073,020	24%
Total Equity	28,778,992,824	24,887,917,914	16%

Century Pacific Food, Inc.'s total resources as of 31 December 2022 were at Php 48.3 billion, increasing by 18% versus its total assets as of 31 December 2021, which amounted to Php 40.9 billion. The growth is due to the following:

26% Increase in Inventories

The increase in inventories was due to the higher sales and the buildup of stocks in light of volatile supply chain conditions and an inflationary environment.

11% Increase in Trade and Other Receivables

Higher trade and other receivables were due to the increase in the Company's sales for the period.

44% Increase in Intangibles

The growth in intangible assets was driven by the acquisition of a new trademark.

8% Increase in Trade Payables

Trade payables increased driven by purchase of inventory to support the growth in sales volume.

66% Increase in Short-term Loans Payable and 60% Increase in Borrowings

The company utilized its credit facilities for general corporate purposes.

24% Increase in Retained Earnings

Retained earnings increased from Php 16.3 billion to Php 20.2 billion as a result of the recognition of Php 5.0 billion in net income for the period.

The Company maintained its strong and healthy balance sheet. Current ratio was at 2.13x. Interest-bearing debt over equity and net gearing ratio increased to 0.27x and 0.20x, respectively.

FINANCIAL POSITION
31 December 2021 vs. 31 December 2020

	31 Dec2021	31 Dec2020	% Change
Cash and cash equivalents	1,728,308,358	1,229,381,273	41%
Trade and Other Receivables - net	7,905,701,602	6,913,305,061	14%
Due from Related Parties	119,485,746	280,788,885	-57%
Inventories	14,112,400,431	12,972,572,720	9%
Biological Assets	-	65,726,630	-
Other current assets	2,619,774,907	2,511,700,094	4%
Property, plant & equipment	8,574,285,847	7,290,756,893	18%
Intangible assets and royalties	3,850,025,258	3,448,276,612	12%
Right of use asset	1,298,679,221	678,300,084	91%
Deferred Tax assets	540,950,655	752,107,229	-28%
Other non-current assets	130,020,844	133,450,145	-3%
Total Assets	40,879,632,869	36,276,365,626	13%
Trade and Other Payables	9,104,641,236	9,670,565,636	-6%
Short-term Notes Payable	2,800,000,000	1,949,466,680	44%
Current portion of borrowings	9,764,285	1,584,000,000	-99%
Income Tax Payable	89,626,028	194,877,487	-54%
Due to Related Parties	84,941,137	75,894,675	12%
Current portion of lease liabilities	247,628,625	271,207,134	-9%
Borrowings - net of current portion	1,982,127,068	-	-
Retirement benefit obligation	508,776,526	618,902,329	-18%
Lease liabilities - net of noncurrent portion	1,164,210,050	465,842,247	150%
Deferred tax liability	-	9,398,845	-
Total Liabilities	15,991,714,955	14,840,155,033	8%
Share capital	3,542,258,595	3,542,258,595	0%
Share premium	4,936,859,146	4,936,859,146	0%
Share-based compensation reserve	8,211,398	8,211,398	0%
Other reserves	30,628,942	30,628,942	0%
Currency translation adjustment	23,886,813	23,818,317	0%
Retained earnings	16,346,073,020	12,894,434,195	27%
Total Equity	24,887,917,914	21,436,210,593	16%

Century Pacific Food, Inc.'s total resources as of 31 December 2021 was at Php 40.9 billion, 13% higher than the 31 December 2020 level of Php 36.3 billion due to the following:

41% Increase in Cash and cash equivalents

The increase in cash and cash equivalents was primarily driven by the boost in the Company's profitability, combined with an improvement in working capital days.

14% Increase in Trade and Other Receivables

Higher trade and other receivables were due to the increase in the Company's sales for the period.

9% Increase in Inventories

Inventory increased due to the Company's expanded sales volumes, alongside inventory covers for key raw materials.

18% Increase in Property, Plant, & Equipment

Property, Plant, & Equipment increased as a result of capital expenditures amounting to Php 2.3 billion undertaken by the group.

91% Increase in Right of Use Asset

The increase in Right of Use Asset was due to the extension and renewal of long-term lease agreements for warehouse, plant, and equipment.

44% Increase in Short-term Notes Payable

Short-term Notes Payable increased by 44% as the Group acquired several short-term loans amounting to Php 5.8 billion as at December 31, 2021.

-99% Decrease in Current portion of Borrowings

The decrease in current portion of borrowings was due to loan repayments made in 2021.

27% Increase in Retained Earnings

Retained earnings increased from Php 12.9 billion to Php 16.3 billion as a result of the recognition of Php 4.7 billion in net income.

The Company maintained its strong and healthy balance sheet with current ratio of 2.15x and net gearing at 0.12x. Interest-bearing debt over equity increased to 0.19x, as the Company rolled over regular long-term loans.

FINANCIAL POSITION
31 December 2020 vs. 31 December 2019

	31 Dec2020	31 Dec2019	% Change
Cash and cash equivalents	1,229,381,273	1,607,844,054	-24%
Trade and Other Receivables - net	6,913,305,061	7,000,528,129	-1%
Due from Related Parties	280,788,885	261,588,910	7%
Inventories	12,972,572,720	11,781,872,041	10%
Biological Assets	65,726,630	33,380,356	-
Other current assets	2,511,700,094	829,609,933	203%
Property, plant & equipment	7,290,756,893	6,414,543,344	14%
Intangible assets and royalties	3,448,276,612	3,504,492,460	-2%
Right of use asset	678,300,084	705,437,893	-4%
Deferred Tax assets	752,107,229	359,681,319	109%
Other non-current assets	133,450,145	89,793,109	49%
Total Assets	36,276,365,626	32,588,771,548	11%
Trade and Other Payables	9,670,565,636	6,832,729,150	42%
Short-term Notes Payable	1,949,466,680	2,433,508,587	-20%
Current portion of borrowings	1,584,000,000	-	-
Income Tax Payable	194,877,487	148,438,723	31%
Due to Related Parties	75,894,675	19,706,847	285%
Current portion of lease liabilities	271,207,134	269,082,105	1%
Borrowings - net of current portion	-	3,086,500,000	-
Retirement benefit obligation	618,902,329	160,025,025	287%
Lease liabilities - net of noncurrent portion	465,842,247	484,103,079	-4%
Deferred tax liability	9,398,845	360,285	-
Total Liabilities	14,840,155,033	13,434,453,801	10%
Share capital	3,542,258,595	3,542,258,595	0%
Share premium	4,936,859,146	4,936,859,146	0%
Share-based compensation reserve	8,211,398	8,211,398	0%
Other reserves	30,628,942	30,628,942	0%
Currency translation adjustment	23,818,317	25,440,484	-6%
Retained earnings	12,894,434,195	10,610,919,182	22%
Total Equity	21,436,210,593	19,154,317,747	12%

Century Pacific Food, Inc.'s total resources as of 31 December 2020 was at Php 36.3 billion, 11% higher than the 31 December 2019 level of Php 32.6 billion due to the following:

10% Increase in Inventory

The increase in inventory level is driven by the Company's expanded sales volumes, alongside inventory covers for key raw materials.

203% Increase in Other Current Assets

Other Current Assets increased to Php 2.5 billion due to advance payments related to the purchase of inventory.

14% Increase in Property, Plant and Equipment

The increase in property, plant and equipment is driven by the Company's capital expenditures which totaled Php 1.7 billion in 2020.

45% Increase in Notes Payable (Short-term Notes Payable and Current Portion of borrowings)

The increase in notes payable (current) is primarily due to the upcoming maturity dates of its long-term loans, which were previously classified as noncurrent. This reclassification was partially offset by the repayment of Php 2.0 billion in short-term notes payable in 2020.

100% Decrease in Long-Term Loans

The decrease is primarily due to the upcoming maturity dates of its long-term loans, which were consequently reclassified as current notes payable from noncurrent previously.

22% Increase in Retained Earnings

The increase is due to the recognition of Php 3.9 billion in consolidated net income after tax for the 12 months ending December 31, 2020.

The Company maintained its strong and healthy balance sheet with current ratio improving to 1.74x and net gearing at 0.11x. Interest-bearing debt over equity likewise declined to 0.16x, following the repayment of portion of the Company's interest-bearing liabilities.

RESULTS OF OPERATIONS
31 March 2024 vs. 31 March 2023

	31 Mar2024	31 Mar2023	% Change
Net Revenue	18,151,619,600	15,626,588,999	16%
Cost of Goods Sold	(13,414,113,054)	(11,942,972,390)	12%
Gross Profit	4,737,506,546	3,683,616,609	29%
Operating Expenses	(2,768,974,113)	(1,789,832,324)	55%
Finance Costs	(104,278,990)	(108,767,960)	-4%
Other Income (Expenses)	172,384,873	(5,929,946)	-
Income Before Income Tax	2,036,638,317	1,779,086,378	14%
Provision for Income Tax	(314,687,305)	281,602,821	-212%
Net Income	1,721,951,012	1,497,483,557	15%
Other Comprehensive Income	(2,391,135)	2,563,358	-193%
Total Comprehensive Income	1,719,559,877	1,500,046,916	15%

Results of Operations for the period ended 31 March 2024 compared to the period ended 31 March 2023.

16% Increase in Net Revenues

Consolidated net revenues for the three-month period amounted to Php 18.2 billion, increasing by 16% year-on-year. Growth was driven by both the branded and OEM exports segments, which increased by 10% and 49% year-on-year, respectively.

29% Increase in Gross Profit

Favorable trends in input costs led the Company's gross profit to increase by 29%, which led to a 250 bps expansion in the gross margin.

55% Increase in Operating Expenses

Gross margin gains were reinvested in operating expenses to support domestic demand through advertising and promotions.

15% Increase in Net Income

Consolidated net income after tax as at period ended 31 March 2024 amounted to Php 1.7 billion.

RESULTS OF OPERATIONS
31 December 2023 vs. 31 December 2022

	31 Dec2023	31 Dec2022	% Change
Revenue from Contracts with Customers	67,124,343,619	62,258,920,244	8%
Cost of Goods Sold	(50,987,309,427)	(47,885,162,632)	6%
Gross Profit	16,137,034,192	14,373,757,612	12%
Operating Expenses	(9,238,580,052)	(8,713,881,749)	6%
Finance Costs	(483,876,139)	(315,173,214)	54%
Other Income	565,886,667	844,851,535	-33%
Other Expenses	(454,033,632)	(411,997,405)	10%
Income Before Income Tax	6,526,431,036	5,777,556,779	13%
Provision for Income Tax	(947,271,477)	(778,387,954)	22%
Net Income	5,579,159,559	4,999,168,825	12%
Other Comprehensive Income	(90,719,589)	167,119,179	-154%
Total Comprehensive Income	5,488,439,970	5,166,288,004	6%

Results of Operations for the period ended 31 December 2023 compared to the period ended 31 December 2022.

8% Increase in Net Revenues

Consolidated net revenues for the year increased by 8% to Php 67.1 billion compared to Php 62.3 billion in 2022. Growth was driven by the branded segment, which increased by 11% year-on-year on the back of a resilient domestic demand.

12% Increase in Gross Profit

Favorable trends in input costs led the Company's gross profit to increase by 12. Gross margin increased by 95 basis points to 24.0%.

6% Increase in Operating Expenses

The increase in operating expenses was due to higher advertising and promotions to support domestic local demand. Operating expenses as a percentage of sales decreased by 20 basis points.

12% Increase in Net Income

Consolidated net income after tax for the year ended 31 December 2023 amounted to Php 5.6 billion, clocking in a growth of 12% year-on-year.

RESULTS OF OPERATIONS
31 December 2022 vs. 31 December 2021

	31 Dec2022	31 Dec2021	% Change
Revenue from Contracts with Customers	62,258,920,244	54,710,155,254	14%
Cost of Goods Sold	(47,885,162,632) ▲	(41,958,358,259)	14%
Gross Profit	14,373,757,612	12,751,796,995	13%
Operating Expenses	(8,713,881,749)	(7,064,201,886)	23%
Finance Costs	(315,173,214)	(296,882,673)	6%
Other Income	844,851,535	557,776,763	51%
Other Expenses	(411,997,405)	(380,575,165)	8%
Income Before Income Tax	5,777,556,779	5,567,914,034	4%
Provision for Income Tax	(778,387,954) ▲	(894,897,620)	-13%
Net Income	4,999,168,825	4,673,016,414	7%
Other Comprehensive Income	167,119,179	53,904,001	210%
Total Comprehensive Income	5,166,288,004	4,726,920,415	9%

Results of Operations for the period ended 31 December 2022 compared to the period ended 31 December 2021.

14% Increase in Net Revenues

Consolidated net revenues for 2022 grew 14%, amounting to Php 62.26 billion compared to Php 54.71 billion versus the same period the previous year. Growth was driven by the branded segment, which grew by 16% year-on-year because of resilient domestic demand.

13% Increase in Gross Profit

Cost of sales for the period increased by 14% versus 2021, leading to a 13% increase in gross profit. The Company's cost of sales consists primarily of raw material and packaging costs, manufacturing costs, and direct labor costs.

23% Increase in Operating Expenses

CNPF's operating expenses were up 23% due to increased logistics expenses, continuous brand building and demand generation activities, as well as one-off costs attributable to its recent acquisition, systems improvements, and compliance.

7% Increase in Net Income

Consolidated net income after tax for year ended 31 December 2022 amounted to Php 5.0 billion, representing a 7% growth versus the net income after tax of Php 4.7 billion reported in 2021.

RESULTS OF OPERATIONS
31 December 2021 vs. 31 December 2020

	31 Dec2021	31 Dec2020	% Change
Revenue from Contracts with Customers	54,710,155,254	48,301,741,084	13%
Cost of Goods Sold	41,958,358,259	36,374,034,421	15%
Gross Profit	12,751,796,995	11,927,706,663	7%
Operating Expenses	(7,064,201,886)	(6,350,811,842)	11%
Finance Costs	(296,882,673)	(261,151,374)	14%
Other Income	557,776,763	615,688,399	-9%
Other Expenses	(380,575,165)	(803,600,697)	-53%
Income Before Income Tax	5,567,914,034	5,127,831,149	9%
Provision for Income Tax	894,897,620	1,248,387,296	-28%
Net Income	4,673,016,414	3,879,443,853	20%
Other Comprehensive Income	53,904,001	(322,337,913)	-117%
Total Comprehensive Income	4,726,920,415	3,557,105,940	33%

Results of Operations for the period ended 31 December 2021 compared to the period ended 31 December 2020.

13% Increase in Net Revenues

Consolidated net revenues for 2021 grew 13%, amounting to Php 54.7 billion compared to Php 48.3 billion versus the same period the previous year. Growth was driven by both the branded and the OEM exports businesses, which grew by 10% and 29% year-on-year, respectively.

The Company's double-digit growth rate was achieved despite last year's high-base and the various macro-economic challenges. The essentials and staples nature of its portfolio has largely kept its performance resilient, and the faster re-opening in other countries has likewise benefitted the Company's export businesses.

7% Increase in Gross Profit

For the full year ending December 31, 2021, cost of sales grew by 15%, leading to a 7% increase in gross profit. The Company's cost of sales consists primarily of raw material and packaging costs, manufacturing costs, and direct labor costs.

Gross margin ratio dipped by 140-basis points to 23.3% due to the general rise of input prices globally and the higher contribution of the OEM Exports segment.

11% Increase in Operating Expenses

CNPF's operating expenses were up 11% due to increased advertising and promotional expenses and logistics expenses.

28% Decrease in Provision for Income Tax

CNPF's provision for income tax decreased as a result of the implementation of the CREATE Law.

20% Increase in Net Income

CNPF's consolidated net income after tax for the year ended December 31, 2021 totaled Php4.67 billion, representing a 20% growth versus the net income after tax of P3.88 billion reported for the full year 2020.

RESULTS OF OPERATIONS
31 December 2020 vs. 31 December 2019

	31 Dec2020	31 Dec2019	% Change
Revenue from Contracts with Customers	48,301,741,084	40,560,362,956	19%
Cost of Goods Sold	36,374,034,421	30,836,294,070	18%
Gross Profit	11,927,706,663	9,724,068,886	23%
Operating Expenses	(6,350,811,842)	(5,332,626,089)	19%
Finance Costs	(261,151,374)	(369,427,817)	-29%
Other Income	615,688,399	536,291,593	15%
Other Expenses	(803,600,697)	(519,677,568)	55%
Income Before Income Tax	5,127,831,149	4,038,629,005	27%
Provision for Income Tax	1,248,387,296	890,031,995	40%
Net Income	3,879,443,853	3,148,597,010	23%
Other Comprehensive Income	(322,337,913)	(81,244,447)	297%
Total Comprehensive Income	3,557,105,940	3,067,352,563	16%

Results of Operations for the year ended 31 December 2020 compared to the year ended 31 December 2019.

19% Increase in Net Revenues

Consolidated net revenues for 2020 grew 19%, amounting to Php 48.3 billion compared to Php 40.6 billion versus the same period the previous year. Growth was driven by the outperformance of the branded business, which saw sales increase by 25% year-on-year.

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, while also continuing to gain traction in emerging product categories.

Revenues from the commodity-linked OEM export business saw decline by 1% as a result of softer commodity prices, reallocation of capacity to domestic requirements, and a stronger peso.

18% Increase in Cost of Goods Sold

For the full-year ending December 31, 2020, cost of sales grew by 18%, leading to a 23% increase in gross profit. The Company's cost of sales consists primarily of raw material and packaging costs, manufacturing costs, and direct labor costs.

23% Increase in Gross Profit

Favorable commodity price trends led to improved profitability for the Company overall, with consolidated gross profit margin improving by 70-basis points to 24.7%.

19% Increase in Operating Expenses

Operating expenses increased by 19%, resulting in a 22% growth in operating income to Php 5.4 billion. The increase is primarily driven by COVID-related expenses and increased investments in brands, new product development, and innovations.

23% Increase in Profit for the Year

CNPF's consolidated net income after tax totaled Php 3.88 billion for the full-year ending December 31, 2020. This is 23% higher than the reported net income after tax of Php 3.15 billion in 2019.

FINANCIAL RATIOS

	December 2023	December 2022	December 2021
Gross Profit Margin (Gross Profit/Net Revenue)	24.0%	23.1%	23.3%
Before Tax Return on Sales (Net Profit Before Tax / Net Revenue)	9.7%	9.3%	10.2%
Return on Sales (Net Profit After Tax / Net Revenue)	8.3%	8.0%	8.5%
Interest-Bearing Debt to Equity (Loans Payable / Total Stockholders' Equity)	0.18x	0.27x	0.19x
Current Ratio (Total Current Assets / Total Current	2.50x	2.13x	2.15x

MARKET INFORMATION

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 3 years (2021 to 2023) and the first quarter of 2024:

Period	High	Low
1 st Quarter of 2021	19.36	16.58
2 nd Quarter of 2021	24.50	18.32
3 rd Quarter of 2021	29.60	22.60
4 th Quarter of 2021	29.25	24.00
January 1, 2021 to December 31, 2021	29.60	16.58
1 st Quarter of 2022	29.00	19.80
2 nd Quarter of 2022	24.60	20.10
3 rd Quarter of 2022	26.35	21.00
4 th Quarter of 2022	26.00	22.00
January 1, 2022 to December 31, 2022	29.00	19.80
1 st Quarter of 2023	26.45	23.70
2 nd Quarter of 2023	26.80	21.70
3 rd Quarter of 2023	31.80	24.65
4 th 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 May 15, 2024, based on the closing price of Php 33.50 per share was Php118,665,662,932.50.

b) Holders

Total shares outstanding as of May 15, 2024, was 3,542,258,595 with a par value of P1.00

The number of shareholders of record as of May 15, 2024, 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)	866,415,425	24.45%
PCD Nominee Corp.(Filipino)	444,378,288	12.54%
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	-
Philip G. Soliven	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. owns 2,231,400,000 shares of the Registrant in its own name (see Appendix 3 BDO Top 100 Stockholders) and another 88,720,781 shares of the Registrant lodged under PCD Nominee Corp. (Filipino).

c) Dividends

The Company's dividend policy provides for an annual cash and/or share dividend pay-out of up to 30% of its net income after tax for the preceding fiscal year, subject to the requirements of applicable laws and regulations, and circumstances which restrict the payment of dividend.

The company declared cash dividends last February 20, 2023 in the amount of Forty Centavos (Php0.40) per share representing a regular dividend of twenty centavos (Php0.20) and special dividend of twenty centavos (Php0.20) per share. The company declared cash dividends last February 19, 2024 in the amount of Forty Eight Centavos (Php0.48) per share representing regular dividend of Twenty-Four Centavos (Php0.24) and special dividend of Twenty-Four (Php0.24) 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
2022	0
2023	0
TOTAL	4,056,100

CORPORATE GOVERNANCE

1. Evaluation System

The Corporation adopted and implemented its Manual on Corporate Governance to institutionalize the principles of good corporate governance in the entire organization and to supplement its By-Laws. The Corporation maintains three (3) independent directors in its Board and has designated a Compliance Officer to oversee the implementation of the Manual. Pursuant to the Manual, the Corporation created a Corporate Governance Committee to pre-screen and shortlist all candidates nominated to become a member of the Board and to develop policies on executive remuneration. An Audit Committee was also formed to check all financial reports and to provide oversight on financial management functions.

In addition, the Corporation has implemented a Board Performance Assessment with the following Criteria and Process of evaluation:

The assessment criteria include the structure, efficiency, and effectiveness of the Board, participation and engagement of each member of the Board, contribution of each member director to their respective Committees, and the performance of management. The criteria also reflects the specific duties, responsibilities and accountabilities of each party assessed as provided in the Company's By-Laws, Manual on Corporate Governance, Board Committee Charters and governing policies.

The following rating system shall be used by the directors in accomplishing the self-rating form:

- SA – Strongly Agree
- A – Agree
- N – Neither Agree Nor Disagree
- D – Disagree
- SD – Strongly Disagree

The form also allows the director to provide comments and suggestions to further enrich the assessment process. For further clarification on this policy and the performance assessment exercise, the Board may address their queries to the Compliance Officer.

2. Measures on leading Practices of Good Corporate Governance

The Board of Directors shall review the Manual from time to time and recommend the amendment thereof with the goal of achieving better transparency and accountability. The Compliance Officer continues to evaluate the compliance of the Corporation, its directors, officers, and employees with its existing Manual, which may be amended from time to time.

The Corporation has an Annual Corporate Governance Training conducted by the Institute of Corporate Directors. For 2023, the Corporate Governance training was conducted on August 25, 2023.

3. Any Deviation from the Manual

As certified by the Compliance Officer, there was no material deviation in compliance.

4. Improvement of the Corporate Governance

The Corporation has adopted the policy of reviewing its Manual on an annual basis at the Board level with the aim of constantly improving its corporate governance.

**2024 ANNUAL STOCKHOLDERS' MEETING OF
CENTURY PACIFIC FOOD, INC.**

**REGISTRATION AND PROCEDURE FOR
VOTING *IN ABSENTIA*
AND
PARTICIPATION VIA REMOTE COMMUNICATION**

I. VOTING *IN ABSENTIA*

Century Pacific Food, Inc. (the "Corporation") has established a designated website in order to facilitate the registration of and voting *in absentia* by stockholders at the annual meeting, as allowed under Sections 23 and 57 of the Revised Corporation Code.

Stockholders as of May 10, 2024 (the "Stockholder/s") may register at the following web address: <https://www.centurypacific.com.ph/investor-relations/ASM2024>. Registration shall be open from May 30, 2024 to June 4, 2024.

1. Upon registration, Stockholders shall be asked to provide the information and upload the documents listed below (the file size should be no larger than 5MB):
 - A. For individual Stockholders:
 - i. Email address
 - ii. First and Last Name
 - iii. Address
 - iv. Mobile Number
 - v. Stock Certificate Number and number of stocks held
 - vi. Current photograph of the Stockholder, with the face fully visible
 - vii. Valid government-issued ID
 - viii. For Stockholders with joint accounts: A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account, as well as valid government-issued ID of the authorizing stockholders
 - B. For corporate/organizational Stockholders:
 - i. Email address
 - ii. Name of stockholder
 - iii. Address
 - iv. Mobile Number
 - v. Phone Number
 - vi. Stock Certificate Number and number of stocks held by the stockholder
 - vii. Current photograph of the individual authorized to cast the vote for the account (the "Authorized Voter")
 - viii. Valid government-issued ID of the Authorized Voter
 - ix. A scanned copy of the Secretary's Certificate or other valid authorization in favor of the Authorized Voter (to be uploaded under Other Documents)
2. Registration shall be validated by the Office of the Corporate Secretary in coordination with the Stock Transfer Agent of the Corporation. Once the Stockholder has been successfully validated, a username and password shall be generated for the Stockholder, which shall be sent to the email address indicated by the Stockholder on the registration form.
3. The registered Stockholder may then proceed to log in on the voting website using the username and password provided and cast their votes. All items in the agenda for approval shall be shown one at a time and the registered Stockholder may vote Yes, No, or Abstain. The vote is considered cast for all the registered Stockholder's shares.
4. Once voting on all the agenda items is finished, the registered Stockholder shall be shown a summary of votes cast. The Stockholder can then proceed to submit the accomplished ballot by

clicking the 'Submit' button. Before submission, the website will prompt the Stockholder to confirm the submission of the ballot.

5. Voting shall be open from June 5, 2024, 12:01 a.m. to June 9, 2024, 11:59 p.m.
6. The Office of the Corporate Secretary shall tabulate all votes cast *in absentia* together with the votes cast by proxy, and an independent third party will validate the results.
7. Stockholders who register and vote on the website for voting *in absentia* are hereby deemed to have given their consent to the collection, use, storing, disclosure, transfer, sharing and general processing of their personal data by the Corporation and by any other relevant third party for the purpose of electronic voting *in absentia* for the Annual Stockholders' Meeting and for all other purposes for which the Stockholder can cast his/her/its vote as a stockholder of the Corporation.

II. PARTICIPATION VIA REMOTE COMMUNICATION

1. Stockholders may attend the meeting on July 1, 2024 at 8:30 a.m. via the livestreaming link sent to the email address indicated by the Stockholder on the registration form. The livestream shall be broadcast via Zoom, which may be accessed either on the web browser or on the Zoom app. Those who wish to view the livestream may join the stream anonymously.
2. For purposes of quorum, only the following Stockholders shall be counted as present:
 - A. Stockholders who have registered and voted on the website for voting *in absentia* before the cut off time;
 - B. Stockholders who have sent their proxies via registration on the website before the deadline;

Questions or comments received on or before June 24, 2024 may be responded to during the meeting. Any questions not answered during the meeting shall be answered via email.

Appendix 2

**PDTC Report
As of May 15, 2024**

OUTSTANDING BALANCES FOR A SPECIFIC COMPANY

Company Code - CNPF00000000

Business Date: May 15, 2024

BPNAME	HOLDINGS
A & A SECURITIES, INC.	8,084,850
A. T. DE CASTRO SECURITIES CORP.	134,500
AAA SOUTHEAST EQUITIES, INCORPORATED	14,700
AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	527,100
AB CAPITAL SECURITIES, INC.	227,682
ABACUS SECURITIES CORPORATION	379,216
ALAKOR SECURITIES CORPORATION	4,500
ALPHA SECURITIES CORP.	18,000
ANSALDO, GODINEZ & CO., INC.	290,050
AP SECURITIES INCORPORATED	158,850
APEX PHILIPPINES EQUITIES CORPORATION	188,550
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	43,000
ASIASEC EQUITIES, INC.	37,000
ASTRA SECURITIES CORPORATION	61,850
AURORA SECURITIES, INC.	45,100
BANCO DE ORO - TRUST BANKING GROUP	3,578,410
BANK OF COMMERCE - TRUST SERVICES GROUP	190,000
BDO SECURITIES CORPORATION	4,891,388
BELSON SECURITIES, INC.	46,600
BPI SECURITIES CORPORATION	5,395,509
CAMPOS, LANUZA & COMPANY, INC.	107,200
CENTURY PACIFIC FOODS, INC.	8
CHINA BANK SECURITIES CORPORATION	96,100
CHINA BANKING CORPORATION - TRUST GROUP	368,800
CITIBANK N.A.	294,498,586
CLSA PHILIPPINES, INC.	76
COL Financial Group, Inc.	50,712,282
COL Inv Mgt Inc as Investment Company Adviser for Various Mutual Fund	73,200
CTS GLOBAL EQUITY GROUP, INC.	27,700
CUALOPING SECURITIES CORPORATION	15,000
DA MARKET SECURITIES, INC.	2,700
DAVID GO SECURITIES CORP.	280,000
DEUTSCHE BANK MANILA-CLIENTS A/C	160,408,571
DIVERSIFIED SECURITIES, INC.	15,000
DRAGONFI SECURITIES, INC.	1,700
E. CHUA CHIACO SECURITIES, INC.	46,450
EAGLE EQUITIES, INC.	58,500
EAST WEST CAPITAL CORPORATION	10,000
EASTERN SECURITIES DEVELOPMENT CORPORATION	34,850
EQUITIWORLD SECURITIES, INC.	32,800
EVERGREEN STOCK BROKERAGE & SEC., INC.	458,700
F. YAP SECURITIES, INC.	16,350
FIDELITY SECURITIES, INC.	30,000
FIRST INTEGRATED CAPITAL SECURITIES, INC.	20,400
FIRST METRO SECURITIES BROKERAGE CORP.	94,153,762
FIRST ORIENT SECURITIES, INC.	22,550

OUTSTANDING BALANCES FOR A SPECIFIC COMPANY

Company Code - CNPF00000000

Business Date: May 15, 2024

BPNAME	HOLDINGS
G.D. TAN & COMPANY, INC.	11,500
GLOBALINKS SECURITIES & STOCKS, INC.	113,750
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	5,400
GOLDSTAR SECURITIES, INC.	3,000
GOVERNMENT SERVICE INSURANCE SYSTEM	487,700
GUILD SECURITIES, INC.	19,000
H. E. BENNETT SECURITIES, INC.	100
HDI SECURITIES, INC.	52,800
I. ACKERMAN & CO., INC.	1,500
I. B. GIMENEZ SECURITIES, INC.	13,200
IGC SECURITIES INC.	206,050
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	58,850
INTRA-INVEST SECURITIES, INC.	175,500
INVESTORS SECURITIES, INC,	8,100
JSG SECURITIES, INC.	37,550
LANDBANK SECURITIES, INC.	55,750
LBP-TBG THIRD PARTY CUSTODIANSHIP & REGISTRY DEPT	2,671,656
LOPEZ, LOCSIN, LEDESMA & CO., INC.	54,100
LUCKY SECURITIES, INC.	122,500
LUNA SECURITIES, INC.	4
LUYS SECURITIES COMPANY, INC.	1,500
MANDARIN SECURITIES CORPORATION	17,850
MAYBANK SECURITIES, INC.	1,173,400
MBTC - TRUST BANKING GROUP	13,456,225
MDR SECURITIES, INC.	42,000
MERCANTILE SECURITIES CORP.	45,700
MERIDIAN SECURITIES, INC.	59,450
MOUNT PEAK SECURITIES, INC.	300
NEW WORLD SECURITIES CO., INC.	45,000
OPTIMUM SECURITIES CORPORATION	115,500
PAN ASIA SECURITIES CORP.	131,750
PAPA SECURITIES CORPORATION	263,536
PHILIPPINE EQUITY PARTNERS, INC.	8,774,164
PHILSTOCKS FINANCIAL INC	180,183
PNB SECURITIES, INC.	44,850
PNB TRUST BANKING GROUP	1,366,500
PREMIUM SECURITIES, INC.	41,200
QUALITY INVESTMENTS & SECURITIES CORPORATION	96,850
R & L INVESTMENTS, INC.	2,056
R. COYIUTO SECURITIES, INC.	64,700
R. NUBLA SECURITIES, INC.	104,000
R. S. LIM & CO., INC.	42,200
RCBC SECURITIES, INC.	279,150
RCBC TRUST CORPORATION	1,407,100
REGINA CAPITAL DEVELOPMENT CORPORATION	277,150
REGIS PARTNERS, INC.	3,045,152
RTG & COMPANY, INC.	16,750

OUTSTANDING BALANCES FOR A SPECIFIC COMPANY

Company Code - CNPF00000000

Business Date: May 15, 2024

BPNAME	HOLDINGS
S.J. ROXAS & CO., INC.	2,058,950
SALISBURY SECURITIES CORPORATION	53,772
SB EQUITIES, INC.	3,813,310
SECURITIES SPECIALISTS, INC.	7,500
SOLAR SECURITIES, INC.	38,100
STANDARD CHARTERED BANK	205,834,766
STANDARD SECURITIES CORPORATION	1,063,900
STRATEGIC EQUITIES CORP.	21,000
SUMMIT SECURITIES, INC.	119,500
SunSecurities, Inc.	57,000
TANSENGCO & CO., INC.	33,100
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	19,500
THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	431,338,444
TIMSON SECURITIES, INC.	113,500
TOWER SECURITIES, INC.	213,800
TRITON SECURITIES CORP.	118,500
UNICAPITAL SECURITIES INC.	594,955
UPCC SECURITIES CORP.	55,700
VALUE QUEST SECURITIES CORPORATION	2,000
VENTURE SECURITIES, INC.	54,100
WEALTH SECURITIES, INC.	3,739,200
WESTLINK GLOBAL EQUITIES, INC.	210,000
YAO & ZIALCITA, INC.	50,000
YU & COMPANY, INC.	182,750

Total

1,310,793,713

<p>If no written notice of any error or correction is received by PDTC within five (5) calendar days from receipt hereof, you shall be deemed to have accepted the accuracy and completeness of the details indicated in this report.</p>

Appendix 3

**BDO Report
As of May 15, 2024**

LIST OF STOCKHOLDERS (SUMMARY)

CENTURY PACIFIC FOOD, INC.
As Of May 15, 2024

ACCT NO.	STOCKHOLDER'S NAME	OUTSTANDING & ISSUED SHARES (FULLY PAID)	OUTSTANDING & ISSUED SHARES (PARTIALLY PAID)	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL
INDIVIDUAL					
00-001800-8	OWEN NATHANIEL S. AU ITF: LI MARCUS AU	2,365	0	2,365	0.00
00-004600-9	ROSAURO PANERGO BABIA	1,500	0	1,500	0.00
00-002000-1	JOSELITO T BAUTISTA	1	0	1	0.00
00-004200-8	BOTSCHAFT N. CHENG OR SEVILA NGO	1	0	1	0.00
00-002200-7	JOHNIP G. CUA	1	0	1	0.00
00-004900-7	STEPHEN ANTHONY T. CUUNJIENG	100	0	100	0.00
00-003600-3	GUILLERMO F. GILI, JR.	150	0	150	0.00
00-003900-1	GISELLE KAREN Y. GO	2,250	0	2,250	0.00
00-000900-5	CHRISTINE F. HERRERA	750	0	750	0.00
00-004400-3	JOHN T. LAO	1,000	0	1,000	0.00
00-004000-2	ERNESTO KIONG LIM AND/OR IRIS VERONICA GO LIM	400	0	400	0.00
00-002100-4	FERNAN VICTOR P. LUKBAN	1	0	1	0.00
00-004800-4	SHINJI MIYAMOTO	32,000	0	32,000	0.00
00-001100-9	CHRISTOPHER PAULUS TAN PO	1	0	1	0.00
00-001200-1	LEONARDO ARTHUR TAN PO	1	0	1	0.00
00-001400-7	RICARDO SY PO	1	0	1	0.00
00-001300-4	RICARDO GABRIEL TAN PO	1	0	1	0.00
00-001600-2	TEODORO ALEXANDER TAN PO	1	0	1	0.00
00-004700-1	GERARDO L. SALGADO	8	0	8	0.00
00-002800-3	LEOPOLDO E. SAN BUENAVENTURA ITF MAYRHILYN M. SAN BUENAVENTURA	750	0	750	0.00
00-001000-6	JULIUS VICTOR EMMANUEL D SANVICTORES	750	0	750	0.00
00-005000-8	PHILIP G. SOLIVEN	100	0	100	0.00
00-000800-2	FELICITAS F. TACUB	750	0	750	0.00
00-002900-6	ALVIN S. TAN	15,000	0	15,000	0.00
00-003800-9	JESUS SAN LUIS VALENCIA	100	0	100	0.00
00-003400-8	MILAGROS P. VILLANUEVA	1,500	0	1,500	0.00
00-003000-7	MYRA P. VILLANUEVA	3,000	0	3,000	0.00
00-003200-2	MYRNA P. VILLANUEVA	1,500	0	1,500	0.00
00-003300-5	MARIETTA VILLANUEVA-CABREZA	750	0	750	0.00
	Subtotal	64,732	0	64,732	0.00
CORPORATION					
00-002500-5	CENTURY PACIFIC GROUP, INC.	2,231,400,000	0	2,231,400,000	62.99
00-000600-7	M. J. SORIANO TRADING, INC.	50	0	50	0.00
00-000200-6	PCD NOMINEE CORP. (FILIPINO)	456,019,826	0	456,019,826	12.87
00-000300-9	PCD NOMINEE CORP. (NON-FIL)	854,773,887	0	854,773,887	24.13
00-003700-6	SHAREHOLDERS ASSOCIATION OF THE PHILIPPINES, INC.	100	0	100	0.00
	Subtotal	3,542,193,863	0	3,542,193,863	100.00
	Grand Total	3,542,258,595	0	3,542,258,595	100.00

TOTAL NUMBER OF STOCKHOLDERS :

34

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

Appendix 4

**Certificate of Independent
Director of
Frances J. Yu**

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Frances J. Yu Filipino, of legal age and a resident of 4223 South Joya, Rockwell Center, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director and an Independent Director of Century Pacific Food, Inc. since March 4, 2019.
2. I am affiliated with the following companies or organizations (including Government- Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Shakey's Pizza Asia Ventures Inc.	Independent Director	2019 to present


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Century Pacific Food, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Century Pacific Food, Inc. and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Century Pacific Food, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this _____ day of APR 29 2024, at Pasig City.


FRANCES J. YU
Affiant

Subscribed and sworn to before me this _____ day of APR 29 2024 at Pasig City, affiant personally appeared before me and exhibited to me her TIN ID with no. 152-911-191.

Doc. No. 282 ;
Page No. 58 ;
Book No. I ;
Series of 2024.


SOCRATES JEROME A. DE GUZMAN
Appointment No. 12 (2024-2025)
Notary Public for Pasig City and Pateros
Until December 31, 2025
Attorney's Roll No. 85318
33rd Floor, The Orient Square
F. Ortigas Jr. Road, Ortigas Center, Pasig City
PTR Receipt No. 1634518; 01.02.24; Pasig City
IBP OR No. 330903; 12.19.23; RSM
Admitted to the Bar in 2023

Appendix 5

**Certificate of Independent
Director of
Philip G. Soliven**

REPUBLIC OF THE PHILIPPINES)
Pasig City) S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Philip G. Soliven Filipino, of legal age and a resident of 71C 11th Street, Brgy Mariana, New Manila, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Century Pacific Food, Inc. and have been its Independent Director since 2023.
2. I am affiliated with the following companies or organizations (including Government- Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Metropolitan Bank and Trust Company	Independent Director	2020 - Present
Multico Prime Power Inc.	Vice Chairman/Director	1998 – Present
American Chamber of Commerce of the Philippines	Director Ex-Officio/Treasurer	2001 – Present
Management Association of the Philippines	Member	2016 – Present
Scorbin Inc.	Director/President	2013 – Present
Rotary Club of Makati	Director	2005 – Present
New Canipo San Vicente Corp.	Director	2018 – Present
Advancement for Rural Kids, NY	Board Member	2020 – Present


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Century Pacific Food, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Century Pacific Food, Inc. and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Century Pacific Food, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this _____ day of APR 29 2024, at Pasig City.


Philip G. Soliven
Affiant

Subscribed and sworn to before me this APR 29 2024 day of _____ at
Pasig City, affiant personally appeared before me and exhibited to me his Passport with
no. P8514148B issued on December 19, 2021.

Doc. No. 274 ;
Page No. 16 ;
Book No. 1 ;
Series of 2024.


SOCRATES JEROME A. DE GUZMAN
Appointment No. 112 (2024-2025)
Notary Public for Pasig City and Pateros
Until December 31, 2025
Attorney's Roll No. 85318
33rd Floor, The Orient Square
F. Ortigas Jr. Road, Ortigas Center, Pasig City
PTR Receipt No. 1634518; 01.02.24; Pasig City
IBP OR No. 330903; 12.19.23; RSM
Admitted to the Bar in 2023

Appendix 6

**Certificate of Independent
Director of
Stephen T. Cuunjieng**

REPUBLIC OF THE PHILIPPINES)
Pasig City) S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Stephen T. Cuunjieng, Filipino, of legal age and a resident of 1362 Palm Avenue, Dasmariñas Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Century Pacific Food, Inc. and have been its Independent Director since 2023.
2. I am affiliated with the following companies or organizations (including Government- Owned and Controlled Corporations):

Company/Organization	Position	Period of Service
MiCare HealthTech Holdings	Director	2023 – Present
Greenery Holdings Inc.	Director	2023 – Present
Philippine Bank of Commerce	Independent Director	2022 – Present
First Philippine Holdings Corporation	Independent Director	2018 – Present
Century Properties Group	Independent Director	June 2015 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Century Pacific Food, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Century Pacific Food, Inc. and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Century Pacific Food, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this _____ day of APR 29 2024, at Pasig City.



STEPHEN T. CUUNJIENG

Affiant

Subscribed and sworn to before me this _____ day of APR 29 2024 at Pasig City, affiant personally appeared before me and exhibited to me his Passport with no. P8175186A issued on August 1, 2018.

Doc. No. 273 ;
Page No. 56 ;
Book No. X ;
Series of 2024.

SOCRATES JEROME DE GUZMAN
Appointment No. 112 (2024-2025)
Notary Public for Pasig City and Pateros
Until December 31, 2025
Attorney's Roll No. 85318
33rd Floor, The Orient Square
F. Ortigas Jr. Road, Ortigas Center, Pasig City
PTR Receipt No. 1634518; 01.02.24; Pasig City
IBP OR No. 330903; 12.19.23; RSM
Admitted to the Bar in 2023

Appendix 7

**Certificate of Independent
Director of
Regina Roberta L. Lorenzana**

Pasig City

CERTIFICATION OF INDEPENDENT DIRECTOR

Regina Roberta L. Lorenzana, Filipino, of legal age and a resident of 218 Recoletos Street, Urdaneta Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Century Pacific Food, Inc. and have been its Independent Director since March 2021.
2. I am affiliated with the following companies or organizations (including Government- Owned and Controlled Corporations):

Company/Organization	Position/ Relationship	Period of Service
BetterBrandLabs, Inc.	Chief Energist/Board Member	2021 to present
Nada Debajo S.L.	Founder/Administrator	2020 to present
LaEsquina Blumentritt Inc.	Director	2023 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Century Pacific Food, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Century Pacific Food, Inc. and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Century Pacific Food, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this **APR 29 2024** day of _____ at **Pasig City**.

REGINA ROBERTA L. LORENZANA
Affiant

Subscribed and sworn to before me this _____ day of **APR 29 2024** at **Pasig City**, affiant personally appeared before me and exhibited to me his TIN ID with no. 139-326-395.

Doc. No. 281 ;
Page No. 08 ;
Book No. 5 ;
Series of 2024.

SOCRATES JEROME A. DE GUZMAN
Appointment No. 112 (2024-2025)
Notary Public for Pasig City and Pateros
Until December 31, 2025
Attorney's Roll No. 85318
33rd Floor, The Orient Square
F. Ortigas Jr. Road, Ortigas Center, Pasig City
PTR Receipt No. 1634518; 01.02.24; Pasig City
IBP OR No. 330903; 12.19.23; RSM
Admitted to the Bar in 2023

Appendix 8

Audited Financial Statements As of December 31, 2023



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.

APR 10 2024

SUBSCRIBED AND SWORN to before me this _____, 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

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

C	E	N	T	U	R	Y		P	A	C	I	F	I	C		F	O	O	D	,		I	N	C	.		A	N	D
S	U	B	S	I	D	I	A	R	I	E	S																		

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

7	T	H		F	L	O	O	R		C	E	N	T	E	R	P	O	I	N	T		B	U	I	L	D	I	N	G
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Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	.	A	.
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COMPANY INFORMATION

Company's Email Address <table border="1" style="width: 100%; text-align: center;"><tr><td>N.A.</td></tr></table>	N.A.	Company's Telephone Number <table border="1" style="width: 100%; text-align: center;"><tr><td>8863-8555</td></tr></table>	8863-8555	Mobile Number <table border="1" style="width: 100%; text-align: center;"><tr><td>N.A.</td></tr></table>	N.A.
N.A.					
8863-8555					
N.A.					
No. of Stockholders <table border="1" style="width: 100%; text-align: center;"><tr><td>32</td></tr></table>	32	Annual Meeting (Month / Day) <table border="1" style="width: 100%; text-align: center;"><tr><td>6/30</td></tr></table>	6/30	Fiscal Year (Month / Day) <table border="1" style="width: 100%; text-align: center;"><tr><td>12/31</td></tr></table>	12/31
32					
6/30					
12/31					

CONTACT PERSON INFORMATION

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

Name of Contact Person <table border="1" style="width: 100%; text-align: center;"><tr><td>Manuel Z. Gonzales</td></tr></table>	Manuel Z. Gonzales	Email Address <table border="1" style="width: 100%; text-align: center;"><tr><td><u>manuel.gonzales@mvgslaw.com</u></td></tr></table>	<u>manuel.gonzales@mvgslaw.com</u>	Telephone Number/s <table border="1" style="width: 100%; text-align: center;"><tr><td>8687-1195</td></tr></table>	8687-1195	Mobile Number <table border="1" style="width: 100%; text-align: center;"><tr><td>0918-843-8888</td></tr></table>	0918-843-8888
Manuel Z. Gonzales							
<u>manuel.gonzales@mvgslaw.com</u>							
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.



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

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.



CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group, Inc.)

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:

<u>Name of Subsidiary</u>	<u>Ownership Interest</u>
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 Statement 2, *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:

<u>Asset</u>	<u>Number of years</u>
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 sell goods to the wholesale market and retailers. It identifies each party's rights and payment terms regarding goods to be transferred.

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

Transaction price

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

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

Variable consideration

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

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

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

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

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



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

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

Service income

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

Other income

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

Revenue outside the scope of PFRS 15

Interest income

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

Leases

The Group as lessee

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

Short-term leases and leases of low-value assets

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

Taxes

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

Current income tax

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



CPSI and CFPFVI 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
	<u>₱5,125,019,867</u>

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:

	<i>In thousands</i>	
	2023	2022
Cost -		
<u>Beginning and ending balance</u>	₱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	<p>a. Fixed pricing for the initial five-year period ("5Y initial interest rate"): The higher of (i) 5-year BVAL on the relevant interest settling date plus a spread of 0.80% p.a. and (ii) 3.90% p.a.</p> <p>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.</p>	<p>a. Fixed pricing for the initial five-year period ("5Y initial interest rate"): 4.04% p.a.</p> <p>b. Subject to the repricing at the end of the 5th year, at the higher of:</p> <p>(i) 5Y interest rate; and</p> <p>(ii) 5-year BVAL at the repricing date plus a spread of 0.80% p.a.</p>	<p>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</p> <p>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</p> <p>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</p>
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
Total	₱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:

	Change in basis points (bp)	Impact on post-employment defined benefit obligation	
		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 Shares Issued
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:

Related Party Category	Amount of Transactions During the Year			Outstanding Receivable (Payable)	
	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	Weighted average exercise price in PHP	2022	Weighted average exercise price in PHP
	Number of share options		Number of share options	
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	(P419,191,791)	(P417,254,776)
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)
	P878,291,362	P718,562,929

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	P435,791	P-	P-	P-	P435,791
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
		P379,359,488	(P-)	P-	(P16,325,471)	P363,034,017

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	P4,990,211	P-	P-	P-	P4,990,211
2022	2025	2,412,935	-	-	-	2,412,935
2021	2024	2,288,495	-	-	-	2,288,495
2020	2023	1,093,964	-	(1,093,964)	-	-
		P10,785,605	P-	P1,093,964)	P-	P9,691,641

The Group has unrecognized deferred tax asset on NOLCO amounting to P140.8 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	P6,034,343,309	P5,318,976,084	P7,814,213,995	P6,892,812,472

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						Total
	Current	<30 days	30-60 days	61-90 days	90-120 days	>121 days	
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						Total
	Current	<30 days	30-60 days	61-90 days	90-120 days	>121 days	
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					
		Lifetime ECL (simplified approach)			
Trade receivables (Note 8)	(i)		₱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					
		Lifetime ECL (simplified approach)			
Trade receivables (Note 8)	(i)		₱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)
	<u>(₱247,032,463)</u>

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.



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



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

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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

Description	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

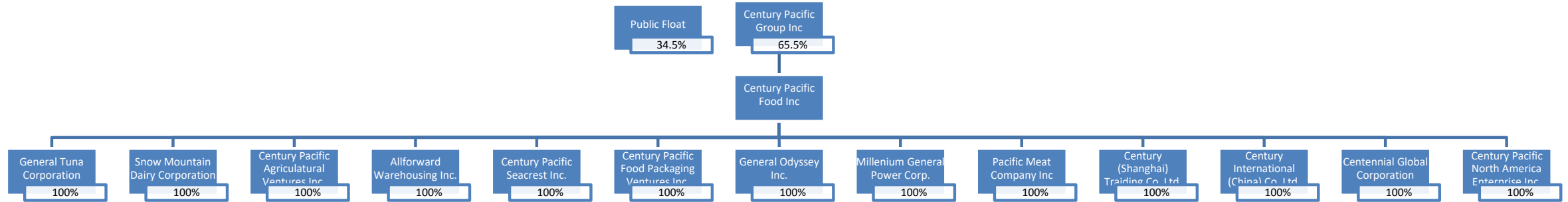
CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

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 Liabilities 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%

Appendix 9

Interim Financial Statements As of March 31, 2024

SECURITIES AND EXCHANGE COMMISSION

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

1. For the quarterly period ended **March 31, 2024**
2. Commission identification number **CS201320778**
3. BIR Tax Identification No. **008-647-589-000**
4. **Century Pacific Food, Inc.**
Exact name of issuer as specified in its charter
5. **Pasig City, Philippines**
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. **7/F Centerpoint Bldg., Julia Vargas Ave. Garnet Rd. Ortigas Center Pasig City, 1605**
Address of issuer's principal office Postal Code
8. **+632 - 8633 - 8555**
Issuer's telephone number, including area code
9. **Not Applicable**
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

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

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

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

Main Board of the Philippine Stock Exchange, Common Shares

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

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited interim consolidated financial statements of Century Pacific Food, Inc. and its wholly owned subsidiaries General Tuna Corporation, Snow Mountain Dairy Corporation, Allforward Warehousing Inc., Century Pacific Agricultural Ventures Inc., Century Pacific Food Packaging Ventures Inc., Century Pacific Seacrest Inc., General Odyssey Inc., Millennium General Power Inc., The Pacific Meat Co. Inc., Centennial Global Corporation, Century International (China) Co Ltd, Century (Shanghai) Trading Co Ltd, and Century Pacific North America Enterprise Inc. (collectively, the “Company” or “CNPF”) as of and for the period ended March 31, 2024, and the comparative period in 2022 is attached to this 17-Q report, comprising of the following:

- 1.1 Consolidated Balance Sheets as of March 31, 2024 and December 31, 2023
- 1.2 Consolidated Statement of Income for the period ended March 31, 2024 and March 31, 2023
- 1.3 Consolidated Statement of Cash Flows for the period ended March 31, 2024 and March 31, 2023
- 1.4 Consolidated Statement of Changes in Shareholder’s Equity for the period ended March 31, 2024 and March 31, 2023
- 1.5 Notes to Consolidated Financial Statements for the period ended March 31, 2024

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (Based on the unaudited consolidated financial statements for the period ended March 31, 2024)

Business Overview

Century Pacific Food, Inc. (PSE:CNPF or the Company) is one of the leading food and beverage companies in the Philippines. It owns a portfolio of well-recognized and trusted brands in the canned and processed fish, canned meat, and dairy and mixes 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 CNPF, carving out the branded canned seafood, meat, dairy, mixes,

and OEM tuna export businesses, folding them into CNPF. On January 1, 2014, CNPF commenced business operations under the new corporate set-up.

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

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

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

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

The tuna export segment produces OEM canned tuna, pouched tuna, and vacuum-packed frozen tuna loin products for overseas markets including North America, Europe, Asia, Australia, and the Middle East. The coconut segment, through wholly-owned subsidiary Century Pacific Agricultural Ventures, Inc., produces high value organic-certified and conventional coconut products for both export and domestic markets. These products include retail-packaged coconut water, organic virgin coconut oil, desiccated coconuts, coconut flour, and coconut milk. It currently also has other coconut-based products under development.

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

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

In May 2017, CNPF also acquired the Philippine license for *Hunt's*, the country's number one pork and beans brand. *Hunt's* product lineup currently includes pork and beans, tomato-based spaghetti sauce, tomato sauce, and marinade sauce.

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

In 2020, the Company entered the meat-free market with the launch of the unMEAT brand - the first large-scale vegan meat alternative brand in the Philippines. The brand is rolled out in the retail and institutional 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. As of yearend 2023, CNPF was present in both cat and dog food segments.

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.

Results of Operations

- CNPF's consolidated net income after tax for the three months ended March 31, 2024, totaled P1.7 billion, representing a 15% growth versus the net income after tax of P1.5 billion reported during the first three months of 2023.
- Consolidated net revenue for the three months ended March 31, 2024, grew by 16% to P18.2 billion. Bulk of the sales came from the Branded business, composed of the Marine, Meat, Milk, and other emerging segments. Amid an inflationary environment, CNPF's Branded segment posted a 10% YoY growth rate, demonstrating a consistent growth performance.
- Further improving CNPF's topline is the recovery of its commodity-linked OEM Tuna and Coconut Exports business. OEM saw a 49% YoY surge in sales on the back of lower commodity prices, fueling demand, and a lower comparable base from the same period last year.
- In terms of profitability, CNPF saw 1Q24 gross margin improve by 250 basis points YoY to 26.1% due to favorable downtrends in most of its input costs. Gains were reinvested in demand generating activities and systems and process improvements. As a result, Net Income After Tax landed at Php 1.7 billion, posting an increase of 15% versus the first quarter of 2023. Net profit margin stood at 9.5%, largely sustained from the same period last year.

Financial Condition

The Company's financial stability and financial position as of March 31, 2024, is as follows:

- Cash and cash equivalents reached P4.6 billion as of March 31, 2024. Operating activities registered a Php 2.1 billion total inflow, primarily driven by improvements in profitability and working capital. Net cash used in investing activities amounted to Php 295 million, while net cash used in financing activities was Php 2.3 billion.
- Current ratio stood at 2.31 times as of end March 2024, comparing to end-2023's ratio of 2.50 times. The cash conversion cycle was shortened to 83 days from 97 days as of March 2024. As of end March 2024, accounts receivable and inventory days stood at 57 and 115 respectively, while accounts payable came in at 89 days. Net working capital to total assets ratio is measured at 0.42 times, stable versus end-2024's level of 0.40 times.
- Property, plant and equipment - net registered at Php 8.9 billion as of end March 2024. Capital expenditures for the first three months of the year totaled Php 296 million, consisting of the

installation of new equipment and machinery at the different manufacturing facilities of the Company.

- As of end March 2024, the Company's total interest-bearing debt amounted to Php 3.9 billion, Php 770 million of which are due in the next 12 months.
- Total stockholders' equity grew by Php 19.3 million from Php 32.9 billion as of end December 2023 to Php 32.9 billion as of end March 2024, representing net income earned and declaration of dividends during the three-month period ending March 31, 2024.
- Gearing ratio, measured as total interest-bearing debt over total equity, stood at 0.12 times as of end March 2024, lower versus end December 2023. Net of cash available, net gearing is (0.02) times as of end March 2023. Cash is earmarked for planned Capex for the year as well as dividend payments to be made in the second quarter of 2024.

Key Performance Indicators (KPIs)

	Unaudited Three Months Ended March 31, 2024	Unaudited Three Months Ended March 31, 2023
Gross Profit Margin	26.1%	23.6%
Before Tax Return on Sales	11.2%	11.4%
Return on Sales	9.5%	9.6%
Interest-Bearing Debt-to-Equity	0.12X	0.27X
Current Ratio	2.31X	1.93X

Notes:

1 *Gross Profit margin = Gross Profit / Net Revenue*

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

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

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

5 *Current Ratio = Total Current Assets / Total Current Liabilities*

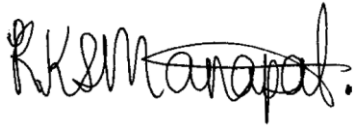
SIGNATURES

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

CENTURY PACIFIC FOOD, INC.

A handwritten signature in black ink, appearing to read 'T. Po', written over a horizontal line.

TEODORO ALEXANDER T. PO
President & Chief Executive Officer
Date: May 08, 2024

A handwritten signature in black ink, appearing to read 'RKS Manapat', written over a horizontal line.

RICHARD KRISTOFFER S. MANAPAT
Vice President & Chief Finance Officer
Date: May 08, 2024

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group Inc)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in Philippine Peso)

	Unaudited	Audited
	March 31, 2024	December 31, 2023
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	4,596,125,498	5,050,017,194
Trade and Other Receivables - net	10,795,656,269	9,386,654,691
Inventories - net	16,476,887,322	16,901,959,562
Biological Assets	10,369,959	34,381,684
Due from Related Parties	218,312,158	258,634,411
Prepayments and other current assets	4,671,414,469	2,844,609,466
Total Current Assets	36,768,765,675	34,476,257,007
Property, plant & equipment - net	8,932,079,733	8,980,273,509
Right of use asset - net	1,481,693,243	1,520,443,376
Intangible Assets	5,521,269,913	5,526,648,873
Deferred Tax assets	878,291,362	878,291,362
Retirement benefit assets	11,036,687	11,036,687
Other non-current assets	194,148,486	149,143,490
Total Non-current Assets	17,018,519,425	17,065,837,297
Total Assets	53,787,285,100	51,542,094,304
<u>Liabilities & Stockholders' Equity</u>		
Liabilities		
Current Liabilities		
Trade and Other Payables	14,431,379,818	10,452,242,572
Due to Related Parties	35,489,806	30,545,975
Current portion of borrowings	7,360,791	7,360,791
Income Tax Payable	458,151,653	143,502,629
Finance Lease obligation - current	243,461,342	297,536,128
Notes Payable	770,000,000	2,870,000,000
Total Current Liabilities	15,945,843,410	13,801,188,095
Long Term Loan	3,156,982,518	3,156,982,518
Retirement Benefit Payable	378,825,786	330,438,483
Finance Lease obligation - non-current	1,435,828,275	1,402,955,848
Total Non Current Liabilities	4,971,636,579	4,890,376,849
Total Liabilities	20,917,479,989	18,691,564,944
Stockholders' Equity		
Share Capital	3,542,258,595	3,542,258,595
Share Premium	4,936,859,146	4,936,859,146
Currency translation adjustments	36,283,040	38,674,175
Retained Earnings	24,315,563,990	24,293,897,103
Share-based compensation reserve	8,211,398	8,211,398
Appraisal Increment / Other Reserves	30,628,942	30,628,942
Total Stockholders' Equity	32,869,805,111	32,850,529,359
Total Liabilities & Stockholders' Equity	53,787,285,100	51,542,094,304

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group Inc)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Philippine Peso)

	Unaudited March 31, 2024	Unaudited March 31, 2023
Net Revenue	18,151,619,600	15,626,588,999
Cost of Good Sold	13,414,113,054	11,942,972,390
Gross Profit	4,737,506,546	3,683,616,609
Other Income (Expense)	172,384,873	(5,929,946)
Operating Expenses	2,768,974,113	1,789,832,324
Operating Income	2,140,917,306	1,887,854,338
Financing Cost	104,278,990	108,767,960
Net Profit before tax	2,036,638,317	1,779,086,378
Income Tax Expense (Benefit)	314,687,305	281,602,821
Net Profit after Tax	1,721,951,012	1,497,483,557
Other Comprehensive Income	(2,391,135)	2,563,358
Total Comprehensive Income	1,719,559,877	1,500,046,916
Basic and Diluted Earnings Per Share	0.49	0.42

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group Inc)

CONSOLIDATED CHANGES IN EQUITY

(Amounts in Philippine Peso)

	Capital Stock	Additional Paid-in Capital	Deposit on Future Subs	Revaluation Reserves			Unappropriated Retained Earnings	Appropriated Retained Earnings	Total
				Shared Based	Reserves	Foreign Currency Translation Gain			
Balance at January 1, 2024									
As previously reported	3,542,258,595	4,936,859,146	-	8,211,398	30,628,942	38,674,175	7,293,897,104	17,000,000,000	32,850,529,360
As stated	3,542,258,595	4,936,859,146	-	8,211,398	30,628,942	38,674,175	7,293,897,104	17,000,000,000	32,850,529,360
Transactions with owners									
Cash Dividends	-	-	-	-	-	-	(1,700,284,126)	-	(1,700,284,126)
Total comprehensive income									
Net profit for the year							1,721,951,012		1,721,951,012
Foreign currency translation gain						(2,391,135)			(2,391,135)
Total other comprehensive income	-	-	-	-	-	(2,391,135)	1,721,951,012	-	1,719,559,877
Balance as of March 31, 2024	3,542,258,595	4,936,859,146	-	8,211,398	30,628,942	36,283,040	7,315,563,990	17,000,000,000	32,869,805,111
Balance at January 1, 2023									
As previously reported	3,542,258,595	4,936,859,146	-	8,211,398	30,628,942	29,397,441	11,495,598,726	8,736,038,579	28,778,992,827
As stated	3,542,258,595	4,936,859,146	-	8,211,398	30,628,942	29,397,441	11,495,598,726	8,736,038,579	28,778,992,827
Transactions with owners									
Cash Dividends	-	-	-	-	-	-	(1,416,903,438)	-	(1,416,903,438)
Total comprehensive income									
Net profit for the year							1,497,483,557		1,497,483,557
Foreign currency translation gain						2,563,358			2,563,358
Total other comprehensive income	-	-	-	-	-	2,563,358	1,497,483,557	-	1,500,046,915
Balance as of March 31, 2023	3,542,258,595	4,936,859,146	-	8,211,398	30,628,942	31,960,799	11,576,178,845	8,736,038,579	28,862,136,305

CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group Inc)

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in Philippine Peso)

	Unaudited March 31, 2024	Unaudited March 31, 2023
Cash Flows from Operating Activities		
Profit before tax	2,036,638,317	1,779,086,378
Adjustments for :		
Depreciation and amortization	441,367,357	403,331,391
Adjustments on Foreign Currency Translation	(2,391,135)	2,563,358
Finance Costs	104,278,990	108,767,960
Operating cash flows before working capital changes	2,579,893,528	2,293,749,088
Decrease (increase) in trade and other receivables	(1,409,001,578)	(486,255,741)
Decrease (increase) in inventory	449,083,964	(171,139,224)
Decrease (increase) in related party	45,266,084	(21,204,369)
Decrease (increase) in prepayments and other current assets	(1,826,805,004)	(990,562,029)
Decrease (increase) in non current assets	(45,004,996)	(118,874,581)
Increase (decrease) in trade and other payables	2,278,853,120	1,364,125,743
Increase (decrease) in income tax payables	314,649,024	280,324,055
Increase (decrease) in retirement payable	48,387,303	(3,844,072)
Cash generated from operations	2,435,321,446	2,146,318,869
Income taxes paid	(314,687,305)	(281,602,821)
Net Cash From Operating Activities	2,120,634,141	1,864,716,048
Cash Flows from Investing activities		
Acquisition of property and equipment	(295,854,233)	(295,511,037)
Disposal of property and equipment	572,117	1,111,713
Net Cash From (Used in) Investing Activities	(295,282,117)	(294,399,324)
Cash Flows from Financing Activities		
Proceeds from loan availments	200,000,000	-
Repayment of loans	(2,300,000,000)	(100,000,000)
Increase (decrease) in finance lease liability	(74,964,731)	(81,934,957)
Interest paid	(104,278,990)	(108,767,960)
Net Cash From (Used in) Financing Activities	(2,279,243,720)	(290,702,918)
Net Increase in cash and Cash Equivalents	(453,891,696)	1,279,613,807
Cash and Cash Equivalents at Beginning of Period	5,050,017,194	2,149,448,030
Cash and Cash Equivalents at End of Period	4,596,125,498	3,429,061,837

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

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

The Parent Company is 65.5% owned subsidiary of Century Pacific Group, Inc. (CPGI) the ultimate parent, as at March 31, 2024. CPGI is a corporation registered with SEC and is domiciled in the Philippines.

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

2. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

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

Basis of Preparation and Presentation

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

Subsidiaries

Details of the Company’s subsidiaries as of March 31, 2024, are as follows:

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

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

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Changes in Accounting Policies and Disclosures

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

- Amendments to PAS 1 and PFRS Practice Statement 2, *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 March 31, 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.

SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and all subsidiaries it controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

-
1. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of these three elements of control: a) has power over the investee; b) exposure or rights, to variable returns from its

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and all subsidiaries it controls as at March 31, 2024 and 2023 and for each of the two years in the period ended March 31, 2024.

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

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

Transaction price

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

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

Variable consideration

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

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

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

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

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

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

Service income

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

Other income

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

Revenue outside the scope of PFRS 15

Interest income

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

Leases

The Group as lessee

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

Short-term leases and leases of low-value assets

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

Taxes

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

Current income tax

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

CPSI and CFPVI 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.

Significant Judgments in Applying Accounting Policies

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 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.

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.

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 10 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 which is also the operating entity acquired through business combination and to which the goodwill relates. 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. In addition, the assumptions are also subjected to a higher level of estimation uncertainty due to the current economic conditions which have been impacted by the COVID-19 pandemic. 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.

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.

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; or
- The contract has a large number and broad range of possible consideration amounts.

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.

Estimating the incremental borrowing rate on Leases

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liability. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right- of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires

estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Determination of Fair Value of Financial Instruments

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

Impairment of Financial Assets at Amortized Costs

The Group applied the following judgements and estimates that significantly affect the computation of ECL under PFRS 9.

Definition of Default and Credit-Impaired Financial Assets. Upon adoption of PFRS 9, 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 3 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

Other than the considerations on the impact of COVID-19 on macro-economic factors used as inputs to the ECL calculation, there have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Evaluation of Net Realizable Value of Inventories

The Group writes down the cost of inventories whenever net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in prices level or other causes such as the impact of COVID-19 pandemic. The lower of cost and net realizable value of inventories is reviewed at each reporting date. Inventory items identified to be obsolete and unusable are also written off and charged as expense in net income in the consolidated statement of comprehensive income.

Estimation of Useful Lives of Long-Lived Nonfinancial Assets

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

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

Determination of Impairment of Nonfinancial Assets

Impairment review is performed when certain impairment indicators are present. Management considered the impact of COVID-19 in its impairment assessment on the Group's property, plant and equipment, intangible assets with definite useful life, right-of-use assets and input VAT.

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

Determination of Pension Costs

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

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

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

Recoverability of Deferred Tax Assets

The Group performs an annual evaluation of the realizability of deferred tax assets in determining the portion of deferred tax assets which should be recognized. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the following period. This forecast is based on the Group's past results and future expectations on revenue and expenses. The effect of COVID-19 pandemic on the macroeconomic factors are also used in developing the assumptions. The Group computes for deferred tax using the 25% corporate tax rate in 2023 and 2022, respectively.

Purchase Price Allocation in Business Combinations

The Group accounts for the acquired business using the acquisition method which requires extensive use of accounting judgments and estimates to allocate the purchase price to the fair market values of the acquiree's identifiable assets and liabilities and contingent liabilities, if any, at the acquisition date. Any difference in the purchase price and the fair values of the net assets acquired is recorded as either goodwill, a separate account in the consolidated statement of financial position (or subsumed in the investment for acquisition of an associate), or gain on bargain purchase in profit or loss. Thus, the numerous judgments made in estimating the fair value to be assigned to the acquiree's assets and liabilities can materially affect the Group's financial position and performance.

3. SEGMENT INFORMATION

Business segments

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

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

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

4. CASH AND CASH EQUIVALENTS

	Amount in Php	
	As of March 31, 2024	As of December 31, 2023
Cash on hand	46,034,584	19,308,471
Cash in bank	1,210,381,990	1,535,123,940
Cash equivalents	3,339,708,924	3,495,584,783
	4,596,125,498	5,050,017,194

Cash on hand includes petty cash fund.

Cash in banks earn an average interest at rates based on daily bank deposit rates. These are unrestricted

and immediately available for use in the current operations of the Group.

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

5. TRADE AND OTHER RECEIVABLES

The Group's trade and other receivables consist of:

	Amount in Php	
	As of March 31, 2024	As of December 31, 2023
Trade receivables from third parties	10,630,680,057	9,198,091,315
Advances to officers & employees	52,883,213	48,966,011
Other receivables	419,044,406	330,236,962
	11,102,607,676	9,577,294,288
Less : Allowance for doubtful accounts	306,951,407	190,639,597
	10,795,656,269	9,386,654,691

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

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

6. INVENTORIES – net

Details of the Group's inventories are as follows:

	Amount in Php	
	As of March 31, 2024	As of December 31, 2023
Finished goods	9,025,790,133	8,744,316,887
Raw and packaging materials	6,803,869,989	7,723,613,293
Work in process	333,429,448	140,369,278
Spare parts and supplies	1,092,999,833	1,069,899,736
	17,256,089,403	17,678,199,193
Less: Allowance for inventory obsolescence	779,202,081	776,239,631
	16,476,887,322	16,901,959,562

No inventories are pledged as security for any liability as of March 31, 2024.

7. PREPAYMENTS AND OTHER CURRENT ASSETS

The account consists of:

	Amount in Php	
	As of March 31, 2024	As of December 31, 2023
Advances to suppliers	3,555,496,935	1,974,040,937
Tax credits	686,214,651	544,359,499
Input value added tax (VAT) - net	188,034,234	203,334,055
Prepaid insurance	19,090,847	27,758,248
Prepaid rent	28,029,342	6,390,807
Other prepayments	204,918,420	123,107,604
	4,681,784,429	2,878,991,150

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

8. PROPERTY, PLANT AND EQUIPMENT – net

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

	Land and Land Improvements	Building and building Improvements	Plant Machinery and Equipment	Transportation and Delivery Equipment	Office Furniture, Fixtures and Equipment	EDP Equipments	Laboratory, Tools and Equipment	Construction in Progress	Total
Cost									
January 1, 2024	59,739,201	4,275,195,668	10,607,538,165	186,479,012	111,087,341	329,405,956	389,278,664	678,082,143	16,636,806,150
Acquisition	-	9,715,386	83,222,446	2,804,464	2,349,050	7,147,170	7,127,159	183,488,556	295,854,232
Reclassification	-	2,145,938	234,891,268	2,662,322	718,338	1,151,853	7,376,211	(248,945,931)	(0)
Disposal	-	(8,587,504)	(0)	(5,896,760)	(120,876)	(4,179,113)	(1)	-	(18,784,254)
	59,739,201	4,278,469,489	10,925,651,879	186,049,038	114,033,854	333,525,866	403,782,033	612,624,768	16,913,876,127
Accumulated Depreciation									
January 1, 2024	54,845,606	1,576,406,081	5,235,379,719	131,801,439	93,547,340	251,814,875	312,737,581	-	7,656,532,641
Depreciation and amortization	296,710	68,810,727	247,850,350	5,940,341	2,542,293	6,884,584	11,150,889	-	343,475,893
Reclassification	-	(46,098)	(2,312,848)	2,356,829	(136,089)	136,089	2,117	-	(0)
Disposal	-	(8,587,444)	-	(5,349,717)	(120,856)	(4,154,122)	(2)	-	(18,212,140)
	55,142,316	1,636,583,265	5,480,917,221	134,748,891	95,832,689	254,681,427	323,890,585	-	7,981,796,394
Carrying Value									
As of March 31, 2024	4,596,885	2,641,886,224	5,444,734,658	51,300,147	18,201,166	78,844,440	79,891,448	612,624,768	8,932,079,733
Cost									
January 1, 2023	59,016,586	3,995,134,439	9,732,262,136	175,040,207	102,718,961	299,827,009	397,897,961	475,830,021	15,237,727,319
Acquisition	-	110,659,974	188,429,934	23,860,402	6,875,031	28,177,664	14,463,874	1,144,900,694	1,517,367,573
Reclassification	722,615	169,872,322	756,421,742	639,236	2,464,061	5,625,166	6,722,603	(942,467,745)	(0)
Disposal	-	(471,067)	(69,575,647)	(13,060,833)	(970,712)	(4,223,883)	(29,805,774)	(180,826)	(118,288,742)
	59,739,201	4,275,195,668	10,607,538,165	186,479,012	111,087,341	329,405,956	389,278,664	678,082,143	16,636,806,150
Accumulated Depreciation									
January 1, 2023 AD	53,649,903	1,318,030,844	4,351,176,660	115,856,293	83,351,838	228,744,854	293,100,469	-	6,443,910,861
Depreciation and amortization	1,195,703	257,931,450	951,635,637	23,669,462	11,450,882	26,551,028	48,645,993	-	1,321,080,155
Reclassification	-	(46,098)	(2,312,848)	2,465,970	(94,960)	(14,181)	2,117	-	(0)
Disposal	-	(447,389)	(65,183,097)	(10,190,286)	(953,777)	(3,466,826)	(29,106,597)	-	(109,347,972)
Others	-	937,274	63,367	-	(206,642)	-	95,599	-	889,598
	54,845,606	1,576,406,081	5,235,379,719	131,801,439	93,547,340	251,814,875	312,737,581	-	7,656,532,641
Carrying Value									
As of December 31, 2023	4,893,595	2,698,789,587	5,372,158,446	54,677,573	17,540,000	77,591,081	76,541,083	678,082,143	8,980,273,509

9. OTHER NON-CURRENT ASSETS

Details of the Group's other non-current assets as of March 31, 2024, and December 31, 2023, are as follows:

	Amount in Php	
	As of March 31, 2024	As of December 31, 2023
Deferred Charges	37,943,256	675,100
Security deposits	131,676,255	122,535,959
Returnable containers	24,528,975	25,932,432
	194,148,486	149,143,490

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

10. LOANS PAYABLE

Details of the Group's loans payable as of March 31, 2024, and December 31, 2023, are as follows:

	Amount in Php	
	As of March 31, 2024	As of December 31, 2023
Short term loans payable	777,360,791	2,877,360,791
Long term loans payable	3,156,982,518	3,156,982,518
	3,934,343,310	6,034,343,310

11. TRADE AND OTHER PAYABLES

The Group's trade and other payables consist of:

	Amount in Php	
	As of March 31, 2024	As of December 31, 2023
Trade payables	3,987,613,944	3,127,867,036
Accrued Payable	8,091,743,546	6,668,243,477
Non trade payables	1,894,699,892	188,579,757
Vat Output payable - net	332,778,942	224,144,759
Withholding taxes payable	88,183,016	231,587,177
Other current payables	36,360,478	11,820,367
	14,431,379,818	10,452,242,572

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

No interest is charged on trade and non-trade payables. Accrued expenses are non-interest bearing and are normally settled within one year. The Group has financial risk management policies in place to ensure that all payables are paid within the credit period.

12. RELATED PARTY TRANSACTIONS

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

The outstanding balances as of March 31, 2024, and December 31, 2023, are presented as follows:

Related Party Category	Amount of Transactions during the year		Outstanding Receivable/Payable		Terms and Condition
	2024	2023	2024	2023	
Ultimate Parent Company					
Service fee	1,300,195	7,817,011	9,576,271	8,079,465	On demand; non interest bearing; unsecured
Cost reimbursement	-	27,532	-	-	On demand; non interest bearing; unsecured
Rental expense	18,694,234	75,775,843	(11,081,189)	(7,760,457)	On demand; non interest bearing; unsecured
Dividends	1,071,072,000	892,560,000	-	-	On demand; non interest bearing; unsecured
Miscellaneous Deposit	-	-	18,681,880	18,681,880	On demand; non interest bearing; unsecured
Fellow Subsidiaries & Associates					
Shared services fee	-	2,473,380	2,435,757	508,556	On demand; non interest bearing; unsecured
Sale of inventories	51,711,447	340,119,571	181,640,109	222,325,109	On demand; non interest bearing; unsecured
Purchase of inventories	4,467,606	9,634,237	(11,653,683)	(15,261,099)	On demand; non interest bearing; unsecured
Service fee	601,367	8,653,155	5,128,990	8,190,250	On demand; non interest bearing; unsecured
Purchase of service	-	19,359,800	-	-	On demand; non interest bearing; unsecured
Cost reimbursements	16,829,729	70,436,733	(12,078,359)	(6,856,779)	On demand; non interest bearing; unsecured
Rental expense	1,891,055	7,487,544	(676,575)	(667,639)	On demand; non interest bearing; unsecured
Miscellaneous Deposit	-	-	849,150	849,150	On demand; non interest bearing; unsecured
Royalty Fee	245,291	1,183,446	-	-	On demand; non interest bearing; unsecured
Due from Related Parties			218,312,158	258,634,411	
Due to Related Parties			(35,489,806)	(30,545,974)	

13. SHARE CAPITAL

	Amount in Php	
	As of March 31, 2024	As of December 31, 2023
Authorized Capital :		
6,000,000,000 ordinary shares at P1 par value	6,000,000,000	6,000,000,000
Issued and subscribed	3,542,258,595	3,542,258,595

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

14. EARNINGS PER SHARE

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

	Amount in Php For the Period Ended March 31, 2024
Income for the Period	1,721,951,012
Weighted Average Number of Shares	3,542,258,595
Basic and Diluted Earnings Per Share	0.49

As of March 31, 2024, the Company has no potential dilutive shares. Accordingly, the basic earnings per share of P0.49 is the same as the diluted earnings per share.

15. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

	As of March 31, 2024		As of December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	4,596,125,497	4,596,125,497	5,050,017,194	5,050,017,194
Trade and Other Receivables - net	10,795,656,269	10,795,656,269	9,386,654,691	9,386,654,691
Due from Related Parties	218,312,158	218,312,158	258,634,411	258,634,411
Security deposits	131,676,255	131,676,255	122,535,959	122,535,959
	15,741,770,179	15,741,770,179	14,817,842,254	14,817,842,254
Financial Liabilities				
Notes Payable	777,360,791	777,360,791	2,877,360,791	2,877,360,791
Trade and Other Payables	14,431,379,818	14,431,379,818	10,452,242,572	10,452,242,572
Due to Related Parties	35,489,806	35,489,806	30,545,975	30,545,975
	15,244,230,415	15,244,230,415	13,360,149,338	13,360,149,338

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

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

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

Financial Risk Management

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

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

Market risk

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

Interest rate risk

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

Credit Risk

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

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

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

	Amount in Php	
	As of March 31, 2024	As of December 31, 2023
Cash and cash equivalents	4,596,125,497	5,050,017,194
Trade and Other Receivables - net	10,795,656,269	9,386,654,691
Due from Related Parties	218,312,158	258,634,411
Security deposits	131,676,255	122,535,959
	15,741,770,179	14,817,842,254

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

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

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

The aging analysis of the Group's financial assets that are not impaired as of March 31, 2024, is as follows:

	As of March 31, 2024			
	Past Due Accounts but Not Impaired			
	0 to 60 Days Past Due	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due
Cash and cash equivalents	4,596,125,498	-	-	-
Trade and Other Receivables - net	10,795,656,269	-	-	-
Due from Related Parties	218,312,158	-	-	-
Security deposits	-	-	-	131,676,255
	15,610,093,925	-	-	131,676,255

The aging analysis of the Group's individual receivables as of March 31, 2024, and December 31, 2023, is as follows:

	Amount in Php	Amount in Php
	As of March 31, 2024	As of December 31, 2023
60 to 90 days	10,795,656,269	9,386,654,691
	10,795,656,269	9,386,654,691

Liquidity Risk

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

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

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

	Within One Year	More than One Year	Total
As of March 31, 2024			
Loans payable	777,360,791		777,360,791
Trade and other payables	14,431,379,818		14,431,379,818
Due to related parties	35,489,806		35,489,806
	15,244,230,415	-	15,244,230,415
As of December 31, 2023			
Loans payable	2,877,360,791		2,877,360,791
Trade and other payables	10,452,242,572		10,452,242,572
Due to related parties	30,545,975		30,545,975
	13,360,149,338	-	13,360,149,338

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

16. CAPITAL MANAGEMENT RISK

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

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

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

	Amount in Php	
	As of March 31, 2024	As of December 31, 2023
Debt	20,917,479,989	18,691,564,944
Less : Cash and cash equivalents	4,596,125,497	5,050,017,194
Net debt	16,321,354,492	13,641,547,751
Equity	32,869,805,111	32,850,529,359
Net debt to equity ratio	0.5:1	0.42:1

Appendix 10

**Annual Stockholders' Meeting
July 6, 2023**

**MINUTES
OF THE
ANNUAL MEETING OF STOCKHOLDERS OF
CENTURY PACIFIC FOOD, INC.
VIA REMOTE COMMUNICATION
THURSDAY, JULY 6, 2023, AT 8:30 O’CLOCK IN THE MORNING**

Stockholders Present:

Present in Person or Represented by Proxy and Participant Brokers	-	2,879,761,995 common shares
Number of Total Outstanding Shares	-	3,542,258,595 common shares
Percentage of Total Shares Represented by Proxies and In Person	-	81.30%

Incumbent Directors Present:

Mr. Christopher T. Po	-	Executive Chairman
Mr. Teodoro Alexander T. Po	-	Director and Vice Chairman, President, and CEO
Mr. Ricardo Gabriel T. Po	-	Director and Vice Chairman
Mr. Leonardo Arthur T. Po	-	Director and Treasurer
Ms. Regina Roberta L. Lorenzana	-	Independent Director
Ms. Frances J. Yu	-	Independent Director

Also Present:

Ms. Regina Jacinto-Barrientos	-	Director (Nominee)
Mr. Stephen T. CuUnjieng	-	Independent Director (Nominee)
Mr. Philip G. Soliven	-	Independent Director (Nominee)
Mr. Manuel Z. Gonzalez	-	Corporate Secretary
Ms. Gwyneth S. Ong	-	Assistant Corporate Secretary
Mr. Richard Kristoffer S. Manapat	-	Chief Financial Officer, Chief Information Officer, and Chief Risk Officer
Ms. Maria Rosario L. Ybañez	-	Legal Counsel and Compliance Officer
Ms. Myrose April C. Victor	-	Investor Relations
Ms. Dappy Tecson	-	Investor Relations
Mr. Charlton Sean Gaerlan II	-	Investor Relations
Mr. Edwin Africa	-	Executive Vice President – Corporate General Manager, Group Business Unit Head
Mr. Gregory Banzon	-	Executive Vice President and Chief Operating Officer
Ms. Fatima Aquino	-	Vice President
Ms. Genevieve Kristine B. Mañalac	-	MVGS Associate
Ms. Trisha Anne C. Yaokasin	-	MVGS Associate
Ms. Christine Vallejo	-	SGV Partner

PROCEEDINGS**I. Call to Order**

The Executive Chairman, Mr. Christopher T. Po, called the meeting to order and presided over the same.

II. Proof of Notice and Determination of Existence of Quorum

The Corporate Secretary, Mr. Manuel Z. Gonzalez, certified that the Notice for the Annual Stockholders’ Meeting together with the Definitive Information Statement of **Century Pacific**

Food, Inc. (the “**Company**” or the “**Corporation**”), along with the guidelines for participation through remote communication and voting in absentia, were disclosed via PSE Edge and posted on the Corporation’s website on May 30, 2023. Further, the notice of this meeting was published in BusinessWorld and The Manila Times, newspapers of general circulation, both in print and online formats, on June 5 and 6, 2023.

Further, the Corporate Secretary certified that based on the record of attendance, present for the meeting were stockholders, in person and by proxy, holding a total of 2,879,761,995 common shares or equivalent to 81.30% of the total outstanding capital stock of the Corporation as of record date May 16, 2023. The Corporate Secretary therefore certified that there was a quorum for the transaction of business and proceeded to record the minutes of the proceedings.

Thereafter, the Corporate Secretary informed the stockholders and other participants that the meeting will be recorded. There were no questions on the proof of notice and determination of existence of quorum was raised and the Executive Chairman proceeded to the next item in the agenda.

III. Approval of Minutes of the Annual Stockholders’ Meeting held on June 30, 2022

The next item was the approval of the minutes of the Annual Stockholders’ Meeting held on June 30, 2022. A copy of the minutes was posted on the Corporation’s website soon after the adjournment of last year’s Annual Stockholders’ Meeting. Copies of the minutes were also included in the Definitive Information Statement disclosed via PSE EDGE and uploaded to the Corporation’s website.

The Corporate Secretary then presented the results of voting for the approval of the minutes:

	Number of Shares	Percentage
In Favor	2,879,761,991	100%
Against	0	0
Abstain	0	0

With the above votes in favor, the minutes of the Annual Stockholders’ Meeting held on June 30, 2023 were approved.

IV. Management’s Report and 2022 Audited Financial Statements

The Executive Chairman proceeded to the next item in the agenda which was the approval of the Management’s Report and Audited Financial Statements for 2022. The financial statements of the Corporation were appended to the Definitive Information Statement.

The Executive Chairman then presented the Management’s Report and started his discussion by providing a general background on how the year 2022 was like for the Company. Having had the borders of the country reopen this year, from previously being locked down due to the Covid-19 pandemic, the Company was presented with opportunities alongside challenges that it had to face. At the center of it all was the Company’s goal to provide accessible food staples to many families through sustainable means and methods. According to the Executive Chairman, this goal is achieved every year by adhering to a growth vision of 10 to 15% CAGR year on year, which is twice the GDP growth of the country. By continuously striving towards this goal, a positive impact to the country’s food security and nutrition would be achieved.

The discussion then proceeded to the introduction of the Company’s Sustainability Framework, comprising of the following “Ps”: (1) Protein Delivery, (2) Planet Preservation, and (3) People Development. These three (3) pillars align with the United Nation’s Sustainable Development Goals. Following this framework, the revenue of the Company for 2022 posted a 14% increase, which translated to 62.2 billion Pesos. The 5-year compounded annual growth was at 13%, further showing the Company’s resilience amidst the challenging economic conditions of the time.

The Executive Chairman explained that in good times, when consumers have higher disposable income, their behavior tend to translate to having additional products in their food baskets or upgrading to higher offerings. The opposite behavior is observed once income becomes constrained as the people then prioritize value for money, brands, and products.

It was explained that with the variety of products under the Century portfolio, the Company is able to cater to these varying consumer needs. Because of this, gratitude was expressed by the Executive Chairman towards the consumers for their continued patronage of the Century brands. This is especially reflected by the Company's dominant market leadership gain share particularly in the Canned Tuna and Canned Meat, and was also evident in its growing market share of its Milk business in Powdered Milk.

In terms of profit, the Company saw a growth of 7% in 2022, reaching 5.0 billion Pesos. This value can be considered as good, given the tough economic backdrop of the year. Nonetheless, the 5-year compounded annual growth rate of the Company's net income was at 15%, driven by a consistent topline performance, continuous diversification, a disciplined approach to pricing, and cost efficiencies.

The Executive Chairman then proceeded to expounding on the Company's progress on each of the pillars of the said Sustainability Framework.

PROTEIN DELIVERY

The Executive Chairman highlighted that in 2022, 9 out of 10 households in the Philippines carried at least one (1) Century product. The Company was able to directly serve 144,000 points of sale nationwide along with a 20% increase in reach in the same year. In total, Century products can be found in approximately 800,000 doors last year.

The discussion then proceeded to other steps and innovations that the Company pursued in 2022. One such example was the continued implementation of the Century Tuna Superbods program, which shows the Company's pursuit towards educating the consumers while promoting a healthier lifestyle. For meat products, the Company improved the value for money aspect in this sector by introducing zinc in its protein brands. As for the milk segment, Birch Tree Advance was introduced in order to cater to the elderly people.

The Company also sought out inorganic opportunities through its acquisition of Ligo. This is expected to provide scale to the Company in this category and unlock multiple synergies in our ecosystem.

In terms of future proofing the business and unlocking market opportunities, the Executive Chairman also discussed the Company's recent products involving coconut, plant-based meat, and pet foods. These are adjacent to the existing products of the Company and are expected to deliver long term sustainable growth for the business.

PLANET PRESERVATION

Under this pillar, the Executive Chairman mentioned that the Company is practicing sustainable fishing by being in 100% compliance with conservation measures in order to protect as well the longevity of the industry.

In relation to this, the tuna and coconut businesses was reported to be more efficient in its water consumption. Particularly, water intensity dropped by 50% for tuna and 30% for coconut.

As for greenhouse emissions, the Company has added renewable sources in its energy mass, such as solar, hydroelectric and biomass, such that 68% of the electric power requirements of tuna and coconut already comes from renewable sources.

It was also mentioned that one (1) million coconut trees were planted last year in partnership with GCASH and HOPE in furtherance of the goal of planet preservation.

Further reflecting the Company's steps towards promoting a circular economy, it was also mentioned that 85% of its waste were reverted to the circular economy, or in other words, either recycled or upcycled.

PEOPLE DEVELOPMENT

The Executive Chairman then proceeded to discuss the growth of the Company in terms of People Development. It was mentioned that alongside the company's growth is the growth of its people. With this, meaningful growth can likewise be reflected through the number of lives the Company is able to support and uplift through its operations.

In 2022, 22,152 lives were supported and uplifted by the Company's operations through the job opportunities it has provided. It was likewise noted that due to the one (1) million coconut trees planted and donated to smallholder farmers, more than 7,300 farmers were able to boost their income as well.

Connections were also forged with partner communities through the Kain Po program, the flagship feeding program of the RSP Foundation. In 2022, 10 Million protein servings were donated to these partner communities. This provides a total of more than 55 Million meals served since the program's inception.

The Executive Chairman then expressed the Company's hope to further scale its impact under this segment by joining forces with Gawad Kalinga and other similar organizations and forming a coalition that strives towards a holistic approach towards hunger alleviation.

2023 OUTLOOK

The Executive Chairman reported that, halfway through 2023, the Company is currently moving towards a double-digit topline growth, supported by resilient demand. As mentioned, profits are on its way to improving; thus, a resilient mid to high single digit bottomline growth is expected for the year 2023.

With this confidence in the Company's long-term prospects, it was reported that the Company increased its dividends by 11%, with 28% payout and a rate of PHP 0.40 per share, based on FY2022 income.

The Executive Chairman ended his report by thanking the consumers for their continued support and trust in the Company's brands, the team that comprises Century Pacific for their steadfast belief in the Company's mission, the board for their wisdom and guidance that helped the Company through the years, the shareholders for their trust and confidence which the Company endeavors to uphold as it strives towards sustainable growth, and lastly, to Mr. Ricardo S. Po, Chairman Emeritus, for imparting his advice and mission towards affordable nutrition.

At the end of the presentation, the Corporate Secretary presented the results of voting for the approval of the Management's Report and the 2022 Audited Financial Statements of the Corporation:

	Number of Shares	Percentage
In Favor	2,879,761,991	100%
Against	0	0
Abstain	0	0

With the above votes in favor, the Management's Report and 2022 Audited Financial Statements of the Corporation were approved.

V. Approval and Ratification of All Acts of the Board of Directors, Board Committees, and Management for the year 2022

The Executive Chairman then proceeded to the next item on the agenda which was the ratification of all acts, transactions and contracts entered into as well as resolutions made and adopted by the Board of Directors, its duly constituted committees and of the Management of the Corporation from January to December 2022, as reflected in the minutes of the meetings of the

Board of Directors, and its duly constituted committees and of the Management for the period. A summary of these acts was included in the Definitive Information Statement of the Corporation.

The Corporate Secretary presented the results of voting for the ratification of the acts of the Board of Directors, Board Committees, and Management for the previous year:

	Number of Shares	Percentage
In Favor	2,879,761,991	100%
Against	0	0
Abstain	0	0

With the above votes in favor, all acts of the Board of Directors, Board Committees, and Management for 2022 were ratified.

VI. Election of the Board of Directors

The Executive Chairman proceeded to the next item in the agenda which was the election of members of the Board of Directors of the Corporation for 2023 to 2024. The Corporate Secretary, reported that there were nine (9) persons nominated to, and qualified for, the Board. He confirmed that the Nominations Committee had determined that the following had all the qualifications and none of the disqualifications to be directors of the Corporation for 2023 to 2024:

Directors:

1. Mr. Christopher T. Po
2. Mr. Ricardo Gabriel T. Po
3. Mr. Teodoro Alexander T. Po
4. Mr. Leonardo Arthur T. Po
5. Ms. Regina Jacinto-Barrientos

Independent Directors:

1. Mr. Stephen Anthony T. CuUnjieng
2. Ms. Regina Roberta L. Lorenzana
3. Mr. Philip G. Soliven
4. Ms. Frances J. Yu

Below are the results of the ballots:

Name	Votes
Mr. Christopher T. Po	2,862,215,591
Mr. Ricardo Gabriel T. Po	2,861,715,148
Mr. Teodoro Alexander T. Po	2,863,256,791
Mr. Leonardo Arthur T. Po	2,863,003,468
Ms. Regina Jacinto-Barrientos	2,863,256,791
Mr. Stephen Anthony T. CuUnjieng	2,879,455,491
Ms. Regina Roberta L. Lorenzana	2,879,761,991
Mr. Philip G. Soliven	2,879,761,991
Ms. Frances J. Yu	2,879,761,991

Given the nine (9) individuals nominated to and qualified for the Board and the votes they received as shown above, all nine (9) individuals were duly elected to the Board of Directors of the Corporation for the year 2023 to 2024.

The newly elected members of the Board of Directors were welcomed with an applause.

VII. Appointment of the External Auditor

The Executive Chairman then announced that the next item in the agenda would be the appointment of the external auditor for the year 2023 to 2024. Sycip Gorres Velayo & Co. was recommended for re-appointment as external auditor.

The Corporate Secretary presented the results of voting for the appointment of the Corporation's External Auditor for 2022 to 2023:

	Number of Shares	Percentage
In Favor	2,879,761,991	100%
Against	0	0
Abstain	0	0

With the above votes in favor, Sycip Gorres Velayo & Co. was appointed as the External Auditor of the Corporation for 2023 to 2024.


VIII. Other Matters

The Executive Chairman proceeded to the question-and-answer portion of the meeting. The Corporate Secretary read the questions, which were answered by the Executive Chairman.

The Executive Chairman inquired if there are any other matters which may be properly taken up by the stockholders in the meeting, and the Corporate Secretary stated that there are no other matters for stockholders' approval.

IX. Adjournment

There being no further business to transact, and upon motion duly made and seconded, the meeting was adjourned.

DocuSigned by:

 C81931FA713643D...
MANUEL Z. GONZALEZ
 Corporate Secretary

ATTESTED:

DocuSigned by:

CHRISTOPHER T. PO
 Executive Chairman

**Board of Directors and
Committee Meetings
Attendance for 2023**

APPENDIX 11

Attendance in Board of Directors' Meetings

DATE OF MEETING	ATTENDANCE
January 04, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO FERNAN VICTOR P. LUKBAN JOHNIP G. CUA FRANCES J. YU REGINA ROBERTA L. LORENZANA</p> <p>Absent: None</p>
January 16, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO FERNAN VICTOR P. LUKBAN JOHNIP G. CUA FRANCES J. YU REGINA ROBERTA L. LORENZANA</p> <p>Absent: None</p>
January 24, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO FERNAN VICTOR P. LUKBAN JOHNIP G. CUA FRANCES J. YU REGINA ROBERTA L. LORENZANA</p> <p>Absent: None</p>
January 30, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO</p>

APPENDIX 11

	<p>LEONARDO ARTHUR T. PO FERNAN VICTOR P. LUKBAN JOHNIP G. CUA FRANCES J. YU REGINA ROBERTA L. LORENZANA</p> <p>Absent: None</p>
February 20, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO FERNAN VICTOR P. LUKBAN JOHNIP G. CUA FRANCES J. YU REGINA ROBERTA L. LORENZANA</p> <p>Absent: None</p>
February 22, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO FERNAN VICTOR P. LUKBAN JOHNIP G. CUA FRANCES J. YU REGINA ROBERTA L. LORENZANA</p> <p>Absent: None</p>
March 10, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO FERNAN VICTOR P. LUKBAN JOHNIP G. CUA FRANCES J. YU REGINA ROBERTA L. LORENZANA</p> <p>Absent: None</p>

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April 3, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO FERNAN VICTOR P. LUKBAN JOHNIP G. CUA FRANCES J. YU REGINA ROBERTA L. LORENZANA</p> <p>Absent: None</p>
April 11, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO FERNAN VICTOR P. LUKBAN JOHNIP G. CUA FRANCES J. YU REGINA ROBERTA L. LORENZANA</p> <p>Absent: None</p>
April 12, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO FERNAN VICTOR P. LUKBAN JOHNIP G. CUA FRANCES J. YU REGINA ROBERTA L. LORENZANA</p> <p>Absent: None</p>
April 18, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO</p>

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	<p>FERNAN VICTOR P. LUKBAN JOHNIP G. CUA FRANCES J. YU REGINA ROBERTA L. LORENZANA</p> <p>Absent: None</p>
May 22, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO FERNAN VICTOR P. LUKBAN JOHNIP G. CUA FRANCES J. YU REGINA ROBERTA L. LORENZANA</p> <p>Absent: None</p>
June 14, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO FERNAN VICTOR P. LUKBAN JOHNIP G. CUA FRANCES J. YU REGINA ROBERTA L. LORENZANA</p> <p>Absent: None</p>
June 30, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO FERNAN VICTOR P. LUKBAN JOHNIP G. CUA FRANCES J. YU REGINA ROBERTA L. LORENZANA</p> <p>Absent: None</p>

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<p>July 6, 2023 <i>(Annual Stockholders' Meeting)</i></p>	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO REGINA ROBERTA L. LORENZANA FRANCES J. YU REGINA JACINTO-BARRIENTOS (Director-Nominee) STEPHEN T. CUUNJIENG (Independent Director-Nominee) PHILIP G. SOLIVEN (Independent Director-Nominee)</p> <p>Absent: None</p>
<p>July 6, 2023 <i>(Organizational Meeting)</i></p>	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO REGINA ROBERTA L. LORENZANA FRANCES J. YU REGINA JACINTO-BARRIENTOS STEPHEN T. CUUNJIENG PHILIP G. SOLIVEN</p> <p>Absent: None</p>
<p>July 28, 2023</p>	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO REGINA ROBERTA L. LORENZANA FRANCES J. YU REGINA JACINTO-BARRIENTOS STEPHEN T. CUUNJIENG PHILIP G. SOLIVEN</p> <p>Absent: None</p>
<p>August 8, 2023</p>	<p>Present:</p>

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	<p>CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO REGINA ROBERTA L. LORENZANA FRANCES J. YU REGINA JACINTO-BARRIENTOS STEPHEN T. CUUNJIENG PHILIP G. SOLIVEN</p> <p>Absent: None</p>
August 14, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO REGINA ROBERTA L. LORENZANA FRANCES J. YU REGINA JACINTO-BARRIENTOS STEPHEN T. CUUNJIENG PHILIP G. SOLIVEN</p> <p>Absent: None</p>
August 22, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO REGINA ROBERTA L. LORENZANA FRANCES J. YU REGINA JACINTO-BARRIENTOS STEPHEN T. CUUNJIENG PHILIP G. SOLIVEN</p> <p>Absent: None</p>
September 8, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO REGINA ROBERTA L. LORENZANA</p>

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	<p>FRANCES J. YU REGINA JACINTO-BARRIENTOS STEPHEN T. CUUNJIENG PHILIP G. SOLIVEN</p> <p>Absent: None</p>
September 29, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO REGINA ROBERTA L. LORENZANA FRANCES J. YU REGINA JACINTO-BARRIENTOS STEPHEN T. CUUNJIENG PHILIP G. SOLIVEN</p> <p>Absent: None</p>
October 26, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO REGINA ROBERTA L. LORENZANA FRANCES J. YU REGINA JACINTO-BARRIENTOS STEPHEN T. CUUNJIENG PHILIP G. SOLIVEN</p> <p>Absent: None</p>
November 6, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO REGINA ROBERTA L. LORENZANA FRANCES J. YU REGINA JACINTO-BARRIENTOS STEPHEN T. CUUNJIENG PHILIP G. SOLIVEN</p>

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	Absent: None
November 20, 2023	Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO REGINA ROBERTA L. LORENZANA FRANCES J. YU REGINA JACINTO-BARRIENTOS STEPHEN T. CUUNJIENG PHILIP G. SOLIVEN Absent: None
November 21, 2023	Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO REGINA ROBERTA L. LORENZANA FRANCES J. YU REGINA JACINTO-BARRIENTOS STEPHEN T. CUUNJIENG PHILIP G. SOLIVEN Absent: None
December 1, 2023	Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO REGINA ROBERTA L. LORENZANA FRANCES J. YU REGINA JACINTO-BARRIENTOS STEPHEN T. CUUNJIENG PHILIP G. SOLIVEN Absent: None

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December 28, 2023	<p>Present:</p> <p>CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO REGINA ROBERTA L. LORENZANA FRANCES J. YU REGINA JACINTO-BARRIENTOS STEPHEN T. CUUNJIENG PHILIP G. SOLIVEN</p> <p>Absent:</p> <p>None</p>

APPENDIX 11

Attendance in Audit Committee Meetings

DATE OF MEETING	ATTENDANCE
March 27, 2023	<p>Present: FERNAN VICTOR P. LUKBAN (<i>Chairperson</i>) FRANCES J. YU (<i>Member</i>) LEONARDO ARTHUR T. PO</p> <p>Absent: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO (<i>Member</i>) JOHNIP G. CUA REGINA ROBERTA L. LORENZANA</p>
April 28, 2023	<p>Present: FERNAN VICTOR P. LUKBAN (<i>Chairperson</i>) FRANCES J. YU (<i>Member</i>) CHRISTOPHER T. PO LEONARDO ARTHUR T. PO</p> <p>Absent: RICARDO GABRIEL T. PO (<i>Member</i>) JOHNIP G. CUA REGINA ROBERTA L. LORENZANA TEODORO ALEXANDER T. PO</p>
July 24, 2023	<p>Present: PHILIP G. SOLIVEN (<i>Chairperson</i>) FRANCES J. YU (<i>Member</i>) RICARDO GABRIEL T. PO (<i>Member</i>) CHRISTOPHER T. PO</p> <p>Absent: TEODORO ALEXANDER T. PO REGINA ROBERTA L. LORENZANA LEONARDO ARTHUR T. PO REGINA JACINTO-BARRIENTOS STEPHEN T. CUUNJIENG</p>
October 23, 2023	<p>Present: PHILIP G. SOLIVEN (<i>Chairperson</i>) FRANCES J. YU (<i>Member</i>) CHRISTOPHER T. PO</p>

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	<p>Absent: RICARDO GABRIEL T. PO (<i>Member</i>) TEODORO ALEXANDER T. PO REGINA ROBERTA L. LORENZANA LEONARDO ARTHUR T. PO REGINA JACINTO-BARRIENTOS STEPHEN T. CUUNJIENG</p>
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APPENDIX 11

Attendance in Corporate Governance Committee Meetings

DATE OF MEETING	ATTENDANCE
February 20, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO FERNAN VICTOR P. LUKBAN (<i>Member</i>) JOHNIP G. CUA (<i>Chairperson</i>) FRANCES J. YU REGINA ROBERTA L. LORENZANA (<i>Member</i>)</p> <p>Absent: None</p>
November 20, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO LEONARDO ARTHUR T. PO REGINA ROBERTA L. LORENZANA (<i>Member</i>) FRANCES J. YU REGINA JACINTO-BARRIENTOS STEPHEN T. CUUNJIENG (<i>Chairperson</i>) PHILIP G. SOLIVEN (<i>Member</i>)</p> <p>Absent: None</p>

APPENDIX 11

Attendance in Related Party Transactions Committee Meetings

DATE OF MEETING	ATTENDANCE
February 20, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO (<i>Member</i>) LEONARDO ARTHUR T. PO FERNAN VICTOR P. LUKBAN (<i>Member</i>) JOHNIP G. CUA FRANCES J. YU (<i>Chairperson</i>) REGINA ROBERTA L. LORENZANA</p> <p>Absent: None</p>
November 20, 2023	<p>Present: CHRISTOPHER T. PO TEODORO ALEXANDER T. PO RICARDO GABRIEL T. PO (<i>Member</i>) LEONARDO ARTHUR T. PO REGINA ROBERTA L. LORENZANA FRANCES J. YU (<i>Chairperson</i>) REGINA JACINTO-BARRIENTOS (<i>Member</i>) STEPHEN T. CUUNJIENG PHILIP G. SOLIVEN</p> <p>Absent: None</p>

**Schedule of Board
and Committee Meetings
for 2023**

Appendix 12

Schedule of Board Meetings for 2023

DATE OF MEETING	DISCUSSIONS
January 04, 2023	Board of Investments (BOI) Income Tax Holiday Application; Lease Contract for a warehouse located in Taguig City, Metro Manila; Renewal of Business Permits in the Davao Branch; Deed of Absolute Sale between the Corporation and Prime Gold Manufacturing Corporation
January 16, 2023	Extended Producer Responsibility (EPR) Compliance; BIR e-Invoicing System (EIS) Users; Branch Registration of the additional branch office in Labangal, General Santos City; Registration of an Additional Line of Business before the Local Government of Zamboanga City, the BIR and other relevant government agencies
January 24, 2023	Designation of the BIR Authorized Representative; Application for Water and Electrical Connection of the Corporation's RCC Recodo Extension Warehouse; Contract of Lease with E. Ganzon Inc.
January 30, 2023	Application for Tax Clearance Certificate (TCC) for Bidding Purposes; Renewal of Contracts with Zamboanga City Electric Cooperative, Inc. (ZAMCELCO); Authorized Representative for Labor Case
February 20, 2023	Approval of the Minutes of the Meeting of the Board dated November 14, 2022; Organizational Update; Full Year 2022 Financial Performance Review; 2023 Budget and Capital Expenditure; Meat Business Update and Road Map; Board Matters: Related Party Transactions, Dividend Declaration and Board Self-Assessment; Other Matters
February 22, 2023	Issuance of Export Commercial Invoices
March 10, 2023	Cancellation of Line of Business; Authority to Release Cash Dividend Checks
April 3, 2023	Purchase of Vehicle
April 11, 2023	Release of the Consolidated Financial Statements for the Year Ended December 31, 2022
April 12, 2023	Authorized Representative for the Holcim Customer Information Sheet
April 18, 2023	SIM Registration
May 22, 2023	BOI Application for Incentives; BIR Authorized Representative; Updated EIS Users; PLDT and Globe Authorized Representative
June 14, 2023	Appointment of the Data Protection Officer; Intellectual Property Registrations
June 30, 2023	Bureau of Fisheries and Aquatic Resources (BFAR) Applications
July 6, 2023 (Annual Stockholders' Meeting)	Approval of Minutes of the Annual Stockholders' Meeting held on June 30, 2022; Management's Report and 2022 Audited Financial Statements (AFS); Approval and Ratification of all acts of the Board of Directors, Board Committees, and Management for the year 2022; Election of the Board of Directors; Appointment of the External Auditor; Other Matters
July 6, 2023 (Organizational)	Review and Approval of the Previous Minutes of the Meeting; Certifying the Election of the Directors; Appointment of the

Appendix 12

<i>Meeting)</i>	Members of the Committees; Election of Officers; Year-to-date June 2023 Financial Performance and Balance of the Year Outlook; Milk Business Overview
July 28, 2023	Criminal Case for Qualified Theft; Food and Drug Administration (FDA) Applications
August 8, 2023	Pioneer Insurance Application; Application for Authority to Print Provisional Receipts
August 14, 2023	Review and Approval of the Previous Minutes of the Meeting; Year-to-date July 2023 Financial Performance and Balance of the Year Outlook; Tuna Business Update and Roadmap; CNPF 5-Year Peer Review
August 22, 2023	Office Fit and Renovation
September 8, 2023	Environmental Compliance Certificate (ECC) Amendment; Authorized Signatories for Pag-ibig
September 29, 2023	Business and Building Permits Processing
October 26, 2023	Montales Labor Case
November 6, 2023	Bacolod Branch Closure
November 20, 2023	Review and Approval of the Previous Minutes of the Meeting; Year-to-date October 2023 Financial Performance and Balance of the Year Outlook; 2024 Budget Planning and Commodities Update; Project Bishop; Related Party Transactions; Corporate Governance Update and Board Self-Assessment Introduction
November 21, 2023	AFP Bidding and Procurement Process
December 1, 2023	Tax Matters; Registration as Producer of Canned Corned Beef
December 28, 2023	Renewal of Business Permits of the Davao Branch; Reversal of 2022 Appropriation; Appropriation for 2024 Capital Expenditures; Assignment of Trademarks

Appendix 12

Schedule of Audit Committee Meetings for 2023

DATE OF MEETING	DISCUSSIONS
March 27, 2023	Review and Approval of the Previous Minutes of the Meeting; Presentation of the External Audit Report; Presentation for the FY2022 Unaudited Financial Performance and CAPEX Review; Internal Audit Updates
April 28, 2023	Review and Approval of the Previous Minutes of the Meeting; Matters Arising from the Previous Audit Committee Meeting; Presentation of the First Quarter of 2023 Unaudited Financial Performance and Full Year Outlook; Internal Audit Updates; Human Resources: Recruitment and Retention Updates and Strategy
July 24, 2023	Review and Approval of the Previous Minutes of the Meeting; Presentation of 2Q 2023 Unaudited Financial Performance and Full Year Outlook; Internal Audit Updates
October 23, 2023	Review and Approval of the Previous Minutes of the Meeting; Presentation of 2023 External Audit Plan; Presentation of 3Q2023 Unaudited Financial Performance and Full Year Outlook; Internal Audit Updates

Schedule of Corporate Governance Committee Meetings for 2023

DATE OF MEETING	DISCUSSIONS
February 20, 2023	Board Self-Assessment Report and Identification of Committee Strengths
November 20, 2023	Corporate Governance Update and Board Self-Assessment Evaluation; Areas of Improvement

Schedule of Related Party Transactions Committee Meetings for 2023

DATE OF MEETING	DISCUSSIONS
February 20, 2023	Related Party Transactions Report
November 20, 2023	Relationship of CNPF and PCX; 9M23 Related Party Transactions Update

**List of SEC Form 23-B
(Director Disclosure on Self-dealings)**

APPENDIX 13

List of 23-B:

Reporting Person	Shares Bought / Sold	Date
Teddy C. Kho	24,100	January 30, 2023
Teddy C. Kho	19,100	April 14, 2023
Teddy C. Kho	146,700	May 25, 2023
Ralph G Umali	(6,800)	June 6, 2023
Manuel Z. Gonzalez	10,800	October 16, 2023
Manuel Z. Gonzalez	2,900	October 17, 2023
Teddy C. Kho	8,000	December 18, 2023
Richard Kristoffer S. Manapat	7,000	December 19, 2023
Richard Kristoffer S. Manapat	7,000	December 20, 2023
Richard Kristoffer S. Manapat	10,000	December 21, 2023
Richard Kristoffer S. Manapat	3,100	December 22, 2023
Teddy.C. Kho	4,500	January 4, 2024
Teddy C. Kho	26,100	January 24, 2024
Teddy C. Kho	10,500	January 26, 2024
Teddy C. Kho	26,300	February 27, 2024
Richard Kristoffer S. Manapat	5,500	February 28, 2024
Teddy C. Kho	5,400	February 29, 2024