COVER SHEET

2	1	3	5	7

S.E.C. Registration Number

COMPANY NAME

P L A N T E R S   P R O D U C T S   I N C

(Business Address: No. Street City / Town / Province

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

P P I   B L D G . ,   1 0 9   E S T E B A N   S T . ,

L E G A S P I   V I L L A G E   M A K A T I   C I T Y

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
khriznaj.haloc1808@yahoo.com.ph	818-2332	(0917) 575 5966

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
812,476	3rd Tuesday of October	April 30

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ranilo M. Maderazo	mat_maderazo@yahoo.com	818-2332	

CONTACT PERSON's ADDRESS

PPI BUILDING, 109 ESTEBAN STREET, LEGASPI VILLAGE , MAKATI 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 within 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.

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 **July 31, 2022**

2. Commission identification number **21357**

3. BIR Tax Identification No **000-137-080-000**

4. Exact name of issuer as specified in its charter **PLANTERS PRODUCTS, INC.**

5. **Philippines**
   Province, country or other jurisdiction of incorporation or organization

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

   109 Esteban St. Legaspi Village, Makati City **1229**
7. Address of issuer's principal office Postal Code

   818-23-32 loc 138 or 126
8. Issuer's telephone number, including area code

9. Former name, former address and former fiscal year, if changed since last report **N/A**

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	300,000,000

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

    Yes [ ] No [X]

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

    ______________________ ______________________

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 [X] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [X] No [ ]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

Refer to attached Balance Sheets as of July 31, 2022 and April 30, 2022; Statement of Income (Loss) for the three-month period ended July 31, 2022 and July 31, 2021;Statement of Comprehensive Income (Loss) for the three-month period ended July 31, 2022 and July 31, 2021; Statement of Cash Flows for the three-month period ended July 31, 2022 and July 31, 2021; Statement of changes in Stockholders Equity for the three-month period ended July 31, 2022 and July 31, 2021, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Refer to attached Analysis of Operations, Financial Condition and 5 key performance indicators

PART II – OTHER INFORMATION

Not applicable

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.

Issuer: PLANTERS PRODUCTS, INC.

Name	:	LORELA M. JAVIER
Title	:	Accounting Manager
Signature	:	
Date	:	September 13, 2022

Corporate Information

Planters Products, Inc. was organized under the laws of the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) per Registration No. 21357 on September 10, 1962 to engage in trading, manufacturing (reformulation), importation and distribution of goods such as agricultural chemicals, fertilizers and other farm inputs on wholesale or retail basis. The Company started its commercial operations in 1962.

The extension of the corporate term by another 50 years was approved by SEC on July 22, 2011.

The registered address of the Company is located at Planters Products Building, 109 Esteban St., Legaspi Village, Makati City.

In a special stockholders meeting on May 19, 2011, with an affirmative vote of the stockholders owning or representing at least two-thirds of the outstanding stock, the Company's Articles of Incorporation was amended by extending the corporate term by another 50 years.

The Company's principal stockholder is Planters Foundation, Inc. (PFI), who is also a trustee for the 237,705,822 shares, equivalent to 79.24% of the total shares of the Company for issuance to farmers/stockholders.

By virtue of Letter of Instructions (LOI) No. 178 dated March 28, 1974 by then President Marcos, PFI was created to hold in trust and distribute to Filipino farmers the shares of stocks of the Company.

For the past four years, the Company has not experienced bankruptcy, receivership or similar proceedings.

Plant in Carmelray Industrial Park, Canlubang Laguna

On April 29, 2008, Carmelray Plant was inspected by the Fertilizers & Pesticides Authority and license to operate was released on June 6, 2008 and was consistently renewed every year thereafter.

Results of Operations

For the first quarter ended July 31, 2022 vs. July 31, 2021 Results

For the first quarter ending July 31, 2022, the company sales totaled to P209.0M. A 25% increase from last year's P167.8M.

The cost of sales for the 1st quarter of 2022 was registered at P136.4M or 65% of the total sales as compared to P91.1M or 54% of the total sales for the same period last year. The increase in cost was due to increase in the prices of local raw materials and imported technical materials used in the production as well as the increase in the foreign exchange rate.

With the increased cost, gross margin for the 1st quarter ending July 31, 2022 decreased from 46% for the same period last year to 35% this year.

Other income for the 1st quarter ending July 31, 2022 increased to P7.6M or 14% this year as compared to the same period last year. The increase was due to new building tenant and annual escalation rate for the existing tenants.

As a result of the foregoing, the company registered a net income of P20.5M this quarter as compared to P22.7M for the same period last year. Income tax expense was computed at a new rate of 25% for both years.

Financial Position

Total assets for the first quarter ending July 31, 2022 attained P888.8M while P815.1M as of April 30, 2022.

Cash and cash equivalents for the 1st quarter ending July 31, 2022 has decreased by 44% or P35.6M. The decrease was mostly attributed to the purchases of materials to support productions and other operational requirements.

Trade and other receivables increased to P160.0M from P49.2M as of April 30, 2022. This was due to added credit sales during the quarter which will be collected before or upon its due date.

Inventories amounted to P118.5M at the end of the 1st quarter, a decrease by 4% from P124.0M as of April 30, 2022. The inventory stock varies every now and then but ensuring that products are available upon order of the customer.

Prepayment and other current assets increased by 33% at P4.4M for the first quarter ending July 31, 2022 as compared to P13.2M as of April 30, 2022. The increase pertains mainly to amount due to government.

Trade and other payables as of July 31, 2022 amounted to P117.0M from P69.1M as of April 30, 2022. This was due to purchases on credit or with terms made both local and foreign which are not yet due.

Income tax payable for the 1st quarter ending July 31, 2022 amounted to P6.8M.

Retirement obligation decreased by 4% from P12.0M to P11.5M due to funding made to the plan asset for the first quarter amounting to P0.5M.

Stockholders Equity stood at P613.9M as of July 31, 2022 with a deficit amounting to P496.5M and P476.0M as of April 30, 2022 and July 31, 2022 respectively.

Key Performance Indicators

Management assessed the Company's performance based on the following key performance indicators:

Indicators	May - Jul 2022	May - Jul 2021
1. Current Ratio	1.87	2.03
2. Debt-to-equity ratio	0.45	0.37
3. Asset-to-equity ratio	1.45	1.37
4. Interest rate coverage ratio	23.84	26.74
5. Net income margin ratio	0.10	0.14

The interest rate coverage ratio and net income margin ratio are for the 1st quarter of the current and previous year while the current ratio, debt to equity ratio and asset to equity ratio are based on year to date balances for the current year and the audited year-end balance for the previous year.

PLANTERS PRODUCTS, INC.
FINANCIAL SOUNDNESS INDICATORS
As of July 31, 2022 and 2021

	JUL 2022	JUL 2021
A. OPERATING PERFORMANCE RATIOS		
1 GROSS PROFIT RATIO	0.35	0.46
Gross Profit	72,591,841	76,735,927
Net Sales	209,026,717	167,831,721
2 OPERATING INCOME TO SALES	0.38	0.50
Income from Operations	80,146,766	83,356,394
Net Sales	209,026,717	167,831,721
3 PRETAX INCOME TO SALES	0.13	0.18
Pretax Income	27,335,191	30,225,204
Net Sales	209,026,717	167,831,721
4 NET INCOME TO SALES	0.10	0.14
Net Income	20,501,393	22,668,903
Net Sales	209,026,717	167,831,721

PLANTERS PRODUCTS, INC.
FINANCIAL SOUNDNESS INDICATORS
As of July 31, 2022 and April 30, 2022

	July	April
B. SHORT-TERM LIQUIDITY RATIO		
5 CURRENT RATIO	1.87	2.03
Current Assets	408,956,816	334,048,626
Current Liabilities	219,044,934	164,282,745
6 ACID TEST RATIO	0.93	0.79
Quick Assets	204,567,032	129,477,339
Current Liabilities	219,044,934	164,282,745
7 WORKING CAPITAL TO ASSETS	0.21	0.21
(Current Assets - Current Liabilities)	189,911,882	169,765,880
Total Assets	888,808,573	815,115,680
C. LONG-TERM SOLVENCY		
8 DEBT TO EQUITY	0.45	0.37
Total Liabilities	274,940,332	221,748,833
Shareholders' Equity	613,868,241	593,366,848
9 LONG-TERM DEBT TO EQUITY	0.09	0.10
Long-Term Debt	55,895,397	57,466,087
Shareholders' Equity	613,868,241	593,366,848
10 FIXED ASSETS TO EQUITY	0.74	0.77
(Fixed Assets - Accumulated Depreciation)	454,731,192	455,946,490
Shareholders' Equity	613,868,241	593,366,848
11 ASSET TO EQUITY	1.45	1.37
Total Assets	888,808,573	815,115,680
Shareholder's Equity	613,868,241	593,366,848
12 TIMES INTEREST EARNED	23.84	26.74
Earnings before interest and taxes	28,532,093	31,399,672
Interest Expense	1,196,902	1,174,468

Other Disclosures

1. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

2. There has been no significant element of income or loss that did not arise from the registrant's continuing operations.

3. There were no material off-balance sheet transactions, arrangements obligations (including contingent obligations), and other relationship of the company with unconsolidated entities or other persons created during the reporting period.

4. There were no events that will trigger a direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

5. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

6. There were no known material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such commitments.

7. There were no known seasonal aspects that had a material effect on the financial condition or results of operations.

There are no other disclosures not made under SEC Form 17-Q. When in case of occurrence of an event that may affect the company's financial position and results of its operation, proper disclosure will be made separately and reported on SEC Form 17-A.

PLANTERS PRODUCTS INC.
INTERIM STATEMENTS OF FINANCIAL POSITION
JULY 31, 2022 AND APRIL 30, 2022

	JULY 31, 2022	APRIL 30, 2022
ASSETS		
Current assest		
Cash and cash equivalents	P44,588,188	P80,232,489
Trade and other receivables, net	159,978,844	49,244,850
Advances to related parties, net	68,272,477	67,380,463
Inventories,net	118,490,529	123,983,762
Prepayment and other currents	17,626,778	13,207,061
Total current assets	**408,956,816**	**334,048,626**
Non-current assets:		
Available-for-sale investments	5,000,000	5,000,000
Property and equipment, net	39,024,813	40,721,039
Investment properties, net	385,216,451	384,735,523
Right-of-Use Assets	30,489,928	30,489,928
Investment in subsidiaries	625,000	625,000
Net deferred tax assets	14,896,880	14,896,880
Other noncurrent assets, net	4,598,685	4,598,685
Total non-current assets:	**479,851,757**	**481,067,055**
Total assets	**P888,808,573**	**P815,115,680**
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	P117,008,056	P69,079,664
Loans Payable	89,000,000	89,000,000
Lease Liabilities	6,203,081	6,203,081
Income Tax Payable	6,833,798	0
Total current liabilities	**219,044,934**	**164,282,745**
Noncurrent Liabilities		
Noncurrent portion of long-term		
Loans payable - net of current portion	7,500,000	8,750,000
Lease liabilities - net of current portion	28,485,490	28,485,490
Retirement benefit obligation	11,463,709	11,963,709
Other Non-current Liabilities	8,446,198	8,266,888
Total noncurrent Liabilities	**55,895,397**	**57,466,087**
Total liabilities	**274,940,332**	**221,748,833**
Equity		
Share Capital	300,000,000	300,000,000
Treaury share, at cost	(553,172)	(553,172)
Share Premium	794,417,076	794,417,076
Remeasurements – net	(5,437,788)	(5,437,788)
Fair Value Gain on Financial Assets at Fair Value through OCI –	1,403,791	1,403,791
Deficit	(475,961,666)	(496,463,059)
Total equity	**613,868,241**	**593,366,848**
Total liabilities and equity	**P888,808,573**	**P815,115,680**

PLANTERS PRODUCTS INC.
INTERIM STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTERS ENDED JULY 31, 2022 AND 2021

	2022	2021
Net sales	P209,026,717	P167,831,721
Cost of sales	(136,434,876)	(91,095,794)
Gross profit	72,591,841	76,735,927
Other income, net	7,554,925	6,620,467
General and administrative expenses	(51,614,673)	(51,956,722)
Income (loss) from operations	28,532,093	31,399,672
Finance costs	(1,196,902)	(1,174,468)
Income (loss) before income tax	27,335,191	30,225,204
Income tax expense/benefit	(6,833,798)	(7,556,301)
Net Income (loss)	P20,501,393	P22,668,903
Other Comprehensive income		
Remeasurement gain (loss) on		
retirement benefit obligation	-	-
Valuation gain (loss) on AFS investments,		
Total comprehensive income (loss)	P20,501,393	P22,668,903
Weighted ave number of shares	299,446,828	299,446,828
Basic Earnings Per Share	**0.068**	**0.076**

PLANTERS PRODUCTS, INC.
INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JULY 31, 2022 AND JULY 31, 2021

	2022 May-Jul	2021 May-Jul
Cash flows from operating activities		
Income (loss) before income tax	27,335,191	30,225,204
Adjustments for :		
Depreciation and amortization	3,352,283	3,447,816
Gain on sale of property and equipment	-	
Operating income (loss) before working capital changes	**30,687,474**	**33,673,020**
Decrease (increase) in:		
Trade and other receivables	(110,733,994)	(57,992,847)
Inventories	5,493,233	(16,246,337)
Prepayment and other current assets	(4,419,717)	(4,989,547)
Other non-current assets	-	(174,732)
Increase (decrease) in:		
Trade and other payables	47,928,391	26,544,380
Other non-current liabilities	179,310	268,557
Cash provided (used) in operating activities	**(30,865,302)**	**(18,917,506)**
Contributions to plan asset	(500,000)	(2,000,000)
Net cash provided by (used) in operating activities	**(31,365,302)**	**(20,917,506)**
Cash flows from investing activities		
Acquisitions of investment properties	(1,011,193)	-
Acquisitions of property plant and equipment	(1,125,792)	(2,692,864)
Proceeds from disposal of property and equipment	-	-
Advances given to related parties	(892,014)	(2,285,962)
Proceeds from disposal of available for sale invesments		-
Contribution to retirement benefit plan		
Decrease (increase) in other non-current assets		
Net cash used in investing activities	**(3,028,999)**	**(4,978,826)**
Cash flows from financing activities		
Proceeds from borrowings	-	-
Payments of borrowings	(1,250,000)	-
Net cash provided by (used in) financing activities	**(1,250,000)**	**-**
Net increase (decrease) in cash and cash equivalents	(35,644,301)	(25,896,333)
Cash and cash equivalents, beginning	80,232,489	75,845,351
Cash and cash equivalents, end	**44,588,188**	**49,949,018**

STATEMENTS OF CHANGES IN EQUITY
COMPARATIVE 1ST QUARTER OF FISCAL YEARS

	Share Capital	Share Premium	Remeasurement gain (loss) on retirement benefit	Unrealized loss on change in fair value of AFS	Deficit	Treasury shares	Total
Balance at April 30, 2022	300,000,000	794,417,076	-5,437,788	1,403,791	-496,463,059	-553,172	593,366,848
Net income - May - Jul 2022					20,501,393		20,501,393
				-			-
Balance at July 31, 2022	**300,000,000**	**794,417,076**	**-5,437,788**	**1,403,791**	**-475,961,666**	**-553,172**	**613,868,241**

	Share Capital	Share Premium	Remeasurement gain (loss) on retirement benefit	Unrealized loss on change in fair value of AFS	Deficit	Treasury shares	Total
Balance at April 30, 2021	300,000,000	794,417,076	-8,113,022	181,291	-546,245,747	-553,172	539,686,426
Net income - May - Jul 2021					30,225,205		30,225,205
				-			-
Balance at July 31, 2021	**300,000,000**	**794,417,076**	**-8,113,022**	**181,291**	**-516,020,542**	**-553,172**	**569,911,631**

PLANTERS PRODUCTS INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED JULY 31, 2022

Summary of Significant Accounting Policies

Basis of preparation

The accompanying unaudited financial statements have been prepared in accordance with the Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited interim financial statements do not include all of the information and footnotes required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements as of and for the fiscal year ended April 30, 2017.

Basis of measurement

The accompanying unaudited financial statements have been prepared on a historical cost basis.

Functional and presentation currency

The unaudited consolidated financial statements are presented in Philippine Peso and all values are rounded to the nearest thousand (P'000) except when otherwise indicated.

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Philippine Financial Reporting Standards Council (FRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS). The term "PFRS" in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC)which have been approved by the FRSC and adopted by SEC.

These new and revised PFRS prescribe new accounting recognition, measurement and disclosure requirements applicable to the Company. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

New and Revised PFRSs Applied with No Material Effect on the Separate Financial Statements

The following new and revised PFRSs have also been adopted in these separate financial statements. The application of these new and revised PFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to PFRS 16, COV/D-19-related Rent Concessions

The following are the amendments to PFRS16:

- provide lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification;
- require lessees that apply the exemption to account for COVID-19 related rent concessions as if they were not lease modifications;
- require lessees that apply the exemption to disclose that fact; and
- require lessees to apply the exemption retrospectively in accordance with PAS 8, but not require them to restate prior period figures.

The amendments are effective for annual reporting periods beginning on or after June 1, 2020.

New and Revised PFRSs in Issue but Not Yet Effective

The Company will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PFRS,to have significant impact on the separate financial statements.

Standard Adopted by FRSCand Approved by the Board of Accountancy (BOA)

- Amendments to PFRS 16, COV/D-19-Related Rent Concessions beyond June 30, 2021

  The following are the amendments to PFRS16:

  - permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022 (rather than only payments originally due on or before June 30, 2021);
  - require a lessee applying the amendment to do so for annual reporting periods beginning on or after April 1, 2021;
  - require a lessee applying the amendment to do so retrospectively, recognizing the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and
  - specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of PAS 8.

The amendments are effective for annual reporting periods beginning on or after April 1, 2021.

- Amendment to PAS 12, "Deferred tax related to assets and liabilities arising from a single transaction"

The amendments introduce an exception to the initial recognition exemption (IRE) in PAS 12. Additional exclusions have been added to the IRE, detailed in paragraphs 15(b) (iii) and 24(c) for deferred tax liabilities and assets respectively. The effects of these amendments essentially mean that the IRE is not available for transactions which involve the recognition of both an asset and liability - which in turn leads to equal and opposite temporary differences - such that deferred taxes are calculated and booked for both temporary differences, both at initial recognition and subsequently. Applying this exception, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

The initial recognition exemption was initially included within PAS 12 to prevent a lack of reporting transparency for transactions which are not business combinations and, at the time of the transaction, do not affect either accounting or taxable profits. Under this exemption, deferred tax assets/liabilities would neither be recognized at initial recognition of the underlying asset/liability, nor subsequently.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, the amendments also apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognized as assets at the beginning of the earliest comparative period presented.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early application of the amendments is permitted.

- Amendment to PFRS 17, "Initial Application of PFRS 17 and PFRS9-Comparative Information"

The amendment is a transition option relating to comparative information about financial assets presented on initial application of PFRS1 7. The amendment is aimed at helping entities to avoid. temporary accounting mismatches between financial assets and Insurance contract liabilities, and therefore Improve the usefulness of comparative information for users of financial statements.

PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2025.

- Amendments to PFRS3, Reference to the Conceptual Framework

The following are the amendments in reference to the conceptual framework:

➢ update PFRS3 so that it refers to the 2018 Conceptual Framework instead of 1989 Framework;

➢ add to PFRS3 a requirement that, for transactions and other events within the scope of PAS 37 or IFRIC 21, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

➢ add to PFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for annual periods beginning on or after January 1, 2022, with earlier application permitted if an entity also applies all other updated references {published together with the updated Conceptual Framework) at the same time or earlier.

- Amendments to PAS 16, Property, Plant and Equipment - Proceeds before Intended I)se

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

The amendments are effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. An entity applies the amendments retrospectively only to items of property, plant and equipment that are. brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendment.

- Amendments to PAS 37, Onerous Contracts - Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract {examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts {an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. Entities apply the amendments to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated.

- Annual Improvements to PFRSStandards 2018-2020 Cycle

Amendments to PFRS1, Subsidiary as a first-time adopter - The amendment permits a subsidiary that applies paragraph D 16{a) of PFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs.

Amendments to PFRS9, Fees in the '10 per cent' test for derecognition of financial liabilities - The amendment clarifies which fees an entity includes when it applies the 10 percent test in paragraph B3.3.6 of PFRS9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Amendments to PFRS16, Lease Incentives - The amendment to Illustrative Example 13 accompanying PFRS 1 6 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

Amendments to PAS 41, Taxation in fair value measurements - The amendment removes the requirement in paragraph 22 of PAS 41 for entities to exclude taxation cash flows when measuringthe fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in PFRS13.

The amendments are effective for annual reportinq periods beginning on or after January 1, 2022.

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

  The amendments to PAS 1 are the following:

  - clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
  - clarify that classification is unaffected by expectations about whether an entity will exercise it's right to defer settlement of a liability; and
  - make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

  The amendments defer the effective date of the January 2020 Classification of Liabilities as Current or Non-Current (Amendments to PAS 1) to annual reporting periods beginning on or after January 1, 2023. Earlier application of the January 2020 amendments continues to be permitted.

- Amendments to PAS 8, Definition of Accounting Estimates

  The definition of accounting estimates has been amended as follows: accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

  The amendment also clarifies the following:

  - Entities develop accountinq estimates if accounting policies require items in financial statements to be measured in a WJiy that involves measurement uncertainty.
  - A change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
  - A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or

expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period., with earlier application permitted.

- Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure Initiative - Accounting Policies

The amendments to PAS 1 are the following:

- an entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- several paragraphs a,re added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;

The amendments also clarify the following:

- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

In addition, PFRSPractice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to PAS 1.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.• ...

- PFRS1 7, Insurance Contracts

PFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. It requires an entity that issues insurance contracts to report them on the balance sheet as the total of the fulfillment cash flows and the contractual service margin. It requires an entity to provide information that distinguishes two ways insurers earn profits from insurance contracts: the insurance service result and the financial result. It requires an entity to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the entity receives premium. It requires that insurance revenue to exclude the deposits that represent the investment of the policyholder, rather than an amount charged for services. Similarly, it requires the entity to present deposit repayments as settlements of liabilities rather than as insurance expense.

PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Early application is permitted for entities that apply PFRS 9 Financial Instruments and PFRS 15, Revenue from Contracts with Customers on or before the date of initial application of PFRS17.

An entity shall apply PFRS 1 7 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors and an entity shall not apply the option in paragraph 8115 for periods before the date of initial application

of PFRS 17. If, and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- Amendments to PFRS17, 117.surance Contracts

  The amendments cover the following areas:

  - Insurance acquisition cash flows for renewals outside the contract boundary;
  - Reinsurance contracts held-onerous underlying insurance contracts;
  - Reinsurance contracts held-underlying insurance contracts with direct participation features; and
  - Recognition of the contractual service margin in profit or loss in the general model.

  The amendments are affective to annual reporting periods beginning on or after January 1, 2025.

  Deferred

- Amendments to PFRS 10 and PAS 28, Sale or Contribution of Assets between an Investor and its Associate O(Joint Venture

  The amendments clarify the treatment of the sale or contribution of assets between an investor and its associate and joint venture. This requires an investor in its financial statements to recognize in full the gains and losses arising from the sale or contribution of assets that constitute a business while recognize partial gains and losses if the assets do not constitute a business (i.e. up to the extent only of unrelated investor share).

  On January 13, 2016, the FRSC decided to postpone the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Basis of Preparation

These separate financial statements were based from the Company's own transactions, exclusive of transactions of the Company's subsidiaries, the latter transactions being used in the preparation of the consolidated financial statements, which are also available for public use.

Current and Non-current Presentation

The Company classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within twelve (12) months after the reporting period; or
- The asset is cash or cash equivalent unless theasset is restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

The Company classifies all other assets as non-current.

The Company classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve (12) months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

SIGNIFICANTACCOUNTINGPOLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its separate financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated .

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Company takes into consideration the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions. In addition, it assumes that the transaction takes place either: (a) in the principal market; or (b) in the absence of a principal market, in the most advantageous market.

The Company considers the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

A fair value measurement assumes that a financial or non-financial liability or an entity's own equity instruments (e.g. equity interests issued as consideration in a business combination) is transferred to a market participant at the measurement date. The transfer of a liability or an entity's own equity instrument assumes the following:

- A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date.

- An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient date are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Financial Assets

Initial Recognition and Measurement

The Company recognizesa financial asset in its separate statements of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Except for trade receivables that do not have a significant financing component, at initial recognition, the Company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through. profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, the Company measures trade receivables that do not have a significant financing component at their transaction price.

Classification

➢ Financial Asset at Amortized Cost

The Company's financial assets measuredat amortized cost include cash in banks, trade and other receivables, due from related parties, short-term investments under prepayments and other current assets' and refundable deposits under 'other non-current assets.

a) Cash in banks

Cash in banks pertains to cash deposits held at call with bank that are subject to insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

b) Trade and Other Receivables- net

Trade and other receivables are measured at amortized cost using the effective interest method, less any impairment. Finance income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

c) Due from Related Parties - net

Due from related parties are measured at amortized cost using the effective interest method, less any impairment. Transactions are non-interest bearing (except for the loan transactions), unsecured and collectible on demand and will be settled in cash.

d) Short-term Investment

Short-term investments are held for periods between 1 50 to 365 days depending on the immediate cash requirements of the Company and earn interest at the prevailing short-term investments rates. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

e) Refundable Deposits

Refundable deposits paid by the Company to lessors are measured at the amount of cash paid. This is to be-refundedto the Company when the lease term expires. The amount to be refunded is net of all damagesto the leased premises due to the fault of the lessee.

➢ Financial Asset at Fair Value through Other Comprehensive Income

This option is available and made on an instrument by instrument basis. The Company makes an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value through other comprehensive income.

a. PIC Q&A No. 2016-02

A club is an association established by a group of people united by a common interest or goal. There are several types of clubs: business, resort, country and various sports club. Club shareholder's rights and privileges depend on the issuing club and type of share acquired - proprietary versus non-proprietary.

1. Proprietary club shares

Proprietary club shares entitle the holder to name a nominee to become the member to:

- use and enjoy the facilities and services;
- to vote and be voted in meetings of the shareholders; and
- to be entitled to a share in the net assets upon liquidation and dissolution.

The 2015 Implementing Rules and Regulations of the Securities Regulation Code (SRC IRR) defines 'proprietary share or certificate' as "an evidence of interest, participation or privilege in a corporation which gives the holder of the share or certificate the right to use the facilities covered by such certificate and to receive dividends or earnings from the corporation. Upon liquidation of the corporation, the holder shall have proportionate ownership rights over its assets."

2. Non-proprietary club shares

Non-proprietary club shares do not entitle the holder to the right of the net assets of the club upon its liquidation.

SRC IRR defines 'non-proprietary share or certificate' as "an evidence of interest, participation or privilege over a specific property of a corporation that allows the holder of the share or certificate to use such property under certain terms and conditions. The holder, however, shall not be entitled to dividends from the corporation or to its assets upon its liquidation.

The Company's investment in equity securities which are composed of proprietary club shares are considered as financial assets.

The Company has no financial assets measured at fair value through profit or loss in both periods.

Reclassification

When, and only when, the Company changes its business model for managing financial assets it shall reclassify all affected financial assets in accordance with Note 4.02.02. If the Company reclassifies financial assets, it shall apply the reclassification prospectively from the reclassification date. The Company shall not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Effective Interest Method

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets and financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired.

Impairment

The Company measures expected losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Company adopted the following approaches in accounting for impairment:

➢ Simplified Approach

The Company always measures the loss allowance .. at an amount equal to lifetime expected credit losses for trade receivables. The Company determines that a financial asset is credit-impaired when one (1) or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

➢ General Approach

The Company applies general approach to cash.. in banks, other receivables, due from related parties, short-term investments presented under prepayments and other current assets, and refundable deposits presented under non-current assets. At each reporting date, the Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. However, if the credit risk has not increased significantly, the Company measures the loss allowance equal to 12-month expected credit losses.

The Company compares the risk of default occurring as at the reporting date with the risk of default occurring as at the date of initial recognition and consider the macro-economic factors such as GDP, interest, and inflation rates, the performance of the counterparties' industry, and the available financial information of each counterparty to determine whether there is a significant increase in credit risk or not since initial recognition.

The Company determines that there has been a significant increase in credit risk when there is a significant decline in the factors.

The Company may assume that the credit risk on a financial instrument has not increased significantly since initial recognition of the financial instrument is determined to have low credit risk at the reporting date.

The Company did not apply the 30 days past due rebuttable presumption because the Company determines that there has been significant increases in credit risk before contractual payments are more than 30 days past due.

If the Company has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (i.e. there is no longer a significant increase in credit risk since initial recognition), then the Company shall measure the loss allowance at an amount equal to 1 2-month expected credit losses at the current reporting date.

The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The Company performs the assessment of significant increases in credit risk on an individual basis for significant financial assets while collective basis on its other financial assets.

The Company did not apply the 90 days past due rebuttable presumption in determining whether a financial asset is credit-impaired or not.

The Company determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic•.or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

Derecognition

The Company derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

Write-off

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

Inventories

Inventories are stated at the lower of cost or net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are determined using first-in, first-out method (FIFO). Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

When the net realizable value of the inventories is lower than the cost, the Company provides for an allowance for the decline in the value of the inventory and recognizes the

write-down as an expense in the separate statement of comprehensive income. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

Prepayments and Other Current Assets

Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepayments are classified in the separate statement of financial position as current assets when the expenses related to prepayments are expected to be incurred within one year or the Company normal operating cycle whichever is longer. Otherwise, prepayments are classified as non-current assets.

Advances to Suppliers

Advances to suppliers are amounts paid in advance for the purchase of goods and services. These are carried at face amount in the separate statement of financial position and are recognized to appropriate asset account or in profit or loss when the services or materials for which the advances were made are received and delivered. Advances to suppliers wherein the related assets to which the advances were made will be used primarily for the purpose of trading are classified as current assets. Otherwise, these are classified as non-current assets.

Advances to Officers and Employees

Advances to officers and employees pertain to cash advances granted to officers and employees which are subject to liquidation immediately after the commencement of business activity to which the advances were issued. These are carried at face amount in the separate statement of financial position and are recognized to appropriate asset account or in profit or loss when these advances are subsequently liquidated.

Excess tax credits

Excess tax credits arise from creditable withholding tax certificates obtained from the Company's customers and overpayment of income taxes in prior years. These are accumulated and are reduced when deducted from income tax payables.

Deferred Input VAT

Deferred input VAT is recognized when the Company's pays for a VATable transaction but are not yet allowed as credit for any output VAT due for the current period.

Input VAT-Net

Input VAT arises from the purchase of goods or services. This is applied against output VAT. The remaining balance is recoverable in future periods. This is carried at cost less allowance for impairment loss, if any. Impairment loss is recognized when input VAT can no longer be recovered.

Investment in Subsidiaries

A subsidiary is an entity, including an unincorporated entity such as a partnership, which is controlled by another entity known as parent. Control is the exposure or rights to variable returns

from the involvement with an investee and the ability to affect those returns through its power over an investee.

Investments in subsidiaries are accounted under the cost method. Under the cost method, the Company recognizes as income the dividends received that are distributed from net accumulated earnings of the investee since the date of acquisition by the investor. Dividends received that are in excess of the earnings subsequent to the date of acquisition are not income and therefore considered as return or reduction of investment.

If the Company loses control of a subsidiary, the Company recognizes any investment retained in the former subsidiary at its fair value at the date when control is lost or recognizes any resulting difference as a gain or loss in profit or loss attributable to the Company.

Property and Equipment

Property and equipment are initially measured at cost. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Subsequentto initial recognition, property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessedstandard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets below:

Transportation equipment	5 years
Machinery and equipment	5 to 10 years
Building and building improvements	3 to 20 years
Furniture, fixtures and equipment	5 years
Computer, communication and equipment	3 years

The property and equipment's useful lives, residual values, and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An item of property and equipment is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising

from derecognition of a property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss.

Investment Properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation including property under construction for such purposes, are measured nitially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulateddepreciation and impairment loss.
Land is not depreciated. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets as follows:

Land improvements	5 years
Building and building improvements	3 to 20 years

Transfers to, or from, investment property shall be made when, and only when, there is a change in use.

Construction-in-progress represents investment properties under construction and is stated at cost, including costs of construction and other direct costs. Construction-in-progress is not depreciated until such. time that the relevant assets are completed and ready for operational use.

Investment property is derecognized by the Company upon its disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Impairment of Assets

At each reporting date, the Company assesses whether there is any indication that any assets other than inventories, deferred tax assets and financial assets that are within the scope of PFRS 9, Financial Instruments may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income.

Borrowing Costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

Financial Liabilities

Initial Recognition and Measurement

The Company recognizes a financial liability in its separate statements of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument.

At initial recognition, the Company measures a financial liability at its fair value minus transaction costs that are directly attributable to the acquisition or issue of the liability.

Classification

The Company classifies all financial liabilities as subsequently measured at amortized, except for:

- financial liabilities at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination.

The Company's financial liabilities measured at amortized cost include trade and other payables (except due to government agencies and current portion of deferred lease income), lease liabilities, loans payable, and security deposits under 'non-current liabilities'.

The Company has no financial liabilities measured at fair value through profit or loss in both periods.

Derecognition

The Company removes a financial liability (or part of a financial liability) from its separate statement of financial position when, and only when, it is extinguished (i.e. when the obligation in the contract is discharged or cancelled or expired).

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Ordinary shares are classified as equity.

Additional Paid-in Capital

Additional paid-in capital represents the proceeds and/or fair value of consideration received in excess of the par value of the shares issued.

Employee Benefits

Short-term Employee Benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, SSS, PhilHealth and HDMF contributions and other employee benefits.

Post-employment Benefits

The Company has a funded and non-contributory defined benefit retirement plan. This benefit defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one (1) or more factors such as age, years of service and compensation.

The cost of providing benefits is determined using the Projected Unit Credit Method (PUCM) which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. Post-employment expenses include current service cost, and net interest on defined benefit liability. Remeasurements which include cumulative actuarial gains and losses, and return on plan assets are recognized directly in other comprehensive income and are also presented under equity in the separate statement of financial position.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets are charged or credited to equity in other comprehensive income in the period in which they arise.

The retirement benefit obligation recognized in the separate statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of market rates on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement benefit obligation.

The funding policy is to contribute an amount based on the actuarial valuation report which is carried out at regular intervals.

Provision

Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Revenue Recognition

The Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Performance Obligations Satisfied at a Point in Time

If a performance obligation is not satisfied over time, the Company satisfies the performance obligation at a point in time. The Company considers indicators of the transfer of control, which include, but are not limited to, the following:

- The Company has a present right to payment for the asset.
- The Company has transf.erredphysical possession of the asset.
- The customer has the significant risks and rewards of ownership of the asset.
- The customer has accepted the asset.

The Company derives revenues from sale of pesticides and fertilizers.

Finance Income

Finance income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Finance 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 on initial recognition.

Expense Recognition

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Company.

The Company recognizes expenses in the separate statements of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Leases

The Company as a Lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Company as Lessee

The Company considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for a consideration. To apply this definition, the Company assesses whether the contract meets three (3) key evaluations, which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

Right-of-Use (ROU) Asset

At the commencement date, the Company measures the ROU asset at cost, which comprises of:

- initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any incentives received;
- any initial direct costs incurred by the Company;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the • lease, unless those costs are incurred to produce inventories. The Company incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Subsequent to initial recognition, ROU asset are carried at cost less accumulated depreciation and accumulated impairment losses. The Company depreciates the ROU asset on a depreciation method from the lease commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The Company also assesses the ROU asset for impairment when such indicators exist.

The Company has elected to account for short-term leases using the practical expedients. Instead of recognizing an ROU asset and lease liability, the payments in

relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the separate statements of financial position, right-of-use assets have been presented as a separate line item.

Lease Liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or if not, the Company uses the incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments), less any incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under the residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect in-substance fixed lease payments.

The Company recognizes the amount of remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the remeasurement in profit or loss.

On the separate statements of financial position, lease liabilities have been presented as a separate line item.

Foreign Currency Transactions

In preparing the separate financial statements of the Company, transactions in currencies other than the Company's functional currency, i.e. foreign currencies, are recognized at the rates of exchange prevailing at the dates of the transactions.

Taxation

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

<u>Current Tax</u>

The current tax is based on taxable profit for the period. Taxable profit differs from profit as reported in the separate statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

<u>Deferred Tax</u>

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generality recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused.Net Operating Loss Carry-over (NOLCO),to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognized for taxable temporary differences. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow. all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and Deferred Taxes for the Period

Current and deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss, whether in other comprehensive income .or directly in equity, in which case the tax is also recognized outside profit or loss.

Impact of Change in Tax Regime

Components of tax expense include any adjustments recognized in the period for current tax of prior period and the amount of deferred tax expense (income) relating to changes in tax rates. The provision for current income tax during the year include the difference between income tax per prior year consolidated financial statements and prior year income tax return.

Deferred tax assets and liabilities as of reporting period is remeasured using the new tax rates. The impact of remeasurement is recognized in profit or loss (i.e., provision for/benefit from deferred income tax), unless it can be recognized in other comprehensive income or another equity account.

Basic Earnings per Share

The Company computes its basic earnings per share by dividing net income or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Events after the Reporting Period

The Company identifies subsequent events as events that occurred after the reporting period but before the date when the separate financial statements were authorized for issue. Any subsequent events that provide additional information about the Company's position at the reporting period, adjusting events, are reflected in the separate financial statements, while subsequent events that do not require adjustments, non-adjusting events, are disclosed in the notes to separate financial statements when material.

Changes in Accounting Policies

The adoption of the new and revised standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

2. Seasonality or cyclicality of interim operations

The interim operations of the company are not subject to any material seasonal or cyclical factors.

3. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size and incidence.

No unusual items or transactions had affected the company's assets, liabilities, equity, net income or its cash flows.

4. Nature and amount of changes in estimates

The preparation of unaudited financial statements in conformity with PFRS requires the Company's management to make estimates, assumptions and judgments that affect the amount reported in the financial statements.

The estimates and associated assumptions are based on historical experiences and other various factors that are believed to be reasonable under circumstances including expectations of related future events, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual result may differ from these estimates.

5. Issuances, repurchases, and repayments of debt and equity securities

None

6. Dividends paid separately for ordinary shares and other shares

The company historically has not paid cash dividends on the Shares. Any payment of cash dividends on the Shares in the future will depend upon the Company's earnings, cash flow, financial condition, capital investment requirements and other factors.

7. Segment revenue and segment results for business segments or geographical segments, whichever is the enterprise's primary basis of segment reporting.

Not applicable

8. Materials events subsequent to the interim period that have not been reflected in the FS for the interim period.

There have been no material events that happened subsequent to the interim period that needs disclosure herein.

9. Effects of changes in the composition of the enterprise during the interim period, including business combination, acquisition and disposal of subsidiaries and long term investment, restructurings, and discontinued operations.

None

10. Changes in contingent liabilities or contingent assets since that last annual balance sheet date.

Since the balance sheet date, there are no changes that occurred which resulted to a contingent liability and/or contingent assets.

Financial Risk Management Objectives, Policies and Procedures

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk, including currency risk, fair value interest rate risk, credit risk and liquidity risk.

Market Risk Management

Foreign Currency Risk Management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The Company is exposed only to the US Dollar. Exposures to currency exchange rates arise from the Company's cash on hand and cash in banks. To mitigate the Company's exposure to foreign currency risk, US Dollar cash flows and fluctuations of rate changes are being monitored closely.

The Company used the exchange rates of Bangko Sentral ng Pilipinas (BSP) in both periods.

The sensitivity rates aforementioned are used when reporting foreign currency risk internally to key management personnel and represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding US Dollar denominated monetary items and adjusts their translation at the period end for a change in foreign currency rates. A positive number below indicates an increase in profit where the Philippine Peso strengthens against the relevant currency.

For a weakening of the Philippine Peso against the relevant currency, there would be a comparable impact on the profit, and the balances below would be negative. Note that all other variables are held constant. No changes from previous assumptions and method used.

In Management's opinion, the sensitivity analysis is representative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the period. The Company mitigates its exposure to foreign currency risk by closely monitoring its US Dollar cash flows.

Interest Rate Risk Management

Fair value interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's exposure to interest rate risk arises from its loans payable and lease liabilities.

The interest rate risk arising from cash in banks, loans receivable, short-term investments, loans payable and lease liabilities are managed by means of effective investment planning and analysis, and maximizing investment opportunities in various local banks and financial institutions

Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risks from cash in banks, trade and other receivables, due from related parties, short-term investments and refundable deposits, all at amortized cost.

The Company considers the following policies to manage its credit risk:

- Banks

  The Company transacts only to banks with investment grade credit rating. This information is supplied by independent rating agencies. The Company uses other publicly available information such as annual report to monitor the financial status of the banks. The Company assesses the current and forecast information of the banking industry and the macro-economic factors such as GDP, interest, and inflation rates to determine the possible impact to banks.

- Trade and other receivables – net

  The Company transacts only with creditworthy clients. It is the Company's policy that all new clients undergo background investigation. The Company assesses the creditworthiness of each recurring client before entering into new contracts. The acceptance or continuance of contract needs approval from the Management. The Company assesses the current and forecast information of the clients' industry and the macro-economic factors such as GDP, interest, and inflation to determine the possible impact to clients.

- Due from related parties – net

  The Company transacts only with creditworthy related parties. It is the Company's policy that all related party transactions undergo approval of Management and the Board. The Company assesses the creditworthiness of each related party before entering into new transaction. The Company assesses the current and forecast information of the related parties' industry and the macro-economic factors such as GDP, interest, and inflation to determine the possible impact to related parties.

Cash in Banks

The Company determined the probability of default rate by considering the following: the credit ratings; the past, current, and forecast performance of Banking Industry; the past, current, and forecast macro-economic factors that may affect the banks; and the current and projected financial information

Trade and Other Receivable – net and Due from Related Parties – net

The Company determined the probability of default rate by considering the following: the schedules of collections for the past three years; the nature of businessand industry classification and capacity to pay of the Company's customers; the past, current, and forecast • performance of each customer's industry; and the past, current, and forecast macro-economic factors that may affect the Company's clients.

Short-term Investments and Refundable Deposits

The balances of short-term investments and refundable deposits are immaterial to the total financial assets taken. Moreover, the Company believes that the balances are collectible in full; Hence, the credit risk is only minimal..

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the

Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining appropriate level of liquidity, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Capital Management Objectives, Policies and Procedures

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2022.

The capital structure of the Company consists of net debt (total liabilities offset by cash) and bank balances and equity of the Company.

Pursuant to Section 42 of the Revised Corporation Code, Stock corporations are prohibited from retaining surplus profits in excess of one hundred (100%) percent of their paid-in capital stock, except: (1) when justified by definite corporate expansion projects or programs approved by the board of directors; or (2) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or (3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies. The Company is in compliance with the above requirements.

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Company's external environment and the risks underlying the Company's business, operation and industry.