COVER SHEET
for
INTERIM FINANCIAL STATEMENTS

SEC Registration Number

CS200319138

COMPANY NAME

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES (A Subsidiary of Strongoak Inc.)

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

Suite 3104A, West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Avenue, Pasig City

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
sales@allianceselectfoods.com	632-8637-8800	+63917-620-5726

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
236	June 15	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Ma. Resa S. Celiz	sales@allianceselectfoods.com	(02) 8637-8800	+63917-620-5726

CONTACT PERSON'S ADDRESS

Suite 3104A, West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Avenue, 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 shall not excuse the corporation from liability for its deficiencies.*

SEC Number **CS200319138**
File Number

ALLIANCE SELECT FOODS INTERNATIONAL, INC.
AND ITS SUBSIDIARIES

(Company's Full Name)

Suite 3104A West Tower PSEC Exchange Rd.
Ortigas Center Pasig City

(Company's Address)

632-8637-8800

(Telephone Number)

December 31

(Calendar Year Ending)
(month & day)

SEC FORM 17-Q

(Form Type)

(Amendment Designation if applicable)

For the Quarter Ended March 31, 2023

(Period Ended Date)

(Secondary License Type and File Number)

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, 2023**

2. Commission identification number **CS200319138**

3. BIR Tax Identification No. **227-409-243-000**

4. Exact name of issuer as specified in its charter **Alliance Select Foods International, Inc.**

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

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

7. **Suite 3104A West Tower PSEC Exchange Rd. Ortigas Center Pasig City** **1605**
   Address of issuer's principal office Postal Code

8. **632 – 8637 - 8800**
   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	Number of shares of common stock outstanding and amount of debt outstanding
Common shares.	**2,499,712,463 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:

    The Phil. 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 II - FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited interim condensed financial statements of Alliance Select Foods International, Inc. (the "Company" or "Parent Company") and its Subsidiaries (collectively referred to as the "Group") as at and for the three months ended March 31, 2023 (with comparative figures as at December 31, 2022 and for the period ended March 31, 2022) and Selected Notes to the Interim Consolidated Financial Statements are hereto attached as Annex "A".

The unaudited interim condensed financial statements of the Group are presented in US$, the currency of the primary economic environment in which the Group operates.

Item 2. Management's discussion and analysis of financial condition and results

The following discussion should be read in conjunction with the attached unaudited condensed financial statements of the Group as at and for the three months ended March 31, 2023, with comparative figures as at December 31, 2022 and for the period ended March 31, 2022, as appropriate.

The table below shows the comparisons of key operating results for the three-month period ended March 31, 2023 versus the same period in 2022.

Amount in US$ '000	**For the Three Months Ended March 31**		
	2023	**2022**	**% Change**
Revenue	**$13,718**	**$6,420**	114%
Gross profit	847	508	67%
Gross Profit %	***6%***	***8%***	(22%)
Selling & Administrative Expenses	917	847	8%
Finance Cost	192	91	111%
Loss Before Tax	**(235)**	**(390)**	(40%)
Income Tax Expense	9	4	125%
Loss for the Period	(244)	(394)	(38%)
Attributable to:			
Equity holders of the parent	($244)	($394)	(38%)
Non-controlling interest	0	0	
	($244)	($394)	(38%)

**numbers may not add up due to rounding*

Results of operations
Three months ended March 31, 2023 versus March 31, 2022

The Group's consolidated net revenues for the first quarter of 2023 is 114% higher than the revenues in the same reporting period last year due to significant increase in sales volume driven by the effort to recover old customers and the re-establishment of customer relationship.

The Group's gross profit rate (GPR) for the first quarter of 2023 decreased to 6% from 8% GPR of the same period last year due to the continuing increase in fish prices and other raw materials. The lower manufacturing overhead per metric tons resulted from higher plant utilization and lower storage and rental expenses mitigated the impact of the increase in raw materials.

General and administrative expenses increased by 8% because of the increase in marketing expenses and other expenses side by side with the increase in production and sales volume.

The increase in finance cost resulted by the increase in interest rates of 5.75% pa in the first quarter of 2023 from 3.0% pa of the same period last year.

The increase in sales volume and revenue improved the profitability cushioning the impact of the rising cost to the bottom line.

Financial Position
As at March 31, 2023 versus December 31, 2022

The Group's decrease in cash by 56%% is attributed to the increased in purchases of raw materials required by the increasing volume of production.

Trade and other receivables rose by 50% due to the significant increase in sales revenue which are on credit.

Inventories dropped by 26% because of the increased in the conversion to sales.

The increase in other current assets pertains to additional purchase deposits for raw materials.

Trade and other payables higher by 36% due to increase in trade transactions of raw materials and other services required to meet the demand of higher production.

KEY PERFORMANCE INDICATORS

The Group uses the following key performance indicators in order to assess the Group's financial performance from period to period. Analyses are employed by comparisons and measurements based on the financial data on the periods indicated below:

Liquidity and Solvency	March 31, 2023	December 31, 2022
Current ratio	1.08	1.11
Debt to equity ratio	1.25	1.17

Profitability	For the Three Months Ended March 31	
	2023	2022
Revenue growth rate	114%	(25%)
Net profit margin	(2%)	(6%)
Return on average stockholders' equity	(1%)	(2%)

The following defines each ratio:

- Liquidity ratio (expressed in proportion) = current assets / current liabilities
- Debt to equity ratio (expressed in proportion) = total liabilities / total stockholders' equity
- Revenue growth rate (expressed in percentage) = (current year's revenue – previous year's revenue) / previous year's revenue
- Net profit margin (expressed in percentage) = net income attributable to equity holders of parent / net revenues
- Return on average stockholders' equity (expressed in percentage) = net income attributable to equity holders of the Parent / average stockholders' equity attributable to the Parent

PART II - OTHER INFORMATION

All current disclosures were already reported under SEC Form 17-C.

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.

ALLIANCE SELECT FOODS INTERNATIONAL, INC.

MARIA CAROLYN C. ANGELES
Treasurer and Head of Finance

Ma. Resa S. Celiz
MARIA RESA S. CELIZ
Chief Compliance Officer and
Assistant Corporate Secretary

SUBSCRIBED AND SWORN TO before me this MAY 11 2023 th day of May 2023, at Pasig City, the affiants exhibiting to me their government-issued identification cards as follows:

NAME	GOV'T ISSUED ID NO.	DATE / PLACE ISSUED
Maria Carolyn C. Angeles	PPP No. P7740642B	DFA Manila/ Oct. 01, 2021
Maria Resa S. Celiz	PPP No. P0696417C	DFA Manila/ Jun 27, 2022

Doc. No. 30;
Page No. 7;
Book No. 129;
Series of 2023.

FERDINAND D. AYAHAO
Notary Public
For Pasig City, Pateros and San Juan City
Appointment No.108 (2022-2023) valid until 12/31/2023
MCLE Exemption No.VII-BEP003719 valid until 04/14/25
Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001
TIN 123-011-785; PTR 0161665; 01/06/23; Pasig City
Unit 5, West Tower PSE, Exchange Road
Ortigas Center, Pasig City Tel.+632-86314090

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES
(A Subsidiary of Strongoak Inc.)

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	**March 31, 2023 (Unaudited)**	December 31, 2022 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	**4**	**$1,333,565**	$3,050,221
Trade and other receivables	**5**	**9,668,114**	6,449,648
Inventories	**6**	**4,090,787**	5,545,217
Other current assets	**7**	**3,979,024**	3,357,913
Total Current Assets		**19,071,490**	18,402,999
Noncurrent Assets			
PPE and ROU		**14,549,880**	14,709,492
Deferred tax assets		**3,315,221**	3,315,221
Other noncurrent assets		**110,732**	-
Total Noncurrent Assets		**17,975,833**	**18,024,713**
		$37,047,323	$36,427,712

LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	**8**	**$5,553,654**	$4,090,680
Loans payable	**9**	**12,050,102**	12,534,524
Current portion of lease liabilities		**23,799**	13,053
Total Current Liabilities		**17,627,555**	16,638,257
Noncurrent Liabilities			
Due to related party-non current		**1,922,815**	1,876,604
Loans payable - net of current portion	**9**	**291,667**	416,667
Net retirement benefits obligation		**149,436**	166,972
Deferred tax liabilities		**106,829**	106,829
Other noncurrent liability		**489,806**	470,267
Total Noncurrent Liabilities		**2,960,553**	3,037,339
Total Liabilities		**20,588,108**	19,675,596
Equity	**10**		
Capital stock		**26,823,389**	26,823,389
Additional paid-in capital (APIC)		**1,486,546**	1,486,546
Deficit		**(11,039,152)**	(10,795,479)
Other comprehensive income		**1,579,671**	1,628,344
		18,850,454	19,142,800
Treasury shares		**(5,774)**	(5,774)
Equity attributable to equity holders of the Parent Co.		**18,844,680**	19,137,026
Non-controlling interests		**(2,385,465)**	(2,384,910)
Total Equity		**16,459,215**	16,752,116
		$37,047,323	$36,427,712

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES
(A Subsidiary of Strongoak Inc.)

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Three Months Ended March 31 (Unaudited)	
	Note	2023	2022
NET SALES		**$13,718,250**	$6,420,516
COST OF GOODS SOLD		**(12,871,602)**	(5,912,024)
GROSS PROFIT		**846,648**	508,492
SELLING AND ADMINISTRATIVE EXPENSES		**(916,593)**	(846,989)
INTEREST EXPENSE		**(192,051)**	(91,417)
OTHER INCOME (CHARGES) – Net		**27,421**	39,767
LOSS BEFORE INCOME TAX		**(234,575)**	(390,147)
INCOME TAX EXPENSE		**9,107**	3,775
NET LOSS		**(243,682)**	(393,922)
OTHER COMPREHENSIVE LOSS			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(49,219)**	62,029
TOTAL COMPREHENSIVE LOSS		**($292,901)**	($331,893)
NET INCOME (LOSS) ATTRIBUTABLE TO:			
Equity holders of the Parent Company		**(243,673)**	($394,004)
Noncontrolling interests		**(9)**	82
		($243,682)	($393,922)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:			
Equity holders of the Parent Company		**($292,346)**	($332,664)
Noncontrolling interests		**(555)**	771
		($292,901)	($331,893)
EARNINGS (LOSS) PER SHARE			
Basic and diluted earnings (loss) per share		**($0.00010)**	($0.00016)

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES

(A Subsidiary of Strongoak Inc.)

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Three Months Ended March 31, 2023 (Unaudited)	2022 (Unaudited)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Capital Stock	**11**	**$26,823,389**	$26,823,389
Additional Paid-in Capital		**1,486,546**	1,486,546
Other Comprehensive Income			
Cumulative Remeasurement on Retirement Obligation			
Balance at beginning and end of period		**302,822**	107,124
Cumulative Translation Adjustment			
Balance at beginning of year		**1,325,522**	1,114,326
Exchange differences on foreign currency translation		**(48,673)**	61,340
Balance at end of period		**1,276,849**	1,175,666
Total balance at end of year of other comprehensive income		**1,579,671**	1,282,790
Retained Earnings (Deficit)			
Balance at beginning of year		**(10,795,479)**	(7,303,949)
Net income (loss)		**(243,673)**	(394,004)
Balance at end of period		**(11,039,152)**	(7,697,953)
Treasury Shares	**11**	**(5,774)**	(5,774)
NON-CONTROLLING INTERESTS			
Balance at beginning of year		**(2,384,910)**	(2,835,959)
Total comprehensive income attributable to non-controlling interests		**(555)**	771
Balance at end of period		**(2,385,465)**	(2,835,188)
		$16,459,215	$19,053,810

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES

(A Subsidiary of Strongoak Inc.)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months ended March 31,	
	2023	2022
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	**($234,575)**	($390,147)
Adjustments for:		
Depreciation and amortization	**224,227**	205,215
Interest expense	**185,469**	91,417
Foreign exchange (gain)/loss	**6,592**	(49,663)
Interest income	**(64)**	(79)
Operating income (loss) before working capital changes	**181,649**	(143,257)
Decrease (increase) in:		
Trade and other receivables	**(3,222,029)**	624,614
Inventories	**1,454,430**	225,008
Other current assets	**(747,067)**	(203,142)
Other noncurrent assets	**(39,763)**	55,877
Decrease in trade and other payables	**1,480,700**	(100,225)
Net cash from operations	**(892,079)**	458,875
Income tax paid	**(972)**	(4,889)
Interest received	**64**	79
Net cash from operating activities	**(892,987)**	454,065
CASH FLOWS FROM AN INVESTING ACTIVITY		
Additions to property, plant and equipment	**(64,613)**	(40,329)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net loan availments (payments)	**(609,422)**	(3,340,452)
Payments of interest	**(185,469)**	(91,417)
Net cash from financing activities	**(794,891)**	(3,431,869)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**35,835**	(51,582)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(1,716,656)**	(3,069,715)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**3,050,221**	4,442,099
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**$1,333,565**	$1,372,384

See accompanying Notes to Interim Condensed Consolidated Financial Statements

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES
(A Subsidiary of Strongoak Inc.)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information**

General Information
Alliance Select Foods International, Inc. (ASFII or the "Parent Company"), a publicly-listed corporation under Section 17.2 of the Securities Regulation Code (SRC), was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 1, 2003. The Parent Company is primarily engaged in the business of manufacturing, canning, importing and exporting of food products such as marine, aquaculture and other processed seafoods. Its shares are listed in the Philippine Stock Exchange (PSE) since November 8, 2006.

Strongoak Inc. (Strongoak), the immediate parent of ASFII, owns 55.32% of ASFII. Strongoak is a domestic company engaged in investment activities.

Subsidiaries
The condensed consolidated financial statements as at March 31, 2023 include the accounts of ASFII and the following subsidiaries (collectively referred herein as the "Group"):

Name of Subsidiary	% of Ownership	Nature of Business	Principal Place of Business
Big Glory Bay Salmon and Seafood Company, Inc. (BGB)	**100**	Salmon and other seafoods processing	Philippines
PT International Alliance Food Indonesia (PT IAFI)	**99.98**	Export trading	Indonesia
Alliance MHI Properties, Inc. (AMHI)	**98.89**	Leasing	Philippines
PT Van De Zee (PT VDZ)	**49**	Fishing	Indonesia

BGB. BGB has plant facilities that are located in Barrio Tambler, General Santos City.

PT IAFI and PT VDZ. PT IAFI was established under the Indonesian Foreign Capital Investment Law. On October 18, 2019, PT IAFI changed its core business operations to export trading, and sold its fixed assets in North Sulawesi, Bitung, Indonesia. PT IAFI is currently not in operation.

PT IAFI owns 49% of PT VDZ, a fishing company. Due to subsequent changes in Indonesian fishing regulations restricting foreign commercial fishing, PT VDZ is currently not in operation and going through liquidation in Indonesia.

2. **Basis of Preparation and Statement of Compliance**

Basis of Preparation

The interim condensed consolidated financial statements have been prepared on a going concern basis and in accordance with Philippine Financial Reporting Standards (PFRS). This financial reporting framework includes all applicable PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations from the International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability reporting Standards Council (formerly Financial Reporting Standards Council) and adopted by the SEC, including SEC pronouncements

The interim condensed consolidated financial statements comprise the interim consolidated statements of financial position, interim consolidated statements of comprehensive income, interim consolidated statements of changes in equity, interim consolidated statements of cash flows, and notes thereto. Income and expenses, excluding the components of other comprehensive income, are recognized in the interim statements of comprehensive income. Transactions with the owners of the Group in their capacity as owners are recognized in the interim consolidated statements of changes in equity.

Basis of Consolidation

The interim consolidated financial statements comprise the financial statements of the Parent Company and all of its subsidiaries. As at March 31, 2023, there were no changes in the Parent Company's ownership interests in its subsidiaries.

Subsidiaries. Subsidiaries are entities in which the Group has control. The Group controls a subsidiary if it is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Control is generally accompanied by a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are substantive are considered when assessing whether the Group controls an entity. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date when the Group obtains control and continue to be consolidated until the date when such control ceases. The results of operations of the subsidiaries acquired or disposed are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

The financial statements of the subsidiaries are prepared using the same reporting period of the Parent Company. Interim condensed consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated in full.

A change in ownership interest of a subsidiary, without a change in control, is accounted for as an equity transaction. Upon the loss of control, the Group derecognizes the assets (including goodwill) and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Gain or loss arising from the loss of control is recognized in profit or loss. If the Group retains interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of interest retained.

Non-controlling Interests. Non-controlling interests represent the portion of profit or loss and net assets not held by the Group, presented within equity in the interim condensed consolidated statement of financial position, separately from equity attributable to equity holders of the Parent Company.

Non-controlling interests represent the interests of minority shareholders of PT IAFI, PT VDZ, and AMHI.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in an outcome that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period when 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.

4. Cash and Cash Equivalents

This account consists of cash on hand, cash in banks, and cash equivalents, if there are any.

Cash in banks earn interest at prevailing bank deposit rates. Cash equivalents pertain to cash placement with a bank for varying periods of up to three months depending on the immediate cash requirements of the Group.

5. Trade and Other Receivables

This account consists of:

	March 31, 2023	December 31, 2022
Trade receivables	**$9,576,496**	$6,265,818
Others	**2,958,687**	3,053,191
	12,535,183	9,319,009
Less allowance for impairment losses	**(2,867,069)**	(2,869,361)
	$9,668,114	$6,449,648

Trade receivables are generated from the sale of inventories and are generally collectible within 30 to 90 days.

Other receivables include claims for refunds from government agencies and claims from insurance, suppliers and other parties.

6. **Inventories**

This account consists of:

	March 31, 2023	December 31, 2022
Finished goods	**$1,869,323**	$2,644,744
Raw materials	**721,730**	1,923,158
Packaging supplies	**1,499,734**	977,315
	$4,090,787	**$5,545,217**

7. **Other Current Assets**

This account consists of:

	March 31, 2023	December 31, 2022
Advances to suppliers	**$2,403,941**	$1,923,276
Input VAT	**1,365,126**	1,204,546
Other Prepayments	**514,925**	535,059
	4,283,992	3,662,881
Allowance for impairment losses	**(304,968)**	(304,968)
	$3,979,024	**$3,357,913**

8. **Trade and Other Payables**

This account consists of trade payables, accrued expenses, customers' deposit and statutory payables.

Trade payables are noninterest-bearing and are generally settled within 30 days. Trade payables includes the current portion of the liability related to the acquisition of solar power equipment.

Accrued expenses include accruals for salaries and wages, professional fees, interest, freight, security services, commission and customers' claims. Accrued expenses are usually settled in the following month.

Statutory payable includes amounts payable to government agencies such as SSS, Philhealth and Pag-IBIG and are normally settled in the following month.

9. **Loans Payable**

Loans payable include borrowings from local banks and investment banks.

Loans from local banks represent availments of revolving facilities, export packing credit and export bills purchase with term ranging from 3 to 6 months.

Long-term loans are from local banks, which are denominated in dollar and peso, bearing annual interest rate ranging from 3% to 8%.

10. **Equity**

Capital Stock

Details of the Company's capital stock as at March 31, 2023 and December 31, 2022 are as follows:

	2023		2022	
	Shares	**Amount**	Shares	Amount
Authorized				
Ordinary shares at ₱0.50				
Balance at beginning and end of period	**3,000,000,000**	**₱1,500,000,000**	3,000,000,000	₱1,500,000,000
Issued and Outstanding				
Total issued and fully paid	**2,500,000,000**	**26,823,389**	2,500,000,000	26,823,389
Treasury Stock	**(287,537)**	**(5,774)**	(287,537)	(5,774)
Balance at beginning and end of period	**2,499,712,463**	**$26,817,615**	2,499,712,463	$26,817,615

11. **Income (Loss) Per Share**

The calculation of the basic and diluted income (loss) per share is based on the following data:

	Three Months Ended March 31	
	2023	2022
Net income (loss) attributable to Parent Company	**($243,673)**	**($394,004)**
Weighted average number of ordinary shares outstanding	**2,499,712,463**	**2,499,712,463**
	($0.00010)	**($0.00016)**

The weighted average number of shares refers to shares in circulation during the period that is after the effect of treasury shares.

12. **Significant Agreements**

Short-term Leases

The Group entered into operating leases with third parties for its forklifts, container van and warehouse. The contracts have a term ranging from six months to one year with varying monthly rent. The leases are renewable upon mutual agreement between parties.

Long-term Leases

ASFII entered into a lease agreement for its head office space with a third-party lessor on July 16, 2018, effective until July 15, 2023 and renewable upon mutual agreement of the parties.

13. **Financial Risk Management Objectives and Policies**

The Group's principal financial instruments comprise mainly of cash and cash equivalents, trade and other receivables, trade and other payables (excluding statutory payable and customers' deposit), loans payable, due to related parties and refundable lease deposits. The main purpose of these financial instruments is to finance the Group's operations.

The Group's is exposed to credit risk, market risk and liquidity risk. The Group's BOD and management review and approve the policies for managing each of the risks summarized below.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The gross maximum exposure of the Group to credit risk before taking into consideration collateral and other credit enhancements amounted to $13.9 million and $12.4 million as of March 31, 2023 and December 31, 2022, respectively.

Risk Management. Credit risk is managed on a group basis. The Group deals only with reputable banks and customers to limit this risk. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The compliance with credit limits by customers is regularly monitored by management.

As at March 31, 2023 and December 31, 2022, the amount of cash and cash equivalents is neither past due nor impaired and has classified as "High Grade", while trade and other receivables were classified as "Standard Grade". The credit quality of the financial assets is managed by the Group using the internal credit quality ratings as follows

High Grade. Pertains to counterparty who is not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions and companies. Credit quality was determined based on the credit standing of the counterparty.

Standard Grade. Other financial assets not belonging to high grade financial assets are included in this category.

Substandard Grade. Substandard grade financial assets are those which are considered worthless. These are accounts which have the probability of impairment based on historical trend.

As at March 31, 2023 and December 31, 2022, the aging analysis of the Group's financial assets is as follows:

	March 31, 2023					
		Past Due Accounts but not Impaired				
	Neither Past Due nor Impaired	**1 - 30 Days Past Due**	**31 - 60 Days Past Due**	**Over 60 Days**	**Impaired Financial Assets**	**Total**
Cash in banks	**$1,317,681**	**$–**	**$–**	**$–**	**$–**	**$1,317,681**
Trade and other receivables	**8,182,662**	**976,386**	**94,513**	**414,553**	**2,867,069**	**12,535,183**
	$6,161,542	**$485,578**	**$633,767**	**$414,552**	**$2,867,069**	**$13,852,864**

	December 31, 2022					
		Past Due Accounts but not Impaired				
	Neither Past Due nor Impaired	1 - 30 Days Past Due	31 - 60 Days Past Due	Over 60 Days	Impaired Financial Assets	Total
Cash in banks	$3,039,349	$–	$–	$–	$–	$3,039,349
Trade and other receivables	5,558,286	778,392	13,674	99,296	2,869,361	9,319,009
	$8,597,635	$778,392	$13,674	$99,296	$2,869,361	$12,358,358

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and debt and equity investments.

Foreign Currency Risk. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group has transactional currency exposures arising from purchase and sale transactions denominated in currencies other than the reporting currency. The Group does not enter into forward contracts to hedge currency exposures.

As part of the Group's risk management policy, the Group maintains monitoring of the fluctuations in the foreign exchange rates, thus managing its foreign currency risk.

Liquidity Risk.

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet commitments from financial instruments. It may result from either the inability to sell assets quickly at fair values or failure to collect from counterparty.

The Group's objective is to maintain a balance between continuity of funding and flexibility through related party advances and aims to manage liquidity as follows:

a. To ensure that adequate funding is available at all times;

b. To meet commitments as they arise without recurring unnecessary costs; and

c. To be able to assess funding when needed at the least possible cost.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit standing and stable capital ratios in order to support its business and maximize shareholder value. The Group maintains its current capital structure and will make adjustments, if necessary, in order to generate a reasonable level of returns to stockholders over the long term. No changes were made in the objectives, policies or processes during the year.

The Group considers the equity presented in the interim condensed consolidated statements of financial position as its core capital.

The Group monitors capital using debt to equity ratio, which is total debt divided by total equity. The debt-to-equity ratio as at March 31, 2023 and December 31, 2022, follows:

	2023	2022
Debt	**20,568,569**	19,675,596
Equity	**16,458,740**	16,752,116
	$1.25:1	$1.17:1

The Group is not subject to any externally imposed capital requirements.

Debt is composed of trade and other payables, loans payable, due to related parties and income tax payable, while equity includes share capital, reserves of the Group and non-controlling interests, less treasury shares. The computed ratios above are acceptable.

The Group reviews its capital structure on an annual basis. As part of this review, the Group considers the cost of capital and the risks associated with it.